standing order, the Senate will resume the consideration of the unfinished business (S. 1539), at which time an amendment by Mr. GURNEY will be the pending question before the Senate.

There is a time limitation on that amendment of not to exceed 6 hours, with a final vote to occur thereon at 5 p.m. tomorrow.

It has already been ordered that Mr. BAYH and Mr. ERVIN may offer amendments to the Gurney amendment, with the understanding that the Ervin amendment would be called up at no later than the hour of 3 o'clock p.m. tomorrow.

At the hour of 11:30 a.m., the Gurney amendment will be temporarily laid aside, and the amendment by Mr. MCCLELLAN will again be before the Senate, with an amendment thereto to be proposed by Mr. BROOKE.

There is a time limitation on the amendment of the Senator from Massachusetts (Mr. BROOKE) to the amendment of the Senator from Arkansas (Mr. MCCLELLAN) of not to exceed 45 minutes, with a vote to occur on the Brooke amendment to the McClellan amendment at the hour of 12:15 p.m.

The vote will occur on the McClellan amendment, as amended if amended, immediately following the vote on the Brooke amendment.

The Senate will then resume the consideration of the Gurney amendment. With the exception of the Brooke amendment and the McClellan amendment, it was agreed some days ago that all amendments to be considered to the bill tomorrow will be so-called busing amendments.

Have I correctly stated the program for tomorrow, may I ask the Chair?

The PRESIDING OFFICER. The Senator has correctly stated the program for tomorrow, in accordance with the Chair's records.

Mr. ROBERT C. BYRD. I thank the Chair.

Conceivably then, Mr. President, I think Senators should be alerted to the fact that rollcall votes could occur prior to the hour of 11:30 a.m., at which time the Senate will begin consideration of the Brooke amendment to the McClellan amendment. Undoubtedly two rollcall votes will occur beginning at 12:15 p.m., back to back, with one on the Brooke amendment to the McClellan amendment, to be followed by the vote on the McClellan amendment as amended, if amended.

This does not rule out, however, the possibility of rollcall votes occurring on the Bayh or Ervin amendments to the Gurney amendment prior to 11:30 a.m.

According to the program I have stated, the Senate will resume the consideration of the education bill at about 9:05 a.m. tomorrow, at which time the Gurney amendment will be before the Senate.

Mr. GRIFFIN. Mr. President, will the Senator from West Virginia yield for a question?

Mr. ROBERT C. BYRD. I am glad to yield to the Senator from Michigan.

Mr. GRIFFIN. As I understand it, the Senator from Florida (Mr. GURNEY) has been assured that there will be 6 hours of debate on his amendment.

On the other hand, there is also an agreement that there will be a vote on the Gurney amendment at 5 p.m. There has been a modification, that the Brooke and McClellan amendments will be taken up and voted on tomorrow.

I am a little concerned about whether there will be 6 hours of debate on the Gurney amendment if other amendments to the Gurney amendment can be voted on during consideration of the Gurney amendment. Is that a possibility?

Mr. ROBERT C. BYRD. Mr. President, in response to the question from the distinguished assistant Republican leader, that is a possibility, but I think the situation will work out all right. Under the agreement, it would be in order for Mr. ERVIN and Mr. BAYH to offer amendments to the Gurney amendment at any time during the day, with the proviso that Mr. ERVIN is required to offer his amendment not later than 3 p.m. But if I understand the agreement, any other amendments to the Gurney amendment—unless by unanimous consent they were allowed to come in prior to the expiration of the time, or the hour of 5 o'clock p.m., whichever is earlier—could not be offered until the hour of 5 p.m. They could then be offered but without any time for debate thereon. A vote could be gotten on such amendments to be immediately followed by a vote on the Gurney amendment, as amended.

The PRESIDING OFFICER. The Senator is correct.

Mr. GRIFFIN. Mr. President, is it not also correct that under the unanimous-consent agreement time on the bill is under the control of the majority leader and the minority leader or their designees?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRIFFIN. I thank the Chair.

ADJOURNMENT TO 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9 a.m. tomorrow morning.

The motion was agreed to; and at 7:24 p.m. the Senate adjourned until tomorrow, Wednesday, May 15, 1974, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 14, 1974:

COASTAL PLAINS REGIONAL COMMISSION

Russell Jackson Hawke, Jr., of North Carolina, to be Federal Cochairman of the Coastal Plains Regional Commission.

DEPARTMENT OF JUSTICE

David O. Trager, of New York, to be U.S. attorney for the eastern district of New York for the term of 4 years.

John T. Pierpont, Jr., of Missouri, to be U.S. marshal for the western district of Missouri for the term of 4 years.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Tuesday, May 14, 1974*

The House met at 12 o'clock noon.

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

The Lord is my light and my salvation; whom shall I fear?—Psalms 27: 1.

Eternal God, our Father, who art our refuge and our strength in every age Thou art with us in this present hour seeking to strengthen us, endeavoring to enlighten us and striving to support us in every effort we make for a righteous, a sober, and a genuinely good nation.

Lift us all, we pray Thee, out of the depths of discouragement and disillusionment and lead us up to the endless splendor of a new and greater day when men shall repent of their sins, receive Thy forgiveness, and learn to live together in love for one another and in peace with all Thy family.

Almighty Father, who dost give
The gift of life to all who live,
Look down on all earth's sin and strife
And lift us to a nobler life.

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

H.R. 5621. An act to amend title 10, United States Code, to provide for the presentation of a flag of the United States for deceased members of the Ready Reserve.

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

S. 634. An act to declare that certain federally owned lands shall be held by the United States in trust for the Kootenai Tribe of Idaho, and for other purposes;

S. 1411. An act to authorize the Sisseton and Wahpeton Sioux Tribe of the Lake Traverse Reservation to consolidate its landholdings in North Dakota and South Dakota, and for other purposes; and

S. 3398. An act to amend title 38, United

States Code, to provide a 10-year delimiting period for the pursuit of educational programs by veterans, wives, and widows.

INTRODUCING OLD FOLKS LEGISLATION

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

Mr. YOUNG of South Carolina. Mr. Speaker, inflation is a cruel thing. And it is particularly cruel to our older people who have to live on a fixed income.

Today, as all of our prices and costs of living continue to rise, many of our senior citizens are in real economic trouble, particularly those whose retirement income is from sources other than social security or railroad retirement, because this income does not get the same tax credits as are available for social security income benefits.

The Internal Revenue Code of 1964 granted the same relief to these people that is allowed for those receiving retirement benefits from social security and railroad retirement. But the relief granted in 1964 was for a fixed dollar amount, an amount equal to the then top social security payment. Today, that same fixed dollar amount, $1,524, still prevails for these people although social security benefits and retirement benefits have risen again and again and again.

I am proposing legislation today that will bring equal tax relief to those on programs other than social security and railroad retirement. This was the intent of the code of 1964 and all we need to do to make this a parallel benefit is to place the credit on a basis equal to that allowed on social security or railroad retirement rather than tying it to a fixed dollar amount.

Under this legislation identical tax credits will be allowed to our senior citizens no matter what their retirement program might be. These people need this help. I am sure that all of you will join me in immediately correcting this inequity.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 218]

Addabbo	Camp	Dennis
Alexander	Carey, N.Y.	Devine
Anderson, Ill.	Carter	Diggs
Andrews, N.C.	Casey, Tex.	Dingell
Arends	Chisholm	Dorn
Ashley	Clancy	Dulski
Badillo	Clark	Frey
Biaggi	Clay	Gettys
Blatnik	Conyers	Giaimo
Brasco	Davis, Ga.	Gibbons
Breckinridge	Davis, S.C.	Gilman
Buchanan	de la Garza	Grasso
Burke, Calif.	Delaney	Gray
Burke, Fla.	Dellums	Green, Oreg.
Gunter	Mills	Shuster
Harrington	Mink	Slack
Hastings	Mollohan	Staggers
Hawkins	Morgan	Stephens
Hébert	Murphy, N.Y.	Stubblefield
Heinz	Nelsen	Sullivan
Helstoski	Nix	Symington
Holifield	Pettis	Talcott
Hudnut	Preyer	Taylor, N.C.
Hunt	Rees	Teague
Jarman	Reid	Thone
Johnson, Pa.	Rhodes	Traxler
Karth	Rogers	Udall
Kyros	Roncallo, N.Y.	Vander Jagt
Litton	Rooney, N.Y.	Waldie
McCloskey	Rose	Williams
McKinney	Sandman	Wyatt
Matsunaga	Scherle	

The SPEAKER. On this rollcall 338 Members have recorded their presence by electronic device, a quorum.

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

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. MURPHY of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

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

There was no objection.

EXTENSION FOR THE PRESIDENT'S NATIONAL COMMISSION ON PRODUCTIVITY

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 895 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 895

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 (S. 1752) prescribing the objectives and functions of the National Commission on Productivity and Work Quality. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois, Mr. Speaker, I yield the usual 30 minutes to the minority, the distinguished gentleman from California (Mr. DEL CLAWSON). Pending which, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 895 provides for an open rule with 1 hour of general debate on S. 1752, a bill authorizing the extension of the President's National Commission on Productivity.

S. 1752 sets clear priorities for the Commission's work by mandating that it concentrate its efforts in trying to promote the productivity of the American economy and to improve worker morale and quality of work. It has three primary means to implement these objectives: First, to create labor-management productivity councils, which can be of the type now being applied in the steel industry; second, to conduct research that is directly necessary to achieve its objectives; and third, to promote its objectives through public information work.

S. 1752 also provides that the Commission shall coordinate with the Council of Economic Advisers and submit annual reports which document its past activities and future plans. The bill authorizes the appropriation of $5 million for the period ending June 30, 1974.

Mr. Speaker, I urge adoption of House Resolution 895 in order that we may discuss and debate S. 1752.

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

Mr. Speaker, House Resolution 895 is the rule which provides for the consideration of S. 1752, Extension of the President's National Commission on Productivity, under an open rule with 1 hour of general debate.

The primary purpose of S. 1752 is to authorize the extension of the President's National Commission on Productivity.

The name of the commission is to be changed to the National Commission on Productivity and Work Quality.

The purpose of the commission is to promote productivity and to improve worker morale. The three primary means to carry out these purposes are: First, create productivity councils; second, conduct relevant research; and third, promote objectives through public information.

Mr. Speaker, I do not object to the adoption of the rule.

Mr. Speaker, I yield 5 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, to refresh the memories of the Members of the House with respect to this legislation, an attempt was made to pass it under suspension of rules on July 17, 1973, which is less than a year ago. The vote was 237 against and 174 in favor.

What in the world it is doing back here is beyond me. I take this time in order to try to find out just what has happened in the interim and why, in view of that vote against the bill, the Committee on Banking and Currency has the nerve to bring it up again.

Just what has happened in the interim that makes them think that the House is in any more of an acceptable mood than it was on July 17 last year?

Could the distinguished chairman of the Committee on Banking and Currency, the gentleman from Texas (Mr. PATMAN), please inform the House of the necessity to extend the life of this Commission that was so soundly beaten down last July?

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

Mr. GROSS. Mr. Speaker, I am glad to yield to the gentleman from Texas.

Mr. PATMAN. Mr. Speaker, I say to the gentleman that many people in this country think that this is a good bill. It has been considered quite a while. It has been discussed all over the Nation. A lot of people are well informed on it; some are not so well informed on it. There is a difference of opinion on either side, I assume, but this is an administration bill. This is a Democratic Congress, House and Senate.

Mr. GROSS. Does it make it any more acceptable that the administration is supporting it? Does that make it any more acceptable today than it was unacceptable last July?

Mr. PATMAN. Not from my standpoint, I will state to the gentleman, but there is a little difference here. The other party decided that they did not get the square deal before, that their people were not here and therefore the vote was lost. They did not feel that they had gotten just the square deal which they should have gotten, and asked for a reconsideration.

It is not unusual to have reconsideration of a bill. It is certainly an exception that is not granted very often, and this is not granted very often, but this will be on its merits. There is no gag rule here. It is open for amendments, and any Member can offer an amendment. There is nothing about it that is unusual in legislation.

Mr. GROSS. I do not know of anyone who would want to amend a proposal of this kind that has so little merit. Why do we not just kill it under the rule again and get rid of it? I know the work schedule for today is not heavy, but why waste further time on a piece of legislative trash such as this?

Mr. PATMAN. The gentleman has a right to vote any way he wishes. He often does that, and he is often right. I do not say he is wrong any time. I do not know of any vote in which he has taken a position against the public interest, but all the rest of the Members have the same voice and every Member should vote his own conviction, and no one has a right to criticize the vote of another Member of the House.

Mr. GROSS. Just a moment, I am not criticizing the votes of other Members of the House. I am criticizing the fact that this legislation is even before the House. That is what I am criticizing. Having been decisively defeated once, why would we have it up here again? We can find better ways than this to spend $5 million; can we not?

Mr. PATMAN. This is not unusual, to have a bill revived and another rule granted and even passed. There are many laws on the statute books today that are only laws after reconsideration, and which were passed on reconsideration.

Mr. GROSS. This is not reconsideration in the strict sense of the word. This is merely a rerun of a piece of once-dead legislation.

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

Mr. DEL CLAWSON. Mr. Speaker, I yield 5 additional minutes to the gentleman from Iowa.

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

Mr. GROSS. Mr. Speaker, I yield to the gentleman from California.

Mr. SISK. Mr. Speaker, I appreciate my colleague from Iowa yielding to me. Let me say that I will take some responsibility, I suppose, for this bill being back on the floor, since I did take leadership in securing a rule on the legislation.

Let me say to my colleague from Iowa that I am going to bare my soul to him. I was one of those who voted against this bill when it was before the House before. I have had an intimation since that time, very frankly, that the Commission did accomplish a great deal in connection with various sources of economics of this country. They were particularly helpful in connection with transportation, I came to find out. Let me say, as one who did take the initiative in securing a rule, that I think we are under an open rule where I understand an amendment very likely will be offered, which I may very well support, to reduce the amount of authorization from probably $5 million to, I believe, $2½ million. That is probably in order, so I think the House should be entitled to discuss this on its merits.

Mr. Speaker, let me say that I am here baring my soul as one of those who did vote against it. I have repeated because I have come to find out that in practice the Commission has been most helpful, particularly in the transportation industry in this country, by getting shippers, growers, producers, manufacturers, and others together.

Mr. GROSS. Mr. Speaker, I would like to accommodate the gentleman from California. I appreciate the fact that he did arise to bare his soul and say, "I made a very bad mistake a year ago that I did not vote to give this Commission $5 million." For what, I do not know. But I am sure the gentleman can explain it.

Tell me why this Commission has been so effective in the matter of productivity; we do not read something about it in this, the brief report accompanying the bill. Where is the report of the Commission and its claim of accomplishment?

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

Mr. GROSS. I am happy to yield to the gentleman from California.

Mr. SISK. Mr. Speaker, I, of course, did not write the report and do not claim any responsibility one way or the other. I have had opportunity, though, since we last discussed this matter, to make a rather comprehensive study of its activities and of its accomplishments. Let me assure the gentleman that if the House is given an opportunity to discuss this, I think we, in fact, can prove that they have been helpful in productivity, because the area of productivity is where, to a large extent, this country is failing.

Mr. Speaker, unfortunately, our ability to produce is not being justified under the inflationary pressures that we are in, and this Commission has made some headway in helping in this area.

Mr. GROSS. Mr. Speaker, my friend, the gentleman from California, does not believe for 1 minute—and I know he does not believe for 1 minute—that the extension of the life of a commission to study productivity is going to make any real difference until the root evil and cause of what is taking place is disposed of. The evil is unbalanced Federal budgets, huge deficits, and inflation.

Mr. SISK. Mr. Speaker, will the gentleman yield on that point?

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

Mr. SISK. Mr. Speaker, this Commission goes far beyond any study. They are not just studying. They have been active. In fact in California they were responsible for getting the growers, the shippers, the railroads, and the receivers to sit down together and work out a program where we cut the turnaround time on refrigerator cars on the west coast by more than half.

Mr. GROSS. Mr. Speaker, evidently this commission spent all its time in California, because it does not show any results in Iowa or elsewhere.

Mr. HUNGATE. Mr. Speaker, will the gentleman from Iowa yield?

Mr. GROSS. I yield to the gentleman from Missouri.

Mr. HUNGATE. As I drove up this morning, I saw a billboard that says, "America only works halftime." Unless I misread it, that was put up by the Council on Productivity. Is it possible that I read that correctly? Is that being consistent?

Mr. GROSS. It certainly does not appear to be consistent.

Mr. HUNGATE. I thank the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, here we are asked to spend $5 million, but it is suggested that can be cut to $2½ million. This is the first admission there is not very much to the substance of this commission when it is proposed to cut it to $2½ million.

Mr. SISK. Will the gentleman yield?

Mr. GROSS. Yes, I yield to the gentleman from California.

Mr. SISK. Mr. Speaker, I would support the bill for $5 million, because I think they are worthy of the moneys allocated. Frankly, I am being realistic. I would hope that my colleague, the gentleman from Iowa, would go along and support the bill for $2½ million. I am just being realistic. Let us be frank about it.

Mr. GROSS. Mr. Speaker, as far as the gentleman from Iowa is concerned, there is no substantiation to be found for this bill. I do not even know whether the $5 million is budgeted or not. There is no statement from the Office of Management and Budget. There is no statement from any other department or agency of the Government justifying it.

Mr. Speaker, this rule and the bill ought to be defeated.

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

Mr. MURPHY of Illinois. I yield 2 minutes to the gentleman from California (Mr. SISK).

Mr. SISK. Mr. Speaker, I just want to answer the last comment by my colleague, the gentleman from Iowa (Mr. GROSS). It is a budgeted item. It is a

matter that the administration is interested in. It is one in which former Secretary of the Treasury, Mr. Shultz, was very much interested in.

On the basis of its record he felt that it would be very helpful to the economy of our country.

I now yield to my colleague from California.

Mr. MCFALL. Mr. Speaker, I agree with my distinguished friend from California. We share the great productive San Joaquin Valley districts, and this productivity commission has helped in the shipment of vegetables and fruits to the East. I think it is a very worthwhile commission. They are doing a good job, and certainly, if there is further discussion on this floor, I hope the Members will vote for the rule.

Mr. DEL CLAWSON. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. WIDNALL).

Mr. WIDNALL. Thank you.

Mr. Speaker, I rise in support of the rule. I believe the Commission has already demonstrated its ability to be productive and its ability to be constructive and to do the things that are vitally needed for the benefit of our economy.

In order really to meet what I see as the mood of the House on this, carrying over from last year, I will offer an amendment which will reduce the $5 million authorization to $2.5 million. I believe the Commission can be fully justified by all the material we have gathered as to what they have been doing up to now.

I would like to call to the attention of the Members on this side of the aisle a letter that they received which was jointly signed by JOHN RHODES and by me endorsing this bill and calling for your support and saying that it was something that the administration wants and needs and something which can be very helpful.

I do not think you should act on an emotional basis toward changing the proposal just because a dollar mark is affixed to it. At this point I include in the RECORD a copy of a letter to the minority leader, Congressman RHODES, from former Secretary of the Treasury George P. Shultz strongly favoring continuance of the work of the National Commission on Productivity. Congressman RHODES has asked me to see that it is placed in the RECORD.

I urgently ask you for your support on the rule and later on the bill.

The letter follows:

THE SECRETARY OF THE TREASURY,
Washington, February 20, 1974.

Hon. JOHN J. RHODES,
House of Representatives,
Washington, D.C.

DEAR MR. RHODES: I want you to know how strongly I favor the continuance of the work of the National Commission on Productivity.

The Commission's first full year of program funding has been very successful. By working closely with labor unions, corporations and government departments, the Commission has developed a practical and useful program in food, health, transportation and government productivity. It is fulfilling its objective to promote labor-management cooperation to affect public policy, and to educate the public on the need for the benefits of productivity growth.

It is vital that S. 1752 be favorably acted upon by the House to provide continuing authority for the Commission, in order to preserve a small but very important advocate for productivity improvement in this country.

Sincerely yours,

GEORGE P. SHULTZ.

Mr. MURPHY of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, I thank the distinguished gentleman from Illinois for giving me this opportunity.

This is the first time I rise in opposition to a rule since I have been in the House. I reluctantly do so and hate to disagree with my distinguished colleagues such as the gentleman from California (Mr. SISK) and our very distinguished chief whip, his fellow colleague from California (Mr. MCFALL), but I am compelled to do so by the fact that what the gentleman from Iowa said is very correct. He is not wrong.

Nothing has transpired since the last consideration by this House of this legislation to add one argument in behalf of committing the Congress toward the preservation of this commission much less $5 million worth.

The truth of the matter is that those of us who considered this matter in the committee looking at the only reports presented to us clearly and honestly could not conceive that it was worthwhile to continue this commission.

In the first place, let us consider what happened since we last considered the matter here and overwhelmingly voted against this bill. It came up under a suspension of the rules and the vote against it was so bountiful that it was in excess of the majority saying that they were against this bill.

Let us review what has happened since then.

In my case I received one report triggering off correspondence from Texas obviously on the basis that if some Texans would write to me, I might change my mind on the matter. What they were writing about was the efforts of the commission on, guess what? A productivity committee study on hospital care. The HEW has millions and billions of dollars; it has bureaus of all kinds. So I cannot imagine spending another $1 million on the part of a productivity commission studying productivity of hospitals or illness or reductions in cost.

What it is, I do not know.

Whatever studies they are contemplating, at least in the opinion of this Member, hardly justifies the creation or the perpetuation of a new commission.

Mr. Speaker, I am opposed to the bill, and on this occasion I am opposed to the rule also because there is no reason to warrant, as the gentleman from Iowa (Mr. GROSS) has said, a reconsideration of this matter based on any new presentation of fact to justify the continuation of this commission.

In effect this commission is really just another governmental employment service. It has not performed one service that I can see. For instance, the one great source or study that they give us was the study having to do with the water content of tomatoes—California tomatoes. If anyone can tell me how one can justify a new commission to study that when we have the millions of dollars that have been earmarked for that kind of study in the Department of Agriculture, then maybe they can convince me of that, and maybe I will reverse my mind. But, as it stands, I must appear here before the Members and be brutally frank, and say that it represents nothing more than just one more governmental employment agency which has given jobs to some. That is it.

Let us be done with this business of creating a national commission on every conceivable problem. This very House in its reform efforts has acted on that, and said that this is bad policy, this idea of creating new commissions or perpetuating commissions and earmarking millions of dollars here, there, and everywhere. This is no good. In fact, that is unproductive.

Let us address ourselves to the real problem in this country. Are we unproductive? No. Could we be more productive? Yes. But we do not need a commission to tell us that. We need to look at the real world, and in that real world high productivity comes out of a high level of competition and a generally sound economy and a good level of spending on new plants and new kinds of equipment. There is no secret or mystery about that.

When the distinguished gentleman from California points to some work in coordinating transportation in California the gentleman in effect is adding a very strong argument against perpetuating this commission, because it clearly reveals that the millions and millions of dollars that the Secretary of Transportation has been telling us about for the last 5 years has been spent for that purpose, has been duplicated by this so-called Commission on Productivity.

Mr. DEL CLAWSON. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Speaker, I am afraid that there is some misrepresentation being made here about what this Commission has done or has not done, and I am convinced that perhaps the Commission has been unfairly portrayed in some of the observations that have been made by some of my colleagues.

Let me point out some of the productive acts that this Commission has engaged in, and some of the contributions it has made to the well-being of America, and to the American consumers.

First of all in the food industry the National Commission on Productivity put forth a plan for a daily train from the west coast to the east coast to handle perishable fruits and vegetables. Prior to that time each car had to be loaded separately, and each car might be stopped in some railroad yard for 12 to 14 hours, or perhaps overnight. As a result, there was a great deal of waste, and a great spoilage in the delivery of fruits and vegetables from the west coast to the east coast. Today there has been established a unit train which is directly attributable to the activity of this National Productivity Commission.

Further, as a result of this Commission's activities the Interstate Commerce Commission has opened the way for

more expeditious use for back hauls by retailers. As the Members, I am sure, are aware, under current and previous regulations a truck which hauled a complete load going to one location generally would have to go back to its point of origin completely empty.

We talk about the waste of energy and we talk about the conservation of gasoline and diesel fuels, that are becoming increasingly in short supply, but just through this one very simple step it has made it far more productive through calling this to the attention of the Interstate Commerce Commission, and thus reducing considerably the consumption of energy in the transportation of our goods throughout the country.

Another activity in which the Commission has been most productive and most helpful is in acting with State and local governments to improve the delivery of governmental services at the local level. For example, they have made studies in connection with the FBI to show the best methods of delivering police protection services in communities of similar size and similar economic backgrounds.

The Commission has even made recommendations for the best methods of collecting waste garbage or solid waste in trash collection systems throughout our country. One of the most serious problems facing our country today, and every local government in America, whether it is a city government or a county government, is handling such a *simple matter* as solid waste disposal. This productivity commission has made solid, concrete suggestions that can be utilized by every city and every county government in America. This is the only central organization in the country that is performing this most valuable service.

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

Mr. BLACKBURN. I yield to the gentleman from New York.

Mr. SMITH of New York. I thank the gentleman for yielding.

The gentleman from Texas brought up a question in regard to railroad car turnarounds, as to why the Department of Transportation did not handle that, not this Commission. Would the gentleman care to comment on that and also its activities in the solid waste disposal?

Mr. BLACKBURN. I really did not hear the gentleman's observations about the railroad turnarounds.

Mr. SMITH of New York. What he said, in effect, was that this was duplicating what the Department of Transportation was supposed to do.

Mr. BLACKBURN. I certainly am not afraid of duplicating some of the activities of the Department of Transportation. In fact, I find that many times an agency which has an administrative function over some aspect of our commercial lives itself becomes captive of the very organization it is supposed to regulate. That could well be the situation with the Department of Transportation. They are going to railroad people asking them how to handle railroad cars, and they are being told to handle them in the exact same way they have been handling them for the last 100 years.

The SPEAKER. The time of the gentleman has expired.

Mr. DEL CLAWSON. I yield 1 additional minute to tne gentleman from Georgia.

Mr. BLACKBURN. I tnank the gentleman.

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

Mr. BLACKBURN. I yield to the gentleman from New York.

Mr. SMITH of New York. Mr. Speaker, I think the gentleman is correct on that. It seems to me that a Commission whose function and objective is to look for means to increase productivity might be a very good one to go into many different fields and many different agencies to pick up the areas there that they have not been able to handle.

Mr. BLACKBURN. I certainly agree with the gentleman from New York.

Mr. Speaker, I urge my colleagues to support the rule.

Mr. J. WILLIAM STANTON. Mr. Speaker, will the gentleman yield?

Mr. BLACKBURN. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. I think the gentleman for yielding.

I wonder if the gentleman in the well will not verify that when there was objection to this bill last July, the big hue and cry was that we were not in a parliamentary procedure under which this bill could be amended. I read the transcripts last July and the arguments were that the gentleman from Iowa was dead set against the whole thing. The other argument was that the bill was going to cost $5 million. Here we are back again. Let us go ahead and vote on this rule.

Mr. BLACKBURN. I certainly agree with the gentleman. It has been stated that the amount of money involved would be cut in half over what we requested some months ago, so the bill is certainly far more palatable today.

Mr. Speaker, I urge my colleagues to vote for the rule.

The SPEAKER. The time of the gentleman has expired.

Mr. DEL CLAWSON. Mr. Speaker, I reserve the balance of my time.

Mr. MURPHY of Illinois. 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 SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 308, nays 57, not voting 68, as follows:

[Roll No. 219]

YEAS—308

Abdnor	Annunzio	Bafalis
Abzug	Armstrong	Barrett
Adams	Ashley	Beard
Andrews, N. Dak.	Aspin	Bell
	Badillo	Bennett
Bergland	Hays	Railsback
Biester	Hébert	Randall
Bingham	Heckler, Mass.	Rangel
Blackburn	Heinz	Regula
Boggs	Hicks	Reuss
Boland	Hillis	Riegle
Bolling	Hinshaw	Rinaldo
Bowen	Hogan	Roberts
Brademas	Holifield	Robinson, Va.
Bray	Holt	Robison, N.Y.
Breaux	Holtzman	Rodino
Brooks	Horton	Roe
Broomfield	Hosmer	Roncalio, Wyo.
Brotzman	Huber	Rooney, Pa.
Brown, Calif.	Hudnut	Rosenthal
Brown, Mich.	Hungate	Rostenkowski
Brown, Ohio	Hunt	Rousselot
Broyhill, N.C.	Hutchinson	Roy
Broyhill, Va.	Ichord	Roybal
Buchanan	Johnson, Calif.	Runnels
Burgener	Johnson, Colo.	Ruppe
Burke, Mass.	Jones, Ala.	Ruth
Burlison, Mo.	Jones, Okla.	Ryan
Burton	Karth	St Germain
Butler	Kastenmeier	Sarasin
Byron	Kemp	Sarbanes
Carney, Ohio	Ketchum	Satterfield
Cederberg	Kluczynski	Schneebeli
Chamberlain	Koch	Schroeder
Chisholm	Kyros	Sebelius
Clausen, Don H.	Lagomarsino	Seiberling
Clay	Lehman	Shipley
Cleveland	Lent	Shoup
Cochran	Long, La.	Shriver
Cohen	Long, Md.	Shuster
Collins, Ill.	Lott	Sikes
Collins, Tex.	Lujan	Sisk
Conable	Luken	Skubitz
Conlan	McClory	Smith, Iowa
Conte	McCollister	Smith, N.Y.
Conyers	McCormack	Snyder
Corman	McDade	Spence
Cotter	McEwen	Stanton, J. William
Coughlin	McFall	Stark
Crane	McKay	Steed
Cronin	McSpadden	Steele
Culver	Macdonald	Steelman
Daniel, Dan	Madden	Steiger, Ariz.
Daniel, Robert W., Jr.	Madigan	Steiger, Wis.
	Mahon	Stokes
Daniels, Dominick V.	Mallary	Stratton
	Mann	Stuckey
Danielson	Maraziti	Studds
Davis, Ga.	Martin, N.C.	Symington
Davis, Wis.	Mathias, Calif.	Taylor, Mo.
Dellenback	Mathis, Ga.	Taylor, N.C.
Denholm	Mayne	Thomson, Wis.
Dent	Mazzoli	Thornton
Donohue	Meeds	Tiernan
Downing	Metcalfe	Towell, Nev.
Drinan	Mezvinsky	Treen
du Pont	Michel	Udall
Eckhardt	Milford	Ullman
Edwards, Ala.	Miller	Van Deerlin
Edwards, Calif.	Minish	Vander Jagt
Eilberg	Mink	Vander Veen
Erlenborn	Minshall, Ohio	Vanik
Esch	Mitchell, Md.	Veysey
Eshleman	Mitchell, N.Y.	Vigorito
Evans, Colo.	Mizell	Waggonner
Evins, Tenn.	Moakley	Waldie
Findley	Montgomery	Walsh
Fish	Moorhead, Calif.	Wampler
Fisher	Moorhead, Pa.	Ware
Flood	Mosher	Whalen
Flowers	Moss	White
Foley	Murphy, Ill.	Whitehurst
Forsythe	Murtha	Widnall
Fraser	Myers	Wilson, Bob
Frelinghuysen	Natcher	Wilson, Charles, Tex.
Frenzel	Nelsen	Winn
Frey	Nichols	Wolff
Froehlich	Obey	Wydler
Fulton	O'Brien	Wylie
Fuqua	O'Neill	Wyman
Gaydos	Owens	Yates
Gibbons	Parris	Yatron
Gilman	Passman	Young, Alaska
Goldwater	Patman	Young, Fla.
Green, Pa.	Patten	Young, Ga.
Grover	Pepper	Young, Ill.
Gubser	Perkins	Young, S.C.
Gude	Peyser	Young, Tex.
Guyer	Pike	Zablocki
Hamilton	Podell	Zion
Hanley	Preyer	Zwach
Hanna	Price, Ill.	
Hanrahan	Pritchard	
Hansen, Idaho	Quie	
Hastings	Quillen	

NAYS—57

Alexander	Archer	Bauman
Anderson, Calif.	Ashbrook	Bevill
	Baker	Brinkley

Burke, Fla.	Hammer-	Nedzi
Burleson, Tex.	schmidt	O'Hara
Casey, Tex.	Harsha	Pickle
Clawson, Del	Hechler, W. Va.	Poage
Dennis	Henderson	Powell, Ohio
Devine	Jarman	Price, Tex.
Dickinson	Jones, N.C.	Rarick
Duncan	Jones, Tenn.	Roush
Fascell	Jordan	Stanton,
Flynt	Kazen	James V.
Ford	King	Symms
Fountain	Kuykendall	Teague
Ginn	Landgrebe	Traxler
Gonzalez	Landrum	Whitten
Goodling	Latta	Wilson,
Griffiths	Leggett	Charles H.,
Gross	Martin, Nebr.	Calif.
Haley	Melcher	

NOT VOTING—68

Addabbo	Dorn	Pettis
Anderson, Ill.	Dulski	Rees
Andrews, N.C.	Gettys	Reid
Arends	Giaimo	Rhodes
Biaggi	Grasso	Rogers
Blatnik	Gray	Roncallo, N.Y.
Brasco	Green, Oreg.	Rooney, N.Y.
Breckinridge	Gunter	Rose
Burke, Calif.	Hansen, Wash.	Sandman
Camp	Harrington	Scherle
Carey, N.Y.	Hawkins	Slack
Carter	Helstoski	Staggers
Chappell	Howard	Stephens
Clancy	Johnson, Pa.	Stubblefield
Clark	Litton	Sullivan
Collier	McCloskey	Talcott
Davis, S.C.	McKinney	Thompson, N.J.
de la Garza	Matsunaga	Thone
Delaney	Mills	Wiggins
Dellums	Mollohan	Williams
Derwinski	Morgan	Wright
Diggs	Murphy, N.Y.	Wyatt
Dingell	Nix	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Rhodes.
Mr. Biaggi with Mr. Blatnik.
Mr. Delaney with Mr. Dorn.
Mr. Morgan with Mr. Gettys.
Mr. Matsunaga with Mrs. Green of Oregon.
Mrs. Sullivan with Mr. Arends
Mr. Rooney of New York with Mr. Mills.
Mr. Carey of New York with Mr. Camp.
Mr. Hawkins with Mr. Harrington.
Mr. Howard with Mr. McKinney.
Mr. Rogers with Mr. Clancy.
Mr. Staggers with Mr. Johnson of Pennsylvania.
Mr. Mollohan with Mr. Anderson of Illinois.
Mr. Stubblefield with Mrs. Hansen of Washington.
Mr. Dulski with Mr. Pettis.
Mr. Giaimo with Mr. Carter.
Mr. Brasco with Mr. Sandman.
Mr. Chappell with Mr. Andrews of North Carolina.
Mr. Clark with Mr. Reid.
Mr. de la Garza with Mr. Collier.
Mr. Dingell with Mr. Dellums.
Mr. Gray with Mr. Diggs.
Mrs. Grasso with Mr. Roncallo of New York.
Mr. Addabbo with Mr. Scherle.
Mr. Rees with Mr. Derwinski.
Mr. Rose with Mr. Slack.
Mr. Stephens with Mr. Talcott.
Mr. Davis of South Carolina with Mr. Thone.
Mrs. Burke of California with Mr. McCloskey.
Mr. Breckinridge with Mr. Wiggins.
Mr. Litton with Mr. Williams.
Mr. Nix with Mr. Gunter.
Mr. Murphy of New York with Mr. Helstoski.
Mr. Wright with Mr. Wyatt.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. PATMAN. 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 Senate bill (S. 1752) prescribing the objectives and functions of the National Commission on Productivity and Work Quality.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. PATMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE HOUSE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 1752) with Mr. SISK 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. The gentleman from Texas (Mr. PATMAN) will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. WIDNALL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas.

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

Mr. Chairman, I rise in support of S. 1752 which authorizes the continuance of the National Commission on Productivity. This is an administration-supported bill and is considered by many in the administration—most notably former Secretary of Treasury Shultz and Cost of Living Council Director Dunlop—to be a critical piece of legislation in the effort to stem the tide of inflation. Its importance lies in the role it will play in increasing this country's productivity.

While there is little controversy over the need for increased productivity, there has been some sharp questioning of whether this Commission is the appropriate body to insure increased productivity. However, I have been assured by the administration that the Commission is making progress and obtaining results that translate into real dollar savings. To give you an idea of what the Commission has done, I will list just a few of the projects the Commission has been engaged in during the past year.

In the food industry it is sponsoring a demonstration project to show the feasibility of using unit trains to bring fresh produce from the West to the East. If this project is successful, it could result in lower food costs by reducing transportation time and cutting the spoilage.

In other areas the commission has sponsored conferences or programs designed to discover and put into action ways to increase productivity in the health care industry and State and local government. A substantial portion of this work done by the Commission is in the beginning stages and the actual dollar savings that will result are not yet known, but I am assured by the administration that the savings will be substantial.

As you know, the House has had an opportunity to vote on this bill previously on July 17 on a Suspension Calendar but failed to receive the two-thirds majority necessary for passage. The administration has argued that the reason the House failed to suspend the rules and pass S. 1752 is that the Commission had failed to inform the Members of its activities and had failed to prove its worth. Since that time, according to the administration an intensive educational effort has been undertaken and that there is now a much more receptive attitude in the House toward the Commission and its work. In fact, a number of Members have indicated to the administration that they intend to change their July vote in favor of the committee authorization.

The gentleman from New Jersey (Mr. WIDNALL) will offer an amendment which will reduce the authorization for the Commission from $5 to $2.5 million for the period from July 1, 1974, to June 30, 1975. I support this amendment.

Therefore, in light of the need to do something to enhance the ability of this country to improve its productivity and in light of the apparent change in attitude of the House toward the Commission, I bring this bill before the House and urge your favorable consideration.

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

Mr. Chairman, I rise in support of S. 1752. This bill passed the other body by voice vote on May 10 last year and subsequently was reported favorably by our committee, again on a voice vote. I think it is most unfortunate that the bill was defeated when it was brought before the House under suspension.

Mr. Chairman, I believe the concept of the National Commission on Productivity is completely sound and deserves our wholehearted support. This is not the beginning of a large new bureaucracy but a small group working with leaders of government, industry, and labor not only to focus national attention on the needs and benefits of improving our productivity but to demonstrate through pilot projects what can actually be accomplished. To date, the Commission has demonstrated a unique ability to enlist the support and cooperation of divergent sectors of the economy, labor, management, and State and local governments. In addition, there have been strong expressions of support from industry.

Let me emphasize that it is not the function of this Commission to tell anyone how to run their business or their labor union. Nowhere in this legislation is any authority granted or implied which could, by any stretch of the imagination, be construed as giving the Commission such a right.

Rather its function is to serve as a catalyst bringing together various elements in the production process to explore means of increasing productivity. As these explorations develop feasible possibilities, it assists in the conduct of trial runs. It is to defray the costs of such trials and disseminate the results that the modest $5 million budget was proposed and approved by the committee.

I should point out at this point that in deference to those who are dubious about the possibilities of achieving suc-

cess in such an effort as this, an amendment will be offered today reducing that $5 million figure to $2.5 million. We believe this is a worthwhile effort which should be continued.

As I reflect on a variety of matters which have come before the Banking and Currency Committee, the Joint Economic Committee, and others, relating to the problems of inflation, our balance of trade and related matters, I recall one oft repeated admonition. The sagest of the spokesmen on all these subjects have usually concluded by reminding us that the ultimate solution to these problems depended in the long run on our ability to increase productivity, or stated differently, on improving our competitive posture in world markets.

Mr. Chairman, I think it should be apparent to all of us that like it or not, we must all face up realistically to the fact that today we live in—and are dependent on—an international economic community. Proud as we are of our Nation's achievements, we cannot bury our heads in the sand. Productivity has not increased as rapidly in the United States during the last decade as it has in other nations who compete with us in international markets. True, we are still more productive but our advantage is diminishing. We cannot let that happen. It is right and proper that the Government should take a leadership role with American labor and industry to preserve the productive superiority which has brought so many benefits to our people. That is what this bill is designed to provide. I support enactment of the bill with two amendments that I will offer during the debate.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, I rise in support of this legislation, S. 1752.

This bill will affect the vital interests of all Americans. It is urgently needed in the light of changing competitive conditions in world trade.

In 1971 and 1972, we experienced mounting deficits in our trade balance.

We became keenly aware that other industrial countries had been modernizing their technology, plant and management, at a rapid rate. They are closing the gap that once set our industry apart from all other nations.

The figures on productivity show this quite clearly. From 1965 to 1972, output per manhour in manufacturing rose by 20 percent in the United States compared to a phenomenal jump of 130 percent in Japan, 53 percent in France, and 42 percent in West Germany. While we had trade deficits they showed surpluses.

In order to remain competitive we have had to devalue. This must be followed up by efforts to improve the rate of gain in productivity.

This legislation would enable the National Commission on Productivity to continue its efforts to bring together labor, management, and the public in a concerted drive to improve our performance.

Its work in the fishing industry is an example of the potential service this Commission can render.

Twenty years ago about a fourth of all seafood products consumed in the United States was imported. Now imports are up to about 75 percent.

Imported fish and fish products total about $1 billion in 1972—a big part of the U.S. trade deficit.

Productivity of U.S. fishing fleets has declined in the last 10 years, despite increased investment in equipment.

The Commission, with the help of industry, labor, and Government representatives, has identified opportunities for marked improvement. For example, large quantities of potential marketable species have not yet won consumer acceptance and the technology for catching them has not been developed.

The Commission is a catalyst in getting action on this and other important ways of improving productivity in the food industry.

We urgently need such a Government body that provides information and ideas to the private and public sectors about the value of improving productivity.

We need the National Commission to advise Government agencies about policies for improving productivity.

And we need the Commission as a forum for representatives of labor, management, State, local, and Federal government to discuss constructively problems in which they have a common interest.

This meeting together promotes understanding and increases the possibility of cooperative action on many important issues.

Support for this bill and for the work of the Commission may be one of the most important steps we can take to strengthen the American economy and improve the well-being of consumers.

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

Mr. WIDNALL. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I, too, support this bill with the same enthusiasm as does the distinguished gentleman from New Jersey (Mr. WIDNALL).

Mr. Chairman, I rise in support of S. 1752, a bill to extend the National Commission on Productivity and Work Quality.

National economic growth and national productivity have become increasingly complex combinations of elements. That is why we need the National Commission on Productivity. As a system grows in complexity, the need for a central clearinghouse of information becomes even more vital.

The component systems of the U.S. economy have become so highly interdependent that the economic efficiency of one industry or governmental sector of the economy has come to depend on the efficiency of others.

In a simpler age, self-reliance and self-improvement were sufficient to move the entire economy ahead. Now they are not. The whole economy is at the mercy of its inefficient parts. In such a situation, there is a vital role for the productivity commission and it has been performing that role well.

Productivity growth, in short, depends more and more on coordination and cooperation among disparate groups. Such coordination cannot be achieved simply through legislation or Government decree.

The Productivity Commission is better equipped to do that job than any other organization on the national scene right now. It has representatives of the major economic interest groups in the Nation on it. Its membership includes the top leaders of business, organized labor, and the executive branch of the Federal Government as well as spokesmen for the general public.

No other organization in the country performs this role—that of a catalytic agent for constructive change. Individual segments of the economy are working energetically and imaginatively on improving productivity in their own sectors—as they always have. But no one—aside from this Commission—is looking at the big picture, no other agency of the Government nor any institution in the private sector.

This legislation is particularly important since the Congress made its decision to turn away from wage/price controls as a means of curbing inflation. Some Members have complained that we no longer have an agency which will be a watchdog on the economy. We have the Bureau of Labor Stastistics, the Commerce Department, and the Council of Economic Advisers to tell us what has been happening with the economy, but we need to supplement and coordinate this team with an agency which will coordinate efforts to improve and strengthen the economy. Most Members of the House realize the importance of increased productivity as a means of combating shortages and inflation. If ever there was a time to extend the life of a Commission on Productivity and Work Quality, now is the time.

We know that there is great concern being expressed over how America and the lesser-developed nations of the world will pay for the more expensive petroleum that we must have. The key to making ends meet in this area is a favorable balance of payments. We must keep our world markets in order to buy oil. And the only way we can really hang on to our share of world markets, is to maintain our productivity and the competitive edge which it gives us. The best trade bill in the world cannot save us from our own economic lethargy. That is why we need a strong advocate for increased productivity. The NCOP&WQ is that advocate, and will help to maintain our edge in an increasingly interdependent world economy.

I intend to vote in favor of the bill and I urge my colleagues to do likewise.

Mr. ANNUNZIO. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Mr. Chairman, within the service sector of our economy, government is the largest and fastest growing element. One out of six Americans are government workers, and 80 percent of these are at the State and local level.

Over 40 percent of the American income dollar is spent by government. Federal spending alone equals about 26 percent, and the States and localities total another 15 percent. This represents an increase of almost 33 percent over just

20 years ago. when all governmental expenditures combined amounted to 31 percent of national income.

But demands for government services continue to increase—at the same time that revenue yields are diminishing. The situation has created a growing awareness of the need for productivity improvement programs among governments at all levels—a need to get more mileage out of the resources available; to organize work so that more results for the same or less efforts; to work and think smarter, rather than harder. As a deputy mayor said:

Our option is not whether to improve productivity, but how to do it.

The National Commission on Productivity, under a mandate to focus national attention on the need for productivity growth and to coordinate public and private action, is working to do just this—to improve productivity in Federal, State, and local government:

NCOP is helping pilot productivity improvement projects in St. Petersburg, Fla., and Nashville/Davidson County, Tenn.

A joint labor-management team, partially sponsored by NCOP, is working in Nassau County, N.Y., to find opportunities for more effective operations, with the benefits of such improvement to be shared with employees through collective bargaining.

Other locally sponsored productivity improvement projects are being identified by NCOP, with the results to be made available for use by other jurisdictions.

NCOP task force of top police administrators and experts identified opportunities for more effective operations; findings have been disseminated to police departments and local government throughout the country, working with the FBI and International Association of Police Chiefs.

Another NCOP task force of top administrators and experts in solid waste management identified specific ways to improve residential collection service and reduce cost; findings are being disseminated to local governments throughout national and regional organizations throughout the country.

NCOP is coordinating help to State and local governments by identifying measures and experience throughout the government sector in order to avoid costly duplication of development effort.

An NCOP-funded sample has shown that productivity varies in services by as much as 1,000 percent in municipalities of comparable size. If the performance of all localities could be raised closer to the level of the top performers, the implications for service improvements and cost savings nationwide are indeed impressive.

NCOP is providing financial support to the joint measurement systems project to develop productivity measures for the Federal Government.

NCOP, in a joint project, has initiated demonstration projects on the work environment in Federal agencies with large-scale clerical operations: Social Security Administration, Bureau of Engraving and Printing, Defense Supply Agency, and Navy Finance Office.

The growing awareness of the need for productivity improvement programs among all levels of government is being reinforced and at the same time translated into action by the public sector work of the National Commission on Productivity.

Mr. WIDNALL. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. ROBISON).

Mr. ROBISON of New York. Mr. Chairman, everyone agrees that productivity improvement is one of the principal keys to a better standard of living in the seventies as it has been in the past.

Economists are in dispute on many issues but they are virtually unanimous about the vital role of productivity growth in fostering noninflationary expansion and a strong economy.

In a world of shapening competition, as advanced technology spreads we must maintain a high growth rate in productivity if American industry is to keep its leading position.

For these reasons, the lag in our rate of improvement from 1965 to 1972—2.3 percent per year compared with 3 percent over the whole postwar period—is a truly disturbing trend. The recent figures show an even greater drop over the past year. It calls for an all out campaign by all sectors of the economy.

There is no question that we have the science and technology, worker skill, and managerial ability for a much better productivity performance.

However, we must remove hidden road blocks that prevent us from realizing our tremendous potential.

We need, therefore, a national entity that focuses public attention on the barriers and on the opportunities for improvement. We need a catalyst for constructive action.

The National Commission on Productivity is such an agency. It has done an outstanding job in uncovering specific roadblocks to improvement and starting the process of removing such barriers in several areas that affect the consumer—food, health services, and State and local government, to name three.

In the food industry, for example, the Commission, with the help of about 200 experts from industry, labor, and universities, has found that conflicting or outdated Government regulations about packaging, labeling, handling, and grading can be a serious bottleneck for improving productivity.

The Commission is now the principal advocate in the Federal establishment for identifying and getting rid of such outmoded rules that impede productivity.

Misconceptions about who benefits from productivity gains can also be an obstacle. The Commission is doing a first rate job in trying to inform people about the issues. Its nationwide information campaign is now in full swing.

By drawing on the ideas of labor, management, and Government in all its programs, the Commission is trying to foster a climate of awareness and acceptance of productivity improvement.

There is no other agency with such broad representation that performs this urgently needed coordinating and catalystic function. This bill would continue and expand its activities in sectors where we face intense international competition.

Mr. Chairman, I believe that the National Commission on Productivity is playing a vital role in bringing together business, labor, and the public to overcome the roadblocks to higher productivity. It is laying the foundation of a stronger and more prosperous America.

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

Mr. ANNUNZIO. Mr. Chairman, I yield 1 minute to the gentleman from California.

Mr. McFALL. Mr. Chairman, during the course of the Commission's study of the food industry, which was carried out at the request of Secretary of Treasury George P. Shultz, the Commission received a number of requests from growers, manufacturers, and retailers to assist in improving rail shipment of perishables. Working with representatives of the railroads, the Commission has been able to act as the catalyst for some needed changes.

Service and reliability of delivery of perishables from the major growing areas of California and Arizona to the major population centers of the East has slipped slowly over the years. With each decrease in service, the customers have sought more special privileges; with each special privilege granted, railroad costs increased, and their interest in providing services understandably lessened.

When the railroads, shippers and retail food stores were brought together by the Productivity Commission to consider their mutual interest in improved service, they were able to agree on a number of changes to procedures to improve productivity of these operations. As a consequence, a new railroad service began late in September, called "fresh-from-the-West" to major east coast markets delivering fine Californian produce on the sixth morning after shipment, a schedule which has not been seen in many years. This experiment holds the potential for fresher, tastier fruit and vegetables on the shelves of the retail stores, lower inventory costs for the retailers, and a bigger share of the cross-country transportation market for the railroads, and importantly a better market for California growers. Further, this experiment has spurred other innovations by the railroads as opportunities have been opened.

While all of these are important to us as consumers, the Commission's efforts to show how these groups can work together to improve this service is the real gain the Nation is making from this experiment.

Mr. BROWN of Michigan. Mr. Chairman, we are in a world economy which makes us all increasingly interdependent.

Between 1960 and 1965 the total of U.S. exports and imports grew from about 34 billions to about 47 billions. Between 1965 and 1970 they grew from 47 billions to 81 billions. Between 1970

and 1972 they grew from 81 billions to 145 billions.

We rely on being able to import many materials essential to our economy, but we cannot continue to import oil, coffee, nickel, rubber, and other essential commodities unless we can pay for them with our goods. These goods must be competitively priced in the world markets.

Since 1965 the major trading partners of the United States have increased their productivity by anywhere from two to six times the U.S. rate of increase.

Last year U.S. productivity rose by 4 percent, about double the average U.S. productivity increase since 1965.

This year U.S. exports, helped by that productivity gain and devaluation have cut sharply into negative trade balances. We cannot afford to relax. We are in fact at the exact point in the business cycle when productivity gains may be expected to fall off sharply, at the end of an expansionary period when employers apprehensive of the future, begin to cut back on productivity improving projects, and to curtail their efforts at expanding markets.

Productivity gains in one industry, or in one place in the economy affect productivity in every other industry.

Productivity losses in fishing decrease the supply and increase the price of fishmeal for animal feeds, making the poultry raisers' job more difficult.

Productivity problems in State and local government increase taxes and cut into services for businesses operating in these States, cities, and counties, and raise the general level of interest rates which businesses must pay to acquire new capital.

Productivity losses in health care make less health services available to the population at large and keep many workers from getting the most out of their jobs.

Productivity problems are everybody's problems.

Mr. FULTON. Mr. Chairman, the city of Nashville and Davidson County have consolidated into one governmental unit. This in itself has resulted in money saved and services to the taxpayer improved. However, unless a continuing program resulting in significant management and operating improvements can be carried out the potential efficiencies cannot be fully realized.

The project of the NCOP in our metro government is extremely important in leading our departments to accomplishments in productivity that they would not have had the resources or expertise to do for themselves. By encouraging and assisting our people to develop their own abilities, long term objectives can hopefully be realized.

It is particularly significant to mention that much of this progress would not have been possible without the support of the NCOP and, as the work continues, the return for metro will more than justify the Commission's investment.

Furthermore, the lessons learned and techniques developed by NCOP in working with us can be equally helpful to other cities throughout the country.

Mr. BLACKBURN. Mr. Chairman, the work and role of the National Commission on Productivity are unique and could not be relocated in any currently existing Government agency, or private organization.

If the Commission's work were limited to research into the various aspects of how to improve productivity, then it would be a superfluous organization. Even if its job were to collect all such research done elsewhere, it would be doing something which could be handled within the existing bureaucracy.

But the National Commission on Productivity has a much more complicated and a much more unique job to do. The major thrust of its work is to engender cooperation among various segments of the economy; to give, for example, management and labor the opportunity and the encouragement to sit down, discuss, and attempt to solve common problems.

This is reflected in the way the staff approaches problems and opportunities in different industries. When the Commission undertakes such projects, from the very beginning it enlists the assistance of knowledgeable people in that industry who are on the firing line day to day. This not only increases their usefulness, it also increases the probability that the recommendations will not be rejected out of hand by one side or another, since all played a role in developing them.

Improving productivity is everyone's problem and everyone has a contribution to make in solving it.

But, we need an organization which can focus on the opportunities for improvement—the National Commission on Productivity is just such an organization. I include at this point a summary:

SUMMARY OF RECENT ACCOMPLISHMENTS OF NATIONAL COMMISSION ON PRODUCTIVITY (NCOP)

IN THE FOOD INDUSTRY

Unit Train Started: NCOP plan for daily West to East unit train for perishable fruits and vegetables has been put into effect. Transit time has been cut, spoilage reduced, and rail traffic increased.

Backhaul Supported: As a result of NCOP study and recommendation, Instrastate Commerce Commission has opened way for more extensive use of backhaul by retailers. Potential savings in gasoline costs from reducing empty trucks on the road could be as high as $200 million.

Local Laws Reviewed: Following NCOP study and initiative, Grocery Manufacturers' Association has set up a committee to work with local legislators to eliminate obsolete and inconsistent laws that provide no protection to consumers but impede productivity and increase costs.

IN STATE AND LOCAL GOVERNMENT

Local Action Startup: Through conferences, publications, and information, the Commission has aroused widespread interest in productivity among elected officials and administrators. Twenty local jurisdictions have started up improvement programs. Three, with NCOP support, are testing practicality of various measures for demonstration to others.

Law Enforcement Improvements: Recommendations for making more effective use of police manpower and equipment have been drawn up by panel of experts including police chiefs of 10 jurisdictions and sent to 12,000 officials. Report has been made part of FBI Training Program for local law enforcement officials.

Improving Solid Waste Collection: Recommendations to NCOP on "best practices" for providing trash collection services, a city function that costs taxpayers over $3 billion annually, have been drawn up by top experts and will be sent to over 15,000 local officials. Potential savings could exceed $200 million annually.

IN RAILROAD INDUSTRY

Railroad Practices: NCOP report recommendations, described as a "blueprint" for reform, could provide basis for improving productivity.

Freight Car Utilization Panel: A NCOP Panel has been formed to develop ways of improving the use of railroad cars as a means of reducing car shortages.

IN HOSPITALS

Best Practices Recommended: Over 85 leading hospital administrators took part in developing improved practices to reduce cost pressures. Texas Hospital Association has agreed to test and evaluate "best practices" in 600 hospitals.

IN FEDERAL GOVERNMENT

Quality of Work: Five agencies with NCOP support have begun projects to improve work environment of employees.

Measurement of Productivity: The Commission has supported first government-wide program to measure changes in productivity and to study ways to improve performance.

PUBLIC INFORMATION

Public Service Campaign: The Advertising Council conducted for the Commission a nationwide campaign appealing to American pride in accomplishment. Advertising messages have been broadcast as a public service by 1,900 radio and 800 TV stations and printed in 750 newspapers. Over 150 million Americans have heard or read the basis theme: "America. It Only Works as Well as We Do." Over 12 million dollars in print and broadcast time have been donated.

Information: NCOP's publications on productivity for laymen have been widely distributed. Conferences of labor and management have been held on construction productivity and economics of productivity.

Mr. REUSS. Mr. Chairman, this bill deserves support. The recent Wisconsin Wingspread Conference, convened by the National Commission on Productivity with the support of the Johnson Foundation, reflects the growing concern of local officials with the need for productivity gains in State and local government.

More than 60 public officials—Governors, mayors, county administratives, and union officials of every political persuasion—met in Racine this summer in informal, give-and-take meetings to search for ways of improving productivity in State and local government.

Government on every level is increasingly important to the productivity of our economy: Government accounts for 21.6 percent of total GNP, and one of four new jobs will be a government job in the next decade. Yet formal current productivity improvement efforts currently involve less than 1 percent of local governments, at a time on increasing demands for government service and of diminishing revenue yields.

The National Commission on Productivity convened the Wisconsin meeting for two primary purposes: To test the applicability of productivity concepts to State and local governmental problems, and to see how productivity concepts can best be spread among State and local officials.

The participants—knowledgeable and experienced professionals who have been working on improving productivity at

every level of government—determined that—

Productivity improvement in government is feasible;

Payoffs in quality, quantity and dollar savings are tangible and greater than the investment; and

Benefits can be politically advantageous.

In effect, politicians, taxpayers, and public employees all can gain when States and cities try to slow soaring governmental costs through productivity gains:

Politicians can ease taxpayer discontent;

Taxpayers can profit from careful use of tax money which will lead to better services; and

Public employees can improve their image, share in productivity gains through better pay, and find greater job satisfaction.

Clearly, the efforts of the National Commission on Productivity to translate into action the recommendations of the Wingspread Conference throughout the Nation merit encouragement and support.

Mr. CLEVELAND. Mr. Chairman, I rise in support of S. 1752, a measure to extend the life of the National Commission on Productivity and to bring about refinements and redirection of its efforts.

This is a modest bill in terms of funding, $5 million for this fiscal year, but far more ambitious in scope. I think it safe to say that increasing the productivity of our workers and the quality of their output is the single most promising long-term hope for restoring stable prosperity to our economy. And of all approaches to the problem of inflation, it is unique in that it does not represent a short-term fix which bomerangs later.

Wage and price controls merely offer the surface appearance of containment while creating their own distortions and equities, which in turn give rise to demands for controls to deal with them, and even greater price pressures.

This would be true in any inflationary period. But it is particularly appropriate to consider this approach at a time when much of the price pressure stems from scarcity and growing demand at home and abroad. It is still my conviction that these are problems which this country, with its wealth of technological capability backed by our extensive educational system, is best equipped to deal over the long run.

I commend the thrust of refinements in the bill's provisions focusing emphasis on those areas in which greatest advances in productivity appear most likely. Also commendable is the enumeration of priority areas including:

First. The morale and quality of work of American workers, which I regard as inherently related;

Second. The international competitive position of the United States;

Third. The efficiency of government, given the tremendous growth of the public sector, its growing impact on the taxpayer, and the difficulties involved in measuring the quality of services—governmental or otherwise; and

Fourth. The cost of goods and services most basic to the needs of the people. This most certainly includes medical care and food, areas in which Commission Chairman John Dunlop has outlined promising beginnings in the recent past and prospects for more initiatives along the same line in the near future.

Concentration on these objectives, through the labor-management productivity councils, research and public information programs, should provide the basis for a sustained effort which will be worthy of our expanding considerably in future years.

It may be a little old fashioned to suggest that production on the farm and in the factory, have made us a great nation. But old fashioned or not, to me at least I am convinced that in the improvement of productivity, we have an important response to the crippling devastation being wrought upon us by inflation.

Mr. DRINAN. Mr. Chairman, I believe that the new focus and priorities of the National Commission on Productivity and Work Quality justify its extension for an additional year. The problem of worker disenchantment and boredom continues to spread as our reliance upon technology grows. I am hopeful that this Commission, armed with a fresh mandate, will provide valuable direction to the public and private sectors toward improving worker morale and upgrading the quality of working life.

The Commission will also continue to investigate methods of streamlining industrial production and the delivery of public services. During the past few years, the Commission has offered useful suggestions in such diverse areas as transportation of fresh produce, standardization of shipping containers, use of backhauling in shipping, and delivery of health care services at the local level. The advisory character of the Commission and the diversity of its membership enable it to develop coordinated solutions to these and similar problems which could not be matched by a single agency or industry.

Finally, I believe that the reduction in funding to $2.5 million for the coming fiscal year will largely eliminate unnecessary spending by the Commission while leaving it sufficient funds to accomplish its objectives. Since the Commission must report regularly to Congress and justify its continued existence on an annual basis. I am confident that the Members of this House will have adequate information to determine whether or not further funding is warranted when the present authorization expires.

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

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 (a) it is the policy of the United States to promote increased productivity and to improve the morale and quality of work of the American worker, for the purpose of providing goods and services at low cost to American consumers, improving the competitive position of the United States in the international economy, and facilitating a more satisfying work experience for American workers.

(b) The President's National Commission on Productivity shall hereafter be referred to as the National Commission on Productivity and Work Quality (hereinafter referred to as the "Commission"). The Commission shall carry out the objectives and exercise the functions hereinafter prescribed.

(c) The objectives of the Commission shall be to help increase the productivity of the American economy and to help improve the morale and quality of work of the American worker.

(d) To achieve the objectives of subsection (c), the Commission shall have the following primary functions:

(1) To encourage and assist in the organization and work of labor-management committees which may also include public members, on a plant, community, regional, and industry basis. Such committees may be specifically designed to facilitate labor-management cooperation to increase productivity or to help improve the morale and quality of work of the American worker.

(2) To conduct such research as is directly necessary to achieve each of the objectives set forth in subsection (c) when such research cannot appropriately be accomplished by other Government agencies or private organizations.

(3) To publicize, disseminate, and otherwise promote material and ideas relating to its objectives.

(e) In addition to its functions under subsection (d) the Commission shall—

(1) advise the President and the Congress with respect to Government policy affecting productivity and the quality of work;

(2) coordinate and promote Government research and technical assistance efforts relating to productivity; and

(3) provide technical and consulting assistance.

(f) In pursuing its objectives under subsection (c), and

in carrying out its functions under subsections (d) and (e), the Commission shall concentrate its efforts on those areas where such efforts are likely to make the most substantial impact on—

(A) the morale and quality of work of the American worker;

(B) the international competitive position of the United States;

(C) the efficiency of government; or

(D) the cost of those goods and services which are generally considered to fulfill the most basic needs of Americans.

(g) (1) The Executive Director of the Commission shall be the principal executive officer of the Commisison in carrying out the objectives and functions of the Commission under this section.

(2) The Executive Director of the Commission, with the approval of the Chairman of the Commission, is authorized (A) to appoint and fix the compensation of such officers and employees, and prescribe their functions and duties, as may be necessary to carry out the provisions of this section, and (B) to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(3) The Commission may accept gifts or bequests, either for carrying out specific programs which it deems desirable or for its general activities.

(h) In carrying out its activities under this section, the Commission shall consult with the Council of Economic Advisers.

(i) The Commission shall transmit to the President and to the Congress, not later than March 1 of each year, a report covering its activities under this section during the preceding calendar year. The Commission shall also, not later than January 15, 1974, and January 15 of each year thereafter during the life of the Commission, submit to the Committee on Banking, Housing and Urban

Affairs of the Senate and the Committee on Banking and Currency of the House of Representatives a report describing in detail the program to be carried out by the Commission under this section during the next fiscal year. Such reports shall include an explanation of how the Commission's program has complied or will comply, as the case may be, with the provisions of subsection (f).

(j) There are hereby authorized to be appropriated such sums, not to exceed $5,000,000, as may be necessary to carry out the purposes of this section during the period ending June 30, 1974.

Mr. ANNUNZIO (during the reading). Mr. Chairman, I ask unanimous consent that the Senate 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 Illinois?

There was no objection.

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

Mr. Chairman, the more I listen to this bill the more convinced I am that it is designed, as it has worked in the past, almost exclusively for the benefit for the State of California. I see no evidence of any accomplishment in any other direction.

Is there anybody here who can put his finger on any substantial accomplishment anywhere else in the country? I like California and Californians, but I do not believe Congress should be in the business of taking care of California exclusively. Perhaps the State of Georgia has been benefited; if so I should like to hear from Georgia.

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

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

Mr. GROSS. I was expecting California to rise to express appreciation for the money that has already been spent on this boondoggle, but I will yield and listen to the gentleman from Georgia.

Mr. BLACKBURN. I appreciate the gentleman's yielding.

Let me assure the gentleman that *while* we have given specific references of the improvement of train facilities as far as the east and west coasts are concerned, both areas of the country have benefited by this. The improvement in the use of long-haul trucks in permitting them to be utilized for hauling goods back from the point of origin, where in the past they have not, is certainly of national benefit.

It is not restricted to that particular area of the country. There are studies from the National Commission on Productivity working with the Grocery Manufacturers Association which is working with local legislators to improve productivity in the grocery distribution and handling business. It is certainly not provincial in its character whatsoever and I suspect they work in the State of Iowa as well as other States.

Mr. GROSS. I might as well advise the gentleman from Georgia that my wife has not reported to me that she can trace any benefits back to this Commission insofar as her shopping at the grocery store is concerned.

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

Mr. GROSS. I yield to the gentleman from Ohio. Has the State of Ohio benefited too from this organization?

Mr. ASHLEY. Yes, I would say so. The Commission has been working with units of local government not just in the State of California or in the State of Ohio but also as a matter of fact on a rather broad scale, so I think the question with respect to the Commission's parochial interest is not well taken.

Mr. GROSS. Of course when one starts dealing with the bureaucrats he will find that they will say they work for anybody anywhere, any place around the world. But let me get down to a case or two with the gentleman from Ohio. What has been accomplished by this Commission in the last few months? How has this outfit lived for the last few months? Have they had money to spend? What have they been doing?

Mr. ASHLEY. We know that the legisation is necessary.

Mr. GROSS. No, no. I am talking about their operations late last year and up to this point this year. What have they been living on?

Mr. ASHLEY. My understanding is that they have been working in cooperation with the Cost of Living Council and have been funded in part on the basis of supplementary appropriations.

Mr. GROSS. From December 23 to February of 1974 I hear they have been using temporary 60-day appointments, 10 from the staff were detailed to Treasury and 10 to the Cost of Living Council because the outfit did not have enough money to run on. What is the story? How has this boondoggle been operating up to this point?

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

Mr. GROSS. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Mr. Chairman, I believe what the gentleman stated is correct. I am not admitting it is a boondoggle because I believe it is not. They did use temporary 60-day appointments and the work has been very effective. Ten of the staff were detailed to Treasury and 10 to the Cost of Living Council from December 23 through February 1974.

Mr. GROSS. Where do they get money to operate if they have accomplished anything, and I do not believe they have, in the last few months?

Mr. WIDNALL. In February 1974 to the present, the National Commission function as such was phased out.

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

(By unanimous consent, Mr. GROSS was allowed to proceed for 3 additional minutes.)

Mr. WIDNALL. Mr. Chairman, if the gentleman will yield further, the Office of Productivity was created within the Cost of Living Council under authorities contained in the Economic Stabilization Act. Ten people were assigned to this office. Temporary assignments were not renewed. Since April 30, the Cost of Living Council has been closing down under temporary authority.

Mr. GROSS. Yes, so they have been living hand to mouth and what in the world have they accomplished? And with respect to expenditures, no matter who paid the bill, what have they been accomplishing?

Mr. WIDNALL. They have not been able to accomplish very much because of the opposition from the gentleman from Iowa and a few others, and because of that the Commission have been living hand to mouth.

Mr. GROSS. The point is that they have not accomplished anything. I hear nothing except two or three Members arising from the State of California to claim they have accomplished anything of a tangible nature, and I am not convinced they have accomplished very much in that State. There is nothing in this report to show any record of accomplishment on the part of the Commission. There is no recommendation on the part of any other agency or department of the Government that this outfit ought to be continued.

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

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

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for yielding. I am happy to report to the gentleman that there are other areas of the country that have benefited from this Commission. I want to show the gentleman a report I hold in my hand that has produced a good résumé of their 1973 activity. On page 53 they discuss the work of this Commission with the Chicago Construction Coordinating Committee which was set up in the city of Chicago to deal with and wrestle with the problems of increased productivity in the construction field.

They made recommendations to that committee. I can acknowledge to the gentleman that the building industry in the city of Chicago has acknowledged that this has been helpful in trying to put a better handle on productivity in the construction industry in Chicago; so that the answer to the gentleman's question is that this was a specific activity. It did not just come into play spontaneously.

Mr. GROSS. We have Commissions, Councils, and advisory boards running out of our ears in this Government.

Mr. ROUSSELOT. I understand that.

Mr. GROSS. Why must we spend $5 million or even $2.5 million more on still another Commission when we have them running out of our ears?

We have a Labor Department that ought to be interested in productivity. What in the world are we doing with another outfit of this kind for the taxpayers to pay for and wet nurse?

Mr. ROUSSELOT. Will the gentleman yield further?

Mr. GROSS. Yes. I yield further to the gentleman from California.

Mr. ROUSSELOT. I could not agree with the gentleman more. I think there are an awful lot of unnecessary commissions in this Government. I joined him in the past in opposing continuation of many of these.

I believe that this Commission with a relatively small amount of money has had a good productive life and produced something of value.

Mr. GROSS. The issue that ought to concern the House and its Members this afternoon is a balanced Federal budget to halt the inflation that is wrecking the economy and the budget will not be balanced by voting $5,000,000 or $2,500,000 to continue a Commission the activities of which, if any, duplicate a dozen other agencies and departments of government. There will come a day when Congress, by force of dire necessity, will stop this kind of boondoggling.

AMENDMENT OFFERED BY MR. WIDNALL

Mr. WIDNALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIDNALL: Strike subsection (j) on page 5, lines 6 through 9, and insert the following:

"(j) There is hereby authorized to be appropriated such sums, not to exceed $2,500,000, as may be necessary to carry out the purposes of this section during the period from July 1, 1974, through June 30, 1975."

Mr. ANNUNZIO. Mr. Chairman, will the gentleman from New Jersey yield?

Mr. WIDNALL. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. I want to inform the gentleman from New Jersey that his amendment is acceptable on our side.

Mr. WIDNALL. Mr. Chairman, I believe this is a sound amendment and should meet the opposition of a few Members of Congress who believe that this is being financed at too high a level.

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

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

Mr. ROUSSELOT. Is it not true that a funding level of $2.5 million for the funding budget does bring it back to a more proper funding level?

I commend the gentleman for his amendment.

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

Mr. Chairman, I would like to ask the gentleman from New Jersey, what period of time does this cover?

Mr. WIDNALL. This is for 1 year.

Mr. GROSS. From what date, for the past year or for forward spending?

Mr. WIDNALL. July 1 to next year.

Mr. GROSS. July 1 to June 30, is that right?

Mr. WIDNALL. Yes.

Mr. GROSS. This is a come-along from $5 million down to $2.5 million. This is just a come-along, the old sugar coating council.

I hope not, but I am afraid the House will swallow this—hook, line, and sinker.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. WIDNALL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WIDNALL

Mr. WIDNALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIDNALL: Page 4, line 17, through page 5, line 5, subsection (i) is amended to read as follows:

"(i) The Commission shall transmit to the President and to the Congress, not later than July 1, 1974, a report covering its activities during Fiscal Year 1974 and describing in detail the program to be carried out by the Commission under this section during Fiscal Year 1975. Such report shall include an explanation of how the Commission's program has complied or will comply, as the case may be, with the provisions of subsection (f)."

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

Mr. WIDNALL. Mr. Chairman, I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Chairman, we have examined the gentleman's amendment, and it is acceptable on this side.

Mr. WIDNALL. Mr. Chairman, I believe that this provides the additional information the Congress would want and would be entitled to as to the activities during fiscal year 1974, describing in detail the program to be designed in the future by the Commission.

Mr. Chairman, I urge its adoption.

Mr. GROSS. Mr. Chairman, I move to strike the next to the last word at this time.

Mr. Chairman, this is very interesting. A year ago, the committee called this bill up under suspension of the rules which prohibited amendments of any kind; no amendments and 40 minutes of debate. Now, we have it up under an open rule, the same bill, apparently word for word, which was brought up July 17 of last year and defeated.

Now, members of the committee are proceeding to offer all the amendments to the bill. What has happened in the meantime? What changed the minds of so many members of the Committee on Banking and Currency?

Mr. ANNUNZIO. Mr. Chairman, will the gentleman from Iowa yield?

Mr. GROSS. Mr. Chairman, I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Chairman, I can only speak for myself. I voted against the bill under suspension last year, but this year I have supported the bill. I am a little wiser now than I was last year.

Mr. GROSS. Mr. Chairman, I took it for granted that the gentleman was supporting the bill, since he is accepting all the amendments that are being offered, amendments that could not be offered a year ago, because the committee insisted on a closed rule by way of suspension of the rules.

Mr. ANNUNZIO. I am supporting the amendment cutting it from $5 million to $2½ million.

Mr. CEDERBERG. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I support S. 1752, which authorizes the extension of the President's National Commission on Productivity. We must have significant and sustained improvement in labor productivity if we are to control inflation, and retain free and competitive national and international markets.

Yet the 93d Congress fiddles while inflation burns. We have received from the President at least 14 legislative proposals intended to deal with the problem of inflation. This bill is only the second of those proposals to be brought before the House. While the productivity of this Congress is so low, let me remind the Members what is happening to prices and earnings.

During the first quarter of this year, seasonally adjusted consumer prices rose at an annual rate of 14.5 percent, and real per capita personal income dropped at an annual rate of 7.1 percent. Although gross national product increased 4.4 percent at an annual rate, this gain was totally erased by inflation. Real GNP declined at an annual rate of 5.8 percent.

Mr. Chairman, for rich and poor, for pensioner and workingman, for giant corporation and small business, inflation has become the No. 1 issue of 1974. Inflation has become more than a steady erosion of our standard of living. It is a threat to confidence and stability in our economic system.

We know the painful effects of inflation on the purchasing power of individual citizens. Less obvious is the equally painful effect which inflation has on the purchasing power of the Federal Government itself.

For example, between fiscal 1960 and fiscal 1975, it is estimated that:

Total Federal spending, in current dollars, will increase by $212.2 billion, or 230.2 percent. However, in 1969 dollars, total Federal spending will increase by $86.8 billion, or 72.3 percent. Only one-third of the growth rate is real; the rest is inflation.

Defense spending, in current dollars, will increase by $41.8 billion, or 91.1 percent. However, in 1969 dollars, defense spending will decrease $0.6 billion, or 1 percent. None of the growth is real; it is all due to inflation.

Nondefense spending, in current dollars, will increase by $170.4 billion, or 368 percent. However, in 1969 dollars, nondefense spending will increase by $87.4 billion, or 139.8 percent. Slightly more than one-third of the growth rate is real; the rest is inflation.

Mr. Chairman, it is also interesting to compare defense and nondefense priorities during fiscal years 1960–69, when the opposition party controlled the White House and the Congress, and fiscal years 1969–74, when the opposition party has been out of power in the executive branch.

Defense spending, in constant (1969) dollars, increased an average of 4.3 percent per year during fiscal year 1960–1969. During fiscal years 1969–75, it is estimated that defense spending in constant (1969) dollars will decrease an average of 5.7 percent per year.

Nondefense spending, again in constant (1969) dollars, increased an average of 6.2 percent per year during fiscal years 1960–69, and an average increase of 6.4 percent per year is estimated for fiscal years 1969–75.

These facts should lay to rest the myth of "runaway defense spending," and give a more accurate picture of defense and nondefense priorities. Since fiscal 1969, all of the real growth in the Federal budget has been in nondefense spending.

Equally apparent is the self-defeating nature of inflationary Federal spending, which reduces the purchasing power of the Government itself, as well as that of the individual citizen.

In the face of these outrageous conditions, Congress controlled by the opposition party for some 20 straight years, continues three of its most cherished traditions.

The first tradition is busting the President's budget. During the first 4 full fiscal years of this administration, 1970–73, congressional actions and inactions increased Federal spending by $8.7 billion. Last session, our actions and inactions on the President's budget requests for fiscal 1974 are estimated to increase spending in this fiscal year by $3.5 billion. In total, during these 5 fiscal years, Congress has increased Federal spending by $12.3 billion.

A further examination of these figures provides a definitive illustration of congressional priorities, as well as some facts of life of congressional "control" of the budget.

During the 5 fiscal years 1970–74, congressional action through the appropriations process, led by the House Committee on Appropriations, has reduced spending by $6.7 billion; a record in which I take great personal pride. This action consists of a reduction of $8.6 billion in regular appropriations bills for the Department of Defense and Military Construction, and an increase of $1.8 billion in all other appropriations bills.

Unfortunately, during this period congressional action outside of the appropriations process—backdoor and mandatory spending—and congressional inaction, has increased spending by $19.3 billion.

I include the following:

ADMINISTRATION PROPOSALS INTENDED TO DEAL WITH INFLATION

Bill number and title	Presidential message date	House committee	Action[1]
H.R. 7153: Stockpile Disposal		Armed Services	
H.R. 13576: Economic Stabilization Act Amendments.		Banking and Currency	
H.R. 13840, S. 3232: Export Administration amendments.		do	
H.R. 10990: Financial Institutions Act.	Aug. 3, 1973	do	
S. 1752: National Commission on Productivity.		do	May 10, 1973[2]
H.R. 12942: Economic Adjustment Act.	Feb. 19, 1974	Public Works	
H.R. 12684: Comprehensive Health Insurance.	Feb. 6, 1974 Feb. 20, 1974	Ways and Means	
H.R. 8600:			
Job Security Assistance	Apr. 12, 1973	do	
Special Unemployment Compensation.	Jan. 23, 1974	do	
Tax Reform Act (includes investment tax credit).	Feb. 20, 1973 Jan. 23, 1974	do	
H.R. 10710: Trade Reform Act (includes Anti-Inflation Trade Act).	Apr. 10, 1973	do	Dec. 11, 1973[3]
H.R 14462: Windfall profits	Feb. 1, 1974	do	

[1] Based on information obtained from each committee on May 7–8, 1974.
[2] Passed Senate.
[3] Passed House.

It is no wonder that during the last 20 years, with the opposition party controlling the Congress, and the Congress controlling the purse strings, this country has and will run budget deficits estimated to total $218 billion, adding $234 billion to the national debt.

I should add that there may be a glimmer of hope in this shameful record. In late 1972 Congress established a Joint Committee on Budget Control, on which I had the honor to serve. A year ago that committee made specific legislative recommendations intended to provide for congressional control over total expenditures and receipts. That legislation has passed both the House and the Senate, with some modification, and may become law before the end of the year. Such a law would not automatically solve all of our fiscal problems, but it would *provide a mechanism* for congressional responsibilty, if Congress has the will to be responsible. We shall see.

The second tradition is inaction on critical legislation. The President has submitted to the 93d Congres a number of legislative proposals specifically intended to deal with the problem of inflation. I submit for the information of the House a list of 14 specific legislative proposals. Only two of these proposals have passed either the House or the Senate, and none have been enacted into law. In a Congress where the opposition party has strong majorities in both Houses, this dismal record speaks for itself.

The third, and perhaps the most cherished, congressional tradition, is the wrong solution for the wrong problem at the wrong time. In hearings before the Committee on Appropriations during February of this year, Dr. Arthur Burns, Federal Reserve Chairman and a widely respected economist, spoke to the committee about public employment legislation. He said:

In the event that unemployment exceeds 5½ percent, I would think very seriously of passing such legislation.

In January, the national unemployment rate was 5.2 percent. Since then the rate has dropped to 5.1 percent in February and in March, and 5 percent in April. In spite of this clear evidence that the unemployment problem is local, not national, Congress has added to the President's budget $413 million for public employment under section 5 of the old Emergency Employment Act. Congress itself has terminated this program, effective June 30, 1974, precisely because it was intended to deal with national unemployment, and was considered unsuited for persistent and high unemployment in specific local areas.

A second political expedient which the opposition party would sell to the voters and to the Congress is a tax cut. At a time of severe shortages of commodities and raw materials, of accelerated inflation, of declining unemployment, and high utilization of industrial capacity, a tax cut would be, in the words of Will Rogers, a joke that becomes a law, and a law that becomes a joke. Only the joke would be further inflation that reduces that standard of living of all Americans, and particularly the poor and those on fixed incomes.

In this connection I would like to quote from a statement on the Senate floor, on April 25 of this year, by Senator PROXMIRE of Wisconsin, the opposition party's senior Senator on the Joint Economic Committee:

A tax cut now would be a tragic and foolish economic policy. Inflation is here. It is rampaging. It will probably get worse. This is the worst of all times to stimulate the economy through either a tax cut or a big increase in spending.

As vice chairman of the Congressional Joint Economic Committee, I have listened to the administration and private economic experts on this subject.

While it is true that the economy is suffering from both inflation and a falling off of the GNP at the same time, inflation is rampaging while a recession is not yet here. The record of economists in predicting the economic future ranges from poor to terrible. We should, therefore, concentrate on the clear and visible and certain problem, that is the virtually unprecedented rise in prices and the overwhelming evidence that it will continue to get worse.

On the issue of a tax cut, I wish that the opposition party, and candidates for office across the country, would heed Senator PROXMIRE's advice.

Mr. Chairman, for the information of Members of the House, I include some additional information: First, a table showing a breakdown of congressional actions and inactions on the President's budget for fiscal years 1970–74; second, a technical paper prepared by the Office of Management and Budget which contains a number of tables showing Federal spending in current and constant dollars, and several technical notes on the derivation of those tables:

IMPACT OF CONGRESSIONAL ACTIONS AND INACTIONS

[In millions of dollars]

Fiscal year	Defense military construction bills	Other appropriation bills	Total appropriation bills	Backdoor	Mandatory	Backdoor plus mandatory	Inaction	Backdoor mandatory inaction	Net legislative actions
IMPACT ON BUDGET AUTHORITY									
1970	−5,994	+558	−5,436	+5,340	+364	+5,704	+1,470	+7,174	+1,738
1971	−2,247	−370	−2,617	+5,813	+2,539	+8,352	−4,613	+3,739	+1,122
1972	−3,118	+125	−2,993	+200	+473	+673	[1] −5,476	−4,803	−7,796
1973	−5,559	[2] +673	−4,886	+14,765	+864	+15,629	[3] −4,735	+10,894	+6,007
1974 [4]	−3,822	+502	−3,320	[3] +8,333	+897	+9,230	−295	+8,935	+5,615
1970–74	−20,740	+1,488	−19,252	+34,451	+5,137	+39,588	−13,649	+25,939	+6,686
IMPACT ON OUTLAYS									
1970	−3,229	+360	−2,869	+123	+1,352	+1,475	+1,388	+2,863	−6
1971	−890	+233	−657	+50	+4,114	+4,164	−221	+3,943	+3,287
1972	−1,203	+144	−1,059	0	+3,714	+3,714	− [1] 3,333	+381	−678
1973	−1,759	+ [2] 133	−1,626	+3,295	+4,565	+7,860	−107	+7,753	+6,127
1974 [4]	−1,510	+976	−534	+15	+3,317	+3,332	+728	+4,060	+3,526
1970–74	−8,591	+1,846	−6,745	+3,483	+17,062	+20,545	−1,545	+19,000	+12,256

[1] Excludes amounts requested for fiscal 1972 for revenue sharing to avoid double counting of inaction thereon in both the 1st and 2d sess. of the 92d Cong.
[2] Amount for Labor/HEW is an estimate of amounts available under the continuing resolution.
[3] Includes $3,890,000,000 shifted from 1973 to 1974 due to timing of congressional action on budget requests.
[4] Action by the 1st sess., 93d Cong.

Source: Prepared by the minority staff, House Committee on Appropriations, from data provided by the Joint Committee on Reduction of Federal Expenditures.

Federal Budget Outlays in Constant Dollars

The budget documents provide historical data on Federal outlays in order to permit comparison of the outlay totals and composition over time. (See Tables 14, 17, 19, and 20 of the 1975 Budget.) These data are presented in "current dollars," i.e., without adjustment for price changes, because these are the dollars that the Federal Government spends each year.

For many purposes, there is a need to abstract from price changes—for example, in answering such questions as: "What is the size of our defense program today relative to that of five or ten years ago?", and "Are Federal grants to State and local governments keeping pace with inflation?" The problem of price change is particularly acute when comparisons are made over long periods of time, when the comparisons cover periods of significant inflation, or when the rates of price change for major components of the budget differ significantly. The attached tables attempt to meet this need.

There is—of course—no perfect way of producing a constant price series of spending for anything as complex as the Federal budget. The deflators used in compiling the attached estimates (and discussed in Appendix B) are reasonable magnitudes, not precise measures. They can be used to estimate constant dollar outlays that are reasonable indications of both amounts and trends.

A note of caution: The fact that deflators (or indicators of rates of price change) differ for different components of budget outlays does not, *per se*, tell us anything about whether the spending or change in spending for the various components is "appropriate." That is decided by the President and the Congress on the basis of an overall evaluation of our national needs. For example, the elimination of the draft, which was agreed upon by the President and the Congress, has required higher rates of pay for servicemen in order to maintain any given level of military strength. This is reflected as a higher rate of price increase (paying more money per serviceman per year) in the defense area and is the price being paid to eliminate the inequities of the draft. Likewise, the existence of a higher rate of price increase in State and local purchases than in the consumer price index does not—by itself—tell us whether future Federal spending should provide for a higher rate of increase in grants-in-aid to State and local governments than for direct payments to individuals. That is a matter for the President and the Congress to decide after considering a host of social, economic, and political factors—of which relative price changes are only one.

The basic tables included in this report show actual data for each fiscal year during 1952–1973 and estimates by Office of Management and Budget staff for 1974 and 1975. These tables are:

1. Federal Budget Outlays in Current Dollars
2. Federal Budget Outlays in Constant (1969) Dollars
3. Implicit Price Deflators for Federal Budget Outlays
4. Percent Distribution of Constant Dollar Federal Budget Outlays

Appendix A provides a description of the budget categories shown in tables 1–4. Appendix B provides a discussion of how each of these components was deflated into constant dollars.

TABLE 1.—FEDERAL BUDGET OUTLAYS IN CURRENT DOLLARS

[In billions of dollars]

Fiscal year	Total outlays	National defense			Nondefense				
		Military retired pay	All other	Total	Payments to individuals	Grants-in-aid to State and local governments	Net interest	All other	Total
1975 estimate	304.4	6.0	81.7	87.7	111.5	51.7	22.0	31.5	216.7
1974 estimate	274.7	5.2	75.4	80.6	95.1	48.2	21.3	29.4	194.1
1973	246.5	4.4	71.6	76.0	80.6	43.9	17.4	28.7	170.5
1972	231.9	3.9	74.5	78.3	70.0	35.9	15.5	32.1	153.5
1971	211.4	3.4	74.3	77.7	62.2	29.8	14.8	26.9	133.8
1970	196.6	2.8	77.4	80.3	50.9	23.9	14.4	27.1	116.3
1969	184.5	2.4	78.8	81.2	45.4	20.2	12.7	25.0	103.3
1968	178.8	2.1	78.4	80.5	39.5	18.6	11.1	29.1	98.3
1967	158.3	1.8	68.3	70.1	35.2	15.2	10.3	27.4	88.2
1966	134.7	1.6	55.2	56.8	29.8	12.9	9.4	25.8	77.9
1965	118.4	1.4	48.2	49.6	26.7	10.9	8.6	22.7	68.9
1964	118.6	1.2	52.4	53.6	26.2	10.1	8.2	20.4	65.0
1963	111.3	1.0	51.2	52.3	25.6	8.6	7.7	17.1	59.1
1962	106.8	.9	50.2	51.1	23.8	7.9	6.9	17.2	55.7
1961	97.8	.8	46.6	47.4	23.0	7.1	6.7	13.7	50.4
1960	92.2	.7	45.2	45.9	20.1	7.0	6.9	12.2	46.3
1959	92.1	.6	46.0	46.6	19.0	6.7	5.7	14.0	45.5
1958	82.6	.6	43.8	44.4	17.1	4.9	5.6	10.6	38.2
1957	76.7	.5	42.2	42.8	13.6	4.0	5.4	11.0	34.0
1956	70.5	.5	39.8	40.3	12.0	3.7	5.1	9.4	30.2
1955	68.5	.4	49.8	40.2	11.2	3.3	4.9	8.9	28.3
1954	70.9	.4	46.3	46.6	9.6	3.1	4.8	6.8	24.2
1953	76.8	.4	50.1	50.4	8.0	2.8	5.4	10.1	26.4
1952	68.0	.3	43.7	44.0	8.1	2.4	4.8	8.6	23.9

TABLE 2.—FEDERAL BUDGET OUTLAYS IN CONSTANT (FISCAL YEAR 1969) DOLLARS

[In billions of dollars]

Fiscal year	Total outlays	National defense			Nondefense				
		Military retired pay	All other	Total	Payments to individuals	Grants-in-aid to State and local governments	Net interest	All other	Total
1975 estimate [1]	206.8	4.4	52.5	56.9	81.7	37.2	12.0	19.0	149.9
1974 estimate [1]	197.4	4.0	51.6	55.6	73.2	37.1	12.3	19.1	141.8
1973	193.5	3.7	53.1	56.7	67.1	35.7	13.0	21.0	136.8
1972	191.8	3.4	59.5	62.8	60.7	30.4	12.8	25.2	129.0
1971	183.7	3.0	63.7	66.8	55.9	26.3	12.5	22.2	116.9
1970	181.4	2.7	71.1	73.8	48.1	22.5	12.3	24.7	107.5
1969	184.5	2.4	78.8	81.2	45.4	20.2	12.7	25.0	103.3
1968	189.8	2.2	82.3	84.5	41.4	19.6	13.8	30.5	105.3
1967	173.3	2.0	73.5	75.5	38.2	16.9	13.1	29.6	97.8
1966	153.0	1.8	61.1	62.9	33.3	15.0	13.4	28.4	90.1
1965	139.4	1.6	54.9	56.5	30.5	13.0	13.5	25.8	82.8
1964	143.7	1.4	61.9	63.3	30.3	12.4	13.5	24.1	80.4
1963	138.7	1.2	62.3	63.5	30.0	10.8	13.6	20.8	75.2
1962	135.6	1.1	61.6	62.7	28.2	10.1	13.4	21.2	72.9
1961	124.7	.9	57.1	58.0	27.5	9.3	13.0	16.8	66.6
1960	120.0	.8	56.6	57.5	24.4	9.6	13.1	15.4	62.5
1959	122.2	.8	57.7	58.5	23.4	9.2	13.2	17.9	63.7
1958	112.9	.7	57.0	57.7	21.3	6.9	13.0	14.0	55.2
1957	108.7	.7	56.6	57.3	17.6	5.8	13.0	15.1	51.4
1956	105.5	.6	56.0	56.7	15.9	5.6	13.7	13.7	48.8
1955	107.5	.6	59.1	59.7	14.9	5.0	14.3	13.6	47.8
1954	114.5	.5	71.5	72.0	12.8	4.7	14.3	10.7	42.4
1953	122.3	.5	76.6	77.1	10.8	4.4	14.1	16.0	45.2
1952	110.9	.4	67.8	68.3	11.0	3.9	14.1	13.7	42.7

[1] These estimates are unofficial OMB staff projections consistent with the 1975 Budget and the 1974 Economic Report of the President.

TABLE 3.—IMPLICIT PRICE DEFLATORS FOR FEDERAL BUDGET OUTLAYS

[Fiscal year 1969=100]

Fiscal year	National defense	Payments to individuals	Grants-in-aid	Net interest	All other	Total budget	Fiscal year	National defense	Payments to individuals	Grants-in-aid	Net interest	All other	Total budget
1975 estimate [1]	154.26	136.50	139.03	182.76	165.84	143.95	1963	82.31	85.33	79.86	56.97	82.22	81.72
1974 estimate [1]	144.97	129.85	130.02	173.19	153.87	136.39	1962	81.49	84.33	78.07	51.32	81.19	80.53
1973	134.02	120.06	123.13	133.19	136.58	125.82	1961	81.67	83.47	76.04	51.46	81.36	80.34
1972	124.65	115.40	118.25	121.30	127.58	119.97	1960	79.86	82.40	73.57	52.77	79.38	78.85
1971	116.28	111.38	113.17	119.20	120.92	114.62	1959	79.67	81.26	72.28	43.44	78.64	77.35
1970	108.75	105.92	106.06	117.22	109.83	107.97	1958	76.89	80.16	71.54	43.06	75.50	75.43
1969	100.00	100.00	100.00	100.00	100.00	100.00	1957	74.62	77.59	69.67	41.23	72.67	73.01
1968	95.33	95.40	94.49	80.43	95.60	94.93	1956	71.09	75.39	66.46	37.12	68.63	69.51
1967	92.84	92.32	89.91	78.59	92.71	29.09	1955	67.44	75.12	65.70	33.96	65.55	66.54
1966	90.32	89.55	86.04	69.91	90.61	89.05	1954	64.76	75.45	65.40	33.65	63.19	64.62
1965	87.71	87.65	83.44	63.48	87.91	86.44	1953	65.38	74.81	64.32	38.07	63.49	64.81
1964	84.62	86.54	81.38	60.46	84.93	83.93	1952	64.49	73.73	62.98	34.37	62.34	63.59

[1] These deflators are unofficial OMB staff projections that are consistent with the 1975 Budget and the 1974 Economic Report of the President.

TABLE 4.—PERCENTAGE DISTRIBUTION OF CONSTANT DOLLAR FEDERAL BUDGET OUTLAYS

Fiscal year	Total outlays	National defense			Nondefense				
		Military retired pay	All other	Total	Payments to individuals	Grants-in-aid to State and local governments	Net interest	All other	Total
1975 estimate	100	2.1	25.4	27.5	39.5	18.0	5.8	9.1	72.5
1974 estimate	100	2.0	26.1	28.2	37.1	18.8	6.2	9.7	71.8
1973	100	1.9	27.4	29.3	34.7	18.4	6.7	10.8	70.7
1972	100	1.8	31.0	32.8	31.6	15.8	6.7	13.1	67.2
1971	100	1.7	34.7	36.4	30.4	14.3	6.8	12.1	63.6
1970	100	1.5	39.2	40.7	26.5	12.4	6.8	13.6	59.3
1969	100	1.3	42.7	44.0	24.6	11.0	6.9	13.6	56.0
1968	100	1.2	43.3	44.5	21.8	10.4	7.3	16.1	55.5
1967	100	1.1	42.4	43.6	22.0	9.8	7.6	17.1	56.4
1966	100	1.2	39.9	41.1	21.7	9.8	8.8	18.6	58.9
1965	100	1.1	39.4	40.6	21.9	9.3	9.7	18.5	59.4
1964	100	1.0	43.1	44.1	21.1	8.6	9.4	16.8	55.9
1963	100	.9	44.9	45.8	21.6	7.8	9.8	15.0	54.2
1962	100	.8	45.5	46.3	20.8	7.4	9.9	15.6	53.7
1961	100	.8	45.8	46.5	22.1	7.5	10.4	13.5	53.5
1960	100	.7	47.2	47.9	20.3	8.0	11.0	12.8	52.1
1959	100	.6	47.2	47.9	19.2	7.5	10.8	14.6	52.1
1958	100	.6	50.5	51.1	18.9	6.1	11.5	12.4	48.9
1957	100	.6	52.1	52.7	16.2	5.3	11.9	13.9	47.3
1956	100	.6	53.1	53.7	15.1	5.3	13.0	12.9	46.3
1955	100	.5	55.0	55.5	13.9	4.6	13.3	12.7	44.5
1954	100	.4	62.5	62.9	11.1	4.1	12.5	9.3	37.1
1953	100	.4	62.7	63.1	8.8	3.6	11.5	13.0	36.9
1952	100	.4	61.1	61.6	9.9	3.5	12.7	12.4	38.5

APPENDIX A—DESCRIPTION OF THE CATEGORIES USED IN DEVELOPMENT OF A CONSTANT PRICE SERIES ON FEDERAL BUDGET OUTLAYS

National defense is the national defense function as shown in the 1975 budget. Any outlay not included in the national defense function is classified as nondefense.

Payments to individuals includes all of the programs (including proposed legislation) shown as payments for individuals in Table 14 (pages 318–319) of the 1975 budget except military retired pay and those payments that are part of Federal grants-in-aid. For example, food stamps, public assistance, and Medicaid are included as payments for individuals in Table 14, but because the payments are channeled through State or local governments they are classified for purposes of the constant dollar estimates as grants and are excluded from payments to individuals.

Grants-in-aid are all the transactions listed as grants-in-aid or shared revenue in Special Analysis N of the 1975 budget except for those payments ($53 milion in 1975) that are included in the defense function.

Net interest is composed of the "interest" function shown in the 1975 budget, minus interest received by trust funds.

All other is any transaction included in budget outlays that is not included in one of the above categories. It is composed primarily of nondefense purchases of goods and services but includes other transactions such as subsidies and loans.

APPENDIX B—METHODS USED BY OMB STAFF IN DERIVING DEFLATORS TO PRODUCE CONSTANT DOLLAR BUDGET OUTLAYS

Constant dollar budget outlays were estimated by deflating each category described in Appendix A by the price index that seemed most appropriate to the expenditures in that category, using fiscal year 1969 as the base year. One basic assumption critical to producing these estimates is that—in the main—income is fungible. This means that if the Government pays certain bills or provides certain goods or services (such as food, housing, or medical care) at a reduced charge or no charge, the beneficiary is free to redistribute his remaining spending among other needs. Thus, for this purpose the benefit is considered an increase in the beneficiary's total income, not a net increase in his consumption of the particular subsidized goods or services. Hence, no effort was made to deflate benefits in kind by specialized deflators; all *payments to individuals* were deflated by a broad-based measure of the cost of living: the consumer price index (CPI).

On the same basic assumption, *grants-in-aid* were deflated using two broad price indexes. That part of grants-in-aid (mainly food stamps, housing payments, public assistance cash, and medical care) that are included in Federal payments for individuals were deflated by using the CPI. The remaining grants—including General Revenue Sharing—are assumed to provide State and local governments with money to finance their general operations. The deflator used for this spending is the National Income Accounts (NIA) deflator for State and local government purchases of goods and services.

Net interest in constant dollars was estimated in three steps. First, debt held by the public was deflated by the GNP deflator to produce an estimate of real debt held by the public. Second, real debt held by the public was coverted to an index (fiscal year 1969 = 100). Then real net interest was calculated by multiplying this index by the base year net interest. (The second and third steps are equivalent to multiplying real debt held by the public in each year by the base year price, i.e., the interest rate in the base year.)

This method of deflating net interest is based on the premise that interest is a payment for the use of funds measured in constant dollars (i.e., for real debt held by the public). It follows that a rise in the price of debt—the interest rate—does not change the quantity of services that the Government buys; whereas a rise in the general price level reduces the real value of a given amount of nominal debt and thereby decreases the quantity of services bought. Thus, a percentage change in real debt should be reflected by an equal percentage change in real net interest.

Three different deflators were used to estimate national defense outlays in constant dollars. Military retired pay was deflated by the same index that was used for nondefense payments to individuals: the CPI. All other military outlays of the Department of Defense (DOD) and Military Assistance were deflated using a price index produced by DOD. The DOD series is similar to the NIA deflator for purchases of goods and services, except that the Defense series treats any change in average grade structure (also known as "grade creep") as a change in real purchases, while the NIA treats such changes as being price increases. Hence, the DOD deflator increases less rapidly than the NIA deflator for defense purchases. For the remainder of defense spending (mainly for atomic energy and defense stockpiles) the NIA deflator for Federal purchases of goods and services was used.

The all other category of nondefense spendinf was deflated by the NIA deflator for Federal purchases of goods and services.

In all cases, the deflators used in calculating 1974 and 1975 outlays in constant dollars are unofficial OMB staff estimates that are consistent with the 1975 *Budget* and the 1974 *Economic Report of the President*.

All of these deflators have weaknesses. They do, however, provide reasonable indications of the magnitude of changes in "real" spending.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. WIDNALL).

The amendment was agreed to.

Mr. ROUSSELOT. Mr. Chairman, I rise in support of this legislation because I think this Commission has produced effective results in analyzing the productivity of this Nation in many important areas. I, too, like the gentleman from Iowa, am very concerned about the rapidly growing number of commissions, special committees and everything else in the Government, but I think that this Commission has become highly important, not only as an internal domestic tool, but also as it relates to our ability to compete overseas on the basis of proper productivity.

Mr. Chairman, I would like to remind my colleagues that in the report produced by this Commission in 1973, the Commission cited several projects it has initiated in the private sector. These projects include productivity in the food industry, productivity in health care, productivity in food service, and productivity in banking. In addition to its own efforts, the Commission has been observing efforts, such as the Chicago Construction Coordinating Committee, and the Joint Advisory Committees on Productivity at each plant in the steel industry.

Another important area to which the Commission has given high priority is productivity in government—at the Federal, State, and local levels. This 1973 report points out that—

Government purchases of goods and services now absorb about 22 percent of the Nation's gross national product, compared with 13 percent in 1950 and 10 percent in 1930.

Its public sector initiatives include, measuring and enhancing productivity in the Federal sector, measuring and enhancing productivity in State and local governments, and productivity in solid waste management and law enforcement. I believe that it can be shown that this has been an effective Commission.

I do not think that the argument should be made, that just because this Congress has, in my judgment, created too many commissions, that every single commission is bad. This Commission has, in fact, produced worthwhile material.

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

Mr. ROUSSELOT. Yes, I will yield in just a minute, but I promised my colleague, the gentleman from Indiana, that I would yield to him first.

Mr. Chairman, I yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Chairman, I thank my friend, the gentleman from California, for yielding.

I have looked at the bill and the report. I must say that it seems to me pretty vague as to exactly what this bill really is intended to accomplish, but I will ask the gentleman from California this: The thing that really strikes me about the bill even more than its vagueness is that it seems to me, insofar as I understand the measure, that it is the kind of thing which both the gentleman from California and I normally think ought to be done by private enterprise.

I wonder why the gentleman thinks in this instance that we need to spend two and one-half million dollars in creating a new governmental operation to do things which it seems to me private industry should do, and as a matter of fact, is doing pretty much.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's question, and I do agree that most of the time we are in total agreement that the private sector of our economy could, in fact, produce these kinds of results. But the reason that I believe the President set this up, and I think with good reason, is that when we found runaway inflation was occurring in this country, the President needed additional facts on which to base decisions. He felt that the Congress should, as it relates to the increase in the inflationary spiral that does occur as a result of not having a good handle on what our productivity rises are, determine what they should be and determine to what degree a lack of productivity increases is causing the inflationary spiral.

Second, the President, as he stated when he formed this Commission—and I praised him when he made this speech some 3 years ago on this subject—felt that for this Nation to compete effectively overseas with nation. like Japan, we needed to have a better analysis of our productivity increases. I feel this is a very reasonable facility within the executive branch, a commission that operates on a budget of $2.5 million. That is why I complimented my colleague, the gentleman from New Jersey, in cutting

back from $5 million to $2.5 million on this particular bill. I feel that we need this kind of information and capability to deal with our competitors overseas.

Mr. Chairman, I believe that on these two points alone that it is a worthwhile commission. The commission has, in fact, produced some of the needed information. It has not quite completed its job, and I believe that we will be able to see in another year that this Commission is producing the kind of information that will answer those two basic questions posed by the President 3 years ago.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(On request of Mr. GROSS and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

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

Mr. ROUSSELOT. Mr. Chairman, I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I thank the gentleman for yielding. I would ask him if the $2.5 million to be authorized for the continuance of this boondoggling commission will not be a contribution to more inflation.

Mr. ROUSSELOT. Mr. Chairman, no, I do not believe it will, and I will tell my colleague, the gentleman from Iowa, why: Because I believe it will do exactly the opposite. It will help contribute to both the ability of the Congress and the executive branch to have a better understanding of the productivity rises or decreases, whichever it may be, in any given industry. I think that this is, in fact, an important needed contribution to our ability to cope with inflation.

Mr. GROSS. Mr. Chairman, let me ask the gentleman what the report he has in his hand cost the taxpayers.

Mr. ROUSSELOT. Mr. Chairman, I do not have the exact figures, but I would estimate it would cost anywhere from $20,000 to $30,000.

Mr. GROSS. $20,000 to $30,000?

Mr. ROUSSELOT. Yes.

Mr. GROSS. How much money has been expended on this commission up to this point?

Mr. ROUSSELOT. My understanding is that it was $2.5 million roughly in 1973, and I believe, but I am not absolutely sure, that it was about $1 million since that time.

Mr. GROSS. So would the gentleman like to amend his statement to say that it probably cost about $2 million since this is the only report in evidence?

Mr. ROUSSELOT. No. The gentleman asked me what I thought this report costs. All the personnel were not dealing just with this report; they were dealing with other agencies that gathered this information.

Mr. Chairman, as we all know, productivity is the mainspring of economic stability, growth, and prosperity. It is a measure of how effectively capital, labor, and technology are utilized in producing output. In the long run, productivity growth is the only real cure for inflation. Only if productivity goes up can wages rise without pushing up prices. Only if productivity goes up can we expect to correct our unfavorable balance of trade. All of us in this body are aware of these simple truths and many among us have risen on the House floor in recent years to make declarations on the need for higher productivity. Productivity growth in the U.S. manufacturing sector of the economy between 1965 and 1970 averaged 1.9 percent annually—the lowest rate among the 11 leading non-Communist industrial nations. Japanese manufacturers increased their productivity during the same period by an average of 14 percent a year and the Common Market nations by an average of 6 percent. Productivity more recently has returned to normal levels but it still remains a major source of concern because of inflation.

I know of only one Government organization devoting full-time attention to productivity—the National Commission on Productivity. It has a monumental assignment. But in the past year, its first year in full operation on its own budget, the Commission has begun to make impressive headway in steering those in management, labor and government responsible for productivity-related decisions toward new approaches to cost saving that promise a high return on the taxpayer's investment.

As amended by the House, S. 1752, would provide $2.5 million for the commission's budget authority in fiscal year 1975. This amount is adequate, I believe, to finance the commission's full-scale operation of programs.

Productivity improvement, in its nature, is a long-term process. We cannot expect to see dramatic results overnight. Our trading competitors in the Common Markets nations, and Japan have had permanent public productivity centers for the last decade. Although we encouraged—through the Marshall plan—the establishment of productivity centers in these nations, we ourselves did not establish one until the Productivity Commission was formed.

If the program of the National Commission on Productivity results in an extra one-tenth of 1 percent in the growth of output per man-hour—the dividends for the economy would be enormous. The U.S. productivity growth rate has averaged 3.1 percent since 1950. If it could be increased to an average of 3.2 percent during the next decade, it could mean an extra $60 billion in additional gross national product in that period.

The CHAIRMAN. If there are no further amendments, under the rule the Committee rises.

Accordingly the Committee rose; and The Speaker having resumed the chair, Mr. SISK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the Senate bill (S. 1752) prescribing the objectives and functions of the National Commission on Productivity and Work Quality, pursuant to House Resolution 895, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the Senate bill.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 238, nays 139, not voting 56, as follows:

[Roll No. 220]

YEAS—238

Abdnor	Edwards, Calif.	Madden
Anderson, Calif.	Eilberg	Madigan
	Erlenborn	Mallary
Andrews, N.C.	Esch	Maraziti
Andrews, N. Dak.	Findley	Martin, N.C.
	Fish	Mathias, Calif.
Annunzio	Fisher	Mayne
Armstrong	Flood	Meeds
Ashley	Foley	Melcher
Aspin	Forsythe	Michel
Bafalis	Fraser	Miller
Baker	Frenzel	Minish
Barrett	Frey	Minshall, Ohio
Bell	Froehlich	Mitchell, N.Y.
Bennett	Fulton	Mizell
Bergland	Fuqua	Moakley
Biester	Gaydos	Montgomery
Blackburn	Gibbons	Moorhead, Calif.
Boggs	Goldwater	
Boland	Gray	Moorhead, Pa.
Bolling	Green, Pa.	Mosher
Bowen	Grover	Murphy, Ill.
Brooks	Gude	Murtha
Broomfield	Guyer	Myers
Brotzman	Hamilton	Natcher
Brown, Calif.	Hammer-schmidt	Nelsen
Brown, Mich.		Obey
Brown, Ohio	Hanley	O'Brien
Broyhill, N.C.	Hanna	O'Neill
Broyhill, Va.	Hanrahan	Owens
Buchanan	Hansen, Idaho	Patman
Burgener	Hansen, Wash.	Patten
Burke, Mass.	Hastings	Pepper
Burton	Hébert	Perkins
Butler	Heckler, Mass.	Peyser
Byron	Heinz	Pike
Carney, Ohio	Hillis	Preyer
Cederberg	Hinshaw	Price, Ill.
Chamberlain	Hogan	Quie
Chappell	Holifield	Quillen
Clausen, Don H.	Horton	Railsback
	Hosmer	Randall
Cleveland	Howard	Rees
Cochran	Hudnut	Regula
Cohen	Johnson, Calif.	Reuss
Collier	Jones, Ala.	Riegle
Conable	Jones, Okla.	Rinaldo
Conlan	Jones, Tenn.	Robison, N.Y.
Conte	Karth	Rodino
Corman	Kastenmeier	Roe
Cotter	Kemp	Roncalio, Wyo.
Coughlin	Kluczynski	Rooney, Pa.
Cronin	Kuykendall	Rousselot
Daniels, Dominick V.	Kyros	Roy
	Lagomarsino	Ruppe
Danielson	Lent	Ruth
Davis, Ga.	Long, Md.	Ryan
Davis, Wis.	Lott	St Germain
de la Garza	Lujan	Sandman
Dellenback	McClory	Sarasin
Dent	McCollister	Sarbanes
Derwinski	McCormack	Schneebeli
Dingell	McDade	Sebelius
Donohue	McEwen	Shipley
Drinan	McFall	Shriver
du Pont	McSpadden	Shuster
Edwards, Ala.	Macdonald	Sikes

Sisk	Treen	Wilson, Bob
Skubitz	Udall	Winn
Smith, N.Y.	Ullman	Wydler
Stanton, J. William	Van Deerlin	Wylie
Steed	Vander Jagt	Wyman
Steele	Vanik	Yates
Steelman	Veysey	Yatron
Steiger, Wis.	Vigorito	Young, Fla.
Stephens	Waggonner	Young, Ga.
Stratton	Walsh	Young, Ill.
Symington	Ware	Young, Tex.
Thomson, Wis.	Whalen	Zablocki
Tiernan	Whitehurst	Zion
Towell, Nev.	Widnall	Zwach
	Wiggins	

NAYS—139

Abzug	Griffiths	Pickle
Adams	Gross	Poage
Alexander	Gubser	Podell
Archer	Haley	Powell, Ohio
Ashbrook	Harsha	Price, Tex.
Badillo	Hays	Pritchard
Bauman	Hechler, W. Va.	Rangel
Beard	Henderson	Rarick
Bevill	Hicks	Roberts
Bingham	Holt	Robinson, Va.
Brademas	Holtzman	Rosenthal
Bray	Huber	Rostenkowski
Breaux	Hungate	Roush
Brinkley	Hunt	Roybal
Burke, Fla.	Hutchinson	Runnels
Burleson, Tex.	Ichord	Satterfield
Burlison, Mo.	Jarman	Schroeder
Casey, Tex.	Johnson, Colo.	Seiberling
Chisholm	Jones, N.C.	Shoup
Clawson, Del	Jordan	Smith, Iowa
Clay	Kazen	Snyder
Collins, Ill.	Ketchum	Spence
Collins, Tex.	King	Stanton, James V.
Conyers	Koch	Stark
Crane	Landgrebe	Steiger, Ariz.
Culver	Landrum	Stokes
Daniel, Dan	Latta	Stuckey
Daniel, Robert W., Jr.	Leggett	Studds
	Lehman	Symms
Dellums	Long, La.	Taylor, Mo.
Denholm	Luken	Taylor, N.C.
Dennis	McKay	Thompson, N.J.
Devine	Mahon	Thornton
Dickinson	Mann	Traxler
Downing	Martin, Nebr.	Vander Veen
Duncan	Mathis, Ga.	Waldie
Eckhardt	Mazzoli	Wampler
Eshleman	Metcalfe	White
Evans, Colo.	Mezvinsky	Whitten
Fascell	Milford	Wilson, Charles H., Calif.
Flowers	Mink	
Flynt	Mitchell, Md.	Wilson, Charles, Tex.
Ford	Moss	
Fountain	Nedzi	Wolff
Gilman	Nichols	Young, Alaska
Ginn	O'Hara	Young, S.C.
Gonzalez	Parris	
Goodling	Passman	

NOT VOTING—56

Addabbo	Frelinghuysen	Pettis
Anderson, Ill.	Gettys	Reid
Arends	Giaimo	Rhodes
Biaggi	Grasso	Rogers
Blatnik	Green, Oreg.	Roncallo, N.Y.
Brasco	Gunter	Rooney, N.Y.
Breckinridge	Harrington	Rose
Burke, Calif.	Hawkins	Scherle
Camp	Helstoski	Slack
Carey, N.Y.	Johnson, Pa.	Staggers
Carter	Litton	Stubblefield
Clancy	McCloskey	Sullivan
Clark	McKinney	Talcott
Davis, S.C.	Matsunaga	Teague
Delaney	Mills	Thone
Diggs	Mollohan	Williams
Dorn	Morgan	Wright
Dulski	Murphy, N.Y.	Wyatt
Evins, Tenn.	Nix	

So the Senate bill was passed.

The Clerk announced the following pairs:

Mr. Morgan with Mr. Rhodes.
Mr. Rooney of New York with Mr. Blatnik.
Mr. Teague with Mr. Breckinridge.
Mr. Delaney with Mr. Davis of South Carolina.
Mr. Murphy of New York with Mr. Gettys.
Mr. Giaimo with Mrs. Green of Oregon.
Mr. Rogers with Mr. Camp.
Mr. Stubblefield with Mr. Mills.
Mr. Carey of New York with Mr. Anderson of Illinois.
Mr. Biaggi with Mr. Frelinghuysen.
Mr. Diggs with Mr. Gunter.
Mr. Addabbo with Mr. Pettis.
Mrs. Grasso with Mr. Roncallo of New York.
Mr. Matsunaga with Mr. Arends.
Mr. Staggers with Mr. Scherle.
Mr. Slack with Mr. Carter.
Mr. Mollahan with Mr. Talcott.
Mr. Dorn with Mr. Johnson of Pennsylvania.
Mr. Clark with Mr. Clancy.
Mr. Brasco with Mr. Thone.
Mr. Harrington with Mr. McCloskey.
Mr. Reid with Mr. Hawkins.
Mr. Nix with Mr. Litton.
Mr. Rose with Mr. Williams.
Mr. Evins of Tennessee with Mr. McKinney.
Mrs. Sullivan with Mr. Wyatt.
Mr. Wright with Mr. Helstoski.
Mr. Dulski with Mrs. Burke of California.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the Senate bill just passed (S. 1752).

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

There was no objection.

STATEMENT OF CONGRESSMAN JIM WRIGHT IN RE JACK ANDERSON COLUMN

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

Mr. WRIGHT. Mr. Speaker, in a syndicated column issued for release today, Jack Anderson wrongly accuses me of sabotaging the "dream of scenic highways."

Mr. Anderson is completely wrong in his conclusion and quite inaccurate in certain of the facts he purports to report. The following information is submitted in the interest of accuracy and perspective:

First. It was I who served at the request of then President Johnson as floor leader in the House for the Highway Beautification Act of 1965. It also was I who defended continuation of the Act in 1970 when it was under active attack on the House floor and came within one vote of being terminated;

Second. Contrary to Mr. Anderson's assessment, it is absolutely not true that "more billboards now clutter the roadside than in 1965" or that the law has failed. Since 1965, $214 million has been authorized for beautification projects out of general revenues, and some $74 million of this has been allocated to the removal of billboards and the control of outdoor advertising. States have reported the removal of 225,000 illegal and nonconformity signs under this law. An additional $739 million has been expended out of highway trust funds for scenic enhancement and beautification of new highways;

Third. Mr. Anderson very inaccurately declares that "a cabal of Congressmen" under my leadership "brought pressure" on the Transportation Department "not to enforce the law." Quite the reverse is true. My only representations to the administrative officials is that they should indeed enforce the law and not their private whims.

Fourth. Mr. Anderson betrays his unfamiliarity with the law when he says:

> Wright is trying to give states the right to zone rural land along highways as commercial.

It is the law itself, not Wright, which affirms the right of States to do their own zoning. Here is what the law says (sec. 131(d) of title 23, U.S.C.):

> The States shall have full authority under their own zoning laws to zone areas for commercial or industrial purposes, and the actions of the States in this regard will be accepted for the purposes of this Act.

Fifth. Anderson says that Wright "scribbled his views" on a napkin and passed it across the table to DOT lawyer David Wells. It was not my views which I scribbled on the napkin; it was the above text of the law itself. Mr. Wells will confirm this statement if Mr. Anderson will call and ask him;

Sixth. It is true that I have served as chairman of the Highway Beautification Commission. I did not seek that position. I was appointed to the Commission by Speaker ALBERT and elected to the chairmanship by the other 10 members. The Commission made some 52 recommendations. All but three or four were unanimous recommendations, and only three of the 11 members expressed dissenting views on any point. I believe that neither Mrs. Brown nor any other member of the Commission would say that I have at any time been personally "discourteous and high-handed" in my treatment of any other member. If any newsman is in doubt, I invite him to ask any other member of the Commission, including Mrs. Brown, as to this point;

Seventh. Among the Commission's recommendations are the following: That we extend control to disallow the huge "jumbo" billboards which have been erected 661 feet beyond the right-of-way, that the Federal Government participate with the States in all costs attendant to such removal, that we develop a program for the removal of litter and junked automobiles, that we screen all junkyards visible from the highways, that we give more attention to the planting of indigenous shrubs and wild-flowers to beautify the roadways, and that we develop a program of roadside rests stops and scenic overlooks for the purposes of safety as well as scenic enhancement; and

Eighth. The Commission also recommended that a distinction be made between those signs which simply tout nationally advertised products—cigarettes, cigars, whisky, soft drinks, et cetera—on the one hand and those which provide useful directional information with regard to where a motorist may find needed roadside services—restaurants, restrooms, automotive services, and motels.

Apparently it is this to which Mr. Anderson objects. That is his right. But the public at large desires that such a

distinction be made, according to two nationwide polls conducted for the Commission by the deKadt and Sindlinger organizations.

Presumably it is the traveling public for whom we are both building and beautifying the highways. Their wishes, in my opinion, ought to be paramount. A very substantial majority of the public, according to these polls, do not desire the total removal of all information as to the location of these necessary services.

It is not some nebulous "billboard lobby" which Congress is attempting to please, Mr. Anderson's views to the contrary notwithstanding. It is the general public. They are the ones paying for the highways, and they are the ones whose wishes we should be attempting to accommodate.

SOCIAL SECURITY CONTRIBUTION FOR COMMUNITY ACTION AGENCY

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

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, I am today introducing a bill which should not be necessary. It involves the withholding of social security contributions for the Community Action Agency in the Tidewater Virginia area, which should be corrected administratively. The organization failed, in effect, to request permission to collect social security taxes and to make employer contributions in behalf of its employees. Thus far, Internal Revenue insists on going through their ruling procedures under Revenue Procedure 72–3.

Mr. Speaker, the facts in this case are perfectly clear. On June 17, 1966, the District Director of Internal Revenue in Richmond issued a form indicating that the Southeastern Tidewater Opportunity Project organization was exempt from Federal income tax. The letter also stated, I am told—

> You are not liable for the taxes imposed under the Federal Insurance Contributions Act unless you file a waiver of exemption certificate as provided in such act.

However, neither the local social security office nor the local and regional Internal Revenue Service offices have been able to locate the exemption certificate.

Since the incorporation of the STOP organization, social security taxes have been collected from the employees and the organization has, as an employer, paid its share of social security taxes. Internal Revenue has continued to accept the taxes since 1966. The STOP organization has conducted summer programs since 1966 averaging some 2,200 temporary employees and enrollees, all of whom STOP considered to be subject to social security taxes. The organization has had thousands of employees and enrollees through their program since 1965. To attempt at this time to locate all of these employees and refund to them the funds which have been paid to Internal Revenue Service would be a bureaucratic nightmare and probably would be an impossible task.

I feel certain that if the situation were reversed and STOP had failed to collect social security taxes and to pay them when they were required to do so, that organization would not have to follow Revenue Procedure 72–3 in order for IRS to move against STOP.

The bill which I introduce today, simply stated, provides that the Southeastern Tidewater Opportunity Project of Norfolk, Va., shall be deemed to have filed on June 1, 1966, a certificate certifying that it desired to have the insurance system established by title II of the Social Security Act extended to services performed by its employees and that STOP on June 1, 1966, shall be deemed to have concurred in the filing of such certification. I have twice asked the Commissioner of the Internal Revenue Service to handle this matter administratively. Apparently IRS is unable to understand this simple problem. I hope, however, that the committee having jurisdiction will promptly report this legislation in order that we may save the cost of going through a procedure which should be unnecessary of attempting to locate the individuals, refigure and refund the contributions which these employees and the STOP organization have made.

MARYLAND MAKES DR. KING'S BIRTHDAY A LEGAL STATE HOLIDAY

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

Mr. MITCHELL of Maryland. Mr. Speaker, as my colleagues know, Members of the Congressional Black Caucus and others have attempted to have the Congress pass legislation that would make the birthday of the late Dr. Martin Luther King, Jr., a holiday. Such actions, however, have not been limited to the national legislature. State legislators across the country, noting the absence of any national legislation, have introduced bills in our State legislatures honoring Dr. King. I am happy to say that one such attempt, which was successful, occurred in the Maryland State Legislature. I am inserting in the CONGRESSIONAL RECORD, for the consideration of Members of Congress, an article from a recent Baltimore Afro-American Newspaper:

Delegate Kenneth L. Webster said:

> This is one of the proudest moments of my life.

Delegate Webster sponsored H.B. 320, a bill to make Dr. Martin Luther King's birthday a legal State holiday.

> I am proud of the fact that Maryland is one of the first States to legalize Dr. King's birthday as a holiday. I am especially proud of the way the black community responded and fought to make this day our special day.

When H.B. 320 was heard the first time before the house ways and means committee, over 100 people jammed the meeting room—including a busload of ministers from Baltimore City and a contingent of community leaders from the city of Annapolis.

Two black members of the committee, Delegates Troy Brailey and Walter R. Dean, Jr., both noted that in spite of the moving testimony, there was some reticence about honoring a black man.

Delegate Walter Dean said:

> We really had to lobby. However, we had the sympathetic ear of our chairman, Delegate Benjamin Cardin (D-5th), who understood the symbolic value of the bill.

In spite of the sympathy for the bill, H.B. 320 failed on its first vote for passage in the House of Delegates by 1 vote.

Delegate Webster, defying conventional political wisdom, asked immediately for a recount. When the final vote was taken, H.B. 320 passed the house by an 11-vote majority. It was then sent to the senate.

H.B. 320 would not have passed the house if it had not been for intensive activity by many people.

Delegate Webster said:

> This was truly a community effort. This is clearly a bill that has been passed by the collective efforts of black people and their allies.

NATIONAL COAL ASSOCIATION SMOKESCREEN REFUTED

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

Mr. MELCHER. Mr. Speaker, recent claims by the National Coal Association that the House coal strip mining reclamation bill is unnecessarily stringent portray a lack of understanding of what the bill requires.

The National Coal Association has stated that the requirement of returning the land to its approximate original contour is an impossible provision and that claim has been echoed by others. Their claims need to be refuted and the facts clarified.

Section 210(b)(8) is the pertinent language dealing with the term "original contour" and it is to assure that both the integrity of the topography of the land and the water drainage pattern is maintained.

In addition, section 705(22) gives the definition of "approximate original contour," stating the term "means that a surface configuration achieved by back filling and grading of the mined area so that it closely resembles surface configuration of the land prior to mining and blends into and is in accordance with the drainage pattern of the surrounding terrain."

I am including a letter from Louis A. Sigler, who is the House Interior and Insular Affairs Committee consultant and former general counsel, to provide a legal interpretation.

His letter follows:

COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
Washington, D.C., May 14, 1974.

HON. JOHN MELCHER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: The National Coal Association in a release dated May 1, 1974, regarding the House surface mining bill is under a serious misapprehension regarding one of the bill's provisions. The Association

says that the bill "would require land to be reclaimed to the original contour except where the mine follows the coal seam vertically."

This is not true.

Subsection (8) beginning on page 43 of the bill requires the mining operator to restore the land to its *approximate* original contour. This is not an absolute requirement. "Approximate" does not mean "identical."

In addition, if the "deposit" is large in comparison with the overburden, the mining operator is required to restore the "approximate original contour" only to the extent of the available spoil and other waste materials.

Moreover, the rule and the exception apply to all surface coal mining regardless of whether the seam being mined is horizontal, diagonal, or vertical.

The Association's abbreviated analysis is not an adequate reflection of the bill's requirements.

Sincerely,

LEWIS A. SIGLER,
Consultant and Former General Counsel.

All in all, this requirement is no more than what has been anticipated by mining companies in a national reclamation bill and is comparable to State statutes where coal strip mining is being done. The charge made by the May 1 National Coal Association newsletter is an outrageous smokescreen seeking to confuse Members of Congress, coal companies, and utility companies in an effort to either defeat or water down the bill.

Coal mining companies that are interested in protecting the land and the water resources of this country will be able to follow the provisions of the bill without undue hardship.

In addition, some grumbling has been done by industry concerning an amendment I sponsored in committee that recognizes the landowner's rights when the coal underneath his land is owned by the Federal Government. Previous to my amendment, the House bill only required a mining company to post a bond before strip mining the land. That is no more nor no less than giving a coal company the right of eminent domain and was totally unfair.

Now with my amendment the House bill requires the written consent of the surface owner before this federally owned coal can be mined underneath his land and the coal companies right of eminent domain in these cases of private owned land over federally owned coal has been removed from the bill.

OFFICIAL RESIDENCE FOR THE VICE PRESIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BROOMFIELD) is recognized for 5 minutes.

Mr. BROOMFIELD. Mr. Speaker, I am today reintroducing with additional sponsors a joint resolution designating the quarters occupied by the Chief of Naval Operations as the official residence of the Vice President. The proposal would become effective upon the retirement this June of the present Chief of Operations, Adm. Elmo Zumwalt.

Every time a new Vice President takes office the Government spends thousands of tax dollars installing Secret Service quarters and security devices in his home. The bill for former Vice President Agnew's home alone was over $140,000.

It is time we stop this wasteful process and create a permanent residence for the Vice President. The American taxpayers should be spared the expense of underwriting the modification of homes of future Vice Presidents.

A companion resolution has been introduced in the Senate and hearings have already been held. I hope the House Armed Services Committee follows this lead and acts swiftly on this resolution.

Mr. Speaker, I include the text of this resolution in the RECORD at this point:

H.J. RES. 1011

Joint resolution designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective upon termination of service by the incumbent in the office of Chief of Naval Operations, Department of the Navy, the government-owned house together with furnishings, associated grounds and related facilities which are and have been used as the residence of the Chief of Naval Operations, shall thenceforth be available for, and shall be designated as, the official residence of the Vice President of the United States.

SEC. 2. As in the case of the White House, the official residence of the Vice President shall be adequately staffed and provided with such appropriate equipment, furnishings, dining facilities, services, and other provisions as may be required, under the supervision and direction of the Vice President, to enable him to perform and discharge appropriately the duties, functions, and obligations associated with his high office.

SEC. 3. The Administrator of General Services is authorized to provide for the care, maintenance, repair, improvement, alteration, and furnishing of the official residence and grounds, including heating, lighting, and air conditioning, which services shall be provided at the expense of the United States.

SEC. 4. There is hereby authorized to be appropriated such sums as may be necessary from time to time to carry out the foregoing purposes. During any interim period until and before such funds are so appropriated, the Department of the Navy shall make provision for staffing and other appropriate services in connection with the official residence of the Vice President, subject to reimbursement therefor out of any contingency funds available to the Exectuive.

SEC. 5. It is the sense of Congress that living accommodations, generally equivalent to those available to the highest ranking officer on active duty in each of the other military services, should be provided for the Chief of Naval Operations.

SEC. 6. The Act entitled "An Act authorizing the planning, design, construction, furnishing, and maintenance of an official residence for the Vice President of the United States", approved April 9, 1966 (80 Stat. 106), is repealed.

FIRE PREVENTION AND CONTROL ACT OF 1974

The SPEAKER. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 30 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, I want to urge the House and Senate conferees that will be appointed to settle the differences in the two versions of the Fire Prevention and Control Act of 1974 to reach an agreement quickly so that this urgently needed legislation may be enacted into law.

I am certain that all of us have known a firefighter or member of a community fire department at one time or another. We have thought of these men as our friends, our neighbors, as the stalwart citizen who has always donated his time and energies to protect his community against fires and to assist in various rescue missions. It is now time that these courageous men, who often have risked their lives for others, be given more than praise. It is time that we show these men our appreciation for their services through the utilization of science and technology to work in their behalf.

Firefighting is the most dangerous occupation in the Nation. More than 12,000 persons, including close to 200 firefighters, lose their lives in fires in the United State annually It is appalling that we as the most technologically advanced country in the world have the highest rates of death and property losses due to fire of all the major industrial nations. During a year, the United States reports 13 fires for every 1,000 residents, while Japan, also a highly industrialized country, records only 0.61 fires per 1,000 population.

Every minute there is a fire in an American home and every day approximately 170 Americans are killed or permanently scarred by fire. Property losses each year due to fires total about $2 billion.

Indicative of the seriousness and enormity of the fire problem is the fact that there are more than 20,000 fire departments in the United States with 200,000 paid firefighters and 20 million volunteers. From any perspective, firefighting is a hazardous and costly occupation. Injury rates for paid firefighters are two to three times the national average for that of manufacturing industries. Injury rates for volunteers are even higher than for paid firemen.

The legislation we recently passed in the House is a comprehensive bill designed to alter these horrible statistics by improving research, training, and education for the control and prevention of fires.

I believe it is important that the Federal Govermnent assist local governments in a national effort to combat fires. The Fire Prevention and Control Act provides for the creation of a U.S. Fire Academy to offer the most advanced scientific, technological, and educational instruction to firefighters. The establishment of the National Fire Academy is a step forward in upgrading the quality of training available to our firefighters through courses at the academy and through instruction given in community colleges and universities at the local level.

The Fire Academy will fall under the jurisdiction of the National Bureau of Fire and Safety which will be established within the Department of Commerce. The overall function of the Bureau of Fire and Safety will be to improve and promote programs for training firefighting personnel through co-

operation with State and local fire departments. Also within the Commerce Department the bill calls for the creation of a new fire research center to conduct basic and applied research for the development of new firefighting equipment to aid our firefighters in this dangerous profession.

Finally, under the Department of Health, Education, and Welfare, the bill establishes a program of improved treatment and rehabilitation for burn victims through the creation of burn centers which will be separate hospital facilities.

The programs advanced by the Fire Prevention and Control Act of 1974 will greatly contribute to the safety of our firefighters through research into improved protective equipment and through quality training and teaching of new firefighting techniques. Simultaneously, the bill develops programs to educate the public regarding fire prevention so that firefighters and residents of communities throughout the country can join together to launch a national campaign against fire—the No. 2 accidental killer in this country.

LEGAL SERVICES CONFERENCE REPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BLACKBURN) is recognized for 20 minutes.

Mr. BLACKBURN. Mr. Speaker, in a new attempt to mislead the trusting and prey upon the good faith of the public, the Senate-House legal services conference committee reported to the public on May 9, via prearranged stories in the New York Times and the Washington Post, that a Legal Services Corporation plan had been adopted which assertedly represented a yielding by the Senate to the more stringent safeguards against legal services abuse which had been adopted by the House of Representatives last June 21, 1973.

One standard of measurement for gauging whether the safeguards demanded by the House have been honored is adducable by review of the 24 amendments which had been voted onto the bill in the House. Seventeen of the 24 have been either eliminated, or altered in such a manner as to destroy their original meaning and impact.

PARTIAL LIST OF ELIMINATED HOUSE AMENDMENTS

For example, the following amendments have been eliminated entirely:

The Green amendment which would have liquidated the Corporation in 1978, requiring affirmative congressional action if it were to be continued beyond June 30 of that year;

The Green amendment to prevent the *funding* of backup centers for nonresearch activities—amicus briefs, cocounsel work, assistance to activist organizations, issue advocacy publications and travel, law reform, non-client-generated test cases, policy lobbying, et cetera;

The "congressional accountability" amendment which would have limited the power of the American Bar Association to assume primary responsibilty for project employee behavior, performance, and obligations via modifications in the Code of Professional Responsibility and Canons of Ethics;

The two Green amendments requiring annual appropriations and barring multiyear appropriations without congressional review.

PARTIAL LIST OF HOUSE AMENDMENTS WEAKENED

Of at least equal importance, other vital safeguards were completely vitiated by cleverly worded modifications which destroyed the original meanings of House-passed amendments:

The prohibition on aid to "any picketing, boycott, or strike" is wiped out with the phrase "except as permitted by law," since such activities are clearly legal, however undesirable it may be to subsidize them with public funds.

The House prohibition against assigning personnel or resources in connection with campaigns to affect the outcome of state ballot issues has been rendered meaningless by the proviso that such ballot campaign activity is permitted when it takes the form of representation for "eligible clients with respect to such client's legal rights." The catch is that every group which alleges to concern itself with poverty issues can be an eligible client under the proposed act—thus, whether the cause relates to the elderly—National Council of Senior Citizens—or women—National Organization for Women—or the "right" of the poor to abortions—Planned Parenthood—or Cesar Chavez—United Farmworkers—or Indians—American Indian Movement—or whatever, the prohibition is without effect.

The Green amendment which stated that

(i)f an action is commenced by the corporation or by a recipient and a final judgement is rendered in favor of the defendant and against the corporation's or recipient's plaintiff, the court may, upon proper motion by the defendant award reasonable costs and legal fees . . .

Has had its intent altered by a conference proviso that such relief to innocent private parties sued at the discretion of legal aid employees would be available only—

Upon a finding by the court that the action was commenced for the *sole* purpose of harassment . . . or a recipient's plaintiff maliciously abused legal process.

Thus where a guiltless victim of a legal services suit couldn't prove "harassment" or "malicious" abuse, such victim, however poor or aggrieved, would have to sustain the full financial cost of legal services assault.

The requirement that full-time staff attorneys be subject to Corporation law and regulations at all times and devote full professional attention to their tax-subsidized responsibilities was rendered ineffective by addition of language that such "outside practice" activities could be fully permissible if not entered into for purposes of financial compensation. A standard legal services defense against evidence of impropriety has been the disclaimer that the incident to which objection had been made occurred on one's "own time," or in connection with "outside practice" of law.

The very important antilobbying ban imposed by the House on a 200 to 181 rollcall vote—which had prohibited lobbying on state or Federal issues, except to permit statements or testimony—has been replaced with language authorizing legal services efforts "to influence the passage or defeat of any legislation by the Congress of the United States, or by any State or local legislative bodies" whenever one "member thereof requests personnel of any recipient to make representations thereto;". Furthermore, continuation of the practice of having registered legal services lobbyists in state legislatures is fostered by permission of lobbying "representation by an attorney as an attorney for any eligible client". "Eligible clients" would include lobbying organizations concerned with issues as diverse as passage of the equal rights amendment and gun control.

The intention of the House amendment to bar aid to "public interest" law firms is wiped out by another tricky semantic change. Where the House would have denied Corporation aid to any such Nader-style firm which expended 50 percent or more of its resources and time "litigating issues either in the broad interests of a majority of the public or in the collective interests of the poor, or both," the deceptively worded Conference bill, by deleting the phrase: "or in the collective interests of the poor, or both" in effect authorizes use of government funds to support any radical cause which claims to be acting for the poor as a class.

The very important House amendment limiting the authority of project attorneys to represent persons under 18 without parental approval has been divested of meaning through a sleazy rewrite job permitting such representation—whether with respect to abortion, school discipline, or similar issues—"where necessary for the purpose of securing, or preventing the loss of services under law, or in other cases not involving the child's parent or guardian as a defendant or respondent."

Also eliminated was the Mizell amendment relating to institutions of higher education, which many had hoped would serve as a barrier to proquota briefs of the sort filed by legal services projects in the DeFunis case.

The "anticommingling" amendment adopted by the House—to prevent involvement of Corporation-subsidized programs in prohibited activities under cover argument that only "local share" funds or "state funds" were involved in the improper activity—is knocked out of the proposed act through a conference-devised loophole asserting that "this provision shall not be construed to prevent recipients from receiving other public funds . . . and expending them in accordance with the purposes for which they are provided." If tax-exempt Ford Foundation grants were defined to be "public funds"—as a careful reading of the relevant provision seems to imply—the entire section has been rendered meaningless.

SENATE PROVISIONS KEPT; HOUSE PLAN ALTERED

It is not just in its disregard for 17 House-passed amendments that the con-

ference committee cast down the gauntlet to those who favor limits on the power of free-wheeling attorney activists to determine what is best for the poor and for the court. The conference bill also retains some other very unfortunate aspects of the very liberal Senate-passed bill, while erasing important original parts of the legislation adopted by the House on June 21.

Obnoxious aspects of the Senate version which have been grafted on to the almost totally ignored House plan include:

Making the Corporation part of the Economic Opportunity Act—an ill-disguised effort to promote exclusive control of confirmation of Corporation board members by the liberal Senate Committee on Labor and Public Welfare;

Adopting a preamble which affords the statutory presumption of continuation to current grantees and administrative policies of "the present vital legal services program" and which strongly implies that staff attorneys supported by the program should have "full freedom" from accountability to the American people who pay their bills;

The Senate bill, to which House conferees receded, has an ominously sweeping provision allowing the Corporation to make "such other grants and contracts as necessary to carry out the purposes of the title"—source: conference report. Given the very broadly defined purposes of the conference plan that means simply: "anything goes"—all not specifically prohibited is consequently allowed. For example, as now written, Corporation officials could fund almost any group of their choosing, so long as it was involved in directly aiding candidates for office;

Denying the President authority to designate the chairman of the Corporation's board of directors, except in the first instance;

While downplaying the importance of existing influence of ADA and NLG-oriented values in the present control and management of the legal services program, conferees would prevent future changes in a more moderate or conservative direction by the convenient requirement that hereafter "no political test or political qualification" be taken into account in personnel policies for the $100 million per year program.

The arrogant assertion that, though federally funded, "the Corporation shall not be considered a department, agency, or instrumentality of the Federal Government." At the same time, however, while denying Federal accountability, Corporation employees are given all the benefits of Federal employment, including the right to remain eligible for social security benefits, without paying additional social security or self-employment taxes while building up a Federal retirement nest egg;

Requiring "a special determination by the Board" before program control can be assigned to elected State and local officials, while at the same time permitting the lowliest legal services employee with control of grant money to fund private organizations of his choosing;

While purporting to prevent employees from acts which would "intentionally identify the Corporation" with party or candidate related political activity, section 1006(e) of the conference plan would define project employees themselves as "deemed to be State or local employees for purposes of chapter 15, of title 5, United States Code." It is important to note that title 5—

> . . . does not prohibit political activity in connection with . . . (2) a question which is not specifically identified with a National or State political party. For the purpose of this section, questions relating to constitutional amendments (etc.) . . . are deemed not specifically identified with a National or State political party.

Thus, while personnel can't "identify" the Corporation with partisan—and perhaps even nonpartisan—political activity, they can do virtually as they please in organizing for noncandidates or non-party-related issues like, for example, those concerning taxation or education or socialized medicine.

Senate language in the conference bill encourages perpetual funding for presently funded projects by compelling the Corporation to "insure that every grantee, contractor, or person or entity receiving financial assistance under this title or predecessor authority under this act which files with the Corporation a timely application for refunding is provided interim funding necessary to maintain its current level of activities until the application for refunding has been approved and funds pursuant thereto received, or the application for refunding has been finally denied in accordance with section 1011 of this Act." Section 1011 reads:

> Financial assistance under this title shall not be terminated, an application for refunding shall not be denied, and a suspension of financial assistance shall not be continued for longer than thirty days, unless the procedural requirements defined in the Act and by court precedent have been fully satisfied.

In brief, there's almost no way to cut them off.

DANGERS DISGUISED

The conference plan also defers to the Senate in its stipulation that—

> The President may direct that appropriate support functions of the Federal Government may be made available to the Corporation in carrying out its activities under this title to the extent not inconsistent with other applicable law.

While less blatant than the original Senate language, this proviso would still make it possible for a President of the United States to give private organizations aided by the corporation the benefit of a full range of Government services and equipment free of charge. This could include everything from Xerox machines to motor vehicles to long distance phone service. Given the political nature of many groups previously aided and prospectively eligible for aid by legal services, this remains a very dangerous section, which was wisely absent from the more moderate House bill.

Another Senate victory lies in the conferees' implied agreement to transfer present OEO Legal Services career employees and to perpetuate the radical OEO union agreement, at the Corporation.

Also highlighting the deviousness and unscrupulous deception practiced in drafting the final conference language is a special section which purports to deal with widespread concerns about political manipulation and control of backup centers in behalf of liberal causes.

In an effort to reduce opposition to the bill, the conferees suggest that the centers will not continue beyond 1977, unless there is affirmative action by the Congress for their continuation. The conscious misrepresentation of this section lies in the fact that it deals only with backup center "research" activities, omitting even that mild restraint on more obnoxious backup center activities entirely unrelated to research—for example, "information clearinghouse," "issue explanation." These neutral phrases have long served to cover up and excuse many backup activities much more closely related to political causes than poverty representation.

Right to life groups are particularly outraged by continuation of the backup centers, since several of them—National Health Law Project, Bureau of Social Science Research, National Juvenile Law Center, et cetera—have been in the forefront of successful drives for liberalized abortion laws and regulations on both a State and national level.

Even if the bill really did establish restrictions on the backup centers, the gradual conversion by national OEO officials of neighborhood law offices to local law reform units would negate much of its value.

OTHER WEAKNESSES

There are still other weaknesses to be found in the conference plan, when it is compared with the House bill:

The House bill gives Governors a free hand in designating state advisory committee members; the Senate/conference plan requires Governors to wait for recommendations from the organized bar before acting.

A House provision intended to limit aid to militant prison groups by barring "assistance in civil actions to persons who have been convicted of a criminal charge where the civil action arises out of alleged acts or failures to act connected with the criminal conviction and is brought against an officer of the court or against a law enforcement official" has been materially changed to preclude such cases only where they "challenge the validity of the criminal conviction."

RIGHT TO LIFE CONCERN

While the conference did make a few prearranged changes in the Senate bill, like dropping specific provisions for a National Advisory Council—still permitted, but not structured into the bill—and deleting some of the more frightening Senate language barring "Federal control" of the new entity, those who take the time to study the final plan, in comparison with the House and Senate versions, will clearly observe an almost total Senate victory over the House. Furthermore, where the House did prevail, it was often because its language was as permissive or more permissive than that of the Senate.

In choosing the House ban on "legal assistance with respect to any proceed-

ing or litigation which seeks to procure a nontherapeutic abortion," as opposed to the Senate version which barred such assistance on abortion "unless the same be necessary to save the life of the mother" conferees were playing into a trap well set by proabortion legal services activists.

The April publication of OEO's National Clearinghouse for Legal Services, in a cover story by Patricia Butler of the National Health Law Program—a backup center—says:

> Any abortion which a woman requests is medically necessary, since the very request for the procedure indicates the importance of terminating the pregnancy to the woman's health, whether physical, mental or emotional.

Thus, there is no such thing as a "nontherapeutic abortion" in the official view of the legal services backup center issue which is most prominent in dealing with abortions. Accordingly, the conference prohibition would be without force.

ON SOME ISSUES, COMMON LANGUAGE GAVE CONFEREES NO CHOICE

In some cases, as with regard to the ban on aid to Selective Service law violators, the conferees had no choice, since the prohibition was included by both House and Senate. To give credit where due, the one real victory scored by the House was the personal achievement of Kentucky Congressman CARL PERKINS who had insisted that local attorneys be given preference in filling project staff vacancies.

Yet all of this explanation does not even begin to remind the reader that the House bill—vastly better than the conference result—was itself weaker in thirteen key respects than the administration plan announced last May 15. And, of course, that plan was also a "compromise."

SOCIAL SECURITY SYSTEM STRUCTURE SHOULD BE CHANGED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. SYMMS) is recognized for 30 minutes.

Mr. SYMMS. Mr. Speaker, the more I inquire into the social security system, the more concerned I become that enough Members in this body do not know the glum facts about its financially precarious structure. When we vote in favor of exorbitant social security increases, I wonder if most Members base their vote on a concern for the elderly in these inflationary times and an ignorance of the facts, or, do we vote with a knowledge of the facts for the sake of political expediency? I am hoping the former is true and that once the facts are set forth, the Members of this body will undertake the hard task of making some real changes for the better in the social security structure—changes which will insure the ability of the system to meet the demands of future retirees. Mr. Speaker, I feel that there are some basic questions about social security which need to be answered—and the answers point out that we in this Congress have heaped too many abuses upon the system. These abuses could well cause its downfall.

First, how much has the social security payroll tax escalated?

In 1935, the social security tax was only 2 percent and proponents of the scheme had argued that 1 percent would be sufficient. The maximum amount that could be paid into the system was $60 annually. In 1961, the tax had risen to 6 percent and now in 1974, the tax is 11.7 percent of the first $13,200 of earned income. That means a maximum of $772 can be contributed. Since the employer contributes an equal amount there are only two questions: First, is this money that would otherwise have gone to the employee as wages, making his total real contribution $1,544? or second, is this an additional cost which would otherwise not be reflected in the price of goods to the consumer? Either way, the average contributor to the social security system is having that money extracted, either from wages or hidden in high prices of consumer goods. To project into the future, by 1986 the Social Security Administration has estimated that the tax will be 12.9 percent but they are unable to estimate what wage base it will be applied to. The most recent increase voted on last December was financed by raising the wage base from $10,800 to $13,200 so we can gather a few clues from that fact.

Second, is social security payroll tax based on ability to pay? Posed another way, the question goes, who gets hit the hardest?

The Brookings Institution calls the social security tax the most regressive of all taxes. People below the poverty level who don't pay Federal income taxes must still pay the social security tax. The tax puts the burden of supporting present recipients mainly on poor and middle-income workers who don't earn in excess of the wage base. It is like a perverted Robin Hood—instead of taking from the rich to give to the poor, social security just takes from the poor and rich indiscriminately to give to "qualified" recipients.

Third, what is the ratio of workers contributing into the system to recipients receiving from the system?

The trend is toward smaller numbers of the former and greater numbers of the latter—a very dangerous trend. In 1947, 22 workers supported one recipient; in 1957, 6 workers supported each recipient; and in 1973, only 3 workers supported one recipient. The most frightening aspect of this ratio is a forward look to the years in which "zero population growth" has been realized and the baby boom children are retiring. At that time there will be more recipients than workers—an explosive situation of the first magnitude. Mr. Speaker, I submit to you and the Members that if we have not already experienced a tax revolt by that time, this will be enough to instigate one. Many experts have called social security a time bomb and I believe that that is exactly what it is!

Fourth, how much have benefits increased?

The answer to that is contained in one word—"Drastically"! Since January 1, 1973, there has been a total increase of 68.5 percent. To those who argue that payments are not keeping up with the cost of living, I would like to point out that the increase of the cost of living in the same time period has been 24.4 percent. For more than 10 years, benefits have been increasing twice as fast as wage and salary income in this Nation. This fact, coupled with the constant arguments about payments being insufficient to keep up with living costs makes me wonder if social security was intended to be supplementary income or a complete source of income. That leads us to the next question:

What is social security—a pension plan or an insurance fund?

The answer is neither—at least not within the original intent behind the social security system. Rather than being a complete source of retirement income for so many people, it was intended to be supplementary in nature for all but the most needy cases. The system now is the complete source of income for far more people than originally intended. It is far too underfunded to be a pension plan or an insurance plan and here is why:

When social security was started in 1935, it was supposed to build up a fund which would collect interest and then could be drawn from by those who had contributed over the years. At best, the "fund" is a myth—at worst, a boldface misrepresentation by the Government. The Government has used incoming funds all along to give itself a "loan" at 4 percent interest so that it could meet current operating expenses. If the social security system should go bankrupt tomorrow and people started asking "Where did the money go?" the only honest answer would be that it was never there in the first place. In 1972, Congress enacted legislation which recognized this gamesmanship of the Social Security Administration. Now this pay-as-you-go operation is legally based. In fact, the changeover allowed the Social Security Administration to use what new funds it had in reserves to fund the 20-percent increase which was passed in that same year. As of last July 1973 the reserves had dwindled to $37 billion. If it seems like a lot, let me warn you that it is only enough to cover around 9 months of payments to beneficiaries. Besides, a good part of that $37 billion has probably been used up by now, so it is anyone's guess what the present reserves are. The appalling lack of reserve funds is what private pension plans call an unfunded liability—that it, if all the people with vested rights to benefits should all at once demand a lump sum payment, what would happen? A plan—private, that is—might be able to fork over some of the money it owed, and that part which it could not pay would be it unfunded liability.

The social security system at this time has an unfunded liability approaching $2 trillion! No insurance or pension plan in the country could get away with that. Insurance commissioners should shut them down pretty fast! In fact, Congress recently passed into law H.R. 2, which

puts the Government's teeth into private pension plans by demanding that they have no unfunded liability by the end of their first 30 years in existence. I submit to you, my colleagues, that we in the Congress should have cleaned up the mess on our own doorstep—social security—before tampering with private plans that have over $150 billion in their reserves! I have been assured however that these days the concept of "unfunded liability" applies only to private pensions, the Government and the Social Security Administration considers it passe!

If social security is not a pension plan or an insurance fund, as I believe the preceding statements have pointed out, what is it?

My colleagues, it is a mess. In addition it is nothing less than the disguised redistribution of income earned by workers to nonworkers—a transfer of payment of currently earned wealth. For those who argue that the transfer is between the generations, from workers to retired workers who deserve their fair share of payments, let me point out the statistics. Out of the $4.6 billion spent each month for benefits payments, only slightly more than half, $2.4 billion, goes to retirees. The rest goes to programs that are quasi-insurance or quasi-welfare in nature. Workers today are not just paying for worthy members of the older generation, they are maintaining their own generation to a large extent.

Another question which needs to be asked is how big is the social security bureaucracy and what does it consume in costs to the taxpayer?

The answer is that the system is big enough to be a real nonproductive drain on the economy. It has 636 district offices with 384 branches and 129 metropolitan branch offices around the Nation. Administrative expenses have risen from a "mere pittance" of $27 million in 1940 to over $1 billion annually at the present time. Out of the 120,000 Health, Education, and Welfare Department employees, 63,222 work for social security—enough to populate a city that would be the second largest in my home State of Idaho!

Another question which bears looking into is how the system runs under the 1972 legislation. I maintain that this legislation has made the system an actuarial nightmare. And Mr. Robert J. Myers, the former social security chief actuary apparently shares my views. The legislation adopted "dynamic assumption" which will feed the flames of the inflationary fires. Myers points out that this will place social security in the position of granting higher benefits annually and then hoping that inflation will follow. This theory will be implemented into practice in 1975 and I am sure we will all see that if there is any sure way to perpetuate the inflationary cycle in this country, it is to make built-in assumptions like this. "Dynamic assumptions" will: First, force employers to offset their ever increasing payroll taxes by increasing prices to consumers; and second, let benefits and contributions increase one step ahead of the real inflation—helping thereby to cause that inflation in part. To quote Mr. Myers, dynamic assumption theory is "an unsound procedure."

Actuarial soundess will wholly depend on perpetual inflation and a borrowing from the next generation to pay the current generation's benefits.

Francisco Bayo, the Deputy Chief Actuary for the Social Security Administration, stated that it used to be normal for the Administration to compute the significance of new social security increase over the long range. However, when the 1972 legislation was passed, the Social Security Administration quit its efforts at computation because, and I quote Mr. Bayo—

The figures were so huge that it got too scary!

Barron's, the financial newspaper, decided to go where angels and Mr. Bayo feared to tread. They computed the long-term consequences of the legislation, making the typical assumptions of maximum contributions and maximum benefits that the Social Security Administration utilizes in computations.

What did the Barron's statistics reveal? They found that for today's 18-year-old worker, the wage base when he reaches retirement in 47 years will be $125,000. His total contribution to the system during his working years will have totaled $108,904—or if you figure in his employer's matching contributions that sum will double to $217,808. He will draw $4,950 per month. I begin to sympathize with Mr. Bayo's "scary" feelings! Since you might have a hard time relating to an 18-year-old worker who would not retire until 2021, however, let us look at the computations for a 40-year-old worker. At age 65, his wage base subject to social security payroll taxes will be $42,600 and his monthly benefits after retirement will be $1,187.20. My colleagues, this is the not-too-remote future that I am talking about!

Still another question we should all be asking ourselves as we vote in these laws affecting every working person in the private sector is this—how would the same amount of money spent for contributions fare in private investments?

The answer to that is much better. Assuming a 7-percent interest rate to be conservative that same amount of money could be earning the 18-year-old a cushy $7,432 per month—nearly $25,000 more than social security. For the 40-year-old worker the monthly payment would be $1,716 or over $500 more than social security will pay him.

The only question now, my colleagues, is what are we in this Congress going to do? Are we going to continue to be creatures of political expediency and yield to the pressure groups that are the most vociferous? The panacea, the magic cure that these groups are calling for is the proverbial cure that kills the patient. I cannot blame those recipients and pressure groups who cry "More, more." We in this Congress have promised them a decent benefit. We in this Congress, however, have defaulted on this promise by our deficit spending patterns which cause inflation. And now we try to make amends by voting for these lethal increases. I call them lethal because they only serve to worsen inflation and necessitate additional increases. Our track record since January 1, 1970, in which a total of over 68 percent in increases were passed points this out.

Another factor militating in favor of the increases is that we have found payroll taxes to be a "painless" way of separating a man and his money—so we become downright extravagant in promising new benefits from this payroll tax.

Mr. Speaker, I am quite frankly sick with disgust at the manner in which we have been voting in social security increases. And I feel increasing frustration with the way the House Ways and Means Committee has been able to ramrod these measures through the Congress. We never see a social security bill without a closed rule. In fact, when the 1972 legislation came before Congress the committee did not even give the prerequisite 4 days' notice. Nor did the members on the committee give more than a passing glance at the drastic "dynamic assumptions" theory—an extremely crucial matter which should have received the closest possible congressional scrutiny.

Unless we change our ways, Mr. Speaker, I believe that someone, someday is going to be paying the social security piper. And that day is not far off. Furthermore, I do not believe that the American people should be forced by us into this position. After all, we in the Congress are in a special and protected situation. We have our own pension plan and do not pay into social security—would we be voting the same way if our own vital interests in the system were at stake? I submit to you that we would not.

CHILD CARE DEDUCTION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 15 minutes.

Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to improve the child care deduction provision of the Internal Revenue Code. By liberalizing these provisions, my bill will facilitate women's participation in meaningful activity outside the home.

The current deduction for child care expenses is deficient in several respects. First, it is not available to married couples if one spouse is working part-time, even though the other spouse is employed on a full-time basis. Yet, one-quarter of the women in this country, comprising 13 percent of the population, work on a part-time basis. By not allowing the deduction in the case of part-time employment, we penalize these women. Furthermore, the current provision has the effect of forcing women to choose between full-time employment and full-time household and child care duties. It thus discriminates against those women who prefer to spend at least part of the day with their children and part of the day at work.

Second, the deduction is not available

where one spouse is a full-time student. This has a harsh impact on women who wish to return to school, after having children, to prepare for a career. It is equally harsh on families where the husband is a full-time student, and the wife has to work full time.

Third, child care expenses are now deductible only as personal expenses rather than as ordinary business expenses. This means that the deduction is not available to families who use the standard deduction form. Since 68 percent of the families with earnings of $10,000 or less do not itemize deductions, they cannot take advantage of the present child care tax provisions. Yet, these are often the people who most need and most deserve assistance from tax relief.

Finally, the present child care deduction is not available to a person who has been separated from his or her spouse for less than the entire taxable year. Thus, an individual whose spouse has been absent for 11 months of the taxable year does not get the benefit of any part of the deduction.

My bill will correct these deficiencies and will give the benefits of the child care provisions to those who legitimately need them:

First. It makes the child care deduction available to couples who work part time and to full-time students with working spouses;

Second. It allows the deduction as an ordinary and necessary business expense rather than as a personal expense. The deduction will be available on the same basis as any other business expense deduction subject to such rules and regulations as the IRS may provide;

Third. It makes the deduction available to a person whose spouse has been absent for more than half of the taxable year; and

In addition, my bill makes the following changes for purposes of simplicity: It replaces the monthly limitations on deductible expenses with an annual limitation. This will ease both the filing and administrative process. It abolishes the distinction in present law between care in the home and care outside the home. In addition, it eliminates the adjustment for disability payments.

I believe this bill will advance the cause of women's right to work. It is not intended to replace the necessity of a national child care system. It does not pretend to solve the problems of working parents and child care. Hopefully, comprehensive legislation will be enacted to make available high-quality child care facilities to our Nation's children. In the meantime, my bill will serve to ease the economic burden of countless moderate- and low-income families, eliminate discrimination in present provisions, and make a strong commitment to the special needs of working parents, particularly those women who must or want to work.

SSI—H.R. 14753, COMPREHENSIVE REMEDIAL SSI LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman fom New York (Ms. ABZUG) is recognized for 15 minutes.

Ms. ABZUG. Mr. Speaker, since early January of this year, my office, like that of every other Member of the House, has received thousands of letters and telephone calls from anguished elderly, blind, and disabled SSI recipients. It would be easy to blame the administration for all of the hardships and indignities which are being borne by all of those blameless old and sick. In all seriousness, we must not and cannot, take that easy way out. Every Member of this House, and every Member of the Senate, must accept the ultimate responsibility for what is happening to more than 3 million of this Nation's poor and helpless old and infirm citizens.

The bill that I have introduced, H.R. 14753, makes a very limited but very necessary beginning in the acceptance of that responsibility. It is a limited beginning because I agree with many of my concerned colleagues that we should be careful that we do not act too precipitously. In our zeal to correct deficiencies in the SSI program, we must recognize that satisfactory legislative solutions for some problems must await clearer definition through committee hearings and through investigation and study by interested organizations and individuals. However, the "laudable counsel of care and caution" should not deter us from dealing with those problems whose outlines and solutions are more apparent. That is the purpose of my bill.

Probably the first, and one of the most striking, problems which became clearly apparent was our failure to provide authority to the Secretary of HEW to make emergency payments to recipients who have not received their monthly payments.

I do not want to dwell upon the very large number of checks that were undelivered, or delivered late, in January. Again, that would be the easy way to justify an amendment broadening the Secretary's emergency check issuance authority. The experience of January was not very typical. Fortunately, for many, many recipients who did not receive their checks when due, the Secretary was able to provide some help by imaginative use of his authority under section 1631(a)(4)(A) of the act. That section provides that the Secretary "may make to any individual initially applying for benefits" an advance of $100 from the first month's benefit. Under this section, checks are made out in advance in denominations of $50, $10, and $5. It is not necessary to wait for the Treasury Department to issue an individualized check. Thus, it takes only a matter of minutes for the local social security official to endorse combinations of these checks—called prepositioned checks—to reach the appropriate total for the individual.

In January, the Secretary simply declared that all of the 3 million people who were automatically converted over to Federal administration were initial applicants, thus allowing him to make advances under section 1631(a)(4)(A). While this may have been stretching the meaning of that section somewhat, none of us can fault the Secretary for skillful, imaginative, and humane stretching of the law, given the emergency. However, it is obvious that even that generous interpretation of that section cannot be extended beyond initial applicants to ongoing recipients. Once a person begins to receive SSI benefits, it is not possible to characterize him as an initial applicant. Thus, if a person, through absolutely no fault of his or her own, does not receive the regular monthly SSI check, the Secretary has absolutely no authority to make an emergency payment.

Section 1 of my bill would provide that authority. Currently, without such authority, innocent recipients are made to bear the burden of agency mistakes, postal service errors, delays and thefts, or whatever. While they wait, they often must go without food and they often face the threat or reality of immediate eviction. If they are fortunate, private welfare agencies, churches, community action programs, and other organizations and individuals may partially assume our responsibility. Enactment of section 1 of my bill will place that responsibility where it belongs. Significantly, Governor Reagan has recently expressed his support for enactment of similar legislation by Congress; I think this demonstrates the noncontroversial nature of this provision.

Section 2 of my bill seeks to have both the Federal Government and the States maintain their level of assistance in the face of the rampant inflation that appears to have become a permanent fixture of our society. It is not necessary to belabor the point that those individuals who must rely on the SSI program are the most vulnerable to inflation. We all know that. What I will belabor is the means by which we address that cruel fact.

The very first thing that we should keep firmly in mind is that inflation also results in higher tax receipts. So, to the extent that we fail to provide an inflationary factor in the SSI program, we actually reduce the percentage of revenues committed to the millions of elderly and sick people who have nowhere else to turn. In other words, we fail to maintain our former levels of effort. By so failing, we are doing nothing less than imposing grant cutbacks. We cannot blind ourselves to this fact; if not apparent to us, it is abundantly apparent to recipients.

Each of the subsections of section 2 of my bill is designed to deal with one aspect of the inflation problem. Together, they do nothing more than keep people from becoming worse off. That is, the level of governmental effort is maintained at its initial level. I would hope that someday very soon we can actually increase our level of effort.

Section 2(a) of my bill permits, but does not require, each State to maintain at the very least the level of effort which it had made immediately prior to conversion from the State programs to SSI. When we passed H.R. 1 in October of 1972, we permitted the States, in section 401—the so-called hold-harmless

section—to maintain the levels of effort they had established on January 1, 1972. If a particular State had a January 1972, grant level for the elderly of, say, $175 per month, we permitted it to add $45 to the Federal SSI payment of $130, so it could maintain its level of effort, and insured the State that if it did so, it would not have annual costs for its elderly poor which exceeded its calendar year 1972 costs.

It was then necessary to use an antecedent date because to do otherwise would be to extend a very tempting invitation to the States to take advantage of the Federal Government. For example, if, in October 1972, we had utilized the December 1973—grant levels as a maintainance of effort—hold harmless—level, it would have been possible for our hypothetical State to increase its grant level to $500 per month in November 1973. Thus, by incurring the necessary increased costs for 2 months, the State could have "bought" a permanent supplemental grant level of $500 per month for its recipients for just the cost of two months grant expenditures. That would have been a literal steal. Such exploitation, sadly, is not merely hypothetical.

However, since January 1, 1974 has come and gone, such exploitation is no longer possible. Because section 401 of H.R. 1 did not recognize any grant increases made by the States after January 1972, any States which made such increases did so for reasons other than attempts to exploit the Federal Treasury.

Indeed, it should be clear to anyone who takes the trouble to look that such increases were made only for the purpose of helping recipients try to keep pace with the cost of living. For example, California, since 1961, has had a statutory requirement that the grants to the aged, blind, and disabled be increased each December to allow for inflation during the past year. Pursuant to that statute, the grants to California's elderly recipients were increased by $5 in December 1972, and by $7 in December 1973. These were not really increases; without these adjustments, the true purchasing power of the grants would have declined by those amounts for each year. It is obvious that these "increases" were not motivated by a desire to exploit the Federal Treasury.

Yet, California's decision not to cut its grants by this $12 upon conversion to SSI meant that it had to assume 100 percent of the fiscal burden, a burden equal to $84 million per year. But California should not be penalized, as it is under the present section 401, for not cutting back its grant levels, in January of 1974, to the January 1972 levels. I am sure that we did not want to provide the States with incentives or inducements to cut back grant levels at the time of conversion to SSI. But that is what we have done in section 401 by providing for a fixed date—January 1972.

Thus, section 2(a) of my bill at least provides the States the opportunity to maintain their level of benefits as of December 1973, without putting them to the Damoclean choice of boosting the relative tax burden of its citizens above what we had promised would be an upper maximum—that is total calendar 1972 welfare expenditures—or cutting grant levels. Many States took the latter choice and I am sorry to say that we are responsible for having caused that. How can any of us justify reducing grants to some helpless old man or woman or some blind or crippled person during the Nation's worst inflationary period? I do not think that any Member of this or the other body would consciously desire such a cruel, unfeeling result.

The next three provisions provide for a comprehensive post-January 1974 maintenance of effort. The first such provision, section 2(b)(1)(i)(1), provides that the Federal benefit levels—presently $140 and $210 for individuals and couples, respectively—shall be automatically increased in the future by the same percentage of any increases in title II social security benefits. Thus, the recently enacted automatic mechanism designed to provide for inflation adjustments in title II would be incorporated into the title XVI program. Such a provision would fulfill the President's request expressed in his budget message to Congress on February 4, 1974. He then said:

> I propose * * * automatic cost of living increases for the aged, blind and disabled beneficiaries of the Supplemental Security Income program.

My provision will fulfill this request.

The next section of my bill, section 2(b)(1)(i)(2) is a closely parallel provision. It requires a similar periodic increment in the "mandatory supplemental" benefits provided by section 212 of Public Law 93-66 which sought to prevent actual cutbacks to pre-January 1974 recipients. To maintain the spirit of that provision, we must provide for inflationary adjustments to that commitment; my bill will keep that commitment from backtracking.

The final link in this chain is in section 2(b)(2) of my bill. It provides for post-January 1974, inflationary adjustments in the levels of optional State supplementation. It does so by adding the absolute amount of the increases in the Federal SSI benefit levels to a State's section 401 "adjusted payment level"—sometimes called the hold-harmless level. This permits the States to maintain their levels of effort after January 1974. The section also provides a strong encouragement to pass these Federal increases fully onto recipients by conditioning Federal payments under title XIX upon the State's willingness actually to pass these benefits on to recipients. Presently, such "increases" to recipients in States with supplemenal benefit levels in excess of the Federal minimums are most likely to result in inaction by the States. Such inaction results in a decrease in a State's supplemental costs, that is, a reduction, not a maintenance of effort. The best way to show this is graphically.

In the pre-January 1974 condition of things, the State's monthly fiscal share is $70 multiplied by the caseload. On January 1, 1974, the Federal benefit level went up $10. Because of present law, the State remains idle and reduces its monthly costs to $60 multiplied by the caseload. Similarly, on July 1, 1974, the $6 Federal benefit increase further reduces State costs. While present law is intended to benefit recipients by at least allowing them to keep pace with inflation, it creates the very strong likelihood of a reduction of effort by a State. My bill will, over time, maintain a State's level of effort at the fixed level—$70—of pre-January 1, 1974. If we like the President conclude that the Federal Government should at the very least maintain its level of effort in SSI, it is not too much to require the States to do likewise.

I would also like to point out that this last provision in my bill will not insure a full inflationary adjustment for SSI recipients in States which supplement the Federal payment. For example, if the change in Consumer Price Index from July 1974 to July 1975, is 5 percent—should we be so lucky—the Federal benefit will increase $7 to $153. In a State which had a supplemental level of $200, an increase to $210—5 percent of $200 is $10—would be necessary to keep recipients from backsliding. However, my bill would require only an increase to $207. The State would be left with the free choice of adjusting its $54 supplement by 5 percent or $3.

Section 4 of my bill is a simple provision designed to deal with the delay inherent in making determinations of disability. It provides that the Secretary shall reimburse any State or local government which makes any home relief, sometimes called general assistance payments to a disability applicant during the period of time that the application is being processed. It further provides that the Secretary shall consider those payments to an applicant as income and reduce the initial payment by a like amount.

For example, a person who applies on July 1, 1974, and who is determined eligible on September 1, 1974, will receive benefits from the date of application, July 1, 1974. Back benefits will be $292, 2 times $146. My bill provides that if the person received, say, $100 per month in home relief, that person's back benefits should be reduced to $92—$292 minus $200—and the $200 recovery should be paid over to the State or local government that paid the home relief. Thus, it can be seen that this provision will not have any cost consequences whatsoever. All it does is induce the States and counties to help us by encouraging the provision of home relief to our applicants during the period of application.

Sections 5 and 6 are closely related provisions designed to improve upon the statutory provisions relating to representative payees. Section 1631(a)(2) of the act now imposes an inflexible requirement that any disabled recipients who, in addition to other infirmities, may also suffer from alcoholism or drug addiction must have his SSI payments made to a third person—called a repre-

sentative payee. That person will then manage the recipient's grant and insure that landlords, grocers, et cetera are paid.

My amendment to this provision would allow the Secretary to lift this requirement when such a recipient is receiving rehabilitation treatment and when the chief medical officer of the treatment facility certifies in writing that direct payment to the recipient would have therapeutic value to him or her; and that the medical officer certifies that there is a substantial reason to believe that the recipient would not misuse or improperly spend his or her SSI payment. Such authority is necessary to assist rehabilitation facilities in achieving full rehabilitation of their patients.

During the course of treatment, it is necessary to give increased personal responsibility to the patient, under supervised and controlled conditions, to insure personal growth. Our present inflexible rule now serves only to frustrate the laudable goals of rehabilitation that we seek to achieve by imposing the requirement that such a recipient accept rehabilitation treatment. My amendment allows a responsible medical officer to make the decision about each individual's ability to shoulder the responsibility of handling his or her funds.

Section 6 clarifies an important aspect of SSI recipients' appeal rights with regard to representative payee situations. Although the Secretary is under no compulsion to do so, he has adopted regulations which deny recipients the right to challenge the Secretary's choice of a representative payee. When we deprive a person of the right to manage his or her own affairs, we should recognize that we are treading upon very sensitive and important rights of personal freedom. An affected recipient may grudgingly accept this deprivation if someone other than the person chosen by the Secretary is the representative payee. Now, because of the Secretary's regulations, the Secretary's choice cannot be questioned. Such dictatorial power should not exist in such a sensitive area of personal freedom.

Section 7 provides for an important omission from present law. Presently, there is absolutely no period of time within which HEW must act upon an application. As far as the law is concerned, HEW can take 6 months, or even 6 years, to act. HEW's practice up to now has been shocking. From July 1, 1973, when it began accepting applications, to April 4, 1974, 1,333,000 applications were taken. Of those, 79,000 were denied and 200,000 have been put on payment status. The remaining 1,050,000 are doing just that, remaining.

Precisely because most applicants have no other means by which to live, we had, from 1950, imposed a "promptness" requirement on the States under the former grant-in-aid programs.

We required the States to action all applications within 30 days, except for disability claims which were allowed 60 days. We should require no less of the Social Security Administration. Surely, in light of its more sophisticated managerial techniques, including highly sophisticated computer equipment, it should be able to act more swiftly than the States. For years prior to enactment of H.R. 1, HEW Secretaries, Presidential counselors, and the President himself constantly reminded us of the wisdom, necessity, and cost savings of a uniform nationally administered system. If they did not intend a cruel hoax, they certainly can live with the time limits that the States learned to live with.

Section 8 of my bill, I believe, fairly resolves the issue of food stamp eligibility of SSI recipients which has so engaged us for the past 18 months. During that time, we have changed the law three times, and because of the third change in Public Law 93–233, section 8, we must act again before the end of this fiscal year. What I propose is that we make permanent the State option of cashout or food stamps embodied in Public Law 93–233, section 8. However, I believe two minor oversights must be corrected.

First, the cashout amount in section 401 of H.R. 1 is fixed in time back in January 1972. It is the bonus value of food stamps on that date. Because the bonus values are changing due to inflation, we should provide for such changes. Otherwise, recipients in those States which have chosen to retain food stamp eligibility will get increasingly larger benefits while those who opted for the cashout will be locked into the bonus value of the food stamp program of January 1972.

The second food stamp omission which my bill seeks to resolve relates to those States which have chosen to cashout food stamps. Because of the complicated mathematical changes brought about by conversion from the old State programs, which had highly individualized "special needs" grant provisions, to the new "flat grant" concept in SSI, conversion from the old to the new programs would have meant grant reductions to hundreds of thousands of people throughout the country.

Through the leadership of Chairmen MILLS and LONG, Congress passed the "mandatory supplementation" provisions of Public Law 93–66. This required that no individual's grant could be cut if it fell on the high side of the averaging process. However, we failed to realize that even if the grant levels were stabilized, an individual who also participated in the food stamp program could suffer a reduction in total purchasing power if his or her State chose to cashout food stamps.

For example, the flat grant level, including the food stamp cashout, in New York is $207. For any person who received a cash grant of $197, or less, and also participated in the food stamp program, thus obtaining $10 in bonus value, the conversion to a flat grant and a cashout did not bring about a reduction in purchasing power. But, many, many of New York's poor, aged, blind, and disabled received grants of $207 and above because of their peculiarly high "special needs." Public Law 93–66 meant that only the cash grant would be maintained. But, if that person also benefited from the food stamp program, there was no requirement that the bonus value which that person lost be added to the mandatory supplemental payment. That is what my bill proposes in section 8(g). Such a provision is of absolute necessity if we are to fulfill our intended promise that no recipient would be worse off because of the new SSI program.

Section 9 of my bill would amend section 1614(b) of the act to provide that the fact of the continued existence of a marital relationship be determined in relationship to the facts of the particular case. Presently, the statute conclusively presumes that a couple who have decided to sever their marital relationship are still living together. When they are living together, they each get a check for 50 percent of a couple's grant. Under present levels, each gets $105. This level is 25 percent less than the combined grants for two individuals. We have established that lower couple's level on the very understandable desire to, as the Ways and Means Committee put it—

> Take account of the fact that two people living together can live more economically than they would if they each lived alone. (H. Rpt. No. 92–231, page 150.)

The gross unfairness of section 1614(b) is that each member of an actually separated couple continues to receive only half of a couple's grant, $105, instead of an individual's grant, $140, for a full 6 months from the date of separation.

For 6 months, each must live on 25 percent less than a single individual yet his needs are the same as that single individual. I suspect that the provision got into the law at the request of HEW. Such an automatic rule which, in effect, says that a couple is not really separated until they have been apart for at least 6 months makes it much easier for bureaucrats to perform their job. With it, they do not have to make an individual determination of the likelihood of the permanence of the separation.

But such conclusive presumptions which preclude affected individuals from providing rebuttal evidence, no matter how convincing, and thus overcoming their consequences, have been struck down by the U.S. Supreme Court as a denial of due process of law for over 50 years. The latest of the Supreme Court's expression of disfavor was contained in *USDA* versus *Murray* (413 U.S. 508 (1973)). We should recognize that we, as well as the Supreme Court, have a duty to insure that our legislation is not constitutionally defective. We should enact section 9 of my bill before it becomes necessary for the Court to assume that burden.

Section 10 of my bill seeks to clarify an important aspect of SSI recipients' appeals rights. Presently, section 1631(c)(3) provides for judicial review of the Secretary's decisions in the administrative appeals process, "except that the determination of the Secretary after such hearing as to any fact shall be final and conclusive and not subject to review by any court." Presently, the Administrative Procedure Act, which applies to such review, requires that "there be substan-

tial evidence to support a finding of fact of any administrative agency."

No court can make a finding contrary to an administrator for when we lodge the responsibility to make findings of fact in the administrator, we do not expect that courts will disturb those findings unless, under the time-honored responsibility of the judicial branch to insure that arbitrary decisions are not made by administrative agencies, a court determines that a finding is not supported by evidence in the record. Otherwise, the courts would be powerless to insist that administrators act not upon whim but upon the basis of evidence. This would be a fundamental denial of the fifth amendment right to due process of law.

In *Schware* v. *Board of Bar Examiners*, 353 U.S. 232, 239 (1953), the Court unanimously overturned the decision of State officials denying a lawyer admission to the bar where there was no substantial evidence to support the administrative finding as to "good moral character." Mr. Justice Black, speaking for the Court, said:

> Even in applying permissible standards, officers of a State cannot exclude an applicant when there is *no* [evidentiary] basis for their finding that he fails to meet these standards. . . .

Justice Black concluded that—

> Because there was no evidence in the record which rationally justifies a finding that Schware was morally unfit to practice law . . . the State of New Mexico deprived [him] of due process. . . . 353 U.S. at 246–47.

To allow the Secretary to make findings of fact, and then to completely preclude the courts from determining whether there was some evidence to support that finding, is a license for administrative arbitrariness. Prof. Raoul Berger, just a few years ago, wrote five law review articles on the subject. In one of those articles "Administrative Arbitrariness and Judicial Review," 65 Columbia Law Review 55, 72–73 (1965), he said:

> Among the attributes of law upon which freedom is dependent . . . are the restrictions it places on the discretion of authority. From Caesar to Napoleon to Hitler, disaster followed when that lesson was ignored. Vague as the contours of the broadest delegation may be, the delegation cannot be boundless. To foreclose review is to make possible the exercise of boundless power . . . an attempt to limit such review would be unconstitutional.

Particularly in these days of growing disrespect for authority, indeed for Congress as well, we should not tell those millions of helpless aged, blind, and disabled that we have denied them the right to have the courts performing their basic role of checking and balancing executive excesses. This is hardly the time for Congress to remove that crucial safeguard against abuses of power by the executive branch.

Sections 11 to 15 of my bill contain five more important SSI amendments. These amendments were first proposed by Senator CRANSTON during the Senate debate on the Social Security Amendments of 1973, H.R. 3153. That bill has been in conference for several months now and it is unclear whether an agreement can be reached because of controversies surrounding numerous other provisions. I believe there is no disagreement over the value and necessity of Senator CRANSTON'S amendments. I have included them in my bill to give the Ways and Means Committee and the full House an opportunity to voice approval as well as to provide another legislative vehicle should H.R. 3153 falter. Rather than attempting to paraphrase Senator CRANSTON'S lucid and eloquent explanation of his proposals, I would refer my colleagues to his discussion in the CONGRESSIONAL RECORD, volume 119, part 30, pages 38916–18.

DOES THE CONSTITUTION REQUIRE HIGH CRIMES OR MISDEMEANORS FOR IMPEACHMENT?

The SPEAKER pro tempore Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 20 minutes.

Mr. REUSS. Mr. Speaker, on May 9, in the course of the televised portion of the House Judiciary Committee's impeachment inquiry, the distinguished ranking minority member, Mr. HUTCHINSON of Michigan, said:

"The Constitution itself limits the scope of impeachment of a President to treason, bribery or other high crimes and misdemeanors."

Three days later, on "Face the Nation," Mr. J. Fred Buzhardt, Special Counsel to the President, made a statement to the same effect:

> . . . the House impeachment inquiry is looking into the question of whether the President has committed treason, bribery or other high crimes of misdemeanors.

The premise these gentlemen share, that the offenses they list are the only ones for which the Constitution authorizes impeachment, seems to have attained general acceptance. Yet all the constitutional provision referring to these offenses says is that a civil officer of the United States found in an impeachment proceeding to have committed any of them must be removed. The rest of the Constitution, as well as the English and American history of impeachment suggest that there may be removal for other offenses.

Prof. Max Isenbergh of the University of Maryland Law School and his son Joseph, a student at Yale Law School, have prepared a memorandum on the thesis that the Constitution does not require treason, bribery, or some other high crime or misdeameanor for an impeachment. Since the outcome of the proceedings under way in the House, as well as the possibility of further proceedings in the Senate, may turn on this question, I append their memorandum.

The President's lawyers, the staff of the House Judiciary Committee, and others who have spoken on the subject do not agree on what a high crime or misdemeanor is, but they all agree that without one there cannot be an impeachment conforming with the Constitution. Article II, Section 4, on which they rely for this common starting point, provides that—

> "The President, Vice President and all civil Officers of the United States shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors."

Remembering that the Constitution uses "shall" sparingly, always in the sense of "shalt" in the Ten Commandments, one wonders why a Constitutional command to remove public officers, the President among them, for high crimes and misdemeanors should be read as a definition of the whole range of impeachable offenses. That the President *must* be removed for a stated kind of misconduct does not preclude the existence of other kinds of misconduct for which he *may* be removed or for which a penalty different from removal may be imposed.

The hypothesis of impeachable offenses other than high crimes and misdemeanors is not only compatible with the words of Article II, Section 4, taken at face value, but is also affirmatively supported elsewhere in the Constitution. Article I, putting first things first in a democracy, provides for the Congress and grants it its powers. The powers of impeachment it distributes as they had been distributed in the model the draftsmen knew best, the British Parliament, giving the accusatory power (which had belonged to Commons) to the House and the judging power (which had belonged to Lords) to the Senate:

"The House of Representatives . . . shall have the sole Power of Impeachment." (Section 2.) "The Senate shall have the sole Power to try all Impeachments." (Section 3.)

When the Constitution, hammered out as it was by the best lawyers this country had, uses the word "impeachment" in a familiar context without explanation or qualification, how else should one read it but in its established sense? The evidence is strong that the established sense in 1787 and for at least a century and a half before then comprehended impeachment for a broader range of misconduct than high crimes and misdemeanors.

Supporting historical precedents are too plentiful to catalogue here, but the following small sample will give an idea of their power. In 1626, the House of Commons issued articles of impeachment against the Duke of Buckingham, founded upon allegations that, although young and undeserving, he had deprived more experienced and deserving candidates of offices by procuring them for himself. In 1680, Edward Seymour, Treasurer of the Navy, was impeached for applying funds to public purposes other than those for which they had been appropriated. In 1710, Mr. Henry Sacheverell, a minister of the Established Church, was impeached and convicted for preaching that "her Majesty's administration, both in ecclesiastical and civil affairs, tends to the destruction of the constitution." And Howell's State Trials gives accounts of at least five other similar impeachments in England during the same span of years.

Blackstone, by 1787 a towering authority on both sides of the Atlantic, neatly revealed his stand on the question. In Book Four (which, incidentally, he describes as treating of "public wrongs, or *crimes and misdemeanors*") of his *Commentaries*, he says (pages 256–257 of the original edition, 1769) of the practice in England since the fourteenth century: "A commoner can . . . be impeached . . . only for high misdemeanors: a peer *may be impeached for any crime*." In his view, then, for peers at least—and more than half of the eighty or so impeached in England before 1787 were peers—"high crimes and misdemeanors" did not define impeachable offenses.

We have found references to only three impeachments in the American colonies and

states before 1787, all inconsequential for present purposes, but Poore's *Federal and State Constitutions, Colonial Charters* reveals that the constitutions of nine of the thirteen original states provided for impeachment and defined impeachable offenses with one or another of the following formulae: "maladministration," "maladministration, corruption, or other means by which the safety of the State shall be endangered," "misbehavior," "maladministration or corruption," "mal and corrupt conduct in . . . office," "mis-conduct and maladministration in . . . office."

If we now return to the Constitutional text, bearing in mind such a prior history as well as the Founding Fathers' reputation for good sense, the reading here suggested commends itself still more. What would be more natural for responsible draftsmen of the 1780's, aware that impeachment in England and the United States comprehended both high crimes and misdemeanors *and* other misconduct, than to want to invest the legislature of their own new nation with an equally comprehensive power, and to seek to achieve this desire by using plain words in their established sense? And what would be less natural, if on the contrary they had wanted to restrict the Congress to a narrower power of impeachment, than to omit such a restriction from the initial grant of power and put it in obliquely in a later Article couched in terms of mandatory removal?

That the impeachment provided for in the Constitution extended to other misconduct than high crimes and misdemeanors was surely the understanding abroad during the period of ratification and immediately afterwards. Alexander Hamilton, for example, referred in Federalist Paper Number 65 to the Senate's jurisdiction in impeachment as comprehending "those offenses which proceed from the misconduct of public men"; and in the debates on Executive Departments in the first Congress of 1789, James Madison said on one occasion that "the President [would be] subject . . . to impeachment himself, if he . . . neglects to superintend [his subordinates'] conduct," and on another that "the President . . . will be impeachable by this House before the Senate for such an act of maladministration [as] wanton removal of meritorious officers." (1 Annals of Congress 387 and 517.)

Elliot's *Debates in the Several State Conventions on the Adoption of the Federal Constitution* supplies copious evidence that the same understanding was dominant (but not unanimous) among the diverse and far-flung critics whose examination the Constitution had to pass to come into effect. Elliot reports proceedings in Massachusetts, North Carolina, South Carolina, and Virginia, in which the Constitutional provisions on impeachment are referred to as comprehending the following: "behaving amiss or betraying public trust," "abuse of public trust," "conduct inviting suspicion," "malconduct," "mal-administration," and "misbehaviour." 2d Ed. 1836, Vol. 2, pp. 45, 168–169, Vol. 3, pp. 17, 201, Vol. 4, pp. 114, 124–125.

One may wonder why a reading of the Constitution which takes the words for just what they say, which made good sense in 1787 and makes it now, and which is supported by past history and contemporaneous understanding, has not come into prominence in the current controversy. Perhaps it is because of the popular confusion of "impeach" with "remove", as in the "Impeach Earl Warren" bumper stickers of a decade ago, and its subliminal influence on those of us who consciously know better. But speculation on that is not the business at hand. What we must do to complete the textual defense of the thesis here advanced is examine the few other sentences in the Constitution pertaining to impeachment, all in the last two paragraphs of Article I, Section 3, for whatever light they may yield.

Most of them are irrelevant to our inquiry. The procedural provisions—that the Senate "shall be on Oath or Affirmation"; that "When the President . . . is tried, the Chief Justice shall preside"; and that conviction shall require "the Concurrence of two-thirds of the Members present"—are as well suited to a narrower as to a broader range of impeachable offenses. And so is the provision that "the Party convicted shall nevertheless be liable and subject to Indictment, Trial, Judgment, and Punishment according to Law."

The only other Constitutional words on impeachment left to consider are these:

"Judgment in Case of Impeachment shall not extend further than to removal from Office and disqualification to hold and enjoy any Office of honor, Trust or Profit under the United States."

This provision does bear upon the range of impeachable offenses, in two fundamental ways.

First, it shows that when the draftsmen wanted to depart from English precedents, they knew how to do it. Thus, aware as they certainly were that the House of Lords had handed down judgments in cases of impeachment ranging from censure to hanging, drawing, and quartering, and evidently not wanting the Senate's prerogatives to extend that far, they simply put in a limit at the harsher extreme, where there had been none in England. It is not believable that if they had also wanted to provide for a narrower range of impeachable offenses than had been established in England, they would have refrained as they did from adding a similar limitation when, in the same Article, they granted to Congress the very powers of impeachment exercised in England by the Parliament.

Second, the phrase "judgment . . . shall not extend further than to removal from Office" plainly countenances that judgment can extend less far. This hardly resistable corollary reinforces our contention that "shall be removed" as used in Article II, Section 4, means what it says and nothing else, and that "high crimes and misdemeanors" as there used merely defines the conduct which calls for mandatory removal. Article I having made removal and disqualification the furthest judgment can ever go, it would be unreasonable, even if the words of Article II admitted the possibility more than they do, to read the command that one of the extreme judgments be imposed for certain impeachable offenses as a comprehensive definition of all of them.

Besides syntax, inference from the rest of the Constitution, and history, there is another reason for taking Article II, Section 4, at face value: the plain wisdom of making removal mandatory for the offenses specified and merely permitting it for other impeachable offenses. If this wisdom is not immediately apparent to lawyers of 1974, it is because they are not sensitive, as any lawyer of 1787 would have been, to the significance of "high," which the grammatical construction of Article II, Section 4, requires to be taken as a modifier of all the offenses named there. Blackstone and earlier authorities make it clear that the distinguishing feature of a *high* crime or misdemeanor, serious as it always is, is not seriousness, but aim—aim against the sovereign or his government, the highest powers of the state. With the perception that Article II, Section 4, naturally read, singles out public officers found guilty of lese-majesty for mandatory removal, leaving to the Senate's discretion removal of public officers whose misconduct strikes lower, one may feel less impelled toward a strained reading of the clause which erases this sensible distinction and treats high crimes and misdemeanors as a definition of the whole range of impeachable offenses.

In 1876, in the course of the impeachment trial in the Senate of William Belknap, former Secretary of War (who, incidentally, having resigned before the proceedings began, was necessarily being put in jeopardy of a sanction other than removal), at least nine Senators—Edmunds of Vermont, Whyte of Maryland, Wright of Iowa, Mitchell of Oregon, Morrill of Vermont, Booth of California, Norwood of Georgia, Stevenson of Kentucky, and Key of Tennessee—expressly described Article II, Section 4, as a provision for mandatory removal and not a definition of impeachable offenses. Senator Key's declaration, in particular, is a full statement of the central argument we have made here:

"[Article II, Section 4,] says that if the President, Vice-President, or any other civil officer of the United States shall be convicted on impeachment for treason, bribery, or other high crimes and misdemeanors, he *shall be removed* from office. . . . It does not say that only treason, bribery, and high crimes and misdemeanors shall be impeachable offenses. We can all see how a case might happen which would demand the removal of a public officer who had been guilty of no such offense. Suppose a President, by injury, disease, or other cause, should become imbecile to such an extent as to make him incompetent to discharge the duties of his high office—suppose he should insist on the exercise of the functions of the office to which he had been chosen, believing himself fully qualified to discharge them, how should we get rid of him? He cannot be said to be guilty of treason, of bribery, or of high crimes or misdemeanors, for these are all criminal offenses, and an evil intent is a necessary ingredient of the charge, and there is with him no such intent."

* * * * *

"The Constitution does not undertake to define the nature and form of impeachment, or its scope and boundaries. It treats of the whole subject as of a matter which is already defined, bounded, and understood. I think the House of Representatives may impeach for other offenses, abuses, failures, and wrongs than those included in the terms 'treason, bribery, and other high crimes and disdemeanors.' " Congressional Record (1876) Vol. 4, part 7, pp. 546.

We have not set forth Senator Key's view or our own gloss on it as the last word on the subject. We are well aware that undiscovered history or practice or decisions may emerge to prove the Senators of 1876 and ourselves wrong. What matters is that the currently ascendant theory be challenged to see if it can stand against unbiased scrutiny. If it can or if it cannot, Congress will know how to proceed in the historic controversy now before the nation.

OIL WINDFALL PROFITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, last week in a statement to the House, I reviewed the recent Ways and Means Committee oil windfall profits bill. At that time, I expressed my dissatisfaction with the committee bill; it is a hopelessly complex piece of legislation which has no positive policy direction. My principal misgivings are focused on the area of taxation of the oil companies' foreign source income.

Serious consideration should be given to the elimination of all taxpayer subsidies to foreign oil production for the following reasons:

First. These subsidies are unjustified. There is no reason why the American taxpayer should subsidize the foreign operations of the oil companies. The vast majority of these foreign operations are geared to serve foreign markets. The American consumer receives very little direct benefits.

Second. These subsidies are costly. The foreign tax credit and the intangible drilling expense on foreign wells cost the Treasury over $2 billion.

Third. These subsidies do not serve the national interest. Our national security will best be served by developing our own domestic sources of energy as outlined in Project Independence. There is little security in promoting the development of foreign production capacity which can easily be controlled by other nations.

Fourth. The oil companies can operate without subsidies. There are already substantial incentives for the oil companies to invest abroad: lower costs, the offer of tax holidays, fewer environmental restrictions and rapidly expanding demand all contribute to make the development of foreign markets attractive to the oil companies regardless of how we choose to tax them.

Fifth. There is no concrete evidence that increased U.S. taxes will jeopardize the competitiveness of U.S. firms in international markets. Increased taxes will, of course, lower after tax profits for the oil companies. But these profit levels are already enormously high. Eliminating foreign tax subsidies will mean that these enormous profits will shrink to large profits, but that does not mean the oil companies will not be competitive.

Sixth. Elimination of the tax benefits on foreign oil production is not punitive. Subsidies are not the vested right of the oil companies. In the case of the foreign tax credit, the oil companies have abused this taxpayer privilege and it should be taken away.

Seventh. For over a decade the oil companies have been paying no tax on their foreign operations. Since 1962, the aggregate value of credits available to the oil companies has exceeded their U.S. tax liability on foreign income. The real windfall profits of the oil companies are being made abroad, not at home. The way to eliminate these windfall profits is to subject them to fair and equitable taxation.

FOREIGN PROFITS AND THE OIL COMPANIES

If the Congress really wants to do something about astronomical profits in the pertoleum industry, the place to start is with the foreign operations of the oil companies. This is where the profit surge has been. Texaco presents a typical case for most of the majors. On April 23 of this year, Maurice Granville, chairman of Texaco, announced to his stockholders:

Approximately 27% of Texaco's earnings in the first quarter was attributable to U.S. operations and 73% to other areas worldwide. The increase in the first quarter of 1974 attributable to the U.S. over the same period in 1973 was approximately 39% while the increase in such earnings in foreign areas was 187%.

Despite the fact that most of the profits are being made abroad, the Ways and Means Committee reported a bill which was heavily slanted toward taxing domestic profits. The revenue impact of the committee bill breaks down as follows:

Revenue impact of Ways and Means Committee bill

[In billions]

	Domestic	Foreign	Total
1974	0.67	0.33	1.0
1975	1.40	.40	1.8
1976	1.56	.35	1.9
1977	2.28	.25	2.5
1978	2.43	.15	2.6
1979	3.30	.06	3.4
Total (1974–79)	11.64	1.54	13.2

NOTE.—Slight variations due to rounding.

To understand why the committee bill treads so lightly on the foreign profits of oil companies, we must understand what the committee did, but, more importantly, what the commitee did not do.

THE MECHANICS OF THE FOREIGN TAX CREDIT

The principal reason the committee's recommendations on foreign oil taxation are so timid is that the committee sidestepped—without thorough consideration—the question of whether our present pattern of tax subsidies for overseas oil production is, in fact, justified. As the result, the committee bill seeks to curb abuses rather than decide matters of policy. But even here, the legislation is cumbersome, confusing and needlessly complex.

What are the abuses the committee bill attempts to correct? Essentially, there are two: The accumulation of vast amounts of foreign tax credits by oil companies on their income from overseas oil production and the provision of the tax law which enables oil companies to deduct foreign losses against their U.S. income. To see how these abuses arise requires a more complete understanding of how the oil companies have manipulated the foreign tax credit provision of the tax law.

For the oil companies, like virtually all U.S.-based multinational firms, the foreign tax credit provides a significant tax benefit. It allows the U.S. taxpayer operating abroad to credit foreign income taxes against his U.S. tax liability on that income. The ostensible purpose of this provision is to eliminate double taxation of the same dollar of income. Its practical purpose is to eliminate income taxation as a consideration in investment decisions. Only income taxes are creditable—other taxes and charges such as excise taxes and royalties are assumed to be a cost of production which is passed directly on to the consumer. Therefore, no credit on these payments is allowed.

There are two ways of calculating the foreign tax credit. These can be summarized as follows:

The per-country limitation. Under this method a separate determination of U.S. tax liability and allowable foreign tax credits is made for each country in which income is earned.

The overall limitation. The taxpayer may elect a second method of computation in which he pools all his foreign source income and computes his foreign tax credit by aggregating all his foreign income taxes paid. These credits are then applicable to the taxpayer's U.S. tax liability on his total foreign source income.

The foreign tax credit can only be used to offset a U.S. tax liability on foreign source income. To the extent that credits are available in excess of U.S. tax liability, these excess credits may be applied to a similar liability backward for two years and forward for 5 years.

If a taxpayer suffers a loss in a foreign country in which he is operating, he would treat that loss differently for tax purposes, depending upon which method of computing the foreign tax credit he chose. In most cases with the overall method, a loss in country A would be simply absorbed by a taxpayer's other foreign source income from countries B, C, and D. With the per country limitation, however, the taxpayer could, under most conditions, subtract his loss in country A from his domestic U.S. income for the purpose of determining his total taxable income. In short, a foreign loss would be treated simply as a business deduction.

THE ABUSE OF THE FOREIGN TAX CREDIT

The oil companies have been extended the privilege of the foreign tax credit by the American taxpayer. But over the years they have learned to abuse it. The first instance of abuse developed in 1950 when Aramco—owned jointly by Exxon, Texaco, Standard of California, and Mobil—worked out an arrangement with Saudi Arabia whereby increased payments to Saudi Arabia by Aramco would be classified as income taxes instead of royalties. The benefit of this arrangement to Aramco was immediate. Royalty payments under U.S. tax law are treated as deductions from gross income in order to determine taxable income. Foreign income taxes, however, are creditable directly against U.S. income taxes, as we have seen.

A look at the detail of this arrangement reveals how profitable it was for both Aramco and Saudi Arabia. In 1950, the company paid $50 million in taxes to the United States. A year later, this tax liability had shrunk to only $6 million. Saudi Arabia, which had collected $66 million in royalties in 1950, collected $110 million in taxes in 1951. The foreign tax credit had become a pipeline through which payments by American consumers in the form of higher prices passed on directly to the coffers of the producing countries.

Since 1950, this arrangement has been imitated by other producing countries and the oil companies. There is significant evidence to indicate that this practice of treating de facto royalty payments as income taxes was the catalyst which created the present pricing system for world oil and gave the producing countries the tool by which they could

effectively engineer a cartel. As noted oil expert Morris Adelman states:

The producing nations cannot fix prices without using the multinational companies. All price-fixing cartels must *either* control output *or* prevent individual price reductions, which would erode the price down to the competitive level. The OPEC tax system accomplishes this simply and efficiently.

THE FOOLISHNESS OF THE INTANGIBLE DRILLING EXPENSE

In computing the foreign tax credit, most oil companies use the per-country limitation despite the fact that most nonpetroleum corporations chose the overall method. The reason is obvious. Under the per-country limitation, if an oil company loses income in a foreign country it may deduct this loss against his U.S. income. In the first years of any business venture it is to be expected that no income will be earned. But in the case of a petroleum company exploring for oil, our tax laws are structured to exaggerate the oil company's loss in the years before commercial production can begin. Through the intangible drilling expense provision, an oil company is allowed to deduct most of the expenses of drilling a well as they are incurred. Ordinarily, these investments would be capitalized and deducted—a fraction at a time—over the useful life of the property. Intangible costs—expenditures for labor, fuel, equipment rental and the like—ordinarily account for about 70 percent of the costs of drilling a well.

As a result of this expensing provision, the oil companies, when exploring for oil abroad, take heavy losses in the years before production begins. These losses are directly deducted from U.S. income. Quite simply, the intangible drilling expense provides a taxpayer subsidy—48 cents of every dollar which is spent abroad for the exploration of oil abroad.

WAYS AND MEANS COMMITTEE ACTION: BALANCING EQUATIONS

In response to these two abuses, the Ways and Means Committee attempted to define limitations on the existing tax provisions. The result is a series of abstract, convoluted formulae for determining U.S. tax liabilities on foreign source oil income.

With regard to the accumulation of massive foreign tax credits, the committee decided to limit credits available in the production of oil and gas to 52.8 percent of production income. Since the U.S. corporate rate is 48 percent, the oil companies under this formula, would still be able to eliminate all their U.S. tax liability on foreign production income and still generate enough additional credits to shelter income not related to the production of crude oil. In an attempt to curb this potential abuse, the committee provided that foreign tax credits arising from oil and gas production income could only be used as a credit against foreign oil-related income. But the committee defined "oil-related income" as everything from extraction to refining, transportation, distribution, and retailing. This means that under the committee formula, the oil companies will be able to escape all taxes on their overseas oil production activities while at the same time generating approximately $1.9 billion in excess credits from oil production which can be used to shelter income from virtually every other phase of their foreign petroleum operations—from pipelines to gas stations.

With respect to the problem of the deductibility of foreign losses against U.S. income, the committee could have taken a very simple step to eliminate the abuse by disallowing the intangible drilling expense on foreign wells. But the committee chose not to take the easy way. Instead, it provided for a complex formula of eliminating foreign losses. First, oil company foreign income is divided into that which is directly related to the production of oil and gas and that which is not. For this foreign oil-related income, the use of the per-country limitation in computing the foreign tax credit is disallowed. As the result, if an oil company sustains a loss in 1 year which is related to the production of petroleum, it would have to balance that loss against all its foreign source income from oil and gas production. If the company still ends up with a net loss—that is, a net loss on all its foreign oil-related activities—it would be able to deduct this loss from its domestic income. However, the committee provided that this subsidy for foreign oil exploration—that is, the deduction of foreign losses against U.S. income—would be "recaptured." The method of recapture is to reduce the foreign tax credit in subsequent years of profitable operations by the amount of the loss. These sections are perhaps the most complex pieces of tax legislation ever to be drafted.

A CONSTRUCTIVE ALTERNATIVE

A tremendous stride toward tax equity and our goal of energy independence would be (1) the elimination of the foreign tax credit on income from overseas oil and gas extraction and (2) termination of the intangible drilling expense on foreign wells. The elimination of the intangible drilling expense is perhaps most easy to defend. The committee has essentially eliminated the intangible drilling expense with its complex formula of recomputing the foreign tax credit. Elimination of this formula and substitution of an amendment to simply eliminate intangible on foreign property would have no impact on the substance of the committee bill. It would enormously simplify and clarify an area of tax law which is sorely in need of reform. The question is, "Why take 10 pages when 1 page will do?"

The foreign tax credit is the most important single provision reducing U.S. tax payments by U.S. oil companies on their foreign earnings. Elimination of the foreign tax credit on oil production income would result in substantially higher taxes for the oil companies. Is it in our national interest to follow such a course?

The oil companies defend tax benefits for their foreign operations with a disarmingly simple, but unsound and misleading logic. The industry line goes something like this:

New taxes on foreign earnings will endanger the oil companies' competitive position;

It is in the national interest for U.S. oil companies to compete overseas; and

Therefore, additional taxes on the oil companies foreign operations is not in the national interest. Should we be convinced with this simplistic syllogism? Closer examination tells us "No."

First of all, there has been virtually no evidence presented that by paying some taxes on their foreign operations, the U.S. oil companies would be disadvantaged with their competitors. That new taxes will cut into profits is unmistakable, but it does not follow that a reduction in profit levels which are extremely high will hinder the oil companies' ability to compete.

Secondly, it is not at all clear that our national interest and the interests of the oil companies are identical. We have learned the painful lesson that following the private whims of the industry is no substitute for a national energy policy. In discussing subsidies to foreign oil exploration and production by U.S. companies, it is important to remember that these foreign operations are almost entirely foreign. The oil companies are producing, refining, transporting, and marketing oil primarily for the foreign market. The American consumer receives only a marginal benefit. Further, the notion that it is in the national interest to subsidize foreign oil production flies in the face of the entire purpose of Project Independence, which is to develop our own domestic energy sources to the point of self sufficiency.

It is difficult to construct a convincing case for allowing taxpayer subsidies on foreign oil production. When we reach the bottom line, we are still confronted with the difficult question, "Why should the American taxpayer subsidize the production of foreign oil for foreign markets?"

THE FOREIGN TAX CREDIT AND THE WORLD PETROLEUM MARKET

A major argument against the outright elimination of the foreign tax credit is that such a step would be disruptive to a volatile world petroleum market. While this concern is justified, it should not stand in the way of reform. A principal failing of our national energy policy has been the lack of involvement of our Federal Government in critical oil negotiations. We have left our fate to the oil companies and they have served us poorly. The lesson is clear; our National Government must take a more active role in future negotiations with the producing countries in order to insure that the interests of the American people are protected.

Any effort to reform the tax treatment of the foreign operations of our oil companies must be sensitive to the need for flexibility in constructing our future energy policy. For this reason, my amendment to the Oil and Gas Energy Tax Act which seeks to eliminate the foreign tax

credit on overseas oil production will also provide that new tax arrangements and treaties may be negotiated between the United States and the producing countries. This opens the door to the negotiation of international tax agreements, if it is in our national interest to conduct such negotiations. Stanford G. Ross of the Washington law firm of Caplin & Drysdale has stated in support of this approach to sensitive international tax questions:

A principal advantage of the international tax agreement approach is that tax relationships as an important international economic relationship are negotiated out government-to-government. If the United States is making concessions, it does so with the other government directly and in a conspicuously public format. Further, the treaty then goes before the Senate Foreign Relations Committee and ultimately the Senate for approval. Thus the political wisdom of a coordinate branch is brought to bear. The obligations being undertaken reflect, hopefully, a broad, national political consensus.

There appears to me to be no reason why the American taxpayer should subsidize the production of foreign oil at a time in which we need to develop our domestic resources. As it would be unwise to continue these subsidies, it would be equally unwise to make a determination at this stage that we shall never enter into tax agreements in the future. We should build in flexibility to our energy policy. Allowing for future international tax agreements between ourselves and the producing countries not only achieves this flexibility but also insures that in the future our government will be actively involved in the promotion and protection of our national interest.

FORTY-FIVE YEARS OF DEVOTION

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, if we are fortunate, there will be a number of times when our lives are touched by a truly good person. I have had this honor in knowing Rabbi Harry Halpern, the spiritual leader of the East Midwood Jewish Center, of which I am proud to be a member.

Dr. Halpern has risen to a position of eminence in the Jewish community during a career that spans nearly half a century. He is superbly educated, having received degrees from the City College of New York, Columbia University, Brooklyn Law School, and the Jewish Theological Seminary. He is familiar with both the secular and religious worlds. He has never lived the cloistered life of a scholar, but has always sought to apply his knowledge to the problems of everyday living.

In these days when it is so rare to see someone truly dedicated to his faith and his profession, it is refreshing to know somebody like Dr. Halpern. He is a man who has spent his entire adult life in service to his fellow men. He embodies the greatest teachings of the Jewish faith, for his is a man of compassion, charity, learning, and peace. He has given his life to the principle of helping others so that they may help themselves.

Today, too many young people say that religion is sterile. They complain it offers them nothing, and that houses of worship are places filled with hypocrisy. I wish that every young person who feels this way could meet Rabbi Halpern. His life is an example to all of us, of what can be done when one has faith.

In his work as rabbi of East Midwood Jewish Center, and in all the other religious and civic activities to which he has given himself unsparingly, he has demonstrated that a man of God need not isolate himself from the world. A true man of God works in the world, showing people that the eternal message of the Torah is one which has applications every day, and not just on the Sabbath.

Such a man has overwhelming strength of character. He needs it, for the job of rabbi is incredibly difficult. He not only shares the joys of his congregation, but he must be there for them to lean on whenever sorrow or tragedy strikes a family. In many ways, a rabbi's life is not his own. But the satisfaction he can derive from knowing that he has helped people, from knowing that he has touched lives and hopefully changed them for the better is a great reward indeed.

Forty-five years is such a long time to spend in the service of one's fellow man. I am fortunate indeed, and I think I speak for the entire congregation of East Midwood Jewish Center, to know Rabbi Halpern. Merely saying thank you to him for his years of dedication and devotion to the welfare of his congregation and the Jewish people seems hardly sufficient. He has given us all so much.

He has helped generations reach adulthood, proud, and secure in their knowledge of Judaism and their Jewish heritage. He has joined couples in marriage, including my parents, and my wife and I. He has watched families grow and laid the elderly to their final rest. Through all this, he has been a source of strength and pleasure to the members of our community. Mere words cannot express our feelings about this man. I hope that he will continue to be as strong and healthy and full of love and wisdom in the future as he is now. I am proud to know him and to have the honor of worshipping with him.

ON AFFIRMATIVE ACTION AND RACIAL QUOTAS

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

Mr. KOCH. Mr. Speaker, throughout this week, the New York City Commission on Human Rights is holding hearings on the successes and failures of the human rights struggle in the decade since the passage of the 1964 Civil Rights Act. I was invited to participate in the hearings and chose to address myself to the complex and emotional subject of reverse discrimination. I have asked for permission to introduce the text of my statement into the RECORD in the hope that it might add some clarity to this difficult question. The statement follows:

STATEMENT BY CONGRESSMAN EDWARD I. KOCH BEFORE THE NEW YORK CITY COMMISSION ON HUMAN RIGHTS, MAY 13, 1974

I want to thank the Commission for its invitation to participate in these hearings on the past and future of the movement for racial equality.

At no time since the passage of the Civil Rights Act of 1964 has there been a greater need to reflect upon the principles embodied in that legislation. I say this because the Supreme Court, in recently hearing the case of *DeFunis* vs. *Odegaard*, has focused public attention on a controversy that raises the question of the fundamental meaning of the civil rights struggle.

I am speaking of the question of "reverse discrimination"—the granting of competitive preference to racial minorities in the pursuit of educational and employment opportunities. It is an issue that has already divided those traditionally allied in the civil rights coalition. If not confronted honestly by those dedicated to human rights, it threatens much of what we have achieved and hope to achieve. For this is not simply a question of strategy. It is not only a matter of determining what means will be most effective in achieving our common goal. It raises the basic question of the ultimate vision of the human rights movement—the nature of the society we are working to establish. I wish to present to the Commission my understanding of that more perfect society. It is an ideal which motivates my strong opposition to any kind of reverse discrimination on the basis of race, religion, sex or national origin. I offer it to you because it is precisely that ideal which has given moral force to the struggle for human rights. I am speaking of a society in which each man and woman is judged according to his or her talent and character. This simple and powerful vision of human equality has somehow become obscured and now stands severly threatened. To recover it is a formidable and necessary challenge to the hman rights movement.

The policy of reverse discrimination arose out of several facts of minority life in this country. It became gradually clear during the 1960's that much of what the civil rights movement had achieved could be characterized as passive nondiscrimination. Although the legal barriers to racial integration were crumbling, progress toward real integration of minorities into American life was agonizingly slow in most fields and nonexistent in others. We learned that two centuries of oppression cannot be overcome simply by making discrimination illegal. This realization gave rise to the concept of "affirmative action" as a strategy for integration.

Originally, the notion of affirmative action simply implied the requirement that institutions establish practices to ensure that every available action be taken to root out the vestiges of inequality. In the area of employment opportunity this meant taking positive action to end inadequate publicity about job openings, unrealistic job requirements, selection procedures which are not job related, and insufficient opportunity for upward mobility. It saw the need to go beyond the destruction of barriers to minority participation toward a policy of reaching out and actively encouraging that participation. In the Federal Government, this was implemented by various Executive Orders requiring of Federal contractors genuine, effective ef-

forts to locate, hire and promote qualified members of groups previously excluded from employment opportunities. We witnessed the initiation of active programs of minority recruitment and training by various business and labor organizations and by colleges and universities. The only measure of success of such programs has been, and should be, the numbers of Blacks and other minorities actually taking part in those previously closed occupations. By this standard, there is no question but that progress was made.

In 1960, 58 percent of all employed nonwhites held positions in unskilled, low-income occupations such as laborers, farmhands and service workers. In 1973, the percentage of employed Blacks was down to 37.8 percent. Upward mobility was particularly striking in white collar and skilled craftsman occupations where Black employment rose at an annual rate 2.5 times the rate of total employment-growth in these areas. But I submit that in a well-intentioned effort to accelerate this progress, a fundamental error was made. A subtle shift occurred in the concept of affirmative action and it assumed the meaning of a system of preferential treatment based upon racial factors. In some cases it implied a quota system—the inclusion of a specified number of Blacks regardless of their competitive status.

The *DeFunis* case arose from the implementation of this distortion of the original notion of affirmative action. In 1971, Marco DeFunis applied for admission to the law school at the University of Washington, where he had received a B.A. magna cum laude and had been elected to Phi Beta Kappa. The law school's admissions policy employed a clear double standard according to race, minority applicants being judged by an entirely different set of criteria than white applicants. As a result, DeFunis was denied admission and 36 Black, Chicano, American Indian and Filipino students with lower academic standings than DeFunis were admitted. Of these 36, 30 would have been rejected summarily if regular standards had been applied. These facts were not disputed in court. As the Commission knows, the Court failed to rule on the substantive Constitutional issues in the case and instead declared the case moot. I do not pretend to any Constitutional expertise and no not wish to argue the Court's decision. It is the morality of the practice of reverse discrimination under review in the *DeFunis* case that I address myself to.

The basis for the case against DeFunis is the contention, developed in the amicus curiae brief submitted by Archibald Cox for Harvard University, that discrimination against a minority is different in some important way from discrimination for a minority. Because the purpose of racial preference is different in the two cases, the one is judged "invidious", the other "benign". The law school conceded that some white students may be excluded from law school because of the system of racial preference, but argued its program is necessary to achieve an "overriding purpose"—an increase in the number of minority lawyers and a diversified student body to the benefit of white and Black. The fallacy here is the justification of discrimination according to its purpose. What is at question is the effect, not the purpose of discrimination, and it is certain that to Marco DeFunis and those like him, the effect is not benign.

It is my belief that the proponents of reverse discrimination are deeply confused about the purposes they wish to promote. Their stated purpose is the inclusion of approximately specified numbers of minorities now underrepresented. I submit that this is not the ultimte purpose of the human rights movement. It can be found nowhere in the Civil Rights Act of 1964; it can be found nowhere in the United States Constitution. The just society I spoke of at the outset does not demand proportional representation of all minorities in all professions. It does demand that competition in all professions be based upon consideration relevant to the performance of the job in question, and race does not qualify. It does not qualify regardless of what minority it benefits or majority it hurts. Though its purpose may be benign, reverse discrimination is a full-scale retreat from this principle.

I am not suggesting that we no longer formulate policy with reference to the percentage of minorities in the various professions. It is important to understand that a disproportionately small number of the nation's law students are Black. This statistic indicates a serious deficiency in our society that we do not provide adequate opportunities for minorities to become competitive with whites for law school places. It would be easy to give the impression that this is not the case by simply admitting a proportionate number of minorities to law school. But this obscures the real problem: that our educational system from top to bottom operates to provide second-rate preparation for minorities. To see this as the real consequence of racism is to recognize that our goal is not to satisfy the principle of proportionality regardless of ability, but to meet our obligation to establish a true merit system as the basis for competition.

Advocates of reverse discrimination like to compare the racial situation in America to two runners, one of whom has had his legs shackled for 200 years. Suddenly, the shackles are removed, but of course one runner is still much faster than the other. Removing the shackles doesn't make the two instantly equal in ability to compete. The previously shackled runner has to be given some advantage in order to compete effectively until he gets his legs into condition.

What the analogy loses sight of is that the purpose of the race is to determine the best runner. It is not to see how close we can make the competition by equalizing each contestant's ability to win. If one person is given an advantage, the best runner may not prevail. The only solution to the problem consistent with this purpose is to give each contestant an equal opportunity to develop his running ability. This should be the essence of affirmative action. Our society now does not function to meet this need. It can, and must be made to do so. There must be intensified efforts to open unions and union training programs, more vigorous enforcement of anti-discrimination laws, and the use of only those examinations that are free of cultural bias, and which are job-related and of predictive validity. And there must be vigorous recruitment of qualified members of minority groups. Again I emphasize this is not the easy way out. Progress will be slow because the problem attacked is the most pervasive in American society. But the human rights struggle has never been easy. What success it has achieved came about because there was no doubt of the moral rightness of the cause. If our policy is now reverse discrimination, we will never retain that moral clarity. We will subvert the very principle we are seeking to defend.

I want to conclude by discussing a particularly regrettable result of the reverse discrimination question and one that is close to me personally. Many have sought to draw this issue in terms of competition between Blacks and Jews. They have had success in dividing two traditionally strong allies for human rights. It is true that Jews react more adamantly against the concept of quotas than others. Our history is perhaps the most persuasive testimony against the policy of racial or religious preference. But Jews and Blacks who view this question as one cultural community against another are sad witness to the loss of vision I have spoken of. They do not realize that the principle that brought them together in the fight for equality can bring them together again: the principle that the dignity of each human being is compromised if some are judged by the irrationalities of racial or religious considerations. It remains as valid today as it was in 1964.

ISRAEL: APPREHENSION—AND ASSURANCE

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

Mr. KOCH. Mr. Speaker, I am submitting for the RECORD a recent article from Near East Report which discusses items of concern regarding American policy in the Near East:

[From Near East Report, Washington Letter on American Policy in the Near East, volume XVIII, No. 19, May 8, 1974]

APPREHENSION—AND ASSURANCE

Ever since October, there has been a sharp debate over American policy in the Middle East. Pessimists have feared that Israel, despite her military victory, would face Munich-like pressures to offer sacrifices to the Arabs, either in our Government's pursuit of detente with the Soviet Union or in the prosecution of the Cold War.

Such fears have been held by many Israelis and by a considerable segment of the American Jewish community. But Secretary Kissinger has allayed much of this concern by his remarkable success in winning the confidence and respect of both Arabs and Israelis. Moreover, American public opinion continues to support Israel. Fears that the diplomatic devaluation of Israel might be facilitated and rationalized by an erosion of public support have proved unwarranted.

Last fortnight—although several unfortunate developments revived and deepened fears—there was a surge of reassurance from congressional leaders and Administration spokesmen who participated in the AIPAC policy conference.

These were the items of concern:

Defying the UN cease-fire resolution, the Syrians escalated their War of Attrition. The UN Security Council did nothing to curb Syria; it reserved its indignation for a censure resolution against Israel's anti-terrorist sortie into Lebanon. The United States voted for that resolution, even though the Council rejected a U.S. amendment to include condemnation of the Kiryat Shemona massacre. This was a retreat to pre-1972 expediency.

While we are confident that Kissinger has not drawn a map of the boundaries still to be negotiated, Arab expectations, judging by Sadat's recent statements, have been raised to extravagant heights. (The Rogers plan of 1969 is still extant.) The Israel public anticipates heavy diplomatic pressure.

The Administration's aid programs for Arab states are substantial and may prove to be premature. While U.S. dollars may be necessary to cement disengagements, the experience of the Eisenhower and Kennedy administrations has shown that regimes which are bought—or hired—have excessive appetites, short memory gratitude and short life expectancy.

The Administration's 1975 aid program for Israel is disappointing when compared with our Government's substantial and generous response during the war last fall. The costs and casualties of war are heavy, and to those

we must and the costs of reconstruction and rehabilitation. Yet, even while the shooting continues, the Arab states are being reinforced by Soviet and American weapons. This, too, seem a step backward.

BUT, ADMINISTRATION IS NOT ABANDONING ISRAEL

The Arab states know that it is very much in America's interest to maintain Israel's strength, for a vulnerable Israel would weaken U.S. influence and power.

But we would like to think that American policy is motivated not only by economic and military objectives in the national interest, but also by moral criteria. We are prone to forget past wrongs and to sue for the favor of those who are guilty of aggression. We abandon principle. Thus, we permit the hopes for economic, diplomatic and strategic gain to supersede and silence moral judgment.

It was Sadat who opened the war against Israel in October, but he is now to be rewarded, handsomely, by American favor. It was King Faisal who more than anyone else wielded the oil weapon against the American people, and he is now to be reinstated as a major ally and beneficiary of American technology and defense. Syria has been consistently anti-American; it rejected a U.S. Point Four mission as far back as 1951.

We do not oppose some economic aid to these countries, but we find it difficult to accept the idea of strengthening their military capability at this juncture. We can understand that the Administration may be seeking to coalesce Arab states to work for military disengagement from Israel, as well as for diplomatic disengagement from a pro-Soviet orientation. But we are a long way from peace and a genuine detente. Ceasefires are easily violated and disengagement agreements are not synonymous with nonbelligerence.

We could be more sympathetic to the Administration's proposals if the road signs to peace were visible and easily read, if there were no Soviet detours or PLO ambushes around the bend, and if Arabs and Israelis were traveling together in the same direction.

GREAT EVENTS IN THE HISTORY OF THE RUMANIAN PEOPLE

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

Mr. PRICE of Illinois. Mr. Speaker, Friday, May 10, celebrated three great events in the history of the people of Rumania.

On May 10, 1866, Rumania was proclaimed a principality in its own right, while 11 years later the country took advantage of the turmoil of the Russo-Turkish War to declare her independence from the Ottoman Empire. By 1881 Rumania had received Europe's official recognition and on May 10 of that year raised the nation's status to that of a kingdom.

In the post-World War I era Rumania reached the height of its power as the nation attained its historic boundaries and became a true factor for peace in Southeastern Europe.

Despite heroic efforts to retain independence for future generations, Rumania now faces foreign domination. May 10 is no longer celebrated in the nation, except in the hearts of her people, and May 9 is honored as the day of Soviet victory over this peace-loving land.

Mr. Speaker, later this month we commemmorate all those who died to keep our Nation free. I urge my colleagues to take time today to recall all those other nations, like Rumania, which were unable to keep their homeland free. Rumanians and their descendants can be justly proud of their heritage and I am sure that I am joined by all my fellow may soon rejoin the ranks of free nations throughout the world.

DISTINGUISHED PUBLISHER, C. E. TOWNSEND, RETIRES AFTER 47 YEARS WITH GRANITE CITY, ILL., PRESS-RECORD

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

Mr. PRICE of Illinois. Mr. Speaker, last week marked the end of the career of one of my district's most distinguished citizens, Mr. C. "Corky" E. Townsend, publisher of the Granite City, Ill., Press-Record, has retired after a 47-year association with that paper which saw him climb from cub reporter to editor and publisher.

During the period in which Mr. Townsend was active with the Press-Record, he watched his city and the surrounding area grow to its present prominent position in southern Illinois. He took an active part of this growth, through his membership in various community organizations and participation on the governing board of St. Elizabeth Hospital, the board of directors of the St. Louis Symphony Society, and the staff of officers of the Mississippi River Festival.

Mr. Townsend's presence in these organizations will be missed in the coming years, however, he may take a just pride in his past accomplishments and retire knowing that he has the thanks and gratitide of the community he served for nearly half a century.

Perhaps the following editorial from the Press-Record best exemplifies Mr. Townsend's contribution to his community:

C. E. "CORKY" TOWNSEND RETIRING FROM PRESS-RECORD TODAY; HIS 47-YEAR CAREER WAS DEDICATED TO THE CONCEPT OF A NEWSPAPER AS A PUBLIC TRUST

C. E. Townsend, who is retiring today as publisher and consultant, always took pride in the long service at the Press-Record by many of its staff members.

He exemplifies this ideal, having been connected with the newspaper continuously for his entire professional career of 47 years. His roles included tenures as news reporter, advertising salesman, editor, and publisher.

His thinking is illustrated by his comments at the time of a mechanical shop expansion in 1958: "The finest equipment in the world is of no value without conscientious and skilled men and women. The Press-Record is singularly fortunate in this respect in every department.

"Most Press-Record staffers are deeply rooted in the Quad-Cities; they share with the editor a concern for the well-being of the people here and of the community itself that transcends all else. One expression of this is the active participation by many in a wide range of community endeavors.

"As the only newspaper here, there is an added burden of responsibility to be accurate, thorough and fair.

"There is no mystery about how a newspaper gets its news or formulates editorial opinions. Trained personnel are in daily contact with literally hundreds of private citizens, organizations, institutions and public officials.

"Out of this never-ending reservoir—together with a liberal amount of general reading—ideas and opinions are generated.

"Only a newspaper puts forth the time, effort and money to assemble this myriad data and then interpret it and put it into type for the information, entertainment and thoughtful study of the reader.

"Like the community, the Press-Record has grown. It will continue to bring to its readers the best possible newspaper each Monday and Thursday."

Once active at the newspaper as many as 16 or 18 hours daily, "Corky" Townsend has had only limited contact with the Press-Record since beginning a period of semi-retirement in 1970. But his imprint on its values and objectives continues and will be lasting.

His deepest beliefs about the art and science of publishing a successful and effective newspaper are embodied in a section of the Journalist's Creed written by the late Walter Williams, University of Missouri journalism dean:

"I believe in the profession of journalism; that all connected with it are, to the full measure of their responsibility, trustees for the public; that acceptance of a lesser service than the public service is betrayal of this trust.

". . . That the journalism which succeeds best—and best deserves success—fears God and honors man; is stoutly independent, unmoved by pride of opinion or greed of power; constructive, tolerant but never careless; self-controlled, patient; always respectful of its readers but always unafraid.

"Is quickly indignant at injustice; is unswayed by the appeal of privilege or the clamor of the mob; seeks to give every man a chance and, as far as law and honest wage and recognition of human brotherhood can make it so, an equal chance."

HOUSING RECOMMENDATIONS

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

Mr. BLACKBURN. Mr. Speaker, last Friday, the House Republican Task Force on Housing released its recommendations for legislation through which to better facilitate federally financed public housing.

These recommendations were the result of lengthy investigation, deliberation and study geared to the necessary goal of assuring that all Americans be properly housed.

It was my privilege to serve as chairman of this task force. My colleagues were: Messrs. CLAIR W. BURGENER, DEL CLAWSON, WILLIAM COHEN, ANDREW HINSHAW, JOE MCDADE, CARLOS MOORHEAD, GEORGE O'BRIEN, HENRY SMITH, WILLIAM WALSH, JOHN ROUSSELOT, and Mrs. MARJORIE HOLT.

The entire study is hereby submitted

for the RECORD in order that all Members of this body may have an opportunity to give it the study which, in all respect, I believe it deserves:

HOUSING TASK FORCE RECOMMENDATIONS

Congress has not passed an omnibus housing bill since 1970. The House Republican Task Force on Housing believes that passage of an omnibus housing bill is long overdue and should be among the highest legislative priorities of this Congress. Republicans have made strong commitments to Federal housing programs, especially those that stimulate and enable the private sector to provide decent, safe, sanitary and suitable housing to *all* Americans. The recommendations below are in keeping with this tradition. They are also in accordance with the Republican goals of achieving improved housing and more effective community development programs. The recommendations are as follows:

COMMUNITY DEVELOPMENT

The Task Force endorses the Better Communities Act as revised and formulated in the Housing Subcommittee of the House.

For a long time, community development activities throughout the country have been praiseworthy in purpose but narrow in scope, largely confined to metropolitan areas, and slow in realizing stated goals. The programs have called for skilled planners. These have been in short supply. Results have been more responsive to red tape and bureaucratic consultation than to economic progress.

The Task Force believes that, if adopted as legislation, the work now being done in concert in the Housing Subcommittee of the House will go a long way towards improving this situation.

The key word is "entitlement." Based on a formula that counts population, over-crowding density, and poverty twice, the Committee has evolved a means to enable community development programs to more fully meet the needs of the entire country, both metropolitan and non-metropolitan.

The formula and its accompanying application will allow HUD and its Secretary to apportion appropriated funds on the basis of need, and in a manner which will allow local self-determination. This is important. Too often, community development has been reduced to a matter of "gamesmanship" in which "who applied and when" seemed of greater importance than the need of the political entity concerned.

This resulted in grants largely to municipalities previously in operation and already endowed with federal funds and denial of funds to new applicants regardless of the *worth of their* petition. Urban counties, regardless of size, density and poverty, were denied representation and entitlement. Under the new formula, they will be entitled to their fair share of federal largesse (if capable of undertaking community development activities and developing a suitable program).

The Task Force believes firmly in local determination. It realizes that the local citizenry and their representatives are the best judges of what activity best suits their immediate needs. The Task Force believes them to be in the best position to establish priorities in this field.

If a sewage treatment plant is their primary need, they will be the first to recognize it. If these local citizens have an oversupply of rental units—decent, safe and sanitary and suitable—they will hardly prefer a public housing project; although they might want the right to institute some Section 23 housing. In both cases, the decision should be theirs.

For this reason, the Task Force recommends that it be spelled out in legislation, and/or that the Secretary be given the flexibility and power to assist the smaller communities (those with 25,000 to 50,000 in population) who, bonded to their legal limit, may be unable to afford what they need so badly: entitlement to embark on one-shot operations suited to their needs, and unencumbered by the requirements of other programs not serving their purpose.

This flexibility could be structured for cities, either outside a metropolitan area or inside it, but apart from the urbanized area with which the Secretary would be primarily concerned.

In all cases, community facility projects would have to fall within definitive standards recommended by the Congress and determined by the Secretary. These, however, should be of such general definition as to be suitable for the community concerned. They should not be what the big city thinks the small city should have, not what the small city thinks the big city should have. Hence, our stress on self-determination and very general bureaucratic guidelines.

There remains a question of transition funding. This would apply during the period between present operations and the institution of the new *entitlement* program. This is not just a question of keeping staffs alive and old programs operating. There is also a matter of commitments made, and the question of state and private aid dependent on the progress of the various community development programs.

The Task Force believes that much of this should lie within the Secretary's judgments. He has the expertise to make the decisions necessary to the ends pursued throughout the country. His judgment should be unfettered. The Office of Management and Budget should not cramp his operations from its ivory tower. The Task Force believes that if the proposed legislation now tentatively agreed to by the Housing Subcommittee is adopted, it will be legislation for a far greater number of communities, in greater amounts, and more equitably distributed than in the past.

SECTION 23 HOUSING

The Task Force recommends expansion of the Section 23 Housing Program. When this program was originated in 1964 by the Republican minority of the Housing Subcommittee, it was bitterly castigated by the HUD administration. In the past decade, however, this Congress-originated program has become the program that has best survived the criticism and problems of subsidized housing legislation of the sixties. It has proved to be the viable program of the sixties according to the *New York Times*. It is the program which HUD has now nominated as its sole housing program for implementation in the foreseeable future; the least expensive, most flexible and best hope for rehabilitation. HUD proposes to build 300,000 units of Section 23 housing, (225,000 new construction; 75,000 existing housing).

HUD also proposes to utilize the program, previously confined to public housing eligibles, among people with incomes above that range; the ratio would be 20% public housing eligibles to 80% above that range. This subsidy would be available on a sliding scale. If the units were suitable, any project of new construction could be 100% for the elderly and/or disabled. Rents, however, are still a matter of dispute. This is due, largely, to the Brooke amendments of 1968 and subsequent years. It is, however, generally agreed that minimum rents must be charged.

At the instance of the Senate, the Congress adopted the various Brooke amendments to the Public Housing Program. Also at the instance of the Senate, it authorized payment of operating subsidies. Housing authorities throughout the nation have been thereby rapidly reduced to bankruptcy, or close proximity thereto. This has occurred despite payment of an operating subsidy of approximately a half billion dollars annually (on top of the already guaranteed amortization of housing authority bonds). Some housing authorities have survived; but they have done so by a general disregard of the letter of the law. Reserves have been depleted; vital maintenance has been neglected. These survival measures are only temporary at best. Soon, the well-intentioned but ill-conceived legislation of 1968 will bring the entire $20 billion program (along with its thousands of projects and tens of thousands of employees) into Federal receivership. The Federal Government may end up paying for the program, or what is left of it at a cost in the billions of dollars over the next 20 to 30 years.

This situation cannot help but damage the Section 23 program.

Therefore, as a matter of first priority, the Task Force urges that the practice of permitting zero or negative rents be eliminated; that all tenants must pay a minimum rent. It recommends further, that this be in an amount at least sufficient to cover a substantial portion of the costs of utilities and operating expenses.

Previously, some tenants were not required to pay rent on the grounds that all of their income was derived solely from welfare. There have even been cases where the housing authorities were forced to pay a portion of the utilities, while not charging rent. The Task Force recommends that this practice be ended as impractical and inequitable; a policy calculated to persuade tenants owing rent to refuse to pay it. Some tenants have very low pensions or are existing on Social Security. It is unrealistic and unfair to expect them to pay rent while not collecting rent from tenants who are welfare recipients who may be receiving larger amounts of money. This has led to large delinquencies in the rent rolls, a major factor in the deterioration of the public housing program.

When public housing rent collections are down, as they have been under the legislation enacted in 1968, payments in lieu of taxes (which are 10% of the shelter rents collected) are also down. In many instances, these payments, which go to the municipal entity under which the local housing authority operates, have been cut by more than half. In the case of the larger authorities, this means a loss to the municipal budget losses of millions of dollars and often causes a disinclination by city or county to supply required municipal services.

The Task Force also recommends that much of the old Section 23 program be retained. It worked well in its original form. Attempts to amend its purpose and change its base have not been fruitful. The practice of expanding its subsidy—when the present program has been unable to host the demand for Section 23 units—is a sad commentary on the bureaucracy's lack of wisdom and sense of economy.

Section 23 units are those supplied by the private sector. It should not be necessary to pay taxes, maintenance and management fees for them if a fair market rental is allowed, and if the Federal government is paying most of that by subsidy.

With the bi-partisan backing that this Republican originated program has enjoyed since its inception, the Task Force is inclined to believe that expansion of its use into the conventional public housing market field is inevitable. It would remind the Congress and the Executive Branch that Section 23 was based on use of existing housing. This is what practically all witnesses coming before the Housing Subcommittee these past two years have recommended. This has led to a great deal of rehabilitation. It has made use

of some of the great untapped resources of the country. At the same time, rehabilitation and use of existing housing have stopped, at least temporarily, the housing abandonment which has cursed many of our cities.

The Task Force recommends that if the Section 23 program is utilized and expanded, (other than in the case of the elderly and disabled) into the field of subsidized housing, and beyond the province of public housing, the amount of units to be occupied by public housing eligibles be restricted to 20%. Public housing experience has shown that, at this level, the program can hold lower income tenants and those above that level. If this level of income occupancy is not maintained, if management is not selective, properties become a probelm to rent, harder to maintain, and beset by a host of other management problems.

Many proposals to expand Section 23 emphasize new construction, not existing housing, the principle upon which the Section 23 program was founded and upon which it operated well until the commitment to pay operating expenses was made in 1968. Some years ago, the Joint Economic Committee commissioned from the Urban Institute a study which covered some 30 housing authorities and seven of the more active states in the public housing field. In summary, the conclusions of the study were that, through use of existing housing, the program was working well and would continue to do so on a short term basis. The Institute advised against longer term new construction as the more expensive and more uncertain. The Task Force believes this advice should be heeded.

The Task Force recommends that more county housing authorities be established and encouraged to enter the Section 23 field, particularly with regard to the elderly residents. The county operation is already well established in law as an entity. In the more sparsely populated areas, and in small towns of the West and Midwest, an immense resource of usable vacant housing exists in communities that are losing population. County housing authorities are able to give closer supervision of such housing than can be provided by either the city or the state. The city is limited in jurisdiction. The state is too far removed from the existing housing resource to provide adequate supervision.

As has been pointed out of late, the majority of the nation's dilapidated and deteriorating housing stock (according to available records and testimony from HUD), lies in the countryside. An immense resource is available here through rehabilitation. The costs would be much less than that now expended on the low income poor and the elderly of the cities.

The Task Force welcomes the proposal to establish state housing agencies in this field and to contract with them and with other entrepreneurs to include local housing authorities. The fact that half of the 50 states are, or are about to establish state housing authorities (22 have established them; five are moving to establish them) is sufficient to contract with them in this field. The National Governors Conference staff seeks 40 year bonds guarantees and subsidies for unoccupied units. At this time, the Task Force is *not* ready to endorse this principle. This is a potentially burdensome commitment for the Federal taxpayer, particularly in view of the present commitment to payment of *both* amortization and operating expenses to local housing authorities.

Turnover in public housing is sufficiently large so that the entire one million plus families living in the projects could be replaced in a five year period. Some families stay longer than five years, but many more leave in much less time. The 40 year guarantee of a lease, even to a state housing authority, amortization and operation expenses is more than the program warrants. Long before the 40 year term has ended, changing patterns of life and lifestyle could leave the Federal Government paying for vacant units; or, as in the case of the Pruitt-Igoe project in St. Louis, for non-existent properties that neither the Federal Government, nor its state counterpart, nor the private entrepreneur desires.

HOUSING ALLOWANCES

The Task Force supports continuation of the Administration's experimental housing allowance program. It recommends that the Secretary investigate the potential and possibilities for tying a national housing allowance program into a comprehensive welfare reform package. The Task Force feels that welfare reform, not subsidized housing programs, may prove the most effective means of attacking the poverty problem.

HOUSING FOR THE ELDERLY

The House Republican Task Force on Aging has done commendatory and pioneering work in the area of housing for the elderly. The Housing Task Force supports the main thrust of the Aging Task Force proposals. It reiterates the urgent need to expand Federally subsidized housing opportunities for the aged.

Many elderly persons do not have sufficient income to purchase adequate housing. Of the 12.4 million households with heads aged 65 and over, almost half have incomes under $3,000. Many of these persons have *incomplete plumbing,* live in dilapidated units, and are otherwise unable to purchase the housing they need to meet their minimal needs.

Many of the aged who have adequate housing must spend an excessive share of their total income on housing. A substantial portion of the elderly devote more than 35% of their income to shelter. There are even cases where more than 100% of an elderly person's income is spent on housing, necessitating the use of accumulated savings. The cost of housing places the aged in an especially onerous position when the cost of goods and services in other sectors (e.g. food and health) rises at a rapid pace.

A third problem is the lack of adequate housing for those who are unable to afford it. The demand for elderly housing generally exceeds the supply. A survey by the Senate Subcommittee on Housing for the Elderly revealed that, at minimum, one elderly person was on a waiting list for every unit occupied. Even this figure is low. Many elderly persons are discouraged from even applying, due to long lists and small chances of eventually receiving aid, not to mention the psychological stress of being held in limbo for a long period of time.

A housing program for the elderly must assure that the elderly have sufficient income to purchase decent housing and provide for a strong construction program to ensure adequate supply. In accordance with these goals, the Task Force on Housing makes the following recommendations to alleviate the housing problems of the elderly:

1. In an effort to attain the 1971 White House Conference on Aging goal of 120,000 units of elderly housing per year, a sizeable proportion of the Section 23 lease-back program units should be allocated specifically for housing for the elderly. Under Section 23, Local Housing Authorities are permitted to lease apartments from private owners, and, in turn, sub-let them to low-income persons at reduced rates. To meet the needs of the elderly, Local Housing Authorities should be authorized to lease up to 100% of the suitable units in an apartment building to those persons over the age of 65. These arrangements should be given a high priority.

2. The Task Force recommends that direct loans under section 202 of the Housing Act of 1959 be eligible for refinancing under Section 236 of the National Housing Act. This initiative has been proposed by Rep. Ben Blackburn, Chairman of the Housing Task Force. To prevent abuses and ensure that government funds go to the intended beneficiaries, such a project should be occupied exclusively by elderly or handicapped families during any period in which assistance payments are made.

In the event that the Congress should decide that the Section 2356 program is no longer viable, HUD should begin to investigate the possibilities for an ongoing direct loan program to assist in meeting the housing needs of the elderly. This program should have minimal budgetary impact. The "Housing for the Elderly Act of 1973" introduced by Rep. Margaret Heckler, provides a model upon which such a program could be patterned.

3. Elderly persons should be given relief from excessive tax burdens.

Prior to 1964, the Internal Revenue Code did not provide for an exemption from capital gains for the elderly person who wished to sell his home and move to a smaller, less costly accommodation, investing the gain from the sale to provide for retirement. In the 1964 Revenue Act (Section 121, Internal Revenue Code), Congress provided that any gain realized by an elderly taxpayer on a house sold for under $20,000 would not be taxed, and that only a portion of the gain on homes sold for more than $20,000 would be taxed. This exemption should be increased to $50,000.

The prime advantage of this provision would be an added incentive to an elderly taxpayer who is "over-housed" to move into smaller, less costly accommodations. The elderly taxpayer's home could then be utilized more fully, and more appropriately, by a larger family. The prime disadvantage of this provision is the tax loss to the Treasury, which, according to the Internal Revenue Service, would be about $15 million.

Many elderly persons pay property taxes that total a substantial portion of their income. The Housing Task Force supports the Administration's proposal for a refundable property tax credit for the elderly which would allow low- and middle-income homeowners and renters, age 65 and older, a credit against their Federal income taxes—where payments of residential real property taxes are excessive in relation to their incomes. Those eligible would be able to take a credit for the amount of real estate taxes in excess of 5% of household income—subject to the limitation that the total credit could not exceed $500. If the amount of the credit exceeded the taxes owed to the Federal Government, the household would be reimbursed for the difference. Elderly renters would likewise be eligible for the credit. The Treasury Department estimates that this proposal would cost $600 million.

4. Safety, security and fear of crime are major problems for the elderly, especially in Federally-assisted housing projects. Anthony Downs asserts that programs to increase personal security and reduce the fear of crime may be the most effective housing programs. HUD should initiate a program to provide increased security and safety in Federally assisted housing. It should act in concert with the Department of Justice in finding ways of reducing the fear of crime, especially in inner city neighborhoods.

5. The Housing Task Force endorses Sen. Robert Dole's proposal to provide demonstration models of living arrangements for severely handicapped adults as an alternative

to institutionalization and to coordinate supportive services necessitated by such arrangements. Hopefully, these models will provide future guidance for ways of reducing the numer of elderly forced to live in institutions.

6. By law, public housing authorities have been unable to provide housing designed to meet the special medical and other needs of the elderly. The Secretary of HUD should be given the authority to construct congregate housing in which residents share common kitchen facilities and are provided interim assistance for emergency medical care. The Secretary should investigate means of further encouraging congregate housing in private and non-subsidized housing projects.

7. The Task Force supports the Administration plan to continue formulating implementation of the housing allowance for those eligible for Supplemental Security Income payments. The final decision to proceed on this proposal must be based on more adequate data than are now available. In the absence of such data, HUD must rely mostly on a strong housing construction program involving Section 23 leased housing and Section 202 housing for the elderly.

AN INDEPENDENT FEDERAL HOUSING ADMINISTRATION (FHA)

For nearly a decade, the Task Force has watched with increasing alarm the slide, born of well-intentioned legislation, of the Federal Housing Administration into the subsidy housing field. The principle of mutual support which, to date has cost the government nothing, paid its own expenses, and created millions of homeowners throughout the country, is about to be submerged into a debt-ridden operation that will require billions of taxpayers' money.

The Task Force contends that the FHA does not belong in the subsidy operation and should be separated from it. It believes that FHA cannot remain in the HUD complex without being taken over by the subsidy operation. The Task Force believes, therefore, that FHA must set up on its own in order to survive. To do otherwise is to ensure murderous competition between subsidized and unsubsidized builders, with the unsubsidized housing certain to get the worst of it due to the resulting inflationary spiral.

Consequently, in keeping with the recommendations of Rep. Blackburn of Georgia, the Task Force strongly suggests the following:

First, create an independent Federal agency for the purpose of administering the sound, unsubsidized mortgate insurance functions of the Federal Housing Administration;

Second, charge this new agency with the responsibility of maintaining sound standards of property and credit underwriting and of maintaining a self-supporting operation;

Third, transfer to the new agency the appropriate insurance reserves and related liabilities of FHA's unsubsidized programs, including the Treasury backstop of the agency's debentures; and

Fourth, provide authority by which the new agency could handle the mortgate insurance requirements for housing for which subsidies may be granted, with the provision that such housing subsidies would be administered by different agency of the Federal Government.

This would separate the subsidy operation of HUD from its nonsubsidized operation to their mutual benefit and that of the taxpayer. The FHA homebuyer, who pays a premium for the government's services and support, would have the assurance that his payments were going only to his own and other mutually protective homebuyers. He would know that the government was not using his contributed funds for homes for subsidy purposes while other homebuyers, not using FHA, were not so charged or taxed.

The Task Force's chief purpose here is to preserve the solvency of the Mutual Mortgage Insurance Fund. The President's recent Budget Message indicates that the status of the reserves of FHA's four insurance funds is as follows:

[In millions of dollars]

	1973	1974	1975
Mutual mortgage insurance fund	1,755	1,836	1,912
Cooperative management housing insurance fund	23	22	21
General insurance fund	−137	−413	−715
Special risk insurance fund	−320	−485	−810
Total	1,321	960	408

It is clear that a merger of these four funds, as proposed by the Housing and Urban Development Act of 1973, H.R. 10036, which the Housing Subcommittee is now considering, will assure that appropriations will soon be needed, as losses of the general and special risks funds quickly deplete the assets of the Mutual Mortgage Insurance Fund. This latter fund has always paid its own way and requires no Treasury borrowing. It is the basis for the creation of the new independent insuring agency.

A separate Federal agency should not be anathema to the Congress, nor the Administration. Such independent agencies often have been created before, the Federal Home Loan Bank Board being a classic case in point. The Board was a part of HHFA before it was made an independent agency by the Housing Amendments of 1955.

Preserving and strengthening of HUD's basic insured programs would provide the basis on which we could halt the severe decline in housing starts. Total FHA insured loans have been decreasing at an alarming rate for the past year; FHA activity is now at its lowest point since 1951. 1973 figures show only 83,000 unsubsidized and subsidized new units insured, with only a small portion of this total being unsubsidized. This trend cannot be permitted to continue.

The purposes of the subsidized and unsubsidized markets are different. One is concerned solely with homeownership. The other deals largely with a rental market. It has yet to cope with maintenance problems of a large magnitude, let alone equity in the homeowner field.

These problems require different methods and differently oriented personnel. Their construction problems, their financing problems, their management problems—all require different approaches and solutions. To expect HUD to switch its employees from one to another with success is to expect the impossible.

MOBILE HOME AND RECREATIONAL VEHICLE SAFETY

Some idea of the increasing dependence of U.S. citizens on the mobile home industry for housing can be gained from the following facts:

The mobile home and recreational vehicle industries are among the fastest growing in the country. More than 7 million persons now live in mobile homes; 95% of all homes sold under $15,000 are mobile homes; 3.7 million recreational vehicles (motor homes, travel trailers, camper trailers and pickup campers) are now in use. In 1972, 600,000 mobile home units and 525,100 recreational vehicles were manufactured.

With this expansion have come certain hazards, such as wind and fire. At present, a mobile home is almost four times a liable to fire loss as the conventional home. The mortality rate is almost as high.

Some of the hazards are structural. Flammable materials and exit locations are particular hazards. The shape and mobile nature of the product may make it immediate prey of sudden winds.

The Task Force realizes that there is no absolute means, legislative or otherwise, to remove these hazards entirely. There are means, however, to reduce them and, by federal law, provide a greatly increased measure of safety. For this, the Task Force believes there is general widespread support among manufacturers, purchasers, operators and state public safety officials.

The Task Force realizes, however, that state laws and state and local enforcement agencies have been unable to cope with the problem. For one thing, the products are built in one state and used in others. Their mobile nature has them crossing state lines and jurisdictions with rapidity. The Task Force desires in no way to recommend that Federal law impede or encroach on state activity if it is adequate and operating within its jurisdiction. Therefore, the Task Force proposes a blending of Federal and state responsibility in this area.

This Task Force has been well embodied in the proposals which, with considerable bipartisan support, Rep. Frey of Florida placed before the House of Representatives.

These proposals recognize the necessity of establishing uniform safety standards and minimum state enforcement requirements. In the case where the latter are adequate and operating efficiently, there would be no need for Federal activity.

That there is a difference between mobile homes and recreational vehicles, both as to construction and usage, is recognized by the Task Force. Both products, however, stem from the same group of manufacturers and could be regulated together from an inspection standpoint.

There is a role here for both the Department of Housing and Urban Development and the Department of Transportation. The first is concerned primarily with construction; the second with operation. Universal standards need to be set for both. The National Highway Traffic Safety Administration could handle the tasks assigned to DOT. HUD should set up a National Institute for Mobile Homes and Recreational Vehicle Safety to handle its responsibility under the proposed legislation. A majority of each council would consist of representatives of the general public. Added representation would come from manufacturers, insurers, dealers, and allied interests of national standing.

Research, testing, development and training would be authorized to produce the necessary factual base and technology on which the development of Federal safety standards would be bases. Presently, there are no national statistics on which to base standards. There are, however, many resources, public and private, which can be tapped for adequate safety standards. The criteria to be employed in developing the standards could be as follows:

(1) Consider relevant, available mobile home and recreational vehicle safety data, including results of research, development testing and evaluation activities conducted pursuant to this Title, and those activities conducted by nationally recognized standards—producing organizations to determine how to best protect the public;

(2) Consult with such Federal, State or Interstate agencies (including legislative committees) as is deemed appropriate;

(3) Consider whether any such proposed standard is reasonable, practicable and appropriate for the particular type of mobile home or recreational vehicle for which it is prescribed;

(4) Consider whether any such standard

will result in a substantial increase in the retail price of mobile homes or recreational vehicles;

(5) Consider the extent to which any such standard will contribute to carry out the purpose of this Title.

Once standards have been promulgated, every manufacturer of a mobile home or recreational vehicle would be required to submit detailed plans and specifications of each model to the Secretary for approval. HUD preapproval would catch many of the safety hazards. If the manufacturer follows the plan as approved, he would not be held in violation of Federal standards.

The Federal standards would be enforced by the States if they submitted approved plans for enforcement. The State plan would be approved if it:

(1) Designates a State agency or agencies as the agency or agencies responsible for administering the plan throughout the State;

(2) Provides for a right of entry and inspection of all factories, warehouses or establishments in such State in which mobile homes or recreational vehicles are manufactured and which is at least as extensive as that provided by federal law;

(3) Contains satisfactory assurances that such agency has, or will have, the legal authority and qualified personnel necessary for effective enforcement of such standards;

(4) Give satisfactory assurances that such State will devote adequate funds to the administration and enforcement of standards;

(5) Requires manufactures, distributors and dealers in such State to make reports to the Secretary in the same manner, and to the same extent, as if the State plan were not in effect;

(6) Provides that the State agency will make such reports to the Secretary in such form, and containing such information, as the Secretary shall require from time to time.

Grants of up to 90% are recommended to States to assist them in developing State enforcement plans. Grants up to 50% could be made to assist States in administering and enforcing such plans.

Since a number of States do have effective enforcement programs, every effort should be made to utilize that experience and encourage other States to enforce the Federal standards.

If the States have no desire to enforce the Federal standards, enforcement will be by the National Highway Traffic Safety Administration.

URBAN HOMESTEADING

Urban Homesteading is one of the more promising and innovative ideas for arresting accelerating abandonment of housing in the inner cities. Presently, the Department of Housing and Urban Devlopment holds title to over 70,000 vacant single family dwellings nationwide. Many of these are in good structural condition. Under an Urban Homesteading program, individuals would be given title to abandoned homes for a nominal fee. In return, they would promise to repair and rehabilitate them, and live in them, for a set period of time (usually five or more years).

Urban Homesteading has several advantages. It would ease the shortage of low-income housing by salvaging homes which, otherwise, would remain abandoned for lack of rehabilitation. Middle and lower income persons would be able to purchase structurally sound homes at a cost they can afford. At the same time, Homesteading would help reduce HUD's inventory of houses and save the Department hundreds of thousands of dollars annually.

Rehabilitation is an expensive process. It requires a certain degree of expertise on the part of the owner. There might be neither enough homesteads available nor enough applicants to make a significant dent in the stock of the country's abandoned houses. In many instances, however, Homesteading could halt the process whereby a handful of abandoned houses eventually leads to deterioration of entire neighborhoods. The most important impact of Homesteading may not be in terms of raw numbers of homes rehabilitated, but in terms of the psychological effect on neighborhoods where abandonment is a problem. The sight of homesteaders moving into abandoned housing with a long term commitment to making a neighborhood viable could do much to restore confidence in declining areas.

Homesteading by itself is no panacea for inner city ills. However, when properly managed, it offers promise of an important contribution to stemming and reversing the abandonment process.

Homesteading programs are in the planning or initiation stages in several cities, notably Wilmington, Baltimore and Philadelphia. Initial indications are that Homesteading can be a viable option for improving the quality of existing housing stock. Reps. Marjorie Holt and Joe Pritchard have introduced Urban Homesteading legislation to expand and augment present efforts. The Task Force supports this Republican initiative and urges its immediate adoption.

ENERGY

The current energy shortage has focused national attention on the need to incorporate energy conservation measures and techniques into residential buildings. Residencies consume over 12% of the nation's annual energy supply or over 8 quadrillion BTU's per year. There are no precise estimates of energy waste, but the National Bureau of Standards estimates that past building practices have lead to an estimated annual waste of energy equivalent to about 456 million tons of coal, or 65 billion gallons of oil, or 9 trillion cubic feet of natural gas. Failure to reduce thermostats at night, improper insulation, excessive use of air conditioning, and inefficient appliances are all responsible for this huge energy waste. Estimates indicate that up to 20% of heating and air conditioning requirements can be saved with more adequate insulation alone. Better building materials and design may also make a significant contribution.

The Department of Housing and Urban Development can help promote development and widespread implementation of energy conservation techniques. Several proposals have been made to achieve this goal.

Several Democrats have advocated providing a tax credit for home repairs or improvements that save energy. However, even if the credit is only marginally successful in increasing expenditures significantly, the Treasury estimates that a 100% credit with a $1,000 limit might cost $2.5 billion or more. This, clearly would be an extravagant raid on the U.S. Treasury; a tax incentive probably would be only minimally effective. In response to higher prices, taxpayers can be expected to take the necessary steps in the areas of home insulation and replacement of inefficient appliances and heating or cooling systems. A tax incentive would probably produce little additional activity of this type that would not have taken place in its absence.

A much cheaper and better way of assuring that homeowners and landlords have adequate opportunity and funds to initiate energy saving home alterations would be to establish a Federally insured, direct low-interest (5%) loan program to assist homeowners and other owners of residential structures in purchasing and installing more effective insulation or heating equipment. Authored by Rep. Bill Cohen, this proposal has been introduced in the House.

In approving mortgages or loans, the Secretary should be authorized, but not required, to encourage the use of materials, devices and products which contribute to energy conservation.

We recommend that the Secretary of HUD should undertake a study to determine the most effective means of *implementing* the many energy saving techniques and devices that have been and will be developed.

Finally, the Secretary should initiate a program of disseminating full, complete and current information concerning the most up-to-date methods of energy conservation in the home.

Energy conservation is essential if the housing industry is to remain healthy and vigorous. The recent shortages indicate that without significant energy savings in existing residential dwellings, new housing construction may have to be drastically curtailed. The Department of Housing and Urban Development needs to take affirmative action to foster energy savings in order to avert a future downturn in the housing industry.

THE MATERIAL CRISIS

The United States faces a potential materials crisis involving severe shortages of key natural resources. Housing is one of the industries that may be most affected because it is dependent on such a wide variety of minerals and materials. An acute shortage of any mineral or other natural resource could cause a drastic recession in the housing industry, possible crippling it for a prolonged period. To avert potential disaster, the housing sector, public and private, must take joint action to assure a continued adequate supply of all vital materials, minerals and natural resources.

In cooperation with the Department of the Interior, the Department of Housing and Urban Development should undertake an intensive, far-reaching study, and launch a national program for discovering ways of guaranteeing adequate supplies of all materials used in the production of housing. This program should cover at least the following areas:

1. Establishment of a national resource information system to assess this country's natural resource position and aid the private sector in discovering resources that are or will be in short supply. This system should provide for collection, organization, standardization, coordination and disseminaton of information regarding supplies of raw materials essential to industry.

2. An investigation of methods for increasing domestic capacity for the production of minerals and resources in short supply. The United States is presently 50–100% dependent on foreign sources for minerals such as aluminum, asbestos, tin and nickel. Housing is not directly nor greatly dependent on many of these minerals, but shortages of these minerals could result in serious shortages of certain key parts for residential dwellings and disruption of key industries that supply essential housing products.

3. Development of means of substituting natural resources for other resources in the event of serious shortages. HUD could attempt to find substitutes for wood, aluminum, copper, gypsum and other housing products that might eventually be in short supply because of natural emergencies, foreign instability or transportation problems.

4. Encouragement of greater conservation and recycling of building materials. Shortages could be greatly alleviated by increased dependence on recycling, conservation and rehabilitation of existing housing. Recent price increases make recycling far more eco-

nomical. Government action may be needed to break wasteful practices and set up networks to handle the transport of recyclable material. By increasing the available supply of materials, conservation and recycling would also help keep down raw material prices.

The natural resource of greatest importance to the housing industry is timber. The Task Force feels special consideration should be given to increasing the timber supply to meet demand and reduce rising construction costs. During the past three years, timber harvests have fallen below expectations. This must be reversed if the housing sector is to remain healthy.

One of the major reasons for the disappointing harvests has been inadequate funding for and reduction of U.S. Forest Service personnel. This has resulted in poor forestry management and conservation practices. The Task Force endorses an increase in the Forest Service's budget for Fiscal Year 1975 to assure that appropriate forest management programs are initiated to relieve the immediate shortage. For the years after FY 75, additional funds should be made available to allow full and effective forestry management on an intensified basis. Good management could increase yield by as much as 50–100%. It could increase the amount of land that can be safely harvested without extensive environmental damage. At the same time, it could assure that the nation will not be forced to use valuable recreation land to guarantee an adequate timber supply.

The Forest Service should initiate accelerated programs of timber growing in national forests. The objective of accelerated programs is to increase growth of wood on national forests for harvest in future decades. Funds provided in this manner for forest development are an investment, not an outlay. They should return to the Treasury more than the initial cost.

To assure that there are sufficient Federal funds for the Forest Service and to encourage improved forest management and accelerated programs of timber growing, a Timber Trust should be created. This should parallel and resemble other Federal trust funds (e.g. airport, health insurance and highway). Money for the fund would come from receipts from sale of timber rights on Federal lands.

To curb short-term fluctuations in lumber supply and ward off possible shortages, the Secretary of HUD, and the Forest Service, with the help of private industry, should conduct periodic reviews and analyses of the prospective demand and supply situation for the various wood products.

The Task Force fully supports the recommendation of the President's Advisory Panel on Timber and the Environment that the Federal government maintain incentive programs to encourage private landowners to follow forest management programs which protect the environment and increase future timber supplies. These programs should maintain Federal income tax incentives, include advice and services to forest owners and their associations, and encourage cost-sharing for intensive forest management practices. This should include provisions for seedlings.

The present freight car shortage severely hampers the transport of timber to areas in which lumber is in greatest demand. The Interstate Commerce Commission should take immediate steps to seek ways of increasing freight car production and improving the flow of cars to and from timber producing areas.

HUD and the Forest Service should prepare a comprehensive, long-range nationwide program of forest development and timber supply. In accordance with the recommendations of the President's Advisory Panel, the program should include the following:

Expansion of recreation and wilderness areas where appropriate; protection of water supplies; protection of fragile soils and erodible steep slopes by their withdrawal from timber harvest; protection of wildlife including rare and endangered species of plants, animals and birds; improved utilization of wood fiber for all its varied uses; assistance to owners of private forest lands in the management of their forests for increased output; and harvesting of timber from the national forests on a schedule commensurate with their productive capacity and sufficient to make their proportionate contribution to national timber needs.

EXECUTIVE PRIVILEGE

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

Mr. MOSS. Mr. Speaker, attached to my remarks is a column by Clark R. Mollenhoff, a veteran of many years in the battle against the excesses of secrecy in Government and an opponent of the unsupportable doctrine of executive privilege.

Clark Mollenhoff appeared before the then Special Subcommittee on Government Information of the House Committee on Government Operations during the first hearings conducted by it in 1955 as part of a panel of knowledgeable spokesmen for the media asked to advise the committee on the nature of withholding practices in the executive departments and agencies of the Federal Government. As the chairman of that subcommittee from its inception until required by caucus rule change to yield it, it has been my privilege to closely associate myself with the efforts of Mr. Mollenhoff to knock down dangerous doctrines and challenge irrelevant precedents.

In 1955, Mr. Mollenhoff warned the committee of the danger inherent in a claim of executive privilege as a barrier to congressional or public access to information. Time has proven how wise those remarks of Mr. Mollenhoff in 1955 were.

I commend his column to my colleagues as another example of his incisive understanding of the true nature of the problems of executive privilege in obtaining information.

EVILS OF "EXECUTIVE PRIVILEGE" EVIDENT IN TRANSCRIPTS

(By Clark R. Mollenhoff)

WASHINGTON.—If President Nixon wished to demonstrate the evils inherent in the arbitrary secrecy of "executive privilege," the best documentation he could choose would be the 1,300-page transcript of conversations about the Watergate cover-up.

For the shallow, venal, conspiratorial conversations of Nixon with H. R. "Bob" Haldeman, John D. Ehrlichman and John W. Dean III, represent government decision-making at its worst.

It was what critics of the doctrine of executive privilege have warned for years could happen if any president pulled down a secrecy curtain on Congress and the courts, where no effective review of presidential decision making could have been made by an independent source.

President Nixon and his most intimate advisers believed that they could impose complete secrecy on discussions in the Oval Office, and by use of executive privilege could preserve secrecy of "confidential deliberation" in the face of any congressional investigation or any inquiry by the courts.

Raoul Berger, a senior fellow at Harvard and a leading authority on executive privilege, has warned for years that such total secrecy would make it possible, and even probable that the baser instincts of political partisanship and cronyism would dominate decisionmaking if there was a lack of accountability.

Now, Nixon has dramatized Berger's point in a way that the Harvard scholar could not have visualized when he was completing his definitive book on executive privilege a few months ago.

The book, "Executive Privilege—A Constitutional Myth" (published by Harvard University Press), is a sweeping indictment of William P. Rogers, who created "executive privilege" out of whole cloth in the Eisenhower administration, and gave it a phony constitutional parentage based upon bad history, bad law and incredibly poor logic.

Rogers, a deputy attorney general and as attorney general in the Eisenhower administration, devised and promoted executive privilege to give an aura of constitutional respectability to blatant coverups of crime and mismanagement, and later as secretary of state in the Nixon administration he used it effectively to refuse to be accountable to Congress.

Rogers' example made President Nixon and his closest White House advisers confident they could put down an impenetrable secrecy curtain at the White House, and the ordeal of Watergate is the result.

Berger's book documents the case studies on the evils of permitting any president the dictatorial power of being accountable to no one.

But nowhere in his massive historic work does Berger use a single case that makes the point on the corrupting impact of secrecy as vividly as it is made in the edited Nixon conversation transcripts.

In preparing us for the release of the transcripts, Nixon again emphasized the importance of the confidential advice he receives from his aides in making the necessary decisions for successful domestic programs and foreign policy making.

Throughout this administration, he has given the impression of thorough, systematic studies of facts and law, but when Nixon-edited transcripts were published we find no systematic effort to discover all facts of the Watergate burglary of June 17, 1972.

Instead, we find crafty, dishonest efforts to learn what the U.S. attorney's office and the FBI might develop from sources that could not be controlled or coerced into a preconceived "scenario."

Nixon made no systematic effort to consult the criminal law experts, or the constitutional law experts, to determine what the President should do in carrying out his responsibility that the laws be faithfully executed.

Instead, we find President Nixon fumbling with only a superficial understanding of the law of evidence, and incredible insensitivity to the problems of obstruction of justice.

And, despite White House counsel John Dean's admissions of federal crimes and comments implicating others in the White House, we see the lawyer-President seeking to excuse Dean, and to minimize the degree of involvement of Ehrlichman and Halde-

man—the men he knew controlled political and governmental operations for him.

Only after it became apparent that Dean, Jeb S. Magruder, and Fred LaRue, were going to cooperate with the prosecutors did Nixon decide that perhaps it would be necessary to go along with Haldeman and Ehrlichman's scheme to throw former Atty Gen. John Mitchell overboard to save themselves and the President.

Through it all there was only occasional mention of "truth" or "justice" and no mention of the responsibilities they carried as the highest White House officials. One of the most revealing exchanges took place March 21, 1973, after Dean had told the President of Dean's possible involvement in the crime of obstruction of justice:

President: Talking about your obstruction of justice, though I don't see it.

Dean: Well, I have been a conduit for information on taking care of people out there who are guilty of crimes.

President: Oh, you mean like the blackmailers?

Dean: The blackmailers. Right.

President: Well, I wonder if that can be—I wonder if that doesn't—let me put it frankly: I wonder if that [blackmail] doesn't have to be continued? Let me put it this way: Let us suppose that you get the million bucks, and you get the proper way to handle it. You could hold that side?

Dean: Uh, huh.

President: It would seem to me that would be worthwhile.

Dean: Well, that's one problem.

President: I know you have a problem here. You have the problem with [convicted Watergate burglar E. Howard] Hunt and his clemency.

Dean: That's right. And you are going to have a clemency problem with the others. They all are going to expect to be out [of prison] and that may put you in a position that is just untenable at some point. You know, the Watergate hearings just over, Hunt now demanding clemency or he is going to blow. And politically impossible for you to go do it. You know, after everybody—

President: That's right.

Dean: I am not sure that you will ever be able to deliver on clemency. It may be just too hot.

President: You can't do it politically until after the '74 elections, that's for sure. Your point is that even then you couldn't do it.

Dean: That's right. It may further involve you in a way you should not be involved in this.

President: No—it is wrong, that's for sure.

Dean: Well—there have been some bad judgments made. There have been some necessary judgments made.

President: Before the election?

Dean: Before the election and in the wake the necessary ones, you know, before the election. You know, with me there was no way, but the burden of this second administration is something that is not going to go away.

President: No, it isn't.

Then after a discussion of how Haldeman and Ehrlichman might be involved as defendants, and the problem with Hunt testifying in a manner that might cause the issue to come apart before the Ervin committee or the federal grand jury there was this exchange:

President: Suppose the worst—that Bob is indicted and Ehrlichman is indicted. And, I must say, we just better then try to tough it through. You get the point.

Dean: That's right.

President: If they, for example, say 'let's cut our losses' and you say we are going to go down the road to see if we can cut our losses and no more blackmail and all the rest. And then the thing blows, cutting Bob and the rest to pieces. You would never recover from that, John.

Dean: That's right.

President: It is better to fight it out. Then, you see, that's the other thing. It's better to fight it out and not let people testify, and so forth. And now, on the other hand, we realize that we have these weaknesses—that we have these weaknesses—in terms of blackmail.

Dean: That is one general alternative. The other is to go down the road, just hunker down, fight it at every corner, every turn, don't let people testify—cover it up is what we really are talking about. Just keep it buried and just hope that we can do it, hope that we make good decisions at the right time, keep our heads cool, we make the right moves.

President: And just take the heat?

This "hunkering down" to "take the heat" is mirrored in all of the presidential transcripts, in the public statements by Nixon since then, and in the fluctuating positions taken on executive privilege up to including Gen. Alexander Haig's refusal to testify.

The evils of executive privilege could never have been pointed up as effectively by Prof. Berger as has been done by the Nixon-edited transcripts.

Berger commented:

"The transcripts strikingly illustrate the evils that are generated when the executive branch operates on the assumption that 'confidential communications' are shielded by a claim of 'executive privilege'."

The transcripts may not tell the whole story, but the picture is sordid example of what some executives did with the privilege of secrecy.

In his flat refusal to testify on his knowledge of the President's actions and directions relative to the controversial $100,000 cash political contribution to Nixon from Howard Hughes through Charles "Bebe" Rebozo, White House Chief of Staff Haig is getting into a danger area on suppression of material evidence.

There is the same danger of involvement in crime in the massive effort to destroy John Dean as a witness, and those who have any role in this assault on Dean should consult a lawyer—from ouside the White House staff.

FRANKABILITY OF SOLICITATIONS FOR FUNDS

(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, by direction of the House Commission on Congressional Mailing Standards, I submit for printing into the RECORD at this point guidelines affecting the frankability, under the Congressional Franking Act, of Member's solicitation of funds for printing and preparation of newsletters.

EXPLANATION AND BACKGROUND

The Commission has concluded that the recently enacted franking statutes (Public Law 93-191) do not clearly establish the frankability or nonfrankability of mail matter which includes appeals for donations to help defray the costs of printing and preparing newsletters, questionnaires, and similar material. Therefore, earlier this year in response to several requests for an interpretation by the Commission, it made a preliminary determination that this question would have to be resolved by regulation.

At its meeting of February 21, 1974, the Commission tentatively approved a proposed regulation holding that such appeals are not "official business" within the meaning of these statutes and that, therefore, they could not be included in franked mailings. The Commission requested and received comment on this proposed regulation, and upon review thereon, at its meeting on March 20, 1974, decided that the proposed regulation might have been too narrowly constructed and thus could go beyond its authority under existing law. The Commission proposed a regulation permitting affirmative statements indicating that newsletters were not paid by government funds and expenses were met by voluntary contributions. The Commission intended to take final action on this matter at its meeting of April 3, 1974.

In the meantime, however, the Senate adopted an amendment to S. 3044, the Federal Election Campaign Act Amendment of 1974, which would prohibit the use of the frank for solicitation of, not only newsletter funds, but any funds whatsoever. Proposals going in the opposite direction; that is, affirmatively permitting such solicitations are to be presented to the Committee on House Administration in conjunction with various campaign reform bills currently before it.

In view of the fact that there is now pending legislation which may soon provide the needed clarification as regards the solicitation of funds under the frank, the House Commission on Congressional Mailing Standards has determined that a final solution in this matter should not be attempted at this time. The Commission prefers to defer regulatory action on this matter to see whether the Congress wishes to make a legislative determination during its consideration of S. 3044 and similar measures pending in the House.

However, the Commission wishes to call attention to the specific provision in the law prohibiting the use of the frank, under any circumstances, for the solicitation of funds for political purposes.

The Commission also wishes to advise our colleagues of its interim conclusion that, although the franking statutes need clarification regarding most situations concerning other types of solicitation, it seems clear that the law would not allow mail matter, the sole purpose of which is to solicit funds, to be sent under the frank.

In view of the foregoing, the Commission, at its meeting of May 1, 1974, unanimously adopted the following guidelines:

GUIDELINES ON SOLICITATION OF FUNDS UNDER THE FRANK

1. Mail Matter which solicits funds to support the printing or preparation of newsletters, questionnaires, or other similar printed material, should not be sent under the frank.

2. Mail matter, including newsletters, questionnaires, and other similar printed

material, which is otherwise frankable, should not contain messages which solicit funds, or have the purpose of direct or indirect solicitation of funds, for such newsletters, questionnaires, or other similar printed material.

3. Since many Members now have large mailings in various stages of preparation and mailing and in light of our tentative ruling of March 20, 1974, the Commission decided that these guidelines shall apply only to mail matter prepared on or after June 1, 1974.

Issued in Washington, D.C., on May 14, 1974.

MORRIS K. UDALL, *Chairman.*

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. MATSUNAGA (at the request of Mr. O'NEILL), for this week, on account of official business.

Mr. CARTER (at the request of Mr. NATCHER), for Tuesday, May 14, and the balance of the week, on account of official business.

Mr. HELSTOSKI (at the request of Mr. O'NEILL), 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. HANRAHAN) and to revise and extend their remarks and include extraneous matter:)

Mr. ROBISON of New York, for 15 minutes, today.

Mr. BROOMFIELD, for 5 minutes, today.

Mrs. HECKLER of Massachusetts, for 30 minutes, today.

Mr. BLACKBURN, for 20 minutes, today.

Mr. SYMMS, for 30 minutes, today.

(The following Members (at the request of Mr. JONES of Oklahoma) to revise and extend their remarks and include extraneous matter:)

Ms. HOLTZMAN, for 15 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Ms. ABZUG, for 15 minutes, today.

Mr. REUSS, for 20 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. PODELL, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BLACKBURN and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $888.25.

Mr. CEDERBERG to include pertinent charts and tables with his remarks today on S. 1752 in the Committee of the Whole during general debate.

(The following Members (at the request of Mr. HANRAHAN) and to include extraneous matter:)

Mr. ROBINSON of Virginia.

Mr. O'BRIEN in 10 instances.

Mr. FORSYTHE.

Mr. YOUNG of South Carolina.

Mr. HOSMER in three instances.

Mr. WYMAN in two instances.

Mr. SPENCE.

Mr. GILMAN.

Mr. BROYHILL of Virginia in two instances.

Mr. DENNIS in four instances.

Mr. KEMP in three instances.

Mr. BLACKBURN.

Mrs. HECKLER of Massachusetts.

Mr. BELL.

Mr. PRICE of Texas.

Mr. STEIGER of Wisconsin.

Mr. ROUSSELOT.

(The following Members (at the request of Mr. JONES of Oklahoma) and to include extraneous material:)

Mr. MCFALL.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. MAZZOLI.

Mr. HARRINGTON in 10 instances.

Mr. EVANS of Colorado.

Mr. BINGHAM in five instances.

Mr. DELANEY.

Mr. STARK in 10 instances.

Mr. BOLLING.

Mr. GUNTER in three instances.

Mr. DELLUMS in 10 instances.

Mr. THOMPSON of New Jersey.

Mr. BURKE of Massachusetts.

Mr. LEGGETT in two instances.

Mr. ICHORD.

Mr. BROWN of California in 10 instances.

Mr. HUNGATE in two instances.

Mr. VANIK in two instances.

Mr. ROUSH in two instances.

Mr. BURTON.

Mr. NEDZI.

Mr. STEED.

Mr. TIERNAN.

Ms. ABZUG in 10 instances.

Mr. BADILLO in five instances.

Mr. ANDERSON of California in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 634. An act to declare that certain federally owned lands shall be held by the United States in trust for the Kootenai Tribe of Idaho, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1411. An act to authorize the Sisseton and Wahpeton Sioux Tribe of the Lake Traverse Reservation to consolidate its landholdings in North Dakota and South Dakota, and for other purposes; to the Committee on Interior and Insular Affairs.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 6574. An act to amend title 38, United States Code, to increase the maximum amount of servicemen's group life insurance to $20,000, to provide full-time coverage thereunder for certain members of the Reserves and National Guard, to authorize the conversion of such insurance to veteran's group life insurance, to authorize allotments from the pay of members of the National Guard of the United States for group life insurance premiums, and for other purposes.

ADJOURNMENT

Mr. JONES of Oklahoma. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 12 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 15, 1974, 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:

2314. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Robert P. Paganelli, Ambassador designate to the State of Qatar, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

2315. A letter from the Chairman, U.S. Commission on Civil Rights, transmitting a report on the adequacy of the efforts of the Bureau of the Census to enumerate the Spanish speaking background population in the United States in the 1970 census, pursuant to Public Law 85–315, as amended; to the Committee on the Judiciary.

2316. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 905(c) of the Merchant Marine Act, 1936; to the Committee on Merchant Marine and Fisheries.

2317. A letter from the Administrator of General Services, transmitting amendments to the approved prospectuses for public building projects at Lukeville, Ariz., and Laredo, Tex., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works.

2318. A letter from the Acting Administrator of General Services, transmitting a report on the need and feasibility for construction of a Federal building at Sitka, Alaska; to the Committee on Public Works.

2319. A letter from the Chairman, Renegotiation Board, transmitting a draft of proposed legislation to extend and amend the Renegotiation Act of 1951; to the Committee on Ways and Means.

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. SISK: Committee on Rules. House Resolution 1100. Resolution providing for the consideration of H.R. 12000. A bill to enable egg producers to establish, finance, and carry out a coordinated program of research, producer and consumer education, and promotion to improve, maintain, and develop markets for eggs, egg products, spent fowl, and products of spent fowl (Rept. No. 93–1040). Referred to the House Calendar.

Mr. McSPADDEN: Committee on Rules. House Resolution 1101. Resolution providing

for the consideration of S. 3231. An act to provide compensation to poultry and egg producers, growers, and processors and their employees (Rept. 93–1041). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG:

H.R. 14752. A bill to prohibit discrimination on the basis of sex, marital status, and sexual orientation, and for other purposes; to the Committee on the Judiciary.

H.R. 14753. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps, and for other purposes; to the Committee on Ways and Means.

By Mr. ADAMS (for himself, Mr. DIGGS, Mr. FRASER, Mr. BRECKINRIDGE, Mr. FAUNTROY, and Mr. HOWARD):

H.R. 14754. A bill to regulate certain political campaign finance practices in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. DELLENBACK:

H.R. 14755. A bill to authorize the Secretary of the Interior to construct necessary interim anadromous fish passage facilities at Savage Rapids Dam, Grants Pass Division, Rogue River Basin project, Oreg., under Federal reclamation laws; to the Committee on Interior and Insular Affairs.

By Mr. BROTZMAN:

H.R. 14756. A bill to provide for the development of a long-range plan to advance the national attack on arthritis and related musculoskeletal diseases and for arthritis training and demonstration centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BURTON:

H.R. 14757. A bill to amend title 5, United States Code, to provide that Japanese-Americans who were placed in internment camps during World War II shall be credited for civil service retirement purposes with the time they spent in such camps; to the Committee on Post Office and Civil Service.

By Mr. CARNEY of Ohio:

H.R. 14758. A bill to eliminate the provisions of law which presently prohibit recipients of supplemental security income benefits under title XVI of the Social Security Act from participating in the food stamp and surplus commodity programs; to the Committee on Ways and Means.

H.R. 14759. A bill to eliminate the provisions of law which presently prohibit recipients of supplemental security income benefits under title XVI of the Social Security Act from participating in the food stamp and surplus commodity programs; to the Committee on Ways and Means.

By Mr. CRANE (for himself, Mr. FRENZEL, Mr. HUBER, Mr. HUDNUT, Mr. LOTT, Mr. MITCHELL of New York, and Mr. WAGGONNER):

H.R. 14760. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

By Mr. CRANE (for himself, Mr. BAKER, Mr. COLLINS of Texas, Mr. DEVINE, Mr. DICKINSON, Mr. GROSS, Mr. HUBER, Mr. HUDNUT, Mr. LOTT, Mr. MITCHELL of New York, Mr. ROUSSELOT, and Mr. WAGGONNER):

H.R. 14761. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

By Mr. CORMAN (for himself and Mr. PETTIS):

H.R. 14762. A bill to amend the Tariff Schedules of the United States to provide duty-free treatment of any aircraft engine used as a temporary replacement for an aircraft engine being overhauled within the United States if duty was paid on such replacement engine during a previous importation; to the Committee on Ways and Means.

By Mr. DEVINE:

H.R. 14763. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and deprecation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

By Mr. ESCH:

H.R. 14764. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

By Mr. FOUNTAIN:

H.R. 14765. A bill to amend the Fair Labor Standards Act of 1938 to provide an exemption from minimum wage and overtime coverage for babysitters; to the Committee on Education and Labor.

By Mr. FRASER:

H.R. 14766. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increase in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, and to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps, and for other purposes; to the Committee on Ways and Means.

By Mr. HANLEY:

H.R. 14767. A bill to amend the Internal Revenue Code of 1954 to allow a divorced or separated taxpayer in certain cases to deduct certain expenses for the care of a child of the taxpayer who is in the taxpayer's custody and with respect to whom the taxpayer is not entitled to a dependency deduction; to the Committee on Ways and Means.

By Mr. HANNA:

H.R. 14768. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance thereunder; to the Committee on Ways and Means.

By Mr. HEINZ (for himself, Mr. BURGENER, and Mr. WRIGHT):

H.R. 14769. A bill to establish a National Center for the Prevention and Control of Rape and provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape; to the Committee on Interstate and Foreign Commerce.

By Mr. HEINZ (for himself and Mr. ROGERS):

H.R. 14770. A bill to establish a National Center for the Prevention and Control of Rape and provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape; to the Committee on Interstate and Foreign Commerce.

By Mr. HOGAN:

H.R. 14771. A bill to amend the Controlled Substances Act to provide for a mandatory life sentence for the illegal distribution of certain narcotic drugs, to permit parole only after a certain number of years of the sentence, to provide for research into the effectiveness of this life sentence, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Ms. HOLTZMAN:

H.R. 14772. A bill to amend title XVI of the Social Security Act to provide for emergency replacement payments to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits, to insure that all beneficiaries receive such increases, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits in limited circumstances directly to drug addicts and alcoholics (without a third-party payee), to restore food stamp eligibility to all supplemental security income recipients, to provide for expeditious action on applications for benefits, to amend eligibility requirements for separated spouses, to allow judicial review of eligibility determinations and for other purposes; to the Committee on Ways and Means.

H.R. 14773. A bill to amend section 214 of the Internal Revenue Code of 1954 to provide a deduction for dependent care expenses for married taxpayers who are employed part time, or who are students, and for other purposes; to the Committee on Ways and Means.

By Mr. LENT:

H.R. 14774. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the Administrator of the Small Business Administration may render onsite consultation and advice to certain small business employers to assist such employers in providing safe and healthful working conditions for their employees; to the Committee on Education and Labor.

H.R. 14775. A bill to prescribe uniform criteria for formulating judicial remedies for the elimination of dual school systems; to the Committee on Education and Labor.

H.R. 14776. A bill to clarify the jurisdiction of certain Federal courts with respect to public schools and to confer such jurisdiction upon certain other courts; to the Committee on the Judiciary.

H.R. 14777. A bill to amend the Civil Rights Act of 1964 to provide for freedom of choice in student assignments in public schools; to the Committee on the Judiciary.

H.R. 14778. A bill to limit the jurisdiction of Federal courts to issue busing orders based on race, and for other purposes; to the Committee on the Judiciary.

By Mr. MITCHELL of Maryland (for himself, Mr. MOAKLEY, Mr. STOKES, Mr. METCALFE, Mr. MCSPADDEN, Mr. HELSTOSKI, Mr. CONYERS, Ms. SCHROEDER, Mr. DELLUMS, Mr. YOUNG of Georgia, Mr. STARK, Ms. BURKE of California, Mr. CLAY, Mr. PEPPER, Mr. HAWKINS, Ms. HOLTZMAN, Mr. FAUNTROY, Ms. COLLINS of Illinois, Mr. ROYBAL, Mr. HARRINGTON, Mr. FRA-

SER, Ms. ABZUG, Mr. BROWN of California, Mr. RANGEL, and Mr. CORMAN):

H.R. 14779. A bill amending the U.S. Housing Act of 1937; to the Committee on Banking and Currency.

By Mr. MORGAN (by request):

H.R. 14780. A bill to authorize appropriations for fiscal year 1975 for carrying out the provisions of the Board for International Broadcasting Act of 1973; to the Committee on Foreign Affairs.

By Mr. NEDZI:

H.R. 14781. A bill to authorize the Secretary of Agriculture to make grants to cities to encourage the increased planting of trees and shrubs and to encourage other urban forestry programs; to the Committee on Agriculture.

By Mr. PATMAN (for himself, Mrs. BOGGS, Mr. BRASCO, Mrs. BURKE of California, Mrs. COLLINS of Illinois, Mr. CORMAN, Mr. CRONIN, Mr. DULSKI, Mr. DUNCAN, Mr. EILBERG, Mr. FROEHLICH, Mr. GILMAN, Mrs. GRASSO, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. JONES of North Carolina, Mr. MCSPADDEN, Mr. MELCHER, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MURPHY of Illinois, Mr. MURPHY of New York, and Mr. NICHOLS):

H.R. 14782. A bill to amend title 38 of the United States Code so as to entitle veterans of the Mexican border period and of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American war and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

By Mr. PATMAN (for himself, Mr. PEPPER, Mr. PODELL, Mr. PREYER, Mr. RARICK, Mr. RIEGLE, Mr. ROE, Mr. ROYBAL, Mr. SEIBERLING, Mr. SHOUP, Mr. SIKES, Mr. SMITH of Iowa, Mr. STAGGERS, Mrs. SULLIVAN, Mr. SYMINGTON, Mr. THONE, Mr. ULLMAN, Mr. WALSH, Mr. WAMPLER, Mr. CHARLES WILSON of Texas, Mr. WOLFF, Mr. YATRON, and Mr. YOUNG of Florida):

H.R. 14783. A bill to amend title 38 of the United States Code so as to entitle veterans of the Mexican border period and of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

By Mr. PRICE of Texas:

H.R. 14784. A bill to adjust target prices established under the Agriculture and Consumer Protection Act of 1973, as amended for the 1974 through 1977 crops of wheat and feed grains and cotton to reflect changes in farm production costs; to the Committee on Agriculture.

By Mr. ROYBAL:

H.R. 14785. A bill to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes; to the Committee on Education and Labor.

By Mr. SANDMAN:

H.R. 14786. A bill to amend the Mineral Lands Leasing Act to provide for a more efficient and equitable method for the exploration for and development of oil shale resources on Federal lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SIKES:

H.R. 14787. A bill to require passport applicants to swear to an oath of allegiance to the United States as a condition precedent to being issued a passport; to the Committee on Foreign Affairs.

By Mr. STEPHENS (for himself, Mr. LANDRUM, Mr. WAGGONNER, Mr. SCHNEEBELI, Mr. DUNCAN, Mr. ARCHER, Mr. FULTON, Mr. CONABLE, Mr. J. WILLIAM STANTON, and Mr. BURLESON of Texas):

H.R. 14788. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of small business investment companies and shareholders in such companies; to the Committee on Ways and Means.

By Mr. STOKES:

H.R. 14789. A bill to require every retail dealer engaging in interstate commerce to assemble fully any bicycle sold by such dealer; to the Committee on Interstate and Foreign Commerce.

By Mr. TALCOTT:

H.R. 14790. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

By Mr. TAYLOR of North Carolina (for himself, Mr. SKUBITZ, Mr. HALEY, Mr. HOSMER, Mr. JOHNSON of California, Mr. RUPPE, Mr. O'HARA, Mr. KASTENMEIER, Mr. RONCALIO of Wyoming, Mr. DON H. CLAUSEN, Mr. MEEDS, Mr. SEBELIUS, Mr. STEPHENS, Mr. REGULA, Mr. SEIBERLING, Mr. STEELMAN, Mr. BLATNIK, Mr. QUILLEN, Mr. JONES of Alabama, Mr. JOHNSON of Colorado, Mr. BEVILL, Mr. CEDERBERG, Mr. FLOWERS, Mr. BUCHANAN, and Mr. THOMSON of Wisconsin):

H.R. 14791. A bill to amend the Wild and Scenic Rivers Act (82 Stat. 906), and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TAYLOR of North Carolina (for himself, Mr. SKUBITZ, Mr. HALEY, Mr. HOSMER, Mr. CRONIN, Mr. WON PAT, Mr. DE LUGO, Mr. BAUMAN, Mrs. MINK and Mr. OWENS):

H.R. 14792. A bill to amend the Wild and Scenic Rivers Act (82 Stat. 906), and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TIERNAN (for himself and Mr. REUSS):

H.R. 14793. A bill to establish an independent commission to administer the internal revenue laws; to the Committee on Ways and Means.

By Mr. YOUNG of South Carolina:

H.R. 14794. A bill to amend section 37 of the Internal Revenue Code of 1954 to make the tax treatment of retirement income comparable to that of social security income; to the Committee on Ways and Means.

By Mr. BROOMFIELD (for himself, Mr. BUCHANAN, Mr. FRELINGHUYSEN, Mr. GILMAN, Mr. ROSENTHAL, Mr. MATHIAS of California, Mr. TAYLOR of North Carolina, Mr. WINN, and Mr. ZABLOCKI):

H.J. Res. 1011. Joint resolution designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations; to the Committee on Armed Services.

By Mr. WINN:

H. Res. 1099. Resolution to amend the House Rules to require that the report of each House committee on each public bill or joint resolution reported by the committee shall contain a statement as to the inflationary impact on the national economy of the enactment of such legislation; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

479. The SPEAKER presented a memorial of the Legislature of the State of California, relative to the issuance of a postage stamp commemorating the centennial of the American Gynecological Society; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ROBERT W. DANIEL, JR.:

H.R. 14795. A bill for the relief of the employees of the Southeastern Tidewater Opportunity project; to the Committee on the Judiciary.

By Mr. WINN:

H.R. 14796. A bill for the relief of NEES Corporation; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

DON McBRIDE RECEIVES DISTINGUISHED SERVICE AWARD

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1974

Mr. STEED. Mr. Speaker, I am happy to note that one of the most outstanding Oklahomans in public service, Don McBride, has been honored by the Department of the Army with its Distinguished Service Award. The citation came, because of his work in support of our national water resources development program.

Don McBride has been a director of the Tennessee Valley Authority since 1966. Earlier, as a longtime expert adviser to Senator Robert S. Kerr, he did as much as any man for the development of the Arkansas valley navigation system and of the vital water resources of Oklahoma in general.

His counsel has been of invaluable help to our congressional delegation in the many problems that arise in connection with water development.

I have known few people who have performed such consistently devoted service in their chosen field, and I am proud to claim him as a former resident of Carnegie as my constituent.

Maj. Gen. John W. Morris, Director of Civil Works, Office of the Chief of the Army Corps of Engineers, presented the award at the convention of Oklahoma Water, Inc. A decade ago General Morris served with distinction as the district engineer at Tulsa.

Following is a brief excerpt from his remarks:

REMARKS BY MAJ. GEN. JOHN W. MORRIS

In recognition of his dedication to water resource development, his profound knowledge and his astute ability as an administra-