Mattsson, Joel L., xxx-xx-xxxx
Wolfie, Thomas L., xxx-xx-xxxx

BIOMEDICAL SCIENCE CORPS

Bailey, Ronald B., xxx-xx-xxxx
Barrett, Quentin T., xxx-xx-xxxx
Bassett, Bruce E., xxx-xx-xxxx
Bayer, Johan E., xxx-xx-xxxx
Coleman, Frederick E., III, xxx-xx-xxxx
Fallon, Paul F., xxx-xx-xxxx
Furtado, Victor C., xxx-xx-xxxx
Hodges, James T., xxx-xx-xxxx
Humerickhouse, Marlan J., xxx-xx-xxxx
Johnson, Arthur L., xxx-xx-xxxx
Johnston, Lloyd W., xxx-xx-xxxx
Knight, John F., xxx-xx-xxxx
Kush, George S., xxx-xx-xxxx
Maio, Domenic A., xxx-xx-xxxx
Seager, Brent C., xxx-xx-xxxx
Sinclair, Richard D., xxx-xx-xxxx
Smead, Phillip E., xxx-xx-xxxx
Smith, Roy K., xxx-xx-xxxx
Sparks, George P., xxx-xx-xxxx
Spence, Kenneth J., xxx-xx-xxxx
Titzel, Gene E., xxx-xx-xxxx
Williams, Carlton R., xxx-xx-xxxx

CONFIRMATION—MAY 28, 1974

Executive nominations confirmed by the Senate May 28, 1974:

U.S. TAX COURT

Theodore Tannenwald, Jr., of New York, to be a judge of the U.S. Tax Court for a term expiring 15 years after he takes office.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Tuesday, May 28, 1974*

The House met at 12 o'clock noon.

Archbishop Karekin Sarkissian, Catholicossal Prelate, Armenian Apostolic Church of America, offered the following prayer:

Almighty and Everlasting God, we, assembled here in this House of Representatives, beseech Thee to grant us Thy heavenly wisdom and courage to administer to the people for Thy glory and the happiness of all men according to Thy loving kindness and fatherly care.

On this particular day, the 28th of May, we recall that most justly deserved independence of Armenia proclaimed in 1918. We give thanks to Thee for having preserved this first Christian nation after the Turkish massacre of one and a half million Armenians in 1915 aimed at the genocide of the entire Armenian nation. We gratefully recognize that today a new era of renaissance has dawned upon the Armenian people all over the world and particularly here in the United States of America.

We implore justice for this nation. Fulfill, O Lord, their aspirations for freedom. Grant them the day when they may serve Thee in their own motherland which is denied to them today by the Turkish authorities. Preserve and keep their land from the cultivation of the poisonous opium which causes moral degradation in many lands, but more particularly here in the United States of America.

We beseech Thee, O Heavenly Father, to grant this great Nation of America ever-increasing prosperity and continuous peace and growth in all realms of human life—spiritual, moral, cultural, and social. Keep strong in the hearts of all of us Americans the spirit of freedom and justice for our Nation. For the freedom of America is a shining light for the freedom of all the nations of the world. In such freedom for all nations we have the real source of peace and justice for the whole world for ever and ever. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on May 24, 1974, the President approved and signed bills of the House of the following titles:

H.R. 3418. An act to amend section 505 of title 10, United States Code, to establish uniform original enlistment qualifications for male and female persons; and

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 veterans' 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.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives, together with a summons:

WASHINGTON, D.C., *May 22, 1974.*

Hon. CARL ALBERT,
Speaker, House of Representatives.

DEAR SIR: On this date I have been served a Summons and Complaint by the United States Marshal that was issued by the U.S. District Court for the Eastern District of Virginia, Newport News Division. This summons and complaint is in connection with The National Citizens' Committee for Fairness to the President, Michael Arthur Rorer, Solon E. Paul, Harry E. New, et al., v. The United States House of Representatives, and The United States Senate, Civil Action No. 74–54–NN.

The Summons states that an answer to the Complaint is required within sixty days after service.

The Summons and Complaint in question are herewith attached, and the matter is presented for such action as the House in its wisdom may see fit to take.

Sincerely,

W. PAT JENNINGS,
Clerk, House of Representatives.

SUMMONS IN A CIVIL ACTION

[In the U.S. District Court for the Eastern District of Virginia, Newport News Division, civil action file No. 74–54–NN]

National Citizens' Committee for Fairness to the President, Michael Arthur Rorer, Solon E. Paul, Harry E. New, et al., Complainants, Plaintiff v. The United States Senate, The United States House of Representatives, et al., Respondents, Defendant.

To the above named Defendants: You are hereby summoned and required to serve upon Michael Arthur Rorer, Vice-President, the Constitutional Rights Committee, plaintiff's attorney, whose address is U.S. Post Office Box 6174, Newport News, Va. 23606, an answer to the complaint which is herewith served upon you, within 60 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

W. Farley Powers, Jr., *Clerk of Court.*
Virginia Thomas Clendinin, *Deputy Clerk.*
Date: May 13, 1974.

ARCHBISHOP KAREKIN SARKISSIAN

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

Mr. DERWINSKI. Mr. Speaker, I would like to call to the attention of the Members the invocation this afternoon by His Grace, Archbishop Karekin Sarkissian, prelate of the Armenian Apostolic Church of America.

Archbishop Sarkissian assumed this post in September of 1973. His Grace has a firmly established reputation as a scholar, teacher, author, theologian, and administrator. In addition to his present duties as prelate of the Armenian Apostolic Church of America, he continues to serve as a member of the central and executive committees of the World Council of Churches.

It is a privilege to have Archbishop Sarkissian with us today.

WON'T SOMEONE SAY A KIND WORD FOR THE VICTIMS OF THE SLA?

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

Mr. SIKES. Mr. Speaker, glowing tributes have been paid during funeral services and elsewhere to members of the SLA who were killed in a shoot-out with the police. There is obviously in progress an effort to impart some special significance and a measure of hero worship to the movement. What should be stated is that the members of the SLA are criminals in every sense of the word. They have killed, robbed, and kidnaped innocent people. Those who were killed had a chance to surrender but chose to fight it out with the police. They were heels, not heroes.

Equally improper is the criticism of the police, particularly by area pastors and by some publications. The police took precautions to protect others in the neighborhood; the criminals could have given up at any time; they could have left the burning house in safety simply by calling to the police that they were ready to surrender. There are indications

that DeFreeze, who, undoubtedly, was demented, killed those who had survived the earlier shooting and then shot himself before the house was completely burned.

Won't someone say a kind word for the victims of SLA?

PERSONAL ANNOUNCEMENT

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

Mr. DU PONT. Mr. Speaker, on Wednesday evening, May 22, I left Washington at 6 p.m. to join the Vice President of the United States in Delaware. I missed three votes, on rollcalls No. 240, 241, and 242.

Had I been present I would have voted "aye" on rollcall No. 240, reducing funds for use in Southeast Asia by $500 million; "aye" on rollcall No. 241, reducing R. & D. funds by $733 million; and "aye" on rollcall No. 242, final passage of the bill.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. 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. 246]

Alexander	Grasso	Nichols
Anderson, Calif.	Gray	O'Brien
Andrews, N.C.	Green, Oreg.	O'Neill
Arends	Green, Pa.	Parris
Ashley	Griffiths	Patten
Aspin	Gubser	Pepper
Badillo	Gunter	Pettis
Beard	Hammer-schmidt	Peyser
Bell	Hanley	Podell
Biaggi	Hansen, Idaho	Randall
Blatnik	Hansen, Wash.	Rangel
Bowen	Harrington	Reid
Brasco	Harsha	Roberts
Breaux	Hébert	Robison, N.Y.
Breckinridge	Helstoski	Rooney, N.Y.
Brinkley	Hillis	Rooney, Pa.
Broomfield	Hinshaw	Rostenkowski
Broyhill, N.C.	Holifield	Roy
Buchanan	Holtzman	Roybal
Burke, Calif.	Howard	Ryan
Burton	Huber	Shoup
Camp	Hudnut	Sisk
Carey, N.Y.	Hutchinson	Smith, Iowa
Chisholm	Johnson, Colo.	Stanton, James V.
Clark	Jones, Tenn.	Steele
Cleveland	Jordan	Steelman
Collier	Karth	Steiger, Ariz.
Conlan	Ketchum	Stephens
Conyers	Kyros	Stubblefield
Cotter	Landgrebe	Thompson, N.J.
Coughlin	Landrum	Thone
Cronin	Litton	Thornton
Culver	Long, La.	Tiernan
Danielson	Luken	Treen
Davis, Ga.	McCloskey	Ullman
Davis, S.C.	McKinney	Vander Jagt
de la Garza	McSpadden	Veysey
Dellums	Macdonald	Waldie
Dent	Maraziti	Walsh
Diggs	Martin, Nebr.	Ware
Dingell	Mathis, Ga.	Wilson, Bob
Donohue	Matsunaga	Wilson, Charles, Tex.
Dorn	Mayne	Wolff
Dulski	Mazzoli	Wydler
Eckhardt	Metcalfe	Wyman
Eshleman	Michel	Yatron
Findley	Mills	Young, Ill.
Foley	Mink	Young, S.C.
Fraser	Mizell	
Gibbons	Moorhead, Calif.	
Goldwater		

The SPEAKER. On this rollcall 284 Members have recorded their presence by electronic device, a quorum.

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

REPORT OF COUNCIL OF ECONOMIC ADVISERS ON THE CONDITION OF THE AMERICAN ECONOMY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-304)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

I submit herewith a report from the Council of Economic Advisers on the condition of the American economy and on policies for dealing with some of its problems. I believe that this report will help the Congress and the country to put in better perspective the flood of economic events and news that engulfs and confuses us.

In my message on the State of the Union, on January 30, 1974, after referring to the economic consequences of the energy shortage, I said:

> We expect, therefore, that during the early part of this year output will rise little if at all, unemployment will rise somewhat and inflation will be high. Our objective, however, is to turn this situation around so that later in the year output will be rising more rapidly, while unemployment will stop rising and will then decline, and the rate of inflation will slow.

As events turned out, total production declined about 1½ percent in the first quarter of the year because the gasoline shortage hurt automobile sales and production more than expected. Unemployment rose a little from its low of last October before the oil embargo began. The inflation rate was indeed high.

But by now we can see signs of the improvements that policy has been aiming to achieve. Industrial production increased in April for the first time in five months. The rise in the cost of living in April was only about half as large as in the previous three months, and retail food prices declined. The unemployment rate has not risen since January but declined a little in March and April.

Although the recent events are not conclusive they tend to strengthen the expectation that in the remainder of this year output will be rising more rapidly, prices will be rising much less rapidly and the unemployment rate, while it will probably rise further, will not reach a very high point before it recedes.

These results which we all want will not, however, be achieved without strong and responsible policy actions. There is special danger that the decline of the inflation rate will be small and soon reversed if we do not firmly resist temptations to new inflationary policy.

I would like to acknowledge the recent cooperation of the Congressional leadership in one important area of economic policy. As a result of an exchange of letters between me and the Majority and Minority Leaders of the Senate, economic officials of the Administration have been meeting with the bipartisan leadership of both Houses to consider the problem of shortages. The outcome of these discussions has been agreement on the establishment of a temporary commission representing the Executive Branch, the Legislative Branch and the private sector to examine the possibilities of critical shortages and propose improved methods of foreseeing or averting them.

In the same spirit of working together I call the attention of the Congress to some of the policy implications of the Council's report.

1. Too much government spending is the spark that most often sets off inflationary explosions. As a minimum we must avoid exceeding the expenditures for next year proposed in the Budget. We must work together to cut where we safely can. We must so discipline our present decisions that they do not commit us to excessive spending in the future.

2. We must avoid the temptation of tax reduction without expenditure reduction.

3. The proposals I submitted in April 1973 for improving the unemployment compensation system, and the further steps which I recommended in February 1974, should be promptly enacted. To try to keep the economy permanently pumped up to achieve an arbitrarily-selected full-employment goal would be inflationary and self-defeating. To fail to provide the best unemployment compensation system we can is inexcusable.

4. While the immediate energy crisis has passed we must not be lulled into complacency on that subject. There is urgent need for legislative actions now which will improve the possibility of having the least-cost, secure energy in the future. These actions include:

a) Deregulation of natural gas.
b) Establishment of standards governing strip-mining of coal.
c) Authority for the Secretary of the Interior to license deep-water ports.
d) Deferral of deadlines for meeting secondary air quality standards that impede the use of coal.
e) Steps to accelerate site approval for energy facilities.
f) Establishment of the proposed Energy Research and Development Administration with an adequate budget.

5. The future of inflation and employment in the United States depends in part on the further development of open and secure economic relations with the rest of the world. I hope that Congress will pass a trade bill enabling the U.S. to negotiate for that without forcing us to turn our back on a part of the world that is economically and politically important.

This is not a complete list of legislative proposals affecting the economy. I have said nothing about health insurance, or tax reform, or workmen's compensa-

tion or dozens of other relevant matters. Obviously, there is much for all of us to do. There is so much to do that we cannot afford to waste time arguing about whether our problems are greater or smaller than our blessings. If we concentrate on working together on the problems we shall be better off, both for the solutions reached and for the working together.

RICHARD NIXON.

THE WHITE HOUSE, *May 28, 1974.*

COMMUNITY SERVICES ACT OF 1974

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 1140 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1140

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14449) to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead of by sections, and all points of order against sections 216, 634, 1202, and 1306 of said substitute for failure to comply with the provisions of clause 4, rule XXI, are hereby waived. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

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

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume. Mr. Speaker, House Resolution 1140 provides for an open rule with 2 hours of general debate on H.R. 14449, the Community Services Act of 1974.

House Resolution 1140 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment.

House Resolution 1140 also provides that the substitute shall be read for amendment by titles instead of by sections and all points or order against sections 216, 634, 1202, and 1306 of the substitute for failure to comply with the provisions of clause 4, rule XXI of the Rules of the House of Representatives—prohibiting appropriations in a legislative bill—are waived.

H.R. 14449 provides for the continuation of programs presently authorized under the Economic Opportunity Act of 1964, including the Community Action program. The bill establishes a Community Action Administration in the Department of Health, Education, and Welfare to administer these programs.

H.R. 14449 authorizes to be appropriated such sums as may be necessary for fiscal years 1975, 1976, and 1977, except that $330 million is authorized for local initiation programs under section 121 for fiscal year 1975, $50 million is authorized to be appropriated for incentive grants under section 145 for fiscal year 1975, separate authorizations of $500 million, $525 million, and $550 million for fiscal years 1975, 1976, and 1977 respectively are provided for Head Start; and $60 million for each fiscal year is authorized for Followthrough.

Mr. Speaker, I urge the adoption of House Resolution 1140 in order that we may discuss and debate H.R. 14449.

Mr. ANDERSON of Illinois. Mr. Speaker, the gentleman from Illinois (Mr. MURPHY) my distinguished colleague on the Committee on Rules, I think, has correctly described the provisions of House Resolution 1140 which would make in order under an open rule 2 hours of general debate on the Community Action Act of 1974.

I would add that the reason for the waiver in the rule is the necessity of waiving points of order against sections 216, 634, 1202, and 1306 for failure to comply with clause 4, rule XXI. That is the clause in the House rules which prohibits appropriations on a legislative bill. In the sections referred to, they either provide for setting up revolving funds or for the transfer of funds from the old Agency to the new Agency which would be created under the legislation. Hence, the granting of the request for waiver of points of order against these particular sections of the bill.

Mr. Speaker, let me just very briefly further add that while the bill itself, H.R. 14449, is an extremely lengthly bill and contains literally scores of provisions, as I read it, it seems in large part to provide legislative ratification of actions that have already been taken. By that statement, I refer to the fact that between 1966 and 1973 almost a score of OEO programs have been spun off to old line agencies. I refer to such programs under the program as the Job Corps, the Headstart, Comprehensive and Health Services, and so forth. Those have been accomplished by executive authority. All this legislation would do would be to provide statutory sanction for those transfers.

I should, of course, hasten to add that it does transfer a number of small service programs that do remain in OEO and other agencies. As I read the legislation, only three of them would actually go to the Community Action Administration: Small rural loan program, an emergency school program that has lapsed, and finally, the senior service and opportunity program.

A key point is, it seems to me, that the proposed administration if established under this legislation, as it would do, would not really even faintly resemble OEO in its heyday. It would have basically only responsibility for funding community agencies through the local initiative grant program; continuing research and demonstration projects; and of course administering the three in-house service programs I described just a moment ago.

Of course, it would also have residual authority to continue a legal services program if the independent legal services corporation bill is not signed into law.

I repeat that the great bulk of OEO oriented generated service programs in such fields as manpower, education, health, alcohol and drug abuse, economic development and so forth, would continue to function under the old line agencies to which these programs have already been transferred. It is primarily involved in this regard of the Departments of Health, Education, and Welfare, Labor, and Commerce.

Mr. Speaker, I would conclude by mentioning the fact that members of the Committee on Education and Labor who appeared before the Rules Committee, some in total opposition to the legislation and some in opposition to certain specific sections of the bill, had indicated that some very important amendments would be offered. The ranking Republican on the committee, the gentleman from Minnesota (Mr. QUIE) would, rather than establishing a distinct community action administration as the bill would do, an administration within HEW with a director confirmed by the Senate and responsible directly to the Secretary of the Cabinet Department, instead offer an amendment that would give the Secretary discretionary authority to determine how the transferred community action program will be administered within the department.

Mr. Speaker, he has also indicated to our committee that he would delete that section of the bill; namely, section 602, that gives transferred OEO employees job protection. It prevents them or prohibits them from being bumped from their present positions and transferred to the new administration.

Finally, he has indicated that he would offer an amendment that would prohibit the Secretary of Health, Education, and Welfare from delegating administrative responsibilities given him under the act to the regional offices that are now functioning and operating under this program.

Other amendments will apparently be offered dealing with Legal Services programs, and also, I believe, substituting a block grant approach for the approach taken in the committee bill.

I know of no opposition to the granting of this open rule, Mr. Speaker, and I have no further requests for time.

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

Mr. ANDERSON of Illinois. Mr. Speaker, I am pleased to yield to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Do I understand correctly that this bill would call for a 3-year authorization of approximately $3,760 million?

Mr. ANDERSON of Illinois. Yes. The cost for fiscal year 1975 would be $1,199,500,000. The cost for fiscal year 1976 would be $1,259,500,000, and for 1977, the cost estimate is $1,300,500,000. I believe that adds up to approximately the figure the gentleman suggested.

Mr. GROSS. If the gentleman will yield further, did any of the proponents of this bill, when they appeared before the Rules Committee, indicate where in heaven's name they are going to get this kind of money for this welfare program, this wet-nursing of millions in this country? Did anyone suggest where it is proposed to get this money and what this is going to do to the debt limit?

Mr. ANDERSON of Illinois. Mr. Speaker, in answer to the question of the distinguished gentleman from Iowa, I do not recall any specific testimony before the Committee on Rules dealing with the fiscal impact of this other than the general suggestion that the funds would come from the Treasury. I know of nothing else.

Mr. GROSS. I say to the gentleman from Illinois that it is going to be interesting when we get to the general debate, to hear the proponents of the bill defend it from a cost standpoint and to hear where they propose to get the money and how much longer they propose to continue the drive for further increases in the debt ceiling.

Mr. Speaker, there will be other questions, in view of the statement of the chairman of the Federal Reserve Board on Sunday in an address, incidentally, to Illinois College, in which he said in effect that "This country is in dire peril from the standpoint of inflation and the mismanagement of its fiscal affairs."

I am going to be very much interested in hearing what the proponents of this legislation on both sides of the aisle are going to say in order to justify what is here proposed by way of spending another $3,760,000,000 on welfare in this country.

Mr. ANDERSON of Illinois. Mr. Speaker, knowing the gentleman's feelings on this point, I am sure that he will be here on the floor and have an opportunity under the open rule that the committee has granted to ask the appropriate questions. I would merely state for the record that I have just been furnished with the addition, and I believe the correct figure of the 3-year authorization is $3,759,500,000.

Mr. GROSS. Mr. Speaker, that does not miss $3,760 million by very much, does it?

Mr. ANDERSON of Illinois. The gentleman is quite accurate in his statement.

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

Mr. ANDERSON of Illinois. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's yielding.

I will ask the gentleman this: Was the Committee on Rules aware of the study that was prepared by the State Charter Revision Commission for New York City, which "has concluded that the $40 million Community Action Program"—I am now quoting from the New York Times—"a major antipoverty effort largely has failed to achieve its objectives because of ineffective structure and management"?

That is a quotation taken from that report.

Was that study brought to the attention of the Committee on Rules?

Mr. ANDERSON of Illinois. Mr. Speaker, in response to the question asked by the gentleman from California (Mr. ROUSSELOT), I do not think that specific study was mentioned. We did have witnesses who appeared in opposition to the bill, and they did state the general rationale which the gentleman has just mentioned concerning inefficient management of the program.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, there is another thing that bothered me very much about this report on the study that was done in New York, and I will now quote again from the New York State report:

> Community Action inevitably came to represent a separate constituency and a competing institution for the delivery of services to the poor.

And then it added this note, quoting from the report done in New York:

> Ethnic and racial dissensions had plagued the program, disrupting the democratic process of electing leaders from among the poor.

Mr. Speaker, that is somewhat disturbing, because the one thing we have been told about these poverty programs is that they have always gone out of their way to prevent dissension as it related to ethnic backgrounds, and yet this report which has evidently come forward recently shows that exactly the opposite has been true.

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman for his contribution.

I have no further requests for time.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous queston on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. HAWKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14449) to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs.

The SPEAKER. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14449) with Mr. WHITE in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from California (Mr. HAWKINS) will be recognized for 1 hour, and the gentleman from Minnesota (Mr. QUIE) will be recognized for 1 hour.

The Chair recognizes the gentleman from California.

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

Mr. Chairman, the pending legislation before us today is the Community Services Act of 1974, H.R. 14449.

This bill is the product of hundreds of hours of hearings, debate, and negotiations. Fifteen days of hearings were held by the Subcommittee on Equal Opportunities, which I chair, on various legislative proposals to continue the programs authorized by the Economic Opportunity Act. The appropriation authority for this legislation expires on June 30, little more than a month away.

On April 30, the Education and Labor Committee reported H.R. 14449, the result of a painstaking compromise effort. This bill was approved by a vote of 27 to 8, with 8 members of the minority in support. I would like at this point to insert a section-by-section analysis of the bill:

SECTION-BY-SECTION ANALYSIS

Short title: The first section of this legislation provides that it may be cited as the "Community Services Act of 1974".

Section 2. Statement of purpose: This section sets forth the statement of purpose (1) to establish within the Department of Health, Education, and Welfare the Community Action Administration, and (2) to eliminate poverty by providing opportunity for education and training, work and decent living conditions. This section further states the sense of Congress that it is desirable to employ the resources of the private sector of the economy to further the policy of this act.

TITLE I—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

Section 101. Statement of Purpose: This section states the basic purpose of community action agencies to stimulate a better focusing of all available resources upon the goal of enabling low-income individuals and families to attain the skills, knowledge, and motivations and secure the opportunities needed to become self-sufficient. Specific purposes are (1) strengthening the capabilities of communities to plan and coordinate assistance related to the elimination of poverty, so that such assistance can be made more responsible to the local needs and conditions; (2) improving the organization, efficiency, and effectiveness of services related to helping the poor to overcome particular problems in a way which considers and supports their progress in overcoming related problems; (3) increasing use of new types of

services and innovative approaches to develop increasingly effective methods to attack the causes of poverty; (4) developing the maximum feasible participation of residents of the areas and members of the groups served so as to obtain the full potential for self-advancement and to assure the full meaning and wide utilization of such projects; and (5) securing a more active role for business, labor, and professional groups to provide among other things increased employment opportunities as well as to secure the participation of public officials, private religious, charitable, and neighborhood organizations and individual citizens. This section further states the purpose of the title and policy of the Office of Economic Opportunity to enable rural poor to avoid migration to urban areas through providing them with basic education, health care, vocational training, and employment opportunities.

Part A—Community Action Agencies and Programs

SEC. 111. Designation of community action agencies; community action programs.—Subsection (a) of this section designates a community action agency as a State or political subdivision of a State or a combination of such subdivisions, or a public or private nonprofit agency or organization designated by a State or political subdivision or combination of subdivisions. Each community action agency must have the power to contract with both public and private nonprofit agencies and be designated as such an agency by the Director. Such subsection designates a community action program as one which is community based and operated and includes or is designated to include projects which provide a range of services having measurable and potential impact on the causes of poverty and which have been developed and organized to carry out the purposes of this title and which conform to other criteria that the Director may prescribe.

Subsection (b) of this section provides that components of a community action program may be administered by the community action agency where consistent with efficient management or by other agencies. They may be projects eligible for assistance under this title, or projects assisted from other public or private sources; and they may be designed either to meet local needs or pursuant to eligibility standards of Federal or State programs providing assistance to a particular kind of activity which will help in meeting those needs.

Subsection (c) of this section defines "community" for which a community action agency is designated to carry on a community action program as a city, county, multicity, multicounty, or other governmental unit, an Indian reservation, or neighborhood or other area, regardless of political boundaries, which provides an organizational base and possesses the commonality of interest needed for an efficient and effective program.

Subsection (d) of this section provides that where a community action agency has failed to submit satisfactory plans for a program and neither the State nor any political subdivision is willing to be designated as a community action agency or to designate a public or private nonprofit agency for the Director to designate as the community action agency for the community, the Director may provide financial assistance to a public or private nonprofit agency (as a community action agency) other than one designated in subsection (a).

Subsection (e) of this section provides that no political subdivision of a State shall be included in the community action program of a State or of any political subdivision, or combinations thereof, if its governing officials do not wish such inclusion. The political subdivision and any public or private nonprofit agency it designates shall be eligible for designation as a community action agency on the same basis as other political subdivisions or their designees.

Subsection (f) of this section provides that for the purpose of this title, tribal governments of an Indian reservation are to be deemed political subdivisions of a State.

SEC. 112. Community action agencies and boards.—Subsection (a) of this section requires that each community action agency which is a State or political subdivision of a State shall administer its program through a "community action board" meeting the requirements of subsection (b). Each community action agency which is a public or private nonprofit agency or organization designated by a State or political subdivision or combination of subdivisions or is an agency designated under 111(d) must have a "community action governing board" meeting the requirements of subsection (b).

Subsection (b) of this section requires that a community action board, limited to not more than 51 members, be composed of (1) one-third public officials, including the chief elected official or officials or their representatives, unless the number of officials reasonably available for such service is less than one-third; (2) at least one-third persons democratically chosen to represent the poor of the area served; and (3) the remainder representatives of other major groups or interests in the community. Such subsection also limits the time of service on the board of persons other than public officials or their representatives to not more than 3 years at one stretch or more than 6 years total on the board.

Subsection (c) of this section provides that where a community action agency places responsibility for policy determinations and administration of programs carried on in a particular area of the community, or places substantial reliance on the recommendations of such an agency in making policy determinations, the board of that agency must meet the requirements of subsection (b).

Subsection (d) of this section requires that the Director promulgate rules relating to notice of meetings, quorums (which must be 50 percent of the members) and other procedures to assure boards to which subsection (b) applies to provide continuing and effective means for securing broad community involvement, such as assuring that all elements on such boards are afforded opportunities to participate in decisions. Such subsection also permits the boards to appoint executive committees to transact business.

Subsection (e) of this section specifies that "community action governing boards" must have the power to select persons for senior staff positions, determine major personnel, fiscal and program policies, approve overall programs, establish priorities and assure compliance with conditions of this title. Such subsection does not specify the powers to be delegated to "community action boards" when the State or political subdivision itself has been designated as the community action agency.

SEC. 113. Specific powers and functions of community action agencies.—Subsection (a) of this section requires that a community action agency have funds contributed from private or local public sources and from any Federal or State assistance programs under which the agency could act as a grantee, contractor, or sponsor of projects properly included in a community action program. Such subsection also requires that a community action agency be able to transfer funds and delegate powers, including, where it would further program objectives, transfers, or delegations to component projects.

Subsection (b) of this section requires that a community action agency have the functions of (1) planning and evaluating the program to determine the causes of poverty, determining the effectiveness of services being provided and establishing priorities among services as needed for the most efficient use of resources; (2) encouraging related poverty agencies to plan, secure, and administer assistance on a common or cooperative basis by providing planning or technical assistance to such related agencies and generally cooperating with community action agencies and officials to improve existing efforts; (3) starting projects responsive to needs which are not otherwise being met, with emphasis on central or common services that a variety of programs can draw on and developing new services and approaches that can be incorporated into other programs and filling gaps pending their revision; (4) establishing procedures whereby poor and other area residents can influence the character of and participate in the implementation of programs affecting their interests, providing support to enable the poor and neighborhood groups to obtain assistance from public and private sources; and (5) joining and encouraging labor, business and other private groups and organizations to undertake activities supporting community action programs resulting in the additional use of private resources, as for example in developing employment opportunities.

SEC. 114. Administrative standards.—Subsection (a) of this section requires that as far as reasonably possible standards of organization, management, and administration will assure that program activities are conducted in a manner consistent with the purpose of this title and provide assistance free of any taint or partisan political bias or personal or family favoritism. Such subsection requires each community action agency to allow reasonable public access to information. Such subsection requires agencies to regulate employee salaries and benefits to insure that only competent persons are hired and that advancement is by impartial procedure, to guard against financial conflicts of interests, and to prohibit any employment in performance of his duty from participating in any direct action which is against the law.

Subsection (b) of this section requires the Director to issue regulations to implement subsection (a). Such subsection authorizes the Director to establish simplified requirements for smaller or rural agencies, providing that such regulations do not affect the applicability of regulations relating to conflict of interest, partisan political activities or participation in direct action. Such subsection also requires the Director to consult with the heads of other Government agencies to insure consistency in the regulations he may prescribe.

Section 115. Housing Development and Services Organizations: This section encourages the establishment of housing development and service organizations to focus on the housing needs of low-income families and individuals. The section provides that such organizations may be nonprofit housing development corporations, but prohibits such organizations from insuring mortgages or duplicating long-term financing programs now administered by specialized housing agencies.

Part B—Financial assistance to community action programs and related activities

SEC. 121. General Provisions for Financial Assistance: (a) This subsection authorizes the Director to provide financial assistance to community action agencies to assist them in developing community action programs. The Director may also provide financial assistance to other public or private nonprofit agencies to aid them in planning for the establishment of a community action agency.

Subsection (b) authorizes the Director to directly fund through public or private nonprofit agencies limited purpose programs where there is no community action agency designated or where the designated com-

munity action agency approves such direct funding.

Subsection (c) requires the Director to assure that reasonable efforts are made by applicants to obtain the views of local officials and agencies in the community and to resolve issues of cooperation and duplication prior to the submission of such application.

Subsection (d) requires community action agencies to develop a systematic approach to utilization of funds under this subpart including coordination with relevant public and private resources and with other relevant programs. The Director shall assure the participation of other Federal agencies in support of development of plans.

Subsection (e) stipulates that each application for financial assistance shall be reviewed on its merits rather than binding national priorities.

SEC. 122. Special programs and assistance.—Subsection (a) of this section requires the Director to develop and carry on special programs to stimulate or deal with critical needs or problems of the poor. Such authority is to be used where the Director determines that the objectives sought could not be achieved through the use of authorities under section 121. Such authority is to be used in respect to programs which involve activities which can be incorporated into or coordinated with community action programs, involve new combinations of resources or new or innovative approaches, and are structured in a way that will promote the purpose of this title. The Director is authorized to provide financial assistance to public or private nonprofit agencies to carry on such special programs in such a manner that will encourage wherever feasible the inclusion of such projects in community action programs so as to minimize duplication and promote efficiency and otherwise secure the greatest possible impact in promoting family and individual self-sufficiency. Programs under this section shall include—

(1) A "Legal Services" program to provide legal services to persons unable to afford the services of a private attorney, together with legal research and information in furtherance of the cause of justice among poor persons. Such projects shall be carried on in a way that assures maintenance of the lawyer-client relationship. Further, the Director shall assure that the principal local bar associations in the area are given an opportunity to submit comments and recommendations on the proposal before it is approved or funded. Provides further that members, and immediate family, of the Armed Forces are eligible for legal services in cases of extreme hardship.

(2) A program known as "Community Food and Nutrition program" designed to provide on a temporary basis basic foodstuffs and services through community action agencies or local public or private nonprofit agencies. This assistance may supplement assistance of other Federal programs.

(3) A program entitled "Environmental Action" under which low-income persons will be paid for working on projects combating pollution and improving the environment. Projects may include clean-up and sanitation activities, reclamation and rehabilitation of eroded or ecologically damaged areas, conservation and beautification activities, the restoration and maintenance of the environment and the improvement of the quality of life in urban and rural areas.

(4) A "Rural Housing Development and Rehabilitation" program to assist low-income families in rural areas to construct and acquire ownership of adequate housing, to rehabilitate or repair existing substandard units and to otherwise assist low-income families in obtaining standard housing. Financial assistance may be provided to rural housing development corporations in rural areas to be used for such purposes as administrative expenses, revolving development funds, nonrevolving land, development and construction write-downs, rehabilitation or repair of substandard housing, and loans to low-income families. Loans may be used for the purchase of new housing units, the repair, rehabilitation and purchase of existing units, and to supplement existing Federal loan programs in order that low-income families may benefit from them. The repayment period shall not exceed 33 years. No loans may bear an interest rate of less than 1 percent except that if the Director, having examined the family income of the applicant, the projected housing costs of the applicant, and other factors he deems appropriate, may waive the interest in whole or in part for such periods of time as he may establish where he determines that the applicant would otherwise be unable to participate in this program. No such waiver may, however, be granted if the adjusted family income, as determined by the Farmers Home Administration, is in excess of $3,700 per annum. Where a waiver is provided the applicant must be required to commit at least 20 percent of his adjusted family income toward the mortgage debt service and other housing costs. Family incomes are required to be recertified annually and monthly payments adjusted accordingly.

(5) A program entitled "Senior Opportunities and Services" to identify and meet the needs of poor persons above the age of sixty in employment and volunteer services, referral, creation of additional services and programs to remedy gaps, use of public services, recreational and service centers to meet the needs of the older poor and assure them greater self-sufficiency.

Section 123. Resident Employment: This section requires maximum employment opportunity, including opportunity for occupational training and career advancement for residents of the area and members of groups served by programs under this part. The Director shall also encourage employment of persons aged 55 and older.

Section 124. Neighborhood Centers: This section authorizes the Director to encourage the development of neighborhood centers to promote effectiveness of needed services and to promote maximum participation of neighborhood residents in planning, policymaking, administration and operation.

SEC. 125. Allotment of funds; limitations on assistance.—This section is the general provision governing allotment of community action funds among the several States. It provides that of the sums allocated for assistance under sections 121, and 122(a), and which are not subject to any other provision governing allotment or distribution, the Director shall allot not more than 2 percent among Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs and shall also reserve not more than 20 percent of those sums for allotment in accordance with such criteria and procedures as may be prescribed. The Director shall allot the remainder among the States in accordance with the latest available data, so that equal proportions are distributed on the basis of (1) the relative number of public assistance recipients in each State as compared to all States, (2) the average number of unemployed persons in each State as compared to all States, and (3) the relative numbers of related children living with families below the poverty level in each State as compared with all other States using 1970 Bureau of the Census criteria, except that no State shall be reduced by more than ½ percent of the total national allotment received in fiscal year 1974.

The Director may reallot that part of a State's allotment which he determines will not be needed, at such dates as he may fix, in proportion to the original allotments with appropriate adjustments to assure that an amount so made available to a State in excess of its needs is similarly reallotted. Authorizes the Director to provide for the separate allotment of funds for any special program under section 122(a). Such an allotment may be made in accordance with the criteria in subsection (a) or may be made in accordance with other criteria which will assure an equitable distribution of funds reflecting the relative incidence in each State of the needs or problems at which the program is directed, with the exception that not more than 12½ percent of the funds for any program may be used in any one State. Unless otherwise provided in this part, this section would require that financial assistance extended to any agency under sections 121 and 122(a) shall not exceed 80 percent of the cost of the assisted program or activity for the period ending June 30, 1975, 70 percent for the period ending June 30, 1976, and 60 percent thereafter. However, the Director may approve assistance in excess of such percentages if he determines that such action is required to further the purposes of this title. The non-Federal share may be met on a statewide rather than individual CAA basis. Non-Federal contributions may be in cash or in kind, including but not limited to plant equipment, or services, but at least one-half of the required non-Federal contribution must be in cash. No program shall be approved for assistance under sections 121, and 122(a) unless the services provided will be in addition to, and not in substitution for, services previously provided without Federal assistance, and the funds or other resources devoted to programs designed to meet the needs of the poor in the community will not be diminished in order to provide for the non-Federal contribution required for receiving such assistance. These requirements may be waived in situations where they would result in unnecessary hardship or otherwise be inconsistent with the purposes of this legislation.

Section 126. Design and Planning Assistance Programs: This section authorizes financial assistance for programs conducted by community-based design and planning organizations for technical assistance, architectural and related services relating to housing, neighborhood facilities, transportation and other aspects of community planning and development.

Section 127. Youth Recreation and Sports Programs: This section provides disadvantaged youth with recreation and physical fitness instruction and exposure to college and university campuses and other recreational facilities.

Subsection (b) requires that 90 percent of the youth be from families with incomes below the poverty level.

Subsection (c) authorizes the Secretary to make grants or contracts with organizations of colleges and universities, or other such qualified nonprofit organizations with appropriate facilities to provide adequate recreational services to the youths.

The Federal contributions cannot exceed 80 percent of the program costs.

Section 128. Consumer Action and Cooperative programs: This section authorizes financial assistance for the development and conduct of consumer action and advocacy and cooperative programs designed to assist low-income persons with respect to consumer rights, procedures, grievances, views and concerns.

Part C—Supplemental programs and activities

Section 131. Technical Assistance and Training: This section permits the Director to provide directly or through grants or other arrangements, technical asistance to communities in developing, conducting, and administering community action programs and training for specialized or other personnel which is needed in connection with those programs or which otherwise pertains to the

purpose of the title. The section also permits the Director, upon request of any agency receiving financial aid, to assign personnel to that agency, for periods not to exceed 2 years, to assist and advise it in the performance of functions related to the assisted activity.

Section 132. State Agency Assistance: This section permits the Director to provide financial assistance to designated State agencies, to provide technical assistance to communities in developing and carrying out community action programs; to assist in coordinating State activities related to this title; to advise and assist the Director in providing the participation of States and State agencies in programs under this title; and to advise and assist the Director and the heads of other Federal agencies in identifying problems posed by Federal statutory or administrative requirements that impede coordination of the programs related to this title at State level and in developing methods for overcoming those problems. In extending assistance to State agencies the Director shall give preference to programs or activities which are administered or coordinated, or which have been developed with the assistance of agencies designated pursuant to this section. This section provides further that the Director shall terminate assistance if he finds that the State agency is not observing any requirement of this act, or any regulation, rule or guideline promulgated by the Director.

Section 133. Special Assistance: This section authorizes the Director to provide financial assistance for projects designed to serve low-income groups not effectively served by other programs under this part with special consideration for such programs for older persons.

Part D—General and technical provisions

Section 141. Rural Areas: Subsection (a) of this section requires that the Director take necessary steps to further the extension of benefits to residents of rural areas such as the development of special programs responsive to particular needs of rural areas, the development of pilot and demonstration activities focused upon the problems of rural poverty, including a more effective use of human and natural resources of rural America to slow the migration from rural bases because of lack of economic opportunity, the provisions of technical assistance so as to provide a priority to rural communities and to aid in securing assistance under Federal programs which are related to rural areas, and the development of special or simple procedures, forms, guidelines, model components, and model programs for use in rural areas.

Subsection (b) of this section requires the Director to achieve an equitable distribution of assistance between urban and rural areas within States taking into consideration the relative numbers in States of low-inome families, particularly with children, unemployed persons receiving public or private welfare, school dropouts, adults with less than an eighth-grade education, and persons rejected for military service.

Subsection (c) of this section permits the Director to provide financial assistance in rural areas to public or private agencies for any project for which assistance to community action agencies is authorized if it is not feasible within a reasonable period of time to establish a community action agency.

Subsection (d) of this section requires the Director to encourage the development of programs for the interchange of personnel, for the undertaking of common or related projects and other methods of cooperation between urban and rural communities, with particular emphasis on fostering cooperation in situations where it may contribute to new employment opportunities, and between larger urban communities with concentrations of low-income persons and families and rural areas in which substantial numbers of those persons and families have recently resided.

Section 142. Submission of Plans to Governors: This section provides that no assistance may be extended under this title to any agency or organization to carry out any program project or other activity within a State unless a plan for such assistance has been submitted to the Governor of the State and has not been disapproved by the Governor within 30 days of the submission, or if so disapproved has been reconsidered by the Director and found by him to be fully consistent with the provisions and in furtherance of the purposes of this title. This requirement does not apply to assistance extended to institutions of higher education.

Section 143. Fiscal Responsibility and Audit:

Subsection (a) of this section prohibits the release of funds to any agency receiving financial assistance under this part until it has submitted a statement certifying that the assisted agency and its delegate agencies or subcontractors for performance of any major portion of the assisted program have established an accounting system with internal controls adequate to safeguard their assets, check the accuracy and reliability of the accounting data, promote operating efficiency, and encourage compliance with prescribed management policies and fiscal responsibility and accounting requirements. The required statement may be furnished by a certified public accountant, a duly licensed public accountant or, in case of a public agency, the appropriate public financial officer.

Subsection (b) requires the Director to make or cause to be made a preliminary audit to review the adequacy of the accounting system and internal controls established pursuant to subsection (a). The Director shall determine promptly after completion of the survey whether the findings and conclusions show whether the accounting systems and internal controls meet the standards and, if not, whether to suspend the assistance. If assistance is suspended, the assisted agency will be given not more than 6 months within which to establish a satisfactory system, and if it fails to do so within 6 months, the Director shall terminate the assistance.

Subsection (c) provides that the Director must make or have made at least annually an audit of each grant or contract of assistance under this title. Promptly after completion, he shall determine whether any costs of expenditures incurred will be disallowed. The Director may seek recovery of any sums disallowed by appropriate means, including court action or a commensurate increase in the required non-Federal share of the costs of any grant or contract with the same agency or organization which is then in effect or which is entered into within 12 months after the date of disallowance.

Subsection (d) requires the Director to take the actions necessary to carry out the provisions of this section, including action to assure that the rate of expenditure of any agency receiving financial assistance does not exceed the rate contemplated under its approved program, and to promote the continuity and coordination of all projects or components of community action programs receiving financial assistance under this title.

Section 144. Special Limitations: This section prescribes special limitations to apply to programs under this title. They are as follows:

(1) Financial assistance extended may include funds for a reasonable allowance for attendance at meetings of any community action agency governing board, neighborhood council, or committee to assure the maximum feasible participation of members of the groups and residents of the area served, and to provide reimbursements of actual expenses connected with those meetings. However, allowance may not be paid to any individual who is a Federal, State, or local government employee, or an employee of a community action agency, or for payment to any person for attendance at more than two meetings a month.

(2) No employee engaged in carrying out community action program activities may be compensated from funds so provided at a rate in excess of $15,000 per annum. Any amount paid to such an employee in excess of $15,000 per annum shall not be included in determining whether the non-Federal share requirements have been complied with. However, the Director may provide for exceptions in cases where, because of the need for specialized or professional skills or prevailing local wage levels, application of this restriction would greatly impair program effectiveness or otherwise be inconsistent with the purposes sought to be achieved.

(3) The section prohibits any officer or employee of the Community Action Administration from serving as a member of a board, council, or committee of any agency serving as grantee, contractor, or delegate agency in connection with a program receiving financial assistance under this title. However, this prohibition does not extend to a board, council, or committee which does not have any authority or powers in connection with a program assisted under this title.

(4) In projects or activities in the field of family planning, services must be made available to all low-income individuals who are eligible for such assistance under criteria established by the grantee and who desire such information, assistance, and supplies. However, no individual may be provided with any information, medical supervision, or supplies which that individual indicates is inconsistent with his or her moral, philosophical or religious beliefs, and no individual will be provided with any medical supervision or supplies unless he or she has voluntarily requested such medical supervision or supplies. In no case shall the use of family planning services assisted under this part be a prerequisite to the receipt of services from or participation in any other programs under this act.

(5) No financial assistance may be extended under this title to provide general aid to elementary or secondary education in any school or school system. This limitation, however, does not prohibit the provision of special, remedial, and other noncurricular educational assistance.

(6) In extending assistance under this title the Director shall give special consideration to programs which make a maximum use of existing schools, community centers, settlement houses, and other facilities during times they are not in use for their primary purpose.

(7) No financial assistance may be extended in any case in which the Director determines that the cost for administering programs under this title exceeds 15 percent of the total costs.

(8) The Director shall assure that community action funds are distributed on an equitable basis in any community so that all segments of the low-income population are being served.

Section 145. Incentive Grants: Provides funds for incentive grants to community action agencies or public or private nonprofit agencies for new programs or to supplement existing programs. Funds for this purpose will be on a 50/50 matching basis; local and State matching shares to be in cash, newly obligated.

TITLE II—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

Part A—Rural Loan Programs

Section 211. Statement of Purpose: This section states that it is the purpose of the

part to meet some of the special problems of low-income rural families by establishing a program of loans.

Section 212. Loans to Families: This section contains the basic authority for the Director to make grants and loans to low-income rural families.

Grants can be made under this section to low-income rural families where in the Director's judgment such grants have a reasonable possibility of effecting a permanent increase in the family income by assisting or permitting them to do one of the following things:

(1) Acquire or improve real property or reduce encumbrances or erect improvements thereon.

(2) Operate or improve the operation of farms, not larger than family sized, including but not limited to the purchase of feed seed, fertilizer, livestock, poultry, and equipment.

(3) Participate in cooperative associations and/or finance non-agricultural enterprises which will enable such families to supplement their income.

The maximum grant which may be made under this provision to any family is $1,500.

The Director is also authorized to make loans to low-income rural families to finance nonagricultural enterprises which will enable such families to supplement their income. The aggregate amount which may be loaned to a family under this provision is $3,500. These loans will have a maximum maturity of 15 years.

It should be noted that grants under this section can be made only if the family is not qualified to obtain such funds by loan under other Federal programs.

Section 213. Cooperative Association. The section authorizes the Director to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or families predominantly to low-income rural families.

Section 214. Limitations on Assistance: No financial or other assistance may be provided under this part unless it will materially further the purposes of this part, and, in the case of assistance provided for family farm development cooperations and cooperative associations, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

Section 215. Loan Terms and Conditions: Loans made under this part will have such terms and conditions as the Director will determine. However, there must be a reasonable assurance of repayment of the loan; credit must not otherwise be available on reasonable terms from private sources or other Federal, State, or local programs; the amount of the loan, together with other funds available, must be adequate to assure completion of the project or achievement of the purposes for which the loan is made; the loan must bear interest at a rate not less than a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes, the loan must be repayable within not more than 30 years if it is a loan to a cooperative association. It is also provided that none of the assistance under this part can be provided to or in connection with any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes.

Section 216. Revolving Fund:

Subsection (a).—This section authorizes the establishment of a revolving fund to enable the Director to carry out the lending and guarantee functions authorized under this part. The capital of the fund will consist of such amounts as may be advanced to it by the Director from funds appropriated pursuant to this legislation and will remain available until expended.

Subsection (b).—The Director is required to pay into miscellaneous receipts of the Treasury at the close of each fiscal year interest on the capital of the fund at a rate determined by the Secretary of the Treasury. In fixing such rates the Secretary of the Treasury shall take into consideration the average market yield on outstanding Treasury obligations of comparable maturity.

Subsection (c).—When any capital in the fund is determined by the Director to be in excess of current needs, it shall be credited to the appropriation from which advanced where it shall be held for future advances in accordance with the terms of such appropriation.

Subsection (d).—Receipts from any lending and guarantee operations under this legislation, except operations under Title III carried on by the Small Business Administration, will be credited to the fund. The fund will be available for the payment of all expenditures of the Director for loans, participations, and guarantees authorized under this part.

Part B—Assistance for Migrant and Other Seasonally Employed Farmworkers and Their Families

Section 221. Statement of Purpose: This section states the purpose of the part is to assist migrant and seasonal farmworkers and their families to improve their living conditions and develop skills.

Section 222. Financial Assistance: The Secretary of Labor is authorized to provide financial assistance to programs which may (1) meet the immediate needs of migrant and seasonal farmworkers and their families; (2) promote increased community acceptance of these workers and their families; provide opportunities for education and training through available Government employment or training programs.

Section 223. Limitations on Assistance: This section requires applicant to maintain prior level of effort in similar activities, and requires the Secretary of Labor to assure coordination of this program with other programs or activities providing assistance to the persons and groups served.

Section 224. Technical Assistance, Training, and Evaluation: This section authorizes the Secretary of Labor to provide technical assistance or training of personnel to implement the purposes of this part.

TITLE III—EMPLOYMENT AND INVESTMENT INCENTIVES

Section 301. Statement of Purpose: It is the purpose of this title to assist in the establishment, preservation and strengthening of small business concerns and to improve the managerial skills employed in such enterprises, with special attention to small business concerns located in urban or rural areas with high proportion of unemployed or low-income individuals or owned by low-income individuals; and to mobilize private as well as public managerial skills and resources.

Section 302. Loans, Participations, and Guaranties: This section authorizes the Administrator of the Small Business Administration to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than 15 years, to any small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632)) and regulations issued thereunder or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of this part, with particular emphasis on employment of the long-term unemployed. No such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed $50,000. The Administrator of the Small Business Administration may defer payments on the principal of such loans for a grace period and use such other methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Administrator of the Small Business Administration may, in his discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Administrator of the Small Business Administration. The Administrator of the Small Business Administration shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns.

Subsection (b) confers the powers under section 602 to the Administrator of the Small Business Administration to carry out programs in this title.

Subsection (c) requires the Administrator of the Small Business Administration to provide for continuing evaluation of programs under this section.

Section 303. Loan Terms and Conditions: This section provides that loans made pursuant to section 302, including immediate participations in and guarantees of such loans must have such terms and conditions as the Director shall determine subject to the six limitations—

(a) there is reasonable assurance of repayment of the loan;

(b) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes. The rate of interest on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that act (42 U.S.C. 2505); and

(e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guarantees.

Section 304. Distribution of Financial Assistance: This section requires that the Administrator of the Small Business Administration assure that in any fiscal year at least 50 percent of the loans are granted small business concerns located in urban areas having high concentration of unemployed or low-income individuals or to such concerns owned by low-income individuals. The Director and the SBA are to jointly define the meaning of "low income" as it applies to owners of small business concerns. Such definition need not correspond with the definition of "low income" as used elsewhere in this legislation.

Section 305. Limitation on Financial Assistance: This section prohibits financial assistance which would be used in relocating business establishments from one area to another where such relocation would result in an increase in unemployment in the area of original location.

Section 306. Technical Assistance and Management Training: Subsection (a) authorizes the Administrator of the Small Business Administration to provide financial assistance to public or private agencies for

projects to provide technical and management assistance to individuals and enterprises eligible for assistance, with special attention to small businesses located in urban areas of high-poverty concentration and small businesses owned by low-income individuals.

Subsection (b) authorizes financial assistance for projects including planning, research, feasibility studies and market research, identification and development of new business opportunities, and stimulation of new private capital resources, the furnishing of centralized services, the establishment and strengthening of business services agencies, including trade associations and cooperatives, encouragement of placement subcontracts by major businesses with small business concerns located in high-poverty concentration urban areas, including the furnishing of incentives and assistance to train and upgrade potential subcontractors and the furnishing of business counseling, management training, legal and other related services with special emphasis upon management training programs using the resources of the business community, including the development of management training opportunities in existing businesses.

Subsection (c) requires that the Secretary of Commerce give preference to projects promoting the ownership, participation in ownership, or management of small business concerns by residents of urban areas with high concentration of unemployed or low-income individuals, and to projects planned and carried out with a participation of local businessmen.

Subsection (d) requires that, to the extent feasible, services be provided in a location easily accessible to the individuals and small businesses served.

Subsection (e) requires that the Secretary of Commerce take steps to assure that contracts, subcontracts, and deposits are placed in such a way as to further the purposes of title III.

Subsection (f) requires that the Secretary of Commerce provide continuing program evaluation and that the results of such evaluation be published in the annual report of that Director.

Subsection (f) authorizes the President to transfer any of the functions under this section to the Secretary of Commerce.

Subsection (g) requires the Administrator of the Small Business Administration to provide independent and continuing evaluations of programs under this section.

Section 307. Government Contracts: This section directs the Administrator of the Small Business Administration, in coordination and cooperation with the heads of other Federal departments and agencies, to assure that contracts, subcontracts and deposits aided by Federal funds are placed to further the purposes of this title.

TITLE IV—WORK EXPERIENCE, TRAINING, AND DAY CARE PROGRAMS

Part A—Work experience and training programs

Section 411. Statement of Purpose: The purpose of this part is to expand the opportunities for constructive work experience and other needed training available for persons who are unable to support or care for themselves or their families.

Section 412. Transfer of Funds: This section authorizes the Director to transfer funds to make payments under section 1115 of the Social Security Act, and to reimburse the Secretary of Labor for activities described in the Comprehensive Employment and Training Act.

Section 413. Limitations on Work Experience and Training Programs:

Subsection (a) of this section provides that provisions of paragraphs (1) to (6) of section 409 of the Social Security Act, unless otherwise inconsistent, will be applicable with respect to programs assisted under part A of this title.

Subsection (b) limits participation of individuals in work experience and training programs to 36 months.

Subsection (c) limits allocation of funds for this part for any one State to 12½ percent. It also provides that no more than 80 percent of the costs of projects or activities under section 412 may be paid from funds appropriated or allocated for this part.

Section 414. Transition: This section provides for joint evaluation and approval of training and work experience aspect of each project or program by the Secretary of Health, Education, and Welfare and the Secretary of Labor. With the concurrence of the Secretary of Labor, the Secretary of Health, Education, and Welfare may renew existing projects and programs or develop or provide new projects or programs to accomplish the purposes of this part and of the Comprehensive Employment and Training Act of 1973 and may develop and provide other work experience and training programs which the Secretary of Labor is unable to provide after being given reasonable notice and opportunity to do so.

Part B—Day care projects

Section 421. Statement of Purpose: The purpose of this part is to provide day care for children to enable parents or relatives of such children to obtain basic education, vocational training, or gainful employment.

Section 422. Financial Assistance for Day Care Projects: This section authorizes the Director to provide up to 90 percent of the costs of planning, conducting, administering and evaluating day care projects. Non-Federal contributions may be in cash or in kind. Assistance may be provided to employers, labor unions, or to joint employer-union organizations. The Director may require a family which is not low-income to make payments for day care services provided under this program. The Director may provide technical assistance or training for the initiation or effective operation of programs under this part. The Director is directed to coordinate programs under his jurisdiction and other programs under the Department of Health, Education, and Welfare which provide day care and to develop a common set of program standards and regulations. The Director shall designate an agency or independent public or private organization to conduct a thorough evaluation of projects funded under this subpart to determine the extent to which the day care provided increased the employment of the parents and relatives served; up to 100 percent of the costs of such study may be paid by the Director.

TITLE V—EVALUATION, RESEARCH AND DEMONSTRATION

Part A—Evaluation

Section 511. Comprehensive Evaluation of Programs: This section provides for the continuing evaluation of programs authorized under this legislation and related acts. The Director is authorized to make arrangements for independent evaluations of poverty programs or projects and is required to publish standards for evaluation of program effectiveness. The Director may require community action agencies to provide independent evaluations.

Section 512. Cooperation of Other Agencies: Federal agencies administering programs related to this legislation are required to cooperate with the Director in the conduct of evaluations and to provide the Director with statistical data and program reports on program operations and effectiveness.

Section 513. Consultation: This section requires the Director to obtain the opinions of program participants and to consult with State agencies to provide for jointly sponsored evaluation studies.

Section 514. Publication of Evaluation Results: This section requires the Director to publish summaries of evaluations within 60 days of completion of evaluations; to assure that evaluations, studies, data, and so forth become property of the United States; and to summarize the results of evaluation studies in the annual report required by section 609.

Section 515. Evaluation by Other Administering Agencies: The heads of agencies administering programs authorized by this legislation are required to conduct evaluations to the same extent and in the same manner as the Director. The Director may conduct independent evaluations with respect to such programs.

Part B—Research and Demonstration Projects

Section 521. Assistance for Projects: Subsection (a) of this section permits the Director to contract or provide financial assistance for pilot or demonstration projects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or otherwise in furthering the purposes of this legislation. The Director may also contract or provide financial assistance for research pertaining to the purposes of this legislation.

Under subsection (b), the Director is required to establish an overall plan to govern the approval of pilot and demonstration projects and the use of all research authority under this title. The plan must set forth specific objectives to be achieved and priorities among such objectives. In formulating the plan the Director must consult with other Federal agencies for the purpose of minimizing duplication or determining if results of activities under this section may be incorporated into one or more programs for which those agencies are responsible. A description of the activities under this section must be submitted in the annual report required by section 609 or in a separate report.

Subsection (c) provides that no more than 15 percent of the funds appropriated or allocated to this title in any fiscal year shall be used for pilot or demonstration projects or research projects authorized by this section.

Subsection (d) requires approval of demonstration project by the community action agency or governing body within 30 days of submission of the project plan. If disapproved, the Director may reconsider the plan.

Subsection (e) authorizes the Director to carry out demonstration projects related to elderly persons, rural poverty, prevention or rehabilitation of narcotic addicts or which encourages participation of private organizations.

Subsection (f) authorizes the Director to conduct research and demonstration projects for more effective use of human and natural resources and to slow the migration from rural areas due to lack of economic opportunity. Such projects may be jointly operated with other federally assisted programs.

TITLE VI—ADMINISTRATION AND COORDINATION

Part A—Administration

Section 601. Establishment of Community Action Administration: This Section establishes the Community Action Administration under the Secretary of Health, Education, and Welfare. The Director of the Administration shall be appointed by the President and confirmed by the Senate.

Section 602. Authority of the Director: This section authorizes the Director to appoint personnel, employ experts and consultants or organizations; appoint advisory committees; reimburse heads of other Federal agencies for performance of any of the pro-

visions of this act and delegate any of his functions under this act; utilize the services and facilities of Federal and State or local agencies without reimbursement; accept money or property in the name of the administration; accept voluntary and uncompenstated services; allocate, or transfer funds to other Federal agencies, funds available under this act; disseminate information to public agencies, private organizations and the general public; adopt an official seal; collect or compromise all obligations held by him; to dispose of property acquired in connection with loans and guarantees made under title II and title III; expend funds for printing and binding, rent of buildings and repair or improvement of space or buildings; establish policies, standards, rules and regulations, and so forth and make such payments necessary or appropriate to carry out the provisions of this legislation.

Section 603. Political Activities: This section prohibits the use of program funds to influence the outcome of any Federal election or voter registration activity or to pay any officer or employee of the administration who engages in his official capacity in such activity. Program funds shall not be used to identify the program with any partisan or nonpartisan political activity or voter registration activity. Community Action Agencies are deemed to be State or local agencies for purposes of chapter 15 of title 5 of the United States Code, and any agency receiving assistance under this act shall be deemed a State or local agency for purposes of clauses (1) and (2) of section 1502(a) of such title.

Section 604. Appeals, Notice and Hearing: This section provides for appeal, notice and hearing procedures in the event that an application for a community action agency has been rejected or financial assistance may be terminated because of failure to comply with applicable terms and conditions.

Section 605. Advisory Councils: This section establishes a National Advisory Council on Community Services and a National Voluntary Service Advisory Council to advise the Director with respect to policy matters and make recommendations on the operation of programs under this legislation.

Section 606. Announcement of Research or Demonstration Contracts: This section requires public announcement within 30 days of research or demonstration projects and publication within 30 days of the results of such activities.

Section 607. Labor Standards: This section provides that all laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair of projects, buildings and works assisted under this legislation will be paid not less than prevailing wages on similar construction activity as determined by the Secretary of Labor in accordance with the Davis-Bacon Act.

Section 608. Audit: This section requires contractors, subcontractors or grantees to keep records to facilitate an effective audit and provides the Director with access to such records for 3 years after completion of project.

Section 609. Reports: This section requires the Director to submit a report within 120 days after the end of each fiscal year on the activities of the Administration and on those programs authorized by this legislation but administered by other Federal agencies.

Section 610. Programs for the Elderly Poor: This section directs the Director to conduct investigations, review programs, initiate interagency liaison, and make recommendations with regard to the special problems of the elderly poor.

Section 611. Comparability of Wages: This section requires that persons employed in programs under title I be compensated at a comparable rate to that paid to persons performing similar services in the area where the program is carried out. The Director is required to provide a list of all such persons who receive an annual salary of $10,000 or more and is restricted from paying more than 20 percent above such individual's previous salary rate.

Section 612. Limitation on Benefits for Those Voluntarily Poor: This section stipulates that individuals whose poverty results from refusal to seek or accept employment shall not be eligible for benefits under this legislation on account of poverty.

Section 613. Joint Funding: This section provides for a single Federal agency to administer a program and a single local share to be established in the event that funds are advanced for a single project by more than one Federal agency.

Section 614. Prohibition of Federal Control: This section prohibits direction, supervision or control over the curriculum, personnel, and so forth of any education institution or school system.

Section 615. Limitation with Respect to Certain Unlawful Activities: This section prohibits individuals employed under this act from engaging in any unlawful demonstration, rioting or civil disturbance.

Section 616. Transfer of Funds: This section authorizes the Director to transfer up to 20 percent of the appropriation for any program to carry out any other program or activity under this legislation.

Section 617. Limitations on Federal Administrative Expenses for Any Fiscal Year: This section restricts the total administrative expenses under the act to 10 percent of the total amount authorized to be appropriated for that year.

Section 618. Private Enterprise Participation: This section authorizes the Director to utilize the resources of private enterprise to the maximum feasible extent in programs under this legislation.

Section 619. Advance Funding: This section authorizes funds to be appropriated in the year preceding the fiscal year for which they are to be obligated.

Section 620. Poverty Line: This section provides that every agency administering programs authorized by the act which utilize the poverty line as a criterion of eligibility shall revise the poverty line at annual or shorter levels and that such revisions shall reflect changes in the Consumer Price Index.

Section 621. Notice and Hearing Procedures for Suspension and Termination of Financial Assistance: This section provides for termination of payments under contract or grant due to failure to comply with terms and conditions of such contract or grant.

Section 622. Duration of Program: This section authorizes the programs under this legislation for fiscal year 1975 and the 3 succeeding fiscal years.

Section 623. Distribution of Benefits Between Rural and Urban Areas: This section requires equitable distribution of benefits and services under this legislation between residents of rural and urban areas.

Part B—Coordination

Section 631. Responsibilites of the Drector: This section requires that the Director undertake special studies of coordination problems, consult with interested agencies and groups and to prepare a 5-year national poverty plan.

Section 632. Cooperation of Federal Agencies: This section requires that Federal agencies administering programs which are related to this legislation shall cooperate with the Director and Council, assist in carrying out the provisions of this legislation and supply such data as may be requested by the Director and the Council.

Section 633. Combinations Among Protests and Programs: This section requires that the Director ensure that programs which are conducted under this act supplement one another, are conducted in collaboration with community action programs, and maintain a continuing review of this section.

Section 634. Information Center: This section provides that the Director establish an information center, publish and maintain a catalogue of programs in furtherance of this legislation and promptly distribute appropriate information to State and local agencies.

Section 635. Special Responsibilities; Training Programs: This section stipulates that the Director, the Secretary of Labor, and the heads of all other departments and agencies concerned are responsible for the coordination and implementation of programs and activities which train persons to improve or restore their employability; further describes the responsibilities of the Secretary of Labor.

TITLE VII—HEADSTART-FOLLOW THROUGH

Section 701. Short Title: This section provides that this title be cited as the "Head Start-Follow Through Act".

Section 702. Statement of Purpose: This section provides for the extension of authorization of appropriations of funds for Head Start and Follow Through.

Part A—Program authority and requirements

Section 711. Authorization of Head Start Program: This section authorizes the Secretary of HEW to provide financial assistance to eligible agencies which provide comprehensive health, educational, and other social services and which provide for the direct participation of parents.

Section 712. Authorization of Appropriations: This section authorizes an appropriation level of $500 million for fiscal year 1975, $525 million for fiscal year 1976 and $550 million for fiscal year 1977.

Section 713. Allotment of Funds; Limitation on Assistance: This section establishes limitation on funds available to territories; establishes discretionary fund of the Secretary; allots funds to States on the basis of number of poor children; limits assistance to 20 percent of approved costs; provides that services must be in addition to comparable available Federal services; that 10 percent of program participants must be handicapped; and requires equitable distribution of services between rural and urban areas.

Section 714. Designation of Grantees: This section designates grantees as those public and private agencies which are determined by the Secretary to be capable of meeting the purposes of this act. Defines community as one in which there is a suitable organization base and a commonality of interests.

Section 715. Required Powers and Functions of Head Start Agencies: This section defines powers and functions of Head Start Agencies; authorizes them to receive and administer Head Start funds under the provisions of this part; provides for parental and community involvement in the conduct of programs and technical assistance and training.

Section 716. Submission of Plans to Governors: This section provides for submission of program plans to Governors for prior approval and, if disapproved, for reconsideration by the Secretary.

Section 717. Administrative Requirements and Standards: This section establishes requirements for the standards of organization, management and administration which will ensure the purposes of this part; limits program administration and development costs to 15 percent of total program costs; requires the publication of rules and regulations which are to be promulgated by the Secretary.

Section 718. Poverty Line: This section provides for the establishment of an appropriate poverty level by the Secretary.

Section 719. Appeals, Notice and Hearing: This section provides for timely notice of appeals by agencies whose request for funding has been denied; adequate notice prior

to termination of funding and a full and fair hearing prior to the termination of funding.

Section 720. Records and Audit: This section requires the maintenance of adequate financial records by delegate agencies and their accessibility by Government auditors.

Section 721. Technical Assistance and Training: This section authorizes the Secretary to provide technical assistance and training.

Section 722. Research and Demonstration Programs: This section authorizes the Secretary to contract or to provide financial assistance to public or private agencies for pilot or demonstration programs; to establish guidelines for their approval.

Section 723. Announcement of Research or Demonstration Contracts: This section directs the Secretary to make public announcements of information concerning research and demonstration contracts within 30 days.

Section 724. Evaluation: This section requires that the Secretary provide for the continuing evaluation of programs conducted under this part; to publish standards of evaluation and authorizes him to require delegate agencies to conduct independent evaluations.

Section 725. Definitions: This section defines terms.

Section 726. Labor Standards: This section provides that wages and salaries of laborers and mechanics shall be in accordance with Davis-Bacon Act.

Section 727. Comparability of Wages: This section requires the Secretary to ensure that salaries are not in excess of prevailing rates of compensation in communities for comparable responsibilities.

Section 728. Nondiscrimination Provisions: This section prohibits discrimination.

Section 729. Limitation With Respect to Certain Unlawful Activities: This section prohibits participation of Headstart employees with respect to certain unlawful activities.

Section 730. Political Activities: This section provides that agency which is responsible for planning, developing, and coordinating Headstart programs shall be regarded as a State or local agency; prohibits political activities from partisan political activities and voter registration.

Section 730. Political Actiivties: This section provides for advance funding to afford adequate notice of funding available under this part.

Part B—Follow Through Projects

Section 751. Grantees, Nature of Projects: This section authorizes the Secretary to provide financial assistance to appropriate agencies, organizations, and educational institutions in order that they may conduct Follow Through programs which will serve primarily children from low income families who were previously enrolled in Headstart and are currently enrolled in kindergarten and primary grades. Further provides that projects must provide comprehensive services which, in the judgment of the Secretary, will aid the continued development of these children.

Section 752. Authorization of Appropriations: This section authorizes $60 million for FY 1975 and each of the next two fiscal years. Limits Federal assistance to 80 percent of approved program costs with a waiver provision; requires that project services supplement, not serve as a substitute for existing services.

Section 753. Research and Demonstration, Evaluation, and Technical Assistance Activities: This section authorizes the Secretary, by contract or grant to provide for pilot or demonstration programs, program evaluation and technical assistance and training in furtherance of the purposes of this part.

Section 754. Advance Funding: This section provides for advance funding in order to afford adequate notice of funding available under this part.

Section 755. General Provisions: This section generally provides that grantees should make maximum employment opportunities available to parents of program participants and to community residents; provides for adequate notice and fair hearings prior to suspension of grants.

TITLE VIII—NATIVE AMERICANS

Section 801: This section would provide that this title may be cited as the "Native American Program Extension Act of 1974".

Section 802. Statement of Purpose: This section provides that the purpose of this title is to promote the goal of enabling American Indians and Alaskan Natives to become fully self-sufficient.

Section 803. Financial Assistance for Native American Projects: This section authorizes the Secretary of Health, Education, and Welfare to provide financial assistance to public and nonprofit private agencies for projects pertaining to the purposes of this title. Federal assistance would be equal to 80 percent of the cost of an assisted project, unless a higher percentage was authorized by the Secretary. Federal assistance could not be used to replace programs previously funded without Federal assistance, except as authorized by the Secretary.

Section 812. Technical Assistance and Training: This section authorizes the Secretary to provide technical assistance and training in connection with the provision of financial assistance under this title.

Section 813. Research and Demonstration Projects: This section authorizes the Secretary to support pilot, demonstration, and research projects pertaining to the purposes of this title.

Section 814. Announcement of Research or Demonstration Contracts: This section requires the public announcement of information relating to research and demonstration projects, except in certain circumstances.

Section 815. Submission of Plans to State and Local Officials: This section requires that the governing body of an Indian reservation or Alaskan Native village must be given the opportunity to disapprove any project under section 811 or pilot or demonstration project under section 813 to be carried out on the reservation or in the village. The bill would require that State and local officials be notified of any project under section 811 or pilot or demonstration project under section 813 to be carried out in their jurisdictions, other than on an Indian reservation or in an Alaskan Native village.

Section 816. Records and Audit: This section authorizes the Secretary to prescribe record-keeping requirements for agencies receiving assistance under this part and would provide for access to the records and books of any such agency.

Section 817. Appeals, Notice, and Hearing: This section imposes notice and hearing requirements in connection with the suspension or termination of assistance, or the denial of refunding, under section 811.

Section 818. Evaluation: This section requires the Secretary to provide for the continuing evaluation of projects assisted under this part.

Section 819. Labor Standards. This section makes the Davis-Bacon Act applicable to construction activities assisted under this part.

Section 820. Criminal Provisions: This section prescribes criminal penalties for embezzlement, theft, fraud, and bribery related to projects assisted under this part.

Section 821. Delegation of Authority: This section authorizes the Secretary to delegate his duties and authorities under this part to other Federal agencies.

Section 822. Definitions: This section contains definitions of terms used in this part.

Section 833. Authorization of Appropriations: This section authorizes the appropriation of such sums as are necessary to carry out this part for fiscal year 1975.

TITLE IX—COMPREHENSIVE HEALTH SERVICES

Section 901. Comprehensive Health Services: This section directs the Secretary of HEW to establish a Comprehensive Health Services program which would develop health services in those areas of poverty in which existing health services are inadequate; assure that these services are available to, responsive to and involve low income persons; subject to certain financial conditions. This section also provides for programs to assist public and private agencies in the training of personnel for the delivery of health services to the poor.

TITLE X—HUMAN SERVICES POLICY RESEARCH

Section 1001. Short Title: This section provides that this title may be cited as the "Human Services Policy Research Act of 1974."

Section 1002. Statement of Purpose: This section provides that the purpose of this act is to stimulate the better focusing of public and private resources upon the goal of enabling low income persons to become self-sufficient.

Section 1011. Research and Pilot Programs: This section authorizes the Secretary of HEW to provide financial assistance to public and private agencies for the conduct of research, evaluation, pilot or demonstration programs in furtherance of the purposes of this act; to establish guidelines for project approval; requires that pilot or demonstration projects be subject to the approval of State and local officials.

Section 1012. Consultation: This sesction authorizes the Secretary, in conducting evaluations under the act, to involve program participants, when possible to provide for joint evaluations with State and local officials and to consult with Federal officials in related activities.

Section 1013. Announcement of Research, Demonstration and Evaluation Contracts: This section requires public announcements of information relating to grants and contracts and establishes conditions within 30 days, provides that results are property of Federal Government, and for publication of summaries of related activities.

Section 1014. Nondiscrimination Provisions: This section prohibits discrimination.

Section 1015. Prohibition of Federal Control: This section prohibits Federal control over the activities academic program of educational institutions.

Section 1016. Definitions: This section defines terms.

Section 1017. Authorization of Appropriations: This section authorizes such sums as may be necessary for fiscal year 1975 and the following 2 years.

TITLE XI—COMMUNITY ECONOMIC DEVELOPMENT

Section 1100. Short Title: This section provides that this title may be cited as the "Community Economic Development Act of 1974".

Section 1101. Congressional Findings and Statement of Purpose: This section finds that substantial numbers of minority group members and low-income whites have been denied access to the economic and social mainstream of American life; calls for the establishment of direct and indirect financial assistance to develop the total economic and social well-being of low-income communities, to provide technical and managerial assistance, and to provide financial assistance to community development corporations and cooperatives.

Part A—Minority business assistance

Section 1111. Definitions: This section defines terms used in this title.

Section 1112. Technical and Management Assistance: This section authorizes the Secretary of Commerce to provide financial as-

sistance to individuals, partnerships, corporations, and other entities, and to States and subdivisions of States to (1) assist them to provide management and technical assistance to minority business enterprises and (2) to assist in developing community support for minority business enterprises.

Part B—Community Economic Development

Section 1121. Congressional Statement of Purpose: This section states that the purpose of this part is to encourage special urban and rural programs of economic and social improvement.

Section 1122. Statement of Purpose: This section states that the purpose of this part is to establish special programs of assistance to private locally initiated community corporations and related nonprofit agencies which are directed to the solution of critical problems existing in particular communities or neighborhoods, are of sufficient size, scope and duration to have an appreciable impact in such communities, neighborhoods and rural areas and have the prospect of continuing such an impact after termination of financial assistance under this part.

Section 1123. Establishment of Programs: This section authorizes the Director to provide financial assistance to community development corporations and to cooperatives and other nonprofit agencies for the costs of programs under this part. Programs may include economic and business development programs, community development and housing activities, manpower training programs assisted under this part are to contribute on an equitable basis between urban and rural areas to the elimination of poverty and the establishment of permanent economic and social benefits in such areas.

Section 1124. Financial Assistance Requirements—Regulations; Conditions:

Subsection (a) of this section provides requirements for funding projects under this subpart. These requirements are: (1) that the community development corporation is responsive to residents of the area under guidelines established by the Director; (2) projects and related facilities will be located in the area served; (3) will promote the development of entrepreneurial and management skills and ownership by residents of the area served; (4) projects will be planned and carried out with maximum participation of local businessmen and financial institutions; (5) the program will be appropriately coordinated with local planning under this act and the Demonstration Cities and Metropolitan Development Act of 1966 and other relevant planning of the areas served; (6) no participant will be employed in projects involving political parties or facilities used for sectarian instruction or place of worship; (7) will not result in displacement of employed workers or result in substitution of Federal for other funds; (8) will establish appropriate rates of pay for work-training and education; (9) will contribute to the occupational development of individual participants; (10) will give preference to low-income residents of areas served in filling jobs and training opportunities; and (11) training programs shall be designed to provide skills which are in demand in communities, neighborhoods or rural areas other than those for which programs are established under this part.

Subsection (b) stipulates that establishments shall not be shifted from one location to another if that shift results in higher unemployment in the original area.

Subsection (c) states that financial assistance for related purposes under this act to the area served by a special impact program shall not be reduced in order to substitute funds authorized by this part.

Section 1125. Application of Other Federal Resources:

Subsection (a) permits community development corporations to use funds granted under this part as private paid-in capital for small business investment company and local development corporation programs of the Small Business Administration. This subsection also provides that the Small Business Administration prescribe regulations to insure that its programs assist community development corporations.

Subsection (b) designated areas selected for assistance as "redevelopment areas" within the meaning of section 401 of the Public Works and Economic Development Act of 1965. This subsection also provides that the Secretary of Commerce prescribe regulations to insure that its programs assist community development corporations.

Subsection (c) requires the Secretary of Housing and Urban Development to assure that community development corporations qualify as sponsors under the Housing and Urban Development Act of 1968 and the National Housing Act of 1949; to assure that land for housing and business location is available under the Housing Act of 1949; and that funds are available under section 701(b) of the Housing Act of 1954.

Subsection (d) provides that the Director shall take steps to assure that contracts and deposits by the Federal Government are placed in such a way as to further the purposes of this part.

Subsection (e) requires that the Director make an annual report on all Federal agency programs which are relevant to the purposes of this part.

Subsection (f) requires the Secretary to coordinate with heads of other Federal agencies to assure that Federal contracts further the purposes of this part.

Subsection (g) requires the Secretary to submit to Congress a detailed report on Federal programs relevant to the purposes of this part, including recommendations for more effective utilization of Federal programs.

Section 1126. Federal Share of Program Costs: This section provides up to 90 percent of the cost of programs pursuant to this part. Non-Federal contributions may be in cash or in kind.

Subpart I—Rural Program

Section 1127. Congressional Statement of Purpose: This section states that it is the purpose of this subpart to support self-help programs in rural areas with substantial numbers of low-income persons as a supplement to other Federal programs.

Section 1128. Financial Assistance—Low-Income Rural Families; Amount:

Subsection (a) of this section authorizes the Secretary to provide financial assistance including loans to low-income rural families to effect a permanent increase in the families' incomes or improvement in living or housing conditions. Such loans will have a maximum maturity of 15 years for not more than $3,500.

Subsection (b) provides financial assistance to local cooperative associations in rural areas for establishing and operating cooperative programs.

Section 1129. Limitation on Assistance: This section establishes conditions for financial assistance including number of low-income members in cooperative association receiving assistance, provision for adequate technical assistance, applicant is fulfilling need not already met. Funds under this subpart shall not be used to substitute funds for related purposes under this legislation.

Subpart II—Support Programs

Section 1130. Training and Technical Assistance: This section authorizes the Secretary to provide technical assistance to community development corporations and both urban and rural cooperatives, and training for employees of community development corporations and employees and members of urban and rural cooperatives.

Section 1131. Development Loan Fund: This section authorizes the Secretary to make or guarantee loans for business, housing and community development projects. Loans may not be made unless there is a reasonable assurance of repayment, the loan is not otherwise available, the amount of the loan is adequate to assure completion of the project. All loans shall be at a rate of interest to be determined by the Secretary of the Treasury, though the Director may set a lower rate for the first 5 years of indebtedness. All loans are repayable within 30 years.

This section also establishes a development loan fund to carry out the lending and guarantee functions under this subpart.

Section 1132. Evaluation and Research; Report to Congress: This section requires each program to provide for a thorough evaluation of the effectiveness of the program in achieving its purposes. The Director shall conduct research to suggest new programs and policies to achieve the purposes of this part, and shall report to Congress within 90 days of enactment.

Part C—Administration

Section 1141. Appointment of Assistant Secretary of Commerce: This section calls for the creation of the position of Assistant Secretary of Commerce to administer this legislation who shall be appointed by the President with the advice and consent of the Senate.

Section 1142. Transfer of Personnel: This section provides that personnel administering Title VII of the Economic Opportunity Act of 1964 shall be transferred to the Department of Commerce.

Section 1143. Regulations: This section authorizes the Secretary to issue appropriate regulations relating to the purposes of this legislation.

Section 1144. Appeals, Notice and Hearings: This section provides procedures for hearings in the event financial assistance under Part B of this title is suspended or terminated.

Section 1145. Records and Audit: This section requires recipients of assistance under this legislation to maintain adequate records and provide the Secretary and the Comptroller General access to such records.

Section 1146. Congressional Review: This section provides for a joint study by the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor regarding the appropriate administrative agency for programs under this title and the extent to which programs meet the Nation's needs for community economic development. Such study shall be completed within one year after enactment.

Part D—Authorization of Appropriations

Section 1156. Authorization of Appropriations: This section authorizes such sums as may be necessary for carrying out programs under Part A and Part B of this legislation for the fiscal years 1975, 1976, and 1977.

TITLE XII—AUTHORIZATION OF APPROPRIATIONS

Section 1201. Authorization of Appropriations: Except where otherwise indicated, this section authorizes such sums as may be necessary for fiscal year 1975 and the two succeeding years, except that there is authorized for local initiative (section 121) $330,000,000 for fiscal year 1975, and $50,000,000 for incentive grants (section 145) for fiscal year 1975.

Section 1202. Availability of Funds: This section provides that funds appropriated to carry out any program under this legislation shall remain available until expended.

TITLE XIII—GENERAL PROVISIONS

Section 1301. Definitions: This section defines terms—"Financial assistance," "Director," "State," "lower living standard budget," "poor" and "low income" persons.

Section 1302. Nondiscrimination: This section prohibits discrimination in any program assisted under this legislation.

Section 1303. Guidelines: This section provides that rules, regulations, guidelines, etc.

shall be published in the Federal Register at least 30 days prior to effective date.

Section 1304. Criminal Provisions: This section establishes criminal penalties for willful mishandling of funds, property or assets under this legislation and bribery.

Section 1305. Withholding Certain Federal Taxes by Antipoverty Agencies: This section provides for the withholding of certain Federal taxes by antipoverty agencies and the means by which the Director shall ensure such payments are made by agencies.

Section 1306. Repeal of Economic Opportunity Act of 1964: This section repeals the Economic Opportunity Act of 1964 and provides for successor responsibilities.

Section 1307. Effective Date: This section establishes effective date of this legislation as date of enactment.

Mr. Chairman, H.R. 14449 provides for a continuation of the Federal poverty effort through new authorizing legislation and a new administrative structure. The Economic Opportunity Act of 1964 is repealed, the Office of Economic Opportunity eliminated, and a new structure within the Department of Health, Education, and Welfare, a Community Action Administration, is created to administer the community action program and other service programs and to provide an innovative, evaluative, and coordinative approach to the Federal poverty effort.

In brief, the bill maintains most of the programs and provisions of the Economic Opportunity Act with these major changes:

The bill changes the level of Federal support for community action programs to 80 percent for fiscal year 1975, 70 percent for fiscal year 1976, and 60 percent for fiscal 1977. The present Federal support level is 80 percent. In order to alleviate the hardship which may be felt by some communities, the non-Federal share may be met on a statewide rather than individual CAA basis.

It establishes a new incentive grant program designed to encourage community action agencies to secure new local dollars.

The allotments formula for community action programs is modified to reflect the Orshansky poverty index as determined by 1970 census data.

It transfers the authority for the Head Start, Follow Through, Native Americans, Comprehensive Health Services programs to the Department of Health, Education, and Welfare.

It transfers the community economic development program to the Department of Commerce.

The migrant programs are transferred to the Department of Labor.

The bill provides authority in the Department of Health, Education, and Welfare for the human services policy research program.

It should be noted that five of the administration's proposals for authorizing programs are contained in this legislation: Head Start, Follow Through, Native Americans, community economic development, and human services policy research. These programs, which enjoy broad support among the public and within the administration, would be lost if this authorizing legislation is not enacted before the June 30 deadline.

It is no secret that I would have preferred, and the chairman of the Education and Labor Committee would have preferred, a simple extension of the Economic Opportunity Act and its administrative agency—the Office of Economic Opportunity. However, it became evident that with the administration's expressed opposition to continuing the agency and the community action program, it would be necessary to modify that desire and reach a position which could receive the bipartisan support necessary for enactment.

Discussions with committee members disclosed that the opposition to continuation of OEO was with the symbolism of the agency itself, and not with the community action program. As a result, the Subcommittee on Equal Opportunities developed a proposal with the agreement of its minority members to merge the OEO programs and the ACTION agency into a new independent agency within the Office of the President. The subcommittee further agreed to reduce, over the period of the authorization, the Federal share for community action.

These changes, however, were not sufficient to gain bipartisan acceptance within the full committee; so that a new proposal, one which placed the administration of community action and the remaining OEO programs in the Department of Health, Education, and Welfare, was introduced and approved by the Education and Labor Committee on April 30.

Although there was agreement among the committee members to transfer these programs to HEW, there was honest disagreement about the form which this transfer should take. The ranking minority member believed, and opposed the final committee approval of the bill on this point, that the programs would be merely transferred to the Secretary of HEW giving him the option to disperse the programs throughout the agency.

In placing the administration of these programs in HEW, the committee felt it imperative to assure continuity, visibility and accountability for the transferred programs. Although the dollar amount for Community Action is small compared with many HEW programs, it is involved in expenditures for poverty-related programs in more than 10 different agencies and departments, and should be provided with the administrative structure to coordinate and impact on these other programs.

The administration's position on OEO and Community Action during the past few years indicates that allowing the programs to scatter within the HEW bureaucracy will bring the rapid demise of the Federal poverty program and advocacy for the poor within the Federal Government.

The committee bill provides for the transfer of OEO employees to the new Community Action Administration in HEW without loss of salary, rank or other benefits, including the right to representation and existing collective-bargaining agreements. This provision merely seeks to clarify the employees' rights under this transfer of function to HEW and does not provide any special privileges not enjoyed by HEW employees.

Although the Community Action program is not a job program per se, one aspect of the controversy over its continuation which has, for the most part, been overlooked, is its favorable employment impact. Aside from the many thousands of jobs which have been generated through manpower programs administered by local Community Action agencies, some 185,000 individuals have benefited from direct employment by Community Action agencies and OEO programs.

Even the Emergency Employment Act, which at its height was funded at $2.5 billion, never generated over 180,000 jobs. The estimated number of jobs in public service employment through current Federal manpower programs is less than 200,000. Of the 185,000 individuals employed by OEO programs, more than half were poor and on welfare before their employment. It appears to me that we are taking one step forward and two steps backward if we eliminate these jobs.

The administration's outspoken opposition to the Office of Economic Opportunity and its programs is a fairly recent phenomenon. Even as he was vetoing the Economic Opportunity Act Amendment in December 1971, President Nixon outlined his goals for OEO as the "primary research and development arm of the Nation's and the Government's on-going effort to diminish and eventually eliminate poverty in the United States" and praising "its special role as incubator and tester of ideas and pioneer for social programs."

As late as September 1972, the then-Director of OEO, Mr. Sanchez, stated before the House Appropriations Committee that—

The Maturation process of Community Action Agencies is beginning to show and to pay dividends.

What happened between September 1972 and January 1973 when the President came out with a zero budget request?

The old controversies over Community Action have largely been resolved. Community Action agencies now enjoy good relations with city halls and businesses, churches and civic organizations. Ninety-seven community action agencies are run by the local governments at the present time.

In many communities, community action agencies are the only delivery systems for services to the poor, and their programs are uniquely tailored to the needs of the local community.

The CAA's have been highly successful in mobilizing other Federal and non-Federal resources. Between 1968 and 1972, 591 CAA's surveyed in an OEO study mobilized $1.3 billion in public and private resources in addition to the community action funds received from OEO.

CAA's have also been a unique and highly effective training ground for leadership in government, business, and community service.

Without CAA's such outstanding programs as fuel conservation, nutrition for

the elderly, transportation services to the elderly and in outlying rural areas, rehabilitation of housing, food co-ops and other services uniquely tailored to the local community would be lost.

In proposing the elimination of the Office of Economic Opportunity and the community action program, President Nixon asserted that local communities could pick up these programs if they so desired. Many communities are attempting to pick up program costs, but in no instance where money for continuing community action agencies has been appropriated could programs and services be maintained at current operating levels. In the words of John Gunther, speaking in behalf of the U.S. Conference of Mayors:

> In many instances these anti-poverty funds are the extra element which permits our cities to put together many other existing programs funded by the Federal government or the local government with state help. To give up this small additional funding which serves as "glue money" would threaten a whole series of other programs.

Little more than a month before the expiration date for all OEO programs only 13 States have appropriated any money to take over OEO programs on the local level.

Revenue sharing is not the answer, either. Little general revenue-sharing money has gone for social service programs—a pitiful 3 percent nationwide—and there is no indication that revenue sharing can fill the vacuum if Federal poverty funds are withdrawn. The loss will be felt most severely in rural communities where community action agencies often are the only agency reaching the rural poor.

The support for continuing Federal support for poverty programs which I have received in the last few months has been representative of all sections of the country and all shades of political persuasion. Mayors from Chicago to Los Angeles to Galax, Va., have written urging extension of these programs. I have received letters from 26 Governors including Governor Wallace of Alabama and Governor Waller of Mississippi in support of categorical funding for community action. I know that my colleagues have received many more indications of support from public officials. The League of Cities, U.S. Conference of Mayors, National Governor's Conference, National Association of County Officials, League of Women Voters, AFL–CIO, United Auto Workers, and other major unions and countless civic organizations throughout the country are all in support of continuation of these programs.

I urge my colleagues to seize this opportunity to reaffirm the commitment made by this Congress and our Nation almost a decade ago.

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

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

Mr. ROUSSELOT. I thank the gentleman for yielding.

My understanding is that the cumulative figure on this program is anywhere from 20 to 25 million since 1965; is that about right?

Mr. HAWKINS. That is, roughly, about right, yes.

Mr. ROUSSELOT. In the gentleman's opinion—and I know he has been very dedicated to try to see this program continue—how much poverty would he say has been eliminated by this program specifically, and where?

Mr. HAWKINS. The number of persons in poverty at the beginning of this program was in excess of 36 million. As a matter of fact, it was probably closer to 37 million and over. The number in poverty today is possibly 26 million, so in effect over the period in which this program has been operating, about 11 million persons have been lifted out of poverty.

I hasten to say that I do not, obviously, mean that this program alone has been responsible for this. Other programs, obviously, have had some impact. The national economic policy has had some impact. I am quite sure that the Federal effort in the war has had some impact, but I think it would also be true to say that no one can say that this program has not had some tangible impact on the lifting of 11 million persons out of poverty.

Mr. ROUSSELOT. Does the gentleman mean lifting them from a certain income level to another income level?

Mr. HAWKINS. The poverty level, as it is defined.

Mr. ROUSSELOT. When we are talking about the poverty level, are we talking about annual income?

Mr. HAWKINS. We are talking about the poverty level as enunciated by the Office of Management and Budget, and that is based on an income basis.

Mr. ROUSSELOT. It is primarily income?

Mr. HAWKINS. It is primarily income; yes, sir.

Mr. ROUSSELOT. The gentleman believes that this program has contributed to these 11 million people moving away from the poverty level income; is that the point—or has contributed to it?

Mr. HAWKINS. I certainly think that that is a logical conclusion any reasonable person would draw.

Mr. ROUSSELOT. I thank the gentleman.

Mr. QUIE. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER of Wisconsin. Mr. Chairman, I support this bill.

It is the purpose of H.R. 14449, as the distinguished and able gentleman from California (Mr. HAWKINS), the chairman of the subcommittee, has said, to provide for the continuation of those programs currently authorized under the Economic Opportunity Act of 1964. The bill would house OEO' major program—that is, the approximately 900 local Community Action Agencies—in a special Community Action Administration in the Department of Health, Education, and Welfare. Community Economic Development programs would go to the Department of Commerce.

H.R. 14449 represents the third OEO bill that the Education and Labor Committee has written in 1974. It is here today—reported by the committee, by a vote of 27 to 8. The move to save the Federal support for Community Action Agencies has the backing of 48 of the Nation's 50 Governors, as well as the backing of a very long list of city officials and community leaders of all political persuasions. If the local community action agencies across this country will survive, H.R. 14449 is plainly needed.

In my own State of Wisconsin last year, 3.6 million Federal dollars were invested in local initiative community action programs. With that seed money, Wisconsin CAA's were able to raise an additional $20 million to combat poverty. That is a mighty good return on a modest investment. More important, this money has kept countless families off the welfare rolls. But Wisconsin CAP leaders tell me it will be impossible to raise that kind of money—and to attract that kind of assistance from churches and other agencies—if they are given no Federal money, however modest.

In Winnebago County in my congressional district, only 14.6 percent of the families who are poor by official definition are now receiving public welfare funds; 85.4 percent of the poor do not.

In Fond du Lac County the figure is even more impressive; 9.1 percent of the poor receive welfare funds. The other 90 percent of the poor go to great lengths to avoid taking welfare, but they do need the support and services of the community action agencies.

Mr. Chairman, during the committee's hearings in February of this year, I asked OEO Director Alvin Arnett what would happen to the community action agencies if we do not supply Federal assistance this year. Mr. Arnett replied he expected that few could survive.

The community action agencies were the U.S. Government's first experiment with the idea that citizen participation in local decisionmaking was needed to combat problems. This particular experiment has succeeded remarkably.

Today numerous agencies—Federal, State, and private agencies—approach the community action agencies in my congressional district to request help in involving citizens in their own programs. It seems to me it would be foolish to abandon a program that has been successful in involving hundreds of thousands of citizens at the local level.

The bill we are considering today represents a compromise in the true sense of the word. It was put together by both Republicans and Democrats. It was put together by Members who, recognizing political limitations, nonetheless feel a fundamental commitment to preserving basic programs that help the poor. The bill eliminates a symbol that has become controversial and it gives a permanent home to programs through which people are well served.

There is some disagreement within the Education and Labor Committee over the creation of a new agency, the Community Action Administration, in HEW. I think it is important to recognize—as Senator BOB DOLE of Kansas has said:

It is the independence of CAP's which has enabled them to cut through bureaucratic redtape and deliver a variety of grassroots programs tailored to the specific needs of each community.

Senator DOLE continued:

The agency must have sufficient autonomy to sustain its programs in their current form.

I believe Senator DOLE's point is a crucial one. The size of HEW makes it incumbent on us to require a special status for community action. Without such special status, the future of these programs is surely in danger.

Through the years, we have watched the growth of Community Action programs. We have seen them move from past controversy and confrontation to a strong record of cooperation and contribution.

The ADVOCAP program in my own congressional district is a dependable source of services to people in need. I have come to count on it to provide instant help on a routine basis. Despite the difficult and challenging casework I often present to it, the agency always comes through with flying colors. I think the bill before us today is a recognition on the part of many former critics that the feelings I hold for the agencies in my district are now reflected in other parts of this country as well. Community Action has come of age.

When one reviews the problems of OEO and, more specifically, the CAP agencies, it is easy to conclude why there was much controversy in the early years. Some of the initial programs and leaders failed to follow up their good intentions and rhetoric with actual performance. Those heading the program seemed to be running so fast, promising so much, and trying to be so many things to so many people, it is not surprising they fell short of many marks they attempted to hit. Today there is little rhetoric, the money is very tight and, instead of running, agencies are walking. But instead of missing the mark, they are moving deliberately, and they are hitting the bull's-eye of poverty consistently.

I urge my colleagues to resist viewing this program in terms of 1965, 1967 or 1969, with all of the charges and countercharges that were commonplace in those days. Those issues are no longer present and relevant. I ask you to look at this bill in terms of 1974 and at the advice of people who were attacking it on a regular basis throughout the early years. The mayors and Governors are the very people who are fighting hard today to preserve these programs. If they, along with business leaders, local chambers of commerce, and other community leaders are now supporting the extension of these programs, something has changed to justify this new support. I believe there has been positive change and I ask each of you to think about the change and about what Community Action Agencies have come to mean to this country.

Let me list briefly some of the unique advantages of the Community Action Agencies, and why they should be sustained and should continue to play a role.

First, they have succeeded in gaining genuine citizen participation. They begin from the premise of working from the bottom up rather than from the top down. This has proven successful. The old, traditional pattern for helping the poor started with an elite group of experts who sat around and decided what was best for "them." "They," that is the people involved, were seldom consulted. That is not true with Community Action, and it is an important reason why those Agencies should be sustained.

Second, it is a program of local emphasis and local independence—one that is almost entirely developed, operated and run at the local level, and one that is based on what is needed in that community.

Each of us would become frustrated if we tried, even within our own congressional districts, to better handle the problems in Sheboygan, Fond du Lac, and Oshkosh; yet within these communities there are people who have a deep commitment to that task, and Community Action has been an important part of this effort.

Third, they possess the advantage of flexibility in crisis. Community Action Agencies more than any other Federal agency with which I am familiar have a strong capacity to respond in times of crisis. They are less bound to bureaucratic rules and regulations that make it so difficult for old-line agencies to respond with specific remedies to emergency needs.

I might mention the experience we had in Oshkosh and Fond du Lac when tornadoes struck just after Easter. One of the first agencies to respond to the urgent needs of the people was the local ADVOCAP program serving Winnebago and Fond du Lac counties. They were far and away ahead of SBA, FHA, and other Federal agencies. This unique capacity for flexibility in crisis is part of the makeup of community action.

Fourth, they have the advantage of filling the gaps. Let me offer a personal view; I know of no other agency, no other set of agencies at a local level, who do such a good job in filling individual needs of a temporary nature. I believe it explains why so few in Fond du Lac and Winnebago counties resort to welfare. Community Action is the one agency to which I turn for help when people say—

I do not want to be on welfare. I do not want to be a burden to the taxpayer. Where do I go to get assistance and help and to get questions answered?

It is to Community Action we turn to get the kinds of assistance—to "fill in the gaps" so often left unfilled by State and Federal programs and agencies; 84.6 percent of the people who have incomes beneath the poverty level in Wisconsin are not on welfare. In county after county in Wisconsin it is Community Action that has helped to build that record.

Finally, I think it is well to understand that the Community Action Agency receives only a very small part of its money from the Federal Government. Seed money represents only about $1 out of every $5 the agencies in Wisconsin spend for administrative, planning, and programatic efforts. The other $4 come primarily from private, Federal, local, and State grants allocated for specific projects where Community Action Agencies have shown a need.

Some have said that there has been a waste of money across the country. Yes, I would be the first to admit that problems have developed in some Community Action Agencies, and I think the Committee on Education and Labor has been mindful of that. But let me also suggest that one of the hidden aspects of this program is its ability, in community after community—and I refer specifically to my own district—to lift people out of poverty. Community Action offers a wide opportunity for career leadership. The record on this score has been spectacular.

One woman in Fond du Lac County had been unemployed for 20 months before starting at ADVOCAP as a clerk-trainee. Her starting pay was $1.60 per hour, or $259.80 per month. Through on-the-job training, she acquired skills which made her promotable within the agency. She now is employed by a business firm as a secretary at a monthly salary of $310.

A man from a farm family with an annual income of $2,700, which was then $1,300 below the poverty level established by OEO, started as an Outreach worker at $1.70 per hour, or $276.25 per month. During his employment at ADVOCAP, he earned his high school diploma through GED and then earned sufficient promotions within the agency so that by the time he left he was family coordinator for the Headstart program. In private industry he now earns $830 per month.

The list of individuals who have been assisted through Community Action Agencies could go on and on. I believe the bill is an important part of the U.S. Government's commitment to citizen participation, and I urge the committee to support it overwhelmingly.

Mr. HAWKINS. Mr. Chairman, I yield 5 minutes to the chairman of the Committee on Education and Labor, the gentleman from Kentucky (Mr. PERKINS).

The CHAIRMAN. The gentleman from Kentucky (Mr. PERKINS) is recognized for 7 minutes.

Mr. PERKINS. Mr. Chairman, the bill before us today, H.R. 14449, the Community Services Act of 1974 represents, to my way of thinking, a substantial compromise among the Members on both sides of the aisle. I feel that we have brought to the House legislation that deserves the overwhelming support of the membership.

The basic purpose of this legislation is to provide legislative authority for the continuation of those programs that have been operating under the Economic Opportunity Act of 1964. Many of these programs are very familiar to the Members of this House: Head Start, Follow Through, comprehensive health services, programs to help Indians and migrants,

as well as the principal program of community action. The bill establishes a Community Action Administration under the Secretary of Health, Education and Welfare with a Director appointed by the President and confirmed by the Senate. The Director is authorized to continue coordinating and evaluating Federal programs as well as administering new innovative programs to help combat the problems of poverty in the United States.

For the community action program the bill authorizes $330 million for fiscal year 1975 and such sums as may be necessary for each of the 2 succeeding years. In conjunction with the local innovative programs there is a new program for incentive grants. It is intended that this incentive program provide a dollar for dollar match where a State or local entity adds new funds to community action programs. There is authorized to be appropriated an additional $50 million for this program.

Currently the community action program is financed on an 80–20 Federal, non-Federal matching basis. This level of funding is continued for fiscal year 1975 and then the Federal share is reduced by 10 percent a year for each of the next 2 years. The formula for distributing these community action funds is modified to reflect the Orshansky poverty index. The remaining portions of the bill are for the most part proposals sent up by the administration for the continuation of authorizations that would expire July 1 if the Congress failed to take this action.

The Secretary of Health, Education, and Welfare is authorized to conduct the Headstart program. This title was added recognizing the delegation that has taken place over the past 4 or 5 years and the title contains an authorization of appropriations of $500 million for fiscal year 1975, $525 million for fiscal year 1976 and $550 million for fiscal year 1977. This is in line with the current expenditure level for the Headstart programs. Similarly, the Follow Through program is authorized to be conducted by the Sectary of Health, Education, and Welfare and $60 million is provided for each of the next 3 fiscal years.

H.R. 14449 also transfers to the Secretary of Health, Education, and Welfare and authorizes for 3 years the Native Americans program and the human services policy research program. Both of these authorities are implicitly contained in the Economic Opportunity Act but with its repeal the administration felt it necessary to authorize the continuation of these programs. The Secretary of Commerce is authorized to conduct a program known as community economic development. This was formerly title VII of the Economic Opportunity Act. The programs operated under part B of title III of the Economic Opportunity Act dealing with assistance to migrant workers and their families have been transferred to the Department of Labor. It is anticipated that this authority will be used to expand the national programs of the Department dealing with migrant labor.

A SUMMARY OF THE MAJOR PROVISIONS OF THE BILL

The Community Services Act of 1974 provides for the continuation of programs presently authorized under the Economic Opportunity Act of 1964, as amended, including the Community Action program, and establishes a Community Action Administration in the Department of Health, Education, and Welfare to administer these programs. The bill authorizes to be appropriated such sums as may be necessary for fiscal years 1975, 1976, and 1977, except that $330,000,000 is authorized to be appropriated for local initiative programs under section 121 fiscal year 1975; $50,000,000 is authorized to be appropriated for incentive grants under section 145 for fiscal year 1975; separate authorizations of $500,000,000, $525,000,000, and $550,000,000 for fiscal years 1975, 1976, and 1977, respectively, are provided for Head Start; and $60,000,000 for each fiscal year is authorized for Follow Through.

In addition, the bill:

Repeals the Economic Opportunity Act of 1964, as amended.

Changes the level of Federal support for Community Action programs to 80 percent for fiscal 1975, 70 percent for fiscal 1976 and 60 percent for fiscal 1977. Allows the local share to be met on a statewide basis.

Establishes a new incentive grant program designed to encourage Community Action agencies to secure new local dollars.

Modifies the allotment formula for Community Action programs to reflect the Orshansky poverty index as determined by the 1970 Census.

Transfers the authority for the Head Start program to the Department of Health, Education, and Welfare, and authorizes the program for 3 years.

Transfers the authority for the Follow Through program to the Department of Health, Education, and Welfare, and authorizes the program for 3 years.

Provides authority in the Department of Health, Education, and Welfare for the Native American program.

Provides authority for the Human Services Policy Research Act in the Deportment of Health, Education, and Welfare for 3 years.

Transfers the community economic development program to the Department of Commerce and authorizes the program for 3 years.

Transfers the comprehensive health services program to the Department of Health, Education, and Welfare.

Transfers the Migrant programs under part B of title II to the Department of Labor.

COMMITTEE ACTION

In February 1973 the Equal Opportunities Subcommittee began hearings on various legislative proposals to continue the Economic Opportunity Act of 1964. A total of 15 days of hearings were held both in Washington and throughout the country. On April 9, the subcommittee ordered reported to the full committee H.R. 14094. On April 30, the full committee ordered reported to the House H.R. 14449 with an amendment by a vote of 27 to 8.

COST ESTIMATE

[In thousands of dollars]

Program	Fiscal year— 1975	1976	1977
Local initiative	330,000	330,000	330,000
Incentive grants	50,000	50,000	50,000
Legal services	71,500	90,000	100,000
Community food and nutrition	25,000	30,000	30,000
Senior opportunities and services	10,500	10,500	10,500
Migrant programs	56,000	60,000	60,000
Youth recreation and sports program	3,000	5,000	5,000
Head Start	500,000	525,000	550,000
Follow Through	60,000	60,000	60,000
Native American program	32,000	37,000	43,000
Human services policy research	22,000	22,000	22,000
Community economic development	40,000	40,000	40,000
Total	1,199,500	1,259,500	1,300,550

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

Mr. Chairman, this legislation which is before us is compromise legislation. As the Members have heard, it would continue the present program for another year for Community Action, with 80 percent Federal funding and the remaining 20 percent in cash or in kind coming from the local areas.

That is exactly the way the program has been operating for some time.

The reason why the committee adopted that continuation of 80 percent Federal funding was evidently due to the feeling that it would be difficult to change the method of funding since this legislation probably will not be signed into law, if it does get signed into law, before the end of the fiscal year. And then there is a very slight reduction provided in Federal funding next year down to 70 percent, and for the year after, to 60 percent Federal funding.

Mr. Chairman, for myself, I say personally that I feel this is too high a percentage for Federal funding. I would like to have seen the Federal Government's percentage of funding of the Community Action Agency's program reduced at a much more rapid rate than that. In fact, I would like to have seen the Federal Government's portion funded only at 50 percent during the first year in which we extend it. However, having talked to my colleagues, I find that a large number of the Members want to continue Federal funding of Community Action Agencies, and therefore, it appears that this is about all the reduction, as far as Federal funding is concerned, that would be acceptable to this body. Whether we have read the intent of the body right or not, it is hard to tell.

However, I concurred in the Committee with that change in the program for Community Action Agencies, even though it is not much of a change from the way it has been operating in the past.

A great deal of the bill has to do with

programs that we all would like to see continued: The Headstart program probably more than anything else.

The other programs as well have had a good history and, hopefully, they will be improved later on.

Mr. Chairman, this is virtually an extension of the present programs, which would be transferred over to the Department of Health, Education, and Welfare. Of course, Headstart has been operated by the Department through its Office of Child Development for a long time, and rather than being authorized through the Office of Economic Opportunity, with a letter of transfer to the Department of Health, Education, and Welfare, and assigned to the Office of Child Development, this would be calling for direct authorization for administration by the Department of Health, Education, and Welfare.

The other programs will be talked of only, I believe, as a means of supporting Community Action Agencies.

The agencies themselves are the ones that are controversial. It is true that the Office of Economic Opportunity defunded a number of community action agencies that were extremely disruptive in their communities and had been using their funds, let us say, to put it mildly, in an unauthorized way. I believe there are 986 of them remaining, some of them doing a good job in the Congressional districts of my colleagues. Therefore the proposal is to keep them going.

There is a provision for a continuation of legal services as it has been operating for all of these years in the legislation before us. Personally I would not like to see legal services continue in that way. I like the Legal Services Corporation and, in fact, supported the conference report on legal services. I thought it was a good compromise worked out and hope eventually that it will be signed into law and that is the way legal services will operate rather than the authorization which continues in this legislation.

As to the other parts of the community action agencies, I understand the gentleman from Wisconsin (Mr. STEIGER) will propose the senior opportunities services which the subcommittee transferred over to the administration on aging and which somehow or other got lost as the bill moved from the subcommittee to the full committee—I understand the gentleman will offer an amendment to move that over to the administration on aging. Hopefully that amendment will prevail.

There are three areas in which I am basically opposed to this legislation. One is that it transfers the Office of Economic Opportunity to the Community Action Agency administration within the Department of HEW.

The CHAIRMAN. The time of the gentleman has expired.

Mr. QUIE. Mr. Chairman, I yield myself 5 additional minutes.

As I indicated, the transfer in block, in effect, over to the Department of HEW with a Community Action Agency Administration and a Director appointed by the President and confirmed by the Senate. This, it seems to me, is just plain OEO picked up from the Office of the President and located in the Department of HEW with very little direction over it by the Secretary of HEW.

It seems to me that there is some merit to continuing Federal funding of community agencies, but that we should not dictate in the legislation how it is to be handled administratively by HEW. Our concern is over the Community Action Agencies in the communities we represent and not over the Federal Establishment and how that is administered. For that reason I would like to see us just transferring authority over to HEW and let them place it administratively within the Department where they feel it could be run most effectively. If they want to divide up portions of it in order to reduce the administrative burden to HEW, that is their business. If they want to put it in any part of HEW that they feel would be best, that ought to be their business and it ought not to be up to us to dictate that kind of administrative decision.

I realize that the rehabilitation agency and the Administration on Aging were areas where we did dictate administration of the program within HEW, but both of them were after we saw those two programs operate and were not satisfied with the way the administration operated them.

I cannot imagine anybody being upset with the way HEW administers what is known as OEO, as objectionable as that agency has been.

What it seems to me all Members should be concerned about, as I said before, is whether that $330 million proposed to be authorized for appropriation gets out to the local Community Action Agencies for their local initiative programs.

The other portion is the bill in section 602(1) mandates the transfer of all OEO employees over to HEW and therefore to the new Community Action Administration. Here again, if we do transfer the direction over to HEW, undoubtedly many of those personnel will not be needed and they could have a reduction in force.

Also it mandates the transfer over there of the representation and the collective bargaining agreements. HEW has their own collective bargaining agreement. There has been an executive order to handle such transfers. It seems to me that this transfer ought to operate under the executive order in the same manner as a transfer of function procedure would operate for all other Federal personnel, rather than mandating the transfer of all the employees and the collective bargaining agreements that they must operate under in the new agency. It is contrary both to established Federal procedures and to what obtains in private industry outside of the Government, as well, under the authority of a decision of the U.S. Supreme Court in the Burns International Security Service case.

Third, I would like to see us change the legislation so that the community action program is not administered through regional offices. The way it has been now is that the amount of money that is appropriated is allocated to the 10 regional offices, and the 10 regional offices make determinations in the region, and every community action agency must go hat in hand to the regional office that is not answerable to anybody except supposedly OEO itself.

I have been dissatisfied with the way the regional offices have operated under the previous administration and under this administration. So I would like to see them remove the regional offices as an intervening layer of bureaucracy. Actually, I would like to see all of the Federal money administered through the States but my amendment does not do that. There was disagreement in the committee, and the legislation does carry the provision that if all the community action agencies within a State agree to it that the money then could be administered through the States, and that they do not have to compete with the other States for the money, and the administrative determinations can be made by the State.

I will have an amendment to the effect that the State's share of the $15 million that now goes to the regional offices would be transferred to the State when the authority to approve programs is delegated to it, so that they will have the money to administer the program if the community action agencies agree to such a delegation. If they do not agree to it within a State then it seems to me the program is small enough that it could be administered out of Washington rather than being administered out of a regional office.

So those are some of the amendments I will be proposing, all of which I am making a part of this record, together with a brief explanation.

PROPOSED AMENDMENTS TO H.R. 14449

Mr. Chairman, I include the amendments to H.R. 14449, which I have referred earlier for the information of the Members:

AMENDMENT TO H.R. 14449 OFFERED BY MR. QUIE

Page 176, beginning in line 5, strike out everything after "programs" through the period in line 8 and insert in lieu thereof: "The purpose of this Act is, first of all, to authorize certain programs to be administered by the Secretary of Health, Education, and Welfare (hereafter referred to as the 'Secretary')."

EXPLANATION

These amendments, to be offered *en bloc*, strike out section 601 of the bill which sets up a separate Community Action Administration within HEW, headed by a Director—and instead leaves the authority contained in the first six titles of the bill in the hands of the Secretary of Health, Education, and Welfare. Accordingly, these amendments cover section 2 of the bill and the first six titles, and title XIII, and merely conform the entire bill to that action. Most of the amendments replace references to the "Director" with references to the "Secretary".

The first such conforming amendment is to section 2 of the bill—the statement of purpose—on page 176, to eliminate the reference to establishing a Community Action Administration as one purpose of the Act and replace it with a reference to authorizing certain programs to be conducted by the Secretary.

AMENDMENTS TO H.R. 14449 OFFERED BY MR. QUIE

Title I of the bill is amended as follows:

(1) Page 179, line 2, strike out "Administration" and insert in lieu thereof "Congress"; and

(2) By striking out "Director" in the following instances and inserting in lieu thereof "Secretary"—

Page 180, lines 6 and 20; page 181, lines 13 and 14 and line 21; page 182, lines 11 and 25; page 183, line 15; page 184, line 19; page 185, lines 1 and 18; page 187, line 3; page 191, line 19; page 192, line 4; page 193, line 12; page 194, line 19; page 195, lines 6, 13, and 23; page 196, lines 5, 11, 20, and 22; page 198, lines 7, 12, 14, and 23; page 199, lines 4, 7, and 11; page 200, lines 4 and 7; page 202, line 6; page 203, lines 12 and 15; page 203, line 23; page 204, line 2; page 205, line 1; page 206, lines 9, 10, and 15; page 207, lines 8, 11, and 12, and 17; page 208, lines 2 and 17; page 209, line 3; page 210, line 20; page 211, lines 9, 18, and 21; page 213, line 2; page 214, lines 3, 10, 16, and 24; page 215, lines 3, 10, 16, and 24; page 216, lines 3, 4, 16, and 21; page 217, lines 4 and 22; page 218, lines 12, 18, and 21; page 219, line 17; page 220, lines 4, 12, 20, and 25; page 221, lines 8, 9, 15, and 21; page 223, lines 3 and 12; page 224, lines 4, and 11; page 225, lines 6, 11, 16, and 17 (but only the hyphenated word), and line 21; page 226, lines 4, 10, and 15; page 227, line 5.

AMENDMENT TO H.R. 14449 OFFERED BY MR. QUIE

Title II is amended by striking out "Director" and inserting in lieu thereof "Secretary" in the following instances—

Page 228, lines 2, and 24; page 229, lines 5, and 14; page 230, line 5; page 231, lines 9 11, and 21; page 232, line 3.

AMENDMENT TO H.R. 14449 OFFERED BY MR. QUIE

Title III is amended by striking out "Director" and inserting in lieu thereof "Secretary" in the following instances—

Page 236, line 4; page 238, lines 4, and 10.

AMENDMENT TO H.R. 14449 OFFERED BY MR. QUIE

Title IV is amended by striking out "Director" and inserting in lieu thereof "Secretary" in the following instances—

Page 242, line 20; page 244, line 13; page 246, lines 2, and 23; page 247, lines 4, 8, and 18; page 248, lines 3, 12, and 13.

AMENDMENT TO H.R. 14449 OFFERED BY MR. QUIE

Title V is amended by striking out "Director" and inserting in lieu thereof "Secretary" in the following instances—

Page 248, line 23; page 249, line 6, 10, 16, and 22; page 250, lines 1, 7, 10, 14, 18, and 22; page 251, line 6, 7, 12, 20, and 24; page 252, line 7; page 253, lines 4, 6, and 14.

AMENDMENT TO H.R. 14449 OFFERED BY MR. QUIE

Title VI is amended as follows:

(1) Page 254, strike out lines 4 and 5, and strike out section 601 (lines 6 through 17) and renumber the remaining sections accordingly;

(2) Page 254, line 24; page 255, line 7; page 256, line 23, strike out "Administration" and insert in lieu thereof "Department of Health, Education, and Welfare";

(3) Page 257, strike out lines 15 and 16, and renumber the remaining paragraphs accordingly;

(4) Strike out "Director" and insert in lieu thereof "Secretary" in the following instances—

Page 254, lines 18, and 20; page 256, line 10; page 258, line 11; page 260, line 17; page 261, lines 12, and 18; page 262, lines 19, and 22; page 263, line 17; page 265, lines 6, 13, 20, and 25; page 266, line 13; page 267, lines 2, 10, and 25; page 268, line 19; page 269, line 3; page 270, line 24; page 271, lines 1, 13, and 19; page 272, line 23; page 273, lines 2, 16, and 23; page 274, line 5; page 275, lines 9, and 16; page 276, lines 4, and 15; page 277, lines 5, 10, 13, 17, and 25; page 278, lines 9, 15, and 16; and

(5) Page 266, line 3, strike out "the Administration during such year" and insert in lieu thereof "the Department of Health, Education, and Welfare during such year with respect to programs authorized by this Act".

AMENDMENT TO H.R. 14449 OFFERED BY MR. QUIE

Title XIII is amended as follows:

(1) By striking out "Director" and inserting in lieu thereof "Secretary" in the following instances—

Page 346, lines 9, and 24; page 347, line 3; page 350, line 2.

(2) Page 349, lines 14 and 15, strike out "Director of the Administration" and insert in lieu thereof "Secretary of Health, Education, and Welfare".

(3) Page 350, lines 7 and 8, strike out "Administration and the Director thereof" and insert in lieu thereof "Department of Health, Education, and Welfare and the Secretary thereof".

AMENDMENT TO H.R. 14449 OFFERED BY MR. QUIE

Page 183, line 5, strike out the period and insert in lieu thereof:

"; *Provided, however,* that when such delegated functions include the authority to approve programs within such State the Director shall make available to the State, in addition to an amount not less than the amount made available to such State for State agency assistance under section 132 in the previous fiscal year, an amount in each fiscal year equal to such State's share (as determined by the formula set forth in the second sentence of section 125(a)) of the aggregate amount made available during the fiscal year ending June 30, 1974, for the operation of regional offices of the Office of Economic Opportunity."

Explanation: This amends section 111(g) of the bill which permits the Director (or the Secretary if the bill has been so amended) to delegate to a State such of his functions under title I—community action programs—as he deems appropriate, providing that all of the community actions within the State approve the proposed delegation.

The amendment provides that when such a delegation includes the approval of programs, then that State which has the approval authority should receive an amount equal to its fair share of funds utilized during fiscal 1974 for running the regional offices of OEO.

AMENDMENT TO H.R. 14449 OFFERED BY MR. QUIE

Page 205, beginning in line 18, strike out everything following "census" through the period in line 8 of page 206, and insert in lieu thereof: "except that for the fiscal year ending June 30, 1975, no State shall receive less than an amount equal to the amount of the allotment such State received under section 225(a) of the Economic Opportunity Act for the fiscal year ending June 30, 1974."

Explanation: The effect of the Committee bill language is that the formula—which uses as one of three factors the same factor as approved by the House in H.R. 69—would be many years taking effect. Meanwhile, we would be stuck with the present OEO formula which uses as one of the three factors "the relative number of related children living with families with income of less than $1,000 . . .". The amendment instead inserts a 100% "hold harmless" clause for fiscal 1975, insuring that no State receives less than the allocation it received from OEO in 1974.

AMENDMENT TO H.R. 14449 OFFERED BY MR. QUIE

Page 273, after line 26, insert:

"TERMINATION OF CERTAIN REGIONAL OFFICE FUNCTIONS

"SEC. 624. Within one year from the date of enactment of this Act, the Director shall cease all operations in regional offices relating to the approval of or the provision of financial assistance to community action programs authorized under title I of this Act, and shall conduct such operations directly or in accordance with section 111(g)."

Explanation: This amendment would terminate regional office responsibility for community action programs after one year, requiring the Washington office to assume such responsibility directly, or through the States in accordance with section 111(g). It eliminates one year of Federal bureaucracy.

AMENDMENT TO H.R. 14449 OFFERED BY MR. QUIE

Page 254, line 22, after "appoint" insert "and assign under transfer of function authorities", and on page 255, strike out everything after "Code" in line 2 through line 10 and insert in lieu thereof a semicolon.

Explanation: This amendment to section 602(1) strikes out a proviso relating to the transfer of OEO employees which gives them more far-reaching rights than other Federal employees in a transfer of function procedure, including the automatic transfer of the right to representation and existing collective bargaining agreements (a matter decided on a case-to-case basis through machinery established by Executive Order). The entire matter of the treatment of employees in a transfer of function situation is now under review by the Post Office and Civil Service Committee.

The amendment adds clarifying language which assures that OEO employees will be subject to the same procedures and protections as apply to all other Federal employees under existing transfer of function authorities pursuant to Civil Service laws and regulations.

AMENDMENT TO H.R. 14449 OFFERED BY MR. QUIE

Page 349, line 10, strike out "personnel,".

Explanation: This is a conforming amendment made necessary by the amendment to section 602(1), and will be offered with it en bloc.

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

The CHAIRMAN. The Chair will count. Thirty-two Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and three Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. QUIE. Mr. Chairman, I yield back the remainder of my time.

Mr. HAWKINS. I yield 2 minutes to the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Chairman, I take this time to clear up what perhaps may be some problems in the bill. I first want to clear up any possible confusion with regard to the implementation of the fee schedule for children attending Headstart classes as was provided for in the Economic Opportunity Act of 1964. Congress directed in Public Law 93-202 that any such implementation of a fee schedule would be deferred until July 1, 1975. This was done to give the committee time to go into oversight hearings on reasonable family contributions within the next year.

The legislation we are considering today repeals the Family Act and its amendments. I want to make it amply clear that the committee in drafting the present language on Headstart purposely omitted any reference to the fee schedule with the intention that none would be adopted prior to further congressional action.

Would the chairman of the committee agree with me on that interpretation?

Mr. HAWKINS. Yes; I do. The Subcommittee on Equal Opportunities, together with its counterpart in the other body, will be conducting hearings, and until that time no change in the present fee schedule situation will be made.

Mr. MEEDS. Mr. Chairman, if the chairman of the committee will give me an additional 2 minutes, perhaps I could touch on one other point.

Mr. HAWKINS. I yield an additional 2 minutes to the gentleman from Washington.

Mr. MEEDS. Mr. Chairman, section 811(a) provides:

> The Secretary is authorized to provide financial assistance to public and nonprofit private agencies, including but not limited to, governing bodies of Indian tribes, Alaskan Native villages and regional corporations established by the Alaska Native Claims Settlement Act, for projects pertaining to the purposes of the Act.

I want to make it clear again that it is the full intent of the Congress that the funds under section 811 which are native American program funds are to be spent for Indian people. However, there are some Indian programs which are, in some instances, supplying needs to people other than Indians. They are doing so with funds received from a number of sources, one of which would be section 811 funds. It should be clear that they can proceed in these combination programs without being subject to having their section 811 funds taken from them or not being able to have the funds even though the other funds which they are receiving extended for non-Indian programs. But by the same token, it should be clear that the Office of Native American Program funds, section 811 funds, shall be spent for the benefit of Indian people.

To give an example, we have a health program in the Seattle area in which probably 90 percent of the recipients are native Americans, but the board is composed of again mostly native Americans but some others, and some other services are provided for other than native Americans. The native American funds are combined with other HEW funds. It should be clear that this kind of program can continue under the language of section 811. Would the gentleman agree with me on that interpretation?

Mr. HAWKINS. Yes; I agree with the gentleman from Washington.

Mr. QUIE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Chairman, I will speak just a few minutes on this matter.

I want to share with each of you the experience in the 16th Congressional District of Ohio with community action services.

First, the community action services program has served as a community ombudsman in providing help to many of the poor people who have benefited from this program. It has been a community action agency providing access for the poor to many other programs that are of great service to them and to those who do not have the sophistication necessary to use other community services both public and private.

Second, we have not experienced politicization of the agency. The agency in the 16th district has remained free from political activities, and has accomplished the objectives that were envisioned by the creators of the Office of Economic Opportunity. This is not to say that there have not been problems, but in the past year the agency has been working very well in meeting its objectives.

Third, it was interesting to me to receive a letter from the Ohio Water Well Contractors and Equipment Association strongly supporting this bill and stating in their letter that the impoverished portion of rural Ohio has received great benefits from the action of these agencies. This is an area that is overlooked in many instances as we discuss only the big city problems, not fully realizing that in the Appalachia area of Ohio and similar rural areas where they need assistance in developing self help programs, that the Office of Economic Opportunity has worked quite well in providing the kind of services that will improve the quality of life in these areas.

Fourth, the community action program in the 16th district has recruited many volunteers thereby substantially enhancing the assistance provided to the poor at no additional cost to the taxpayer. This program of volunteer action has an added benefit of creating community awareness of the problems of the poor and thereby developing local permanent solutions.

Mr. SKUBITZ. Mr. Chairman, I rise in support of the Community Services Act as it has come out of committee, and I am very concerned that additional amendments will tend to muddy the water and confuse the basic question at hand.

Mr. Chairman, there are three very active and worthwhile Community Action agencies in my congressional district of Kansas. I have seen firsthand many of the valuable services provided by SEK-CAP in Girard, MID-CAP in El Dorado, and ECKAN in Ottawa, whose offices are not in my district but which serves many of the counties which are in my district. I have seen the Community Action agencies in southeast Kansas—SEK-CAP—operate many programs for the elderly and disadvantaged in a satisfactory manner, such as the only rural transportation system available in my rural area, the work it has done with Headstart parents in the area of consumer education classes, canning clubs and assisting handicapped children; its accomplishments with children in the Headstart program and many other programs. I have seen, with the uncertainty of funding to support these worthwhile things, a necessity for turning to the Older Americans Act at the local and State levels for resource. This promises to interrupt, if not in some cases eliminate, some of the services which have been provided by the CAP, and will probably cost more. The point I make here with respect to that question is: The Congress has already passed at least two pieces of legislation giving to State and local governments broad powers in the management of programs. There is presently much confusion and much to be learned about how efficient and economical these new programs can be. I consider it folly for us to pump more legislation into programs of this kind until we have had time to see exactly how effective they can be. In other words, we know that local Community Action agencies have done much good work, in spite of early-day growing pains, as they have been constituted with the structure that Congress gave them.

I am afraid it would be premature for us to destroy a workable system for helping people, and replace it with a new system that is yet untried and is already showing indications of straining to accomplish the same things Community Action agencies have at the local levels, utilizing direct Federal assistance. I, myself, in the early days was very skeptical of the Community Action agencies, three of which are represented in my district. I now believe their competence is demonstrated and their credibility expanded among my constituents to the point we cannot abandon what we know does work to a system we cannot yet be sure of.

I am now convinced that it has been the autonomy of the Community Action agencies which has enabled it to cut through bureaucratic red tape and design programs to fit the local scene. I believe that Community Action agencies through their representation of one-third publicly elected officials, one-third community organizations, and one-third poor people, constiiute the best opportunity of any new federalism. I want to point out that local public-elected officials already have and have had since the Green amendment of 1967, the capability of working with Community Action agencies and exercising great control over their activities in their respective political jurisdictions. That they have not done so, is not the fault of Community Action agencies or our legislation. I feel strongly that we should not retreat at this crucial time of high inflation, from programs such as these who are helping people to help themselves, and enable them at the local level to design programs to do so—all this at the lowest possible administrative cost. I, therefore, urge my colleagues to join me in support of House bill 14449 as it is

now constituted until we have an opportunity to decide whether or not other ways can be utilized for funding programs locally. It is my understanding that the total budget proposed in this act amounts to $330 million, which is up less than $2 million over what it has been for the past 3 to 4 years. I am told this amounts to less money than we utilized and was spent last year by the Air Force for flight pay of officers who did not even fly.

I believe the retention of a national office, with some guarantee of autonomy at that level, coupled with a regional funding mechanism to channel the money to these local citizen groups is our safest, most economical posture in view of what I have said.

Miss JORDAN. Mr. Chairman, the Community Services Act of 1974 would enable the Federal Government to continue to assist local Community Action agencies in two vitally important forms. First, the bill insures resource allocation decisions will continue to be made at the local level by citizens elected to represent their neighborhoods. Second, the bill maintains the Office of Economic Opportunity as an independent advocate at the national level by transferring OEO to the Department of Health, Education, and Welfare as a distinct Community Action Administration. Local autonomy and independence at the national level have been hallmarks of the community action program since its inception. The bill before us today guarantees these proven approaches will endure. Through the 15 days of hearings the Subcommittee on Equal Opportunities held in Washington, D.C., and throughout the country, the progress of individuals assisted by OEO programs was documented. The community action program in Houston, as in other cities both large and small, has meant more to the community than the monetary assistance proferred.

Community action means jobs. Since 1971 the manpower section of the Harris County Community Action Association has referred 8,000 persons yearly to jobs. 5,000 yearly have been placed.

Community action means help for children and youth. HCCA serves 1,635 Headstart children annually in 36 centers located throughout the poverty neighborhoods of Houston. Services for troubled youth provides counseling for 550 predelinquent and delinquent youth quarterly.

Community action means assistance for elderly. Free noon meals are provided to approximately 600 senior citizens at nine sites in Houston.

Community action is mobilizing the community. The recreation project consists of organized groups of all ages involved in activities they design. Social service referrals provide target area residents with referral and placement followup services to all social service agencies in Harris County. Educational classes are offered in adult education, youth tutoring, English, homemaking skills, and other self-improvement areas. Neighborhood councils at the neighborhood level are involved in project development activities. Summer special food service programs provided by HCCAA in the past several years as part of Houston's summer recreation program, serve approximately 5,000 youths daily at 70 recreation sites. Alcoholism programs provide comprehensive services to poverty level alcoholics, and community education about alcoholism.

The goal of the community action program is to reduce poverty. Residents of the area to be served determine for themselves the programs and projects which will be funded. They know what the needs are. They know how best to meet them. And they know long before the Federal auditor when a program is not achieving its goals. They know these things because they live poverty—a recalcitrant poverty not easily dispeled—a poverty which cries out for direct community action—a poverty which not only envelops its prisoners with hunger, disease, unemployment, and hopelessness, but which also plagues upon the spirit. Local community action agencies cannot be expected to overcome all against overwhelming odds, but they are rendered more capable of action with the strong support of the Congress. H.R. 14449 represents the type of support which community action agencies deserve.

Mr. BELL. Mr. Chairman, I ask my colleagues to join me in supporting this bill, H.R. 14449, the Community Services Act of 1974.

The Subcommittee on Equal Opportunities held hearings for over a year on various legislative proposals concerning the Economic Opportunity Act of 1964. After much consultation and careful deliberation, the subcommittee reported out a measure that was only slightly amended in full committee. Such is the bill before us today.

This measure, H.R. 14449, is a direct congressional response to the demands and wishes of State and local governments and agencies throughout the country. The bill continues programs that are currently authorized under the Economic Opportunity Act of 1964, as amended. The majority of programs, with the exception of the migrant programs and the Community Economic Development program, are transferred from the Office of Economic Opportunity to the Department of Health, Education, and Welfare.

Perhaps the most widely publicized of the programs to be continued under this new measure is the Community Action program under title I. Under this title, State and local agencies through the help of the Federal Government are encouraged to continue those programs designed to reduce poverty and the effects of poverty in their community. These programs respond to the unique needs of the local community and of the poor in specific geographic locations. Not only do these programs provide services to the poor, but also they provide employment for many individuals previously on the welfare roll.

A new Community Action Administration is proposed in H.R. 14449 to administer these programs. This new administration would be under the Secretary of Health, Education, and Welfare with a director to be appointed by the President and confirmed by the Senate. The new administration would administer the community action program and other related programs, and it would also coordinate and evaluate other Federal programs in this area, as well as initiate new programs.

An important provision in this bill relating to the Community Action program is the new Incentive Grant program that would encourage the Community Action agencies to secure new local dollars. This is a very important aspect of the bill, because it promises Federal support to those communities that take the initiative in solving their local problems.

Other important community service programs to be continued by H.R. 14449 include: Headstart, Follow-Through, the Native American program, the Human Services Policy Research Act, and the Senior Opportunities and Services program.

During the hearings on the possible extension of the Economic Opportunity Act of 1964, the majority of witnesses emphasized the need for Federal leadership and direction in the area of aid to the economically disadvantaged. I believe that this legislation, the Community Services Act of 1974, is in answer to this need, and would again urge my colleagues to support the bill, H.R. 14449.

Mr. BINGHAM. Mr. Chairman, I rise in support of H.R. 14449, the Community Services Act of 1974, and strongly urge that the House approve this measure without any amendment which would weaken its essential purpose—to preserve the innovative community action programs. As adamant as I am in my opposition to the 2-year administration effort to eliminate OEO, I recognize that we who strongly support the work of community action programs must compromise with its opponents in order to save this vital force against poverty.

In H.R. 14449, the House Education and Labor Committee has, in my opinion, tried valiantly to fashion a legislative solution members of both parties can accept. The bill provides for a 3-year continuation of programs first created under the Economic Opportunity Act of 1964, some of which have already been transferred to old-line agencies administratively. Headstart, Follow-Through, Native Americans, Comprehensive Health Services, and the Human Services Policy Research program have already been transferred to and are now administered by HEW. The migrant programs under part B of title II have already been merged into the Department of Labor and the Community Economic Development program is to be included within the Department of Commerce. The remaining programs would also be transferred to HEW but as part of a new Community Action Administration. Its director would be appointed by the President and confirmed by the Senate, and he would be responsible directly to the Secretary. In addition, the Secretary of Health, Education, and Welfare would be prohibited from delegating any of the functions of the director to any other officer not responsible to the director. Among his other duties, such as initiating innovative programs, the director would also be responsible for taking an active

role in coordinating and evaluating programs administered by other Federal agencies.

The new Community Action Administration is the heart of H.R. 14449. In this manner the committee has tried to satisfy the desire of the opposition to bring Community Action programs under the authority of an established Cabinet-level department, while maintaining a degree of independence and flexibility which makes CAP's so unique and relevant to the communities they serve. The new CAA would administer many programs in addition to CAP's. Legal Services—until the new Legal Services Corporation is established, community food and nutrition, environmental action, senior opportunities and services, youth recreation and sports, consumer action and cooperative programs, technical assistance and training, work experience and training programs, and day care projects.

In an effort to meet another objection of CAP opponents, the committee agreed to reduce the level of Federal support for community action programs from 80 to 60 percent and allow the local share to be met on a statewide basis as an alternative to meeting it on a local basis only. This three-step reduction in the Federal share would be mitigated in hardship areas by providing the director with discretionary authority in this regard.

To insure that the transfer of programs now in OEO is made with as little disruption as possible and to preserve the talent, knowledge of local conditions, and enthusiasm of present OEO employees, H.R. 14449 mandates that OEO employees be transferred to the new CAA without loss of salary, rank, or other benefits.

While I will mourn the death of OEO, and the transfer of many of its former programs to long-established agencies in HEW and other departments, I am enthusiastic and hopeful about the new Community Action Administration and I urge each of my colleagues to accept the independent and flexible organization which has been recommended by the Education and Labor Committee. The administration makes no secret about wanting Community Action organizations to die. The quickest way to accomplish this goal is to give the Secretary of Health, Education, and Welfare the authority to transfer CAA programs to other areas of his Department, and to fire any or all former OEO employees. Some committee members estimate that this would result in an end of CAP's within a year, "guidelined" to death by unsympathetic HEW bureaucrats at the direction of the White House.

The Bronx Maternity Health Guidance Center in my congressional district is but one example of this kind of "administicide." Originally established under an OEO grant, it was transferred in September 1973 to HEW by Howard Phillips, the controversial Director appointed by the President to dismantle OEO. The Bronx Maternity Health Guidance Center depends principally on the talents of paraprofessionals drawn from the community and trained to provide health education and referral services. It is a highly innovative program dealing with one of the most critical problems facing the poor: family planning and care. These paraprofessionals or "health externs" at the Guidance Center were recruited from the principal minority groups which make up New York City's poor, and trained by Albert Einstein College of Medicine for 12 to 15 months. During that time they learned about the entire social service and health system in the Bronx and visited courtrooms, hospital emergency rooms, welfare agencies and clinics, emerging from the program as knowledgeable health paraprofessionals dedicated to patient advocacy. They fill an essential gap in the Bronx health delivery system, which is far too complex and impersonal for the average inner-city resident to deal with. The family problems which face the poor: High infant mortality, child abuse, unwanted pregnancies, venereal disease, and marital and sexual maladjustment have not been effectively met by conventional medicine or conventional sociology. Why? Because the professionals recognize that society's investment in their training is so great that they cannot reasonably direct their attention to medically mundane issues such as sex and family education, and comprehensive social problem referral. The professionals in public health deal with crisis situations and have neither the time nor the resources to deal with outreach or preventive measures. The externs do. They seek out the patient and provide the services and advice he or she needs under the direction of health professionals. Any patient who requires conventional care is referred to a clinic or hospital and assisted in making the arrangements. The health externs work with sex education classes at schools and youth groups, and participate in screening activities at local health fairs.

The program has been a great success in the Bronx and the services it provides are considered in many ways to be more relevant and personal to the needs of the community than those provided by conventional facilities. This valuable program is now to expire under direction of its new administering agency, the Public Health Service—a part of HEW—because PHS guidelines require a more professional orientation than provided by the Guidance Center. There is no room in the PHS for the kind of paraprofessional outreach-referral orientation developed under the OEO grant. As Dr. Ernst Jaffe, acting dean of Albert Einstein College of Medicine, noted in a letter to the Grant Appeals Board:

> It was never the intention of the Bronx Maternity Health Guidance Center Program to provide comprehensive medical and social services in its centers. The externs are trained to make referrals to social agencies in the community and to the social service staff of the various hospitals.

The program is designed "to facilitate maximum utilization of existing resources in the community." Instead of working with the Guidance Center to reach an accommodation in order to keep the center from losing its Federal funds, the Public Health Service with their established professional oriented guidelines has decided to terminate the grant as of September 30.

This is only one example of what has happened to a multitude of valuable innovative programs developed under OEO auspices with the advice and participation of members of local poverty target areas across the country. The programs which have been or are being transferred to old-line agencies we cannot aid, but we can assist those which will be included within the new Community Action Administration if we insure their continued independence and precious flexibility in response to community needs. I ask my colleagues to reflect on what the consequences will be if we once again close off poor people's access to the decisionmaking process in regard to Government services which are so vital to the quality of their life.

For 10 years, through Community Action programs all over the nation, poor people have had a say for the first time in determining social service priorities and their delivery. Members of impoverished communities these CAP programs serve have been trained and employed to use their knowledge of local conditions to help better the plight of their neighbors. In New York City CAP's employ 2,500 workers who would otherwise be on welfare or some other form of public assistance. Instead these people are working to help raise the standard of living in their communities. The CAP agencies in NYC provide a multitude of services including neighborhood youth employment, training programs of all types, drug education and rehabilitation, housing, adult education—with an emphasis on literacy and parent instruction; immunizations and health outreach services, youth development—including youth training in caring for younger children and youth business apprenticeship programs; community economic development—aimed at establishment of new consumer institutions for the poor and creation of enterprises to be owned and operated by the poor; and comprehensive services and outreach to the elderly. In other words, the New York City Community Action program which embodies a network of 26 community corporations and over 250 delegate agencies provides a broad spectrum of services and activities to more than 200,000 poor people with significant input on the policy level by the consumers of these services.

The administration would like to see this input ended. Putting Government back under the control of the people does not mean the people themselves, but their elected State and local officials. It is a hard fact of life that poor people do not vote frequently in State and local elections in as great a percentage as members of middle and upperclass communities. There are many reasons for this, including the very real feeling among the poor that their vote on the State and local level does not count for much. There is much truth in this, as witnessed by the way most State and local communities are using revenue sharing funds which the administration has said would provide money for social services previously provided under now terminated Federal categorical grant programs. Revenue sharing money in large part has not gone for such services, but instead has been used for programs of concern to the middle and upper classes—the voting constituency of State and lo-

cal elected officials. Translated, this has meant more money for police, fire departments, retirement of public debt, and lowering of property taxes. The poor are the losers in the governmental decentralization plan envisioned by the administration. It is folly to think that State and local officials will eventually fund CAP programs from general and community development revenue sharing funds as the administration proposes.

While some State and local officials are singing the praises of CAP programs now, including some former celebrated opponents like Gov. George Wallace, it is clear that in time they will have to yield to the desires of their supporters and use scarce Federal funds for other programs.

What can we expect the poor to do when they find out that participation in the delivery of services to their community is a thing of the past, and they are once again confronted by an impersonal, complex, middle-class bureaucracy? How will those people who have been employed over many years in OEO programs and trained to provide highly specialized public service feel when they cannot find a job and have to go back on public assistance? One frightening answer is suggested by Major R. Owens, deputy administrator, Human Resources Administration, city of New York street warfare, such as in Northern Ireland, between the haves and the havenots. Major Owens points out that it is no accident that New York City has not had a riot since the Community Action programs went into operation.

I plead with my colleagues to heed Major Owens' warning and vote for passage of H.R. 14449, and reject any amendment which seeks to weaken the independence and flexibility of Community Action programs.

Mr. KEMP. Mr. Chairman, I believe it is time for the Congress to maintain a commitment to the poor through a more effective social services delivery system than the one proposed in the bill now before us, H.R. 14449, the proposed Community Services Act.

At the time of the reading of the bill for amendments tomorrow, I will offer an amendment to change the mode of the grants making structure of this program.

The specific text of the amendment which I will offer tomorrow is as follows:

Page 179, beginning with line 15, strike out everything through line 6 on page 180 and insert in lieu thereof the following:

"SEC. 111. (a) A community action agency shall be—

"(1) a State;

"(2) a unit of general local government which has a population of fifty thousand or more persons on the basis of the most satisfactory current data available to the Director; or

"(3) any combination of units of general local government which are contiguous to each other (or are within the same area of the State) and which have an aggregate population of fifty thousand or more persons on the basis of the most satisfactory current data available to the Secretary. A State shall not qualify as the community action agency for any geographical area within the jurisdiction of a unit or combination of units described in paragraphs (2) and (3) unless such unit or combination of units has not submitted an approvable application for funding for a community action program under this title. The Director shall set appropriate dates for the submission of such applications during each fiscal year. A community action agency designated pursuant to this title may carry out part or all of its programs through arrangements with other public or private nonprofit agencies or organizations."

Page 180, beginning in line 23, strike out everything after the comma through "agencies" in line 1 on page 181, and insert in lieu thereof "or by other appropriate agencies with which the community action agency has made arrangements".

Page 182, beginning after "determines" in line 1, strike out everything through line 11 and insert in lieu thereof:

"(1) that neither the State nor any unit of general local government (or combinations of such units) eligible to be a community action agency under subsection (a) is willing to be designated as the community action agency for such community, or (2) that the community action agency serving such community has failed, after having a reasonable opportunity to do so, to submit approvable application for a community action program which meets the criteria for approval set forth in this title, or to carry out such a program in accordance with the requirements of this title, and no other community action agency eligible to serve such community is willing to be designated as the community action agency for such community.".

Page 183, beginning in line 11, strike out everything after the period through line 16 and insert in lieu thereof: "Each public or private nonprofit agency or organization with which a community action agency, or the Director, make arrangements with under section 111, and such arrangements include responsibility for planning, developing, and coordinating community-wide antipoverty programs, shall have a governing board which meets the requirements of subsection (b)."

Mr. Chairman, what will the amendment do?

It is designed to get the administration of Community Action grants more effectively out of the control of the Washington bureaucracy and out of the hands of organizations not responsible to and accountable to the public.

It is designed to shift that control to those levels of Government closest to the people and their daily problems—State and local government. And, as control shifts, so too does responsibility for decisionmaking, thus significantly enhancing the accountability of elected officials for the conduct of these programs.

It is designed to maximize the dollar effectiveness by ending the Washington bureaucracy's failure to develop a mechanism for phasing out failure. I will assure my colleagues that if we shift this program to the State and local level, and a particular grantee thereafter does not make good on its promises, the people will change it. They will not be misled into giving in to the, "Just give us 1 more year, and we'll make things work," argument to which the bureaucrats too often have succumbed—year after year after year.

In 1967, the gentlewoman from Oregon (Mrs. GREEN) offered an amendment to the Economic Opportunity Act which required the community action agencies to be State or local governments, or public or nonprofit private agencies or organizations designated by such governments. This was an important step, one recognized by its enactment. This past year alone, 106 community action agencies became a part of local government.

The Green amendment left very wide discretion, however, for the OEO Director to step in and designate private agencies to run the Community Action programs.

The amendment which I will offer tomorrow goes one more important, logical step beyond that of the 1967 Green amendment. It requires that a Community Action agency be a State, a unit of general local government having a population of 50,000 or more persons, or a combination of smaller units of general local government having an aggregate population of 50,000 of more. They, in turn, may make whatever arrangements they feel necessary and appropriate with other public or private nonprofit agencies to actually run part or all of their programs. But, the important thing is this: They cannot surrender the basic responsibility for the administration of the program as they can under existing law.

One other thing should also be made clear about units of government which are eligible—that is that if you have an eligible unit or combination of units of general local government which have filed an approvable application, they must get the funds for their area. The State cannot step in and take over their programs, unless they have failed to apply or have failed to run a program which meets the requirements of the act. This is the same as in the Comprehensive Employment and Training Act already passed by the Congress.

Also, under the amendment which I will offer, the Director can still step in and run a Community Action program through a public or nonprofit private agency when a unit of general local government will not file an application, or where it will not run its program in accordance with the requirements of the act. But, he must first assure that the State or another eligible unit of general local government will not assume these responsibilities. This is crucial, for what the amendment provides is a well-balanced, realistic approach to decentralization of the authority contained in this act with respect to community action agencies. The Director can step in only as the last resort—something which keeps the pressure on State and local governments to continue to deliver social services to the poor—instead of stepping in at the beginning as under present law.

The amendment builds into the act a concept of public responsibility for Community Action programs. It is in some respects a block-grant approach. It should save millions of dollars in unnecessary Federal administrative costs for these programs, thus conserving funds for use for programs for the poor authorized under the proposed act. Eliminating the middleman will help free programs of abuses which have too often characterized them. Very simply Community Action bloc grants keep more money in each State than H.R. 14449, as reported, would, for it eliminates all the vast salary and overhead costs at the Federal level.

I will offer this amendment at the appropriate point in our proceedings tomorrow, and will urge its adoption.

But, why am I offering it?

Mr. Chairman, I arrived at a decision

to offer this amendment after a searching examination of the present program.

A careful examination of the 10-year history of the Economic Opportunity Act—EOA—shows a disparity—often substantial—between what the framers of the act had hoped for and what has actually been accomplished—a disparity between promise and performance.

OEO DID NOT MEET OBJECTIVES OF ITS FRAMERS

All one really has to do is to sit down with the legislative history—the testimony of proponents and the remarks of advocates in the Congress—on one hand, and the many analyses of program accomplishments on the other, and one can easily see that OEO has not had a wide range of program accomplishments.

When some programs have worked and others have not worked under any act, the Congress ought to review carefully both what worked and what did not work—with an eye toward only continuing successful programs. To fund programs which have been unsuccessful is counterproductive; it creates disincentives to success.

The credibility of the Congress as a responsive institution rests on its reflection of the realities with which we, as a nation, must come to grips in the reordering of priorities.

To the degree that the Congress authorizes or funds programs which the people know are less than effective and do not really merit further support with tax dollars, that credibility is eroded.

If the House should pass the bill now before us, as reported by the Committee on Education and Labor, there is much danger of adding weight to the peoples' opinion that the Congress has not been able to institute devices to recognize and reward successful programs by the discontinuance of unsuccessful ones.

It is common knowledge among the vast majority of the people that once Government funds a program, it keeps funding it, whether it works or not.

That Government programing usually fails to develop a mechanism for phasing out failure is generally known. Yet, this phenomenon is what we should be talking about when we discuss these measures.

We owe it to our taxpayers, to ourselves, but most importantly to the intended beneficiaries of these programs, to continue to support only those programs which work.

Such a determination has not been made in the bill now before us, for all the prior programs carried forward with additional authorizations, for additional years, and for additional millions of tax dollars.

It is a matter of record that I opposed the reporting from the Committee on Education and Labor—on which I serve—of the bill in the form before us.

I did not because I oppose the intent of measures to alleviate poverty, but rather because the most effective ways in which to alleviate poverty are not contained in this bill.

WHAT OUGHT WE TO HAVE LEARNED?

It is, therefore, a reasonable question to inquire of me, "What would you do differently?"

I accept that question, for to answer it points the way toward a program which is workable. What is before us is an opportunity for this House to work such a will.

PREMISES AND GOALS FOR ANY NEW PROGRAM

If the Federal Government intends to remain permanently involved in the funding of antipoverty measures, those measures ought to rest upon certain premises with certain goals in mind.

There are limits upon what Government can do. Washington is not the fount of all wisdom—under any administration.

When the bureaucracy and the people differ on what is best for the people, the people are most often right.

The central notion of personal responsibility for personal acts and conditions must be rearticulated through any new legislation in the subject area. There is a profound need for a system of incentives to be incorporated in all such legislation, displacing thereby the many disincentives generated through the past 40 years of Federal social engineering. Our people's traditional respect for work and for those who do work must be rebuilt.

The once-central concept of representative government—that elected officials ought to be held accountable for the expenditure of taxpayers' dollars—has a 20th century corollary, to wit: Administrators of programs ought to be held fully accountable to the public through those specific, elected officials responsible for their appointment.

The responsibilities and functions of the Federal Government in this regard must be redefined, and subsequently reassigned, to those levels of government most capable of dealing accountably with the responsibility or function.

PROGRAMS MUST NOT FRUSTRATE POLICIES

Programs must not frustrate policies. Policies—what ought to be done—and commonly frustrated by programs—how to do it. The standard procedure for the past 40 years has been the implementation of new programs in the social field—no matter how novel or how vast—without testing the workability of the solution proposed and mandated.

Billions have been spent on programs which have either not worked, or have not worked as well as originally perceived, or have generated counter or additional problems.

Both in the private sector and in the physical sciences—even within the public sector—an idea—a proposed solution to a problem—is first tested before massive, uniform implementation is commenced. Simple as it may seem, it is a matter of prudence. But prudence requires patience, and patience is not always the hallmark of the electoral process.

The major focal point for Federal policymakers in this area ought to be the research, demonstration, and evaluation of possible solutions to the poverty problems—focusing thereby on what programs ought to be continued, what programs ought to be discontinued, and what programs ought to be initiated or revised.

CLASS CONSCIOUSNESS SHOULD NOT BE ENCOURAGED

Programs should not be structured in such a way as to encourage class—economic, political, social—interests, to the exclusion of the general, common, and public good.

The funding of any particular interest—as a special interest over and against the general interest—tends, in itself, to promote the very class consciousness which is deplored in a free society. These efforts generate divisiveness at the very time when the mandate to Government is to bring cohesion and national unity to our people.

The politicization of almost every segment of our society is a logical consequence of the funding of interests which promote class consciousness and which seek to engage everyone in a particular segment of our society in direct political action. The attitude becomes, "If we don't get 'ours,' someone else will."

The virtually complete politicization of society invariably leads to internal chaos, for virtually everyone then abandons regard for the public, common good.

WHAT CONSTITUTES THE POVERTY POPULATION

In working with the "poverty population," we are not working—in the main—with a fixed, stable set of people. The premise for the EOA and OEO—to represent the interests of the poor—was one which asserted the notion that the poor were an established, immutable class in our society.

It is not a matter of philosophy, but one of fact, that such a notion is wrong. Only 39 percent of those in the total poverty population in the United States remain there for 3 consecutive years The poverty population is, in reality, a very fluid population, with some coming in for 1 year, and others going out.

An OEO internal study, entitled "A Report on the Dynamic Nature of Poverty," concluded this.

This report was prepared from 3 years of research by the Survey Research Center, University of Michigan, under contract with OEO. The report can be summarized as follows:

While poverty has not been eliminated—it declined from 39 million in 1959 to 24 million by 1969—its nature has changed radically.

Many of the antipoverty policies of the sixties must be rethought and restructured to fight poverty in the seventies.

Of the total poor in 1967, only 58 percent were still poor in 1969. About one-fifth had become near-poor, and another one-fifth had moved out to nonpoor.

Nearly all of the nonpoor in 1967 were still nonpoor in 1969—95.2 percent.

Only 39 percent of all household heads who were associated with poverty for at least one year were poor for three consecutive years.

A greater portion of the poor are moving out of poverty than entering.

The hardcore poor represent only a small—39 percent—of the total poverty population—10.26 million of 24.0 million.

A large proportion of the household heads who were poor for three consecutive years were elderly—about 44 percent of the total hardcore poor.

About 36 percent of the total hardcore poor are nonwhite.

Hardcore poverty among the whites is centered among the elderly, but for nonwhites, it is among those under 65.

Family size has a direct bearing upon the poverty population, particularly for nonwhite households. Forty percent of the white hardcore poor households were comprised of only 1 member, while only 15 percent of the nonwhite households had 1 member.

A large proportion of the hardcore poor are

in broken homes. About 37 percent of the total were widowed; about 17 percent were separated or divorced.

About 60 percent of the household heads between the ages of 22 and 64 had 8 or fewer years of schooling, and only 17 percent were high school graduates.

Of all the hardcore poor household heads who were in the labor force in 1969, 63 percent worked in unskilled, farming, or miscellaneous occupations.

The work experience profile of the hardcore poor is indicative of severe employment problems. It is also evident that low quality jobs along with weak labor force adhesion go hand in hand among the hardcore poor.

Nearly two-thirds of all the male household heads among the hardcore poor worked more than 40 weeks in 1969, but only 8 percent of the female heads did.

The incoming poor is comprised more each year of the female heads and elderly heads, but it is not true that the elderly and female heads were the only groups entering poverty in the late sixties.

Between 1959 and 1969, most of the decline in the poverty population—the escape from poverty—occurred among male headed families.

The outgoing poor is somewhat younger than the incoming. This is especially true for whites who escaped poverty, but not so for nonwhites.

Thirty-two percent of the outgoing poor had a high school education, compared to 20 percent for the incoming poor. Those with a significant amount of education have a greater chance of leaving poverty, but higher education is not a prerequisite for the escape from poverty.

Getting out of poverty is associated with a movement toward *better* jobs—from unskilled laborers, farmers, etc., to blue collar craftsmen and operatives to white collar.

What, Mr. Chairman, might be reasonably concluded from this important report? Several things, each important.

Jobs are an answer, if not the answer, in solving the poverty problem.

The concentration of Government effort ought to be most heavily upon the hardcore poverty population—10.26 million people or thereabout.

If present trends alone continue, poverty will be reduced, unless some redefinition pushes it statistically upward again.

WE SHOULD ATTACK THE LONG-TERM CAUSES OF POVERTY

Most of OEO's existing statutory mandates are antithetical to the very, time-proved methods of getting people most effectively out of poverty.

These programs rest upon the assumptions that government-fostered income redistribution is the most effective means of alleviating poverty; that poverty is more an economic condition than an economic reflection of attitudinal-motivational problems; that poverty ought to be addressed by palliative programs, rather than allowing poverty to remain one of those human conditions one within would try hard to get out of; that work-fare type jobs are demeaning and not to be preferred to social assistance; and that, in short, welfare is a right.

OEO programs rejected outright the marketplace—the best means yet devised by man and his governments to get people out of poverty.

OEO programs often rejected the use of the traditional institutions of Government and the private sector. The very use of the Community Action concept—the creation and use of a private or quasi-public structure cutting across the traditional lines and responsibilities of State and local governments—made that mechanism of limited value from the outset.

Coupled with the way in which many CAA's scared away resource mobilization from the private sector and volunteer agencies, these programs were often self-defeating.

EQUALITY OF OPPORTUNITY SHOULD BE SOUGHT

The ultimate goal of OEO was to obtain equality of economic status among all persons, not to achieve an equality of liberty through which economic opportunity becomes accessible equally to all.

The search for absolute economic equality is one through which individual incentive and motivation is destroyed on one hand and through which dependency on Government subsidy is created on the other. Men can be equally free without being economically uniform, but they cannot be uniform and be free.

The role of antipoverty programs ought to be to foster equality of opportunity, not equality of economic condition, through which equal opportunities would be fostered in such ways that each person can achieve whatever status, or income, or education, or decency, or dignity, or training, or work—or whatever—one felt impelled to do by his own free choice.

ADVOCACY WITH PUBLIC FUNDS QUESTIONED

OEO has improperly been involved in the advocacy of certain ideological, philosophical, and political points of view, an involvement underwritten with tax dollars. It is not inherently wrong for those who wish the poor to have a greater voice in the affairs of the Nation to engage in advocacy. But, it is wrong for the Federal Treasury to underwrite that involvement.

In the words of the noted liberal jurist, Judge Learned Hand, the Federal Treasury must stand "neutral" in the expounding of ideological, philosophical, political, and partisan points of view. Many legal scholars regard such fundings as an actual denial of the constitutional rights of those whose attitudes—in agreement or in disagreement—are not given similar support. And, of no small importance, the funding of direct action by poor people from the Treasury has given them a voice out of balance in the marketplace of ideas with the aspirations of other people who have no such subsidization of their actions—nor should they.

The answer, of course, does not lie in subsidizations of all points of view or all people. It lies in the subsidization of no persons to engage in such actions.

A NEW FORMULA ON WHAT CONSTITUTES POVERTY IS NEEDED

We must come to grips with what constitutes poverty.

As the noted social commentator, Irving Kristol, has observed:

If one defines the poverty line as that which places one-fifth of the nation below it, then one-fifth of the nation will always be below the poverty line.

In other words, the mere definition locks the results into place. No matter how much better things get for those in poverty, a Government definition of poverty keeps them within it—or at least it keeps one out of every five people within it.

We should insist that standards be used which more adequately reflect the necessities of food, clothing, shelter, and medical care, with variables to account for urban-rural differences, capacities to produce nonincome goods, et cetera, also included.

I realize that formulas used today take these matters into consideration, but it seems that every time the percentage of people within the poverty population noticeably declines—that is, it looks like a lot of people are getting out of poverty—the formulas are revised upwardly. This should stop.

NEW STUDY OF NEW YORK CAA'S CONCLUDES THEY HAVE LARGELY FAILED IN MEETING THEIR OBJECTIVES

All the points which I have made today were brought home most graphically by a New York Times article in the Sunday, May 26, edition. That article reports on an extensive study prepared for the State Charter Revision Commission for New York City.

The report concludes that the Community Action program largely has failed to achieve its objectives because of ineffective structure and management.

Because it bears so directly on our debate here today, I include the full text of this informative article:

STATE STUDY SAYS BAD DIRECTION IMPEDES ANTIPOVERTY EFFORT HERE

A study prepared for the temporary State Charter Revision Commission for New York City has concluded that the $40-million Community Action program, a major antipoverty effort, largely has failed to achieve its objectives because of ineffective structure and management.

The study, the latest of a series dealing with aspects of municipal government, was made public yesterday by State Senator Roy M. Goodman, Republican-Liberal of Manhattan and chairman of the commission. He said that the study was intended to stimulate discussion of the problem of combatting poverty but that the conclusions did not necessarily reflect the views of the commission.

Community Action, financed primarily with Federal funds through the Office of Economic Opportunity, attempted to help the poor to help themselves by decentralizing policy control to neighborhood boards and operation units.

THREE HUNDRED THIRTY-THREE AGENCIES FINANCED

The work has been carried out by 26 community corporations in various disadvantaged neighborhoods, supervised by the Council Against Poverty through its administrative arm, the Community Development Agency. In, all 331 independent "delegate agencies" have received money through the program to work with the poor.

The effort faces an uncertain future because the Nixon Administration has phased out the Office of Economic Opportunity and local officials are not sure about the extent to which revenue-sharing money expected to begin flowon July 1 will permit continuance of the program.

The commission's report, prepared by its staff under the direction of Forrest Broman, said the main shortcoming of the program was the fact its agencies were separated intentionally from existing municipal-service agencies.

"Community Action inevitably came to represent a separate constituency and a competing institution for the delivery of services to the poor," the report said. It added that "ethnic and racial dissensions

had plagued the program, disrupting the democratic process of electing leaders from among the poor.

PROBLEM EXISTS ELSEWHERE

The report noted that New York was not the only large city where antipoverty programs had been "prevented from developing as strong and effective institutions."

To aid decentralization, the report recommends that district boundaries not be drawn "on explicit racial or ethnic grounds" and the elections for Community Action posts be conducted by disinterested agencies or, if possible, as part of regular state and municipal elections to assure maximum voter participation.

Mr. Chairman, these observations and recommendations are offered in a spirit of trying to maximize the effectiveness of Federal antipoverty dollars and trying to get decisionmaking onto the level closest to the people. That cannot be done when we subsidize failure, create disincentives to success, and rely upon an elitist, arrogant, and removed bureaucracy in Washington.

I would prefer to see all the factors which I have enumerated in my remarks this afternoon embodied in the legislation before us. I could prepare and offer the most carefully drawn of amendments to accomplish that, but I know they would not be accepted by the majority, because they disagree with the approach which would be embodied in those amendments.

The amendment which I offer tomorrow is a step in the right direction. I realize that it is open to the charge that it does not go far enough, and for some, I suppose, that is true. But the amendment continues in the process begun by this body in 1967 through adoption of the Green amendment. It is, I believe, worthy of the support of all the Members.

Mr. McCLORY. Mr. Chairman, I rise in strong support of the 3-year extension of Project Follow Through contained in title VII, part B, of this legislation. Under this bill, Follow Through will be constituted as a separate authority within the Department of Health, Education, and Welfare; and the program will have an authorization of $60 million per year through fiscal year 1977. Working in tandem with Project Head Start, Follow Through can continue as one of the Federal Government's most effective programs in the national effort to achieve equal educational opportunity.

Mr. Chairman, although I recognize that the administration does not support the extension of the Follow Through program, the Congress has yet to receive any justification to support HEW's recommendation to terminate this program. In fact, all the findings made by the Committee on Education and Labor support the conclusion that Follow Through has been one of the most effective educational programs ever supported by the Federal Government.

Mr. Chairman, I have personally observed the benefits that Project Follow Through has brought to the disadvantaged schoolchildren in this society. The Carman School program in Waukegan, Ill., has been acclaimed as one of the most successful Follow Through projects in the Nation.

Five years ago, many disadvantaged students in the Waukegan area were not learning very much. Reading scores were low and parents were without any real hope. Today, with the help of a successful Follow Through program, these same children are benefiting from a greatly enhanced education experience at the Carman School. Tests now put these students on a par with their peers throughout the school district, and parents are actively involved in school activities with their children.

In brief, Mr. Chairman, I have seen how the commitment of the people of Waukegan in my district, supported by the financial and technical assistance that Follow Through has provided, made the American promise of equal educational opportunity a reality for the highly motivated youth at Carman School.

Mr. Chairman, the Follow Through program has been adequately tested both at Carman School in my district and at schools around the Nation. The program has been very successful in achieving its worthy goals. I urge my colleagues to continue their strong support of Follow Through both today and in the future, so that this program can remain at the forefront of the national effort to attain equal educational opportunity for all of America's schoolchildren.

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

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

The CHAIRMAN. Pursuant to the rule, the Clerk will now read by title the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Community Services Act of 1974".

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STATEMENT OF PURPOSE

SEC. 2. (a) This Act provides for community service programs, together with appropriate powers and responsibilities designed to assist in the development and coordination of such programs. The purpose of this Act is, first of all, to establish within the Department of Health, Education, and Welfare the Community Action Administration (hereinafter referred to as the "Administration"). Second, the purpose is to eliminate the poverty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. It is the purpose of this Act to strengthen, supplement, and coordinate efforts in furtherance of these policies.

(b) It is the sense of the Congress that it is highly desirable to employ the resources of the private sector of the economy of the United States and of State and local governments in all such efforts to further the policy of this Act.

TITLE I—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

STATEMENT OF PURPOSE

SEC. 101. (a) This part provides for community action agencies and programs, prescribes the structure and describes the functions of community action agencies and authorizes financial assistance to community action programs and related projects and activities. Its basic purpose is to stimulate a better focusing of all available local, State, private, and Federal resources upon the goal of enabling low-income families, and low-income individuals of all ages, in rural and urban areas to attain the skills, knowledge, and motivations and secure the opportunities needed for them to become fully self-sufficient. Its specific purposes are to promote, as methods of achieving a better focusing of resources on the goal of individual and family self-sufficiency—

(1) the strengthening of community capabilities for planning and coordinating Federal, State, and other assistance related to the elimination of poverty, so that this assistance, through the efforts of local officials, organizations, and interested and affected citizens, can be made more responsive to local needs and conditions.

(2) the better organization of a range of services related to the needs of the poor, so that these services may be made more effective and efficient in helping families and individuals to overcome particular problems in a way that takes account of, and supports their progress in overcoming, related problems;

(3) the greater use, subject to adequate evaluation, of new types of services and innovative approaches in attacking causes of poverty, so as to develop increasingly effective methods of employing available resources;

(4) the development and implementation of all programs and projects designed to serve the poor or low-income areas with the maximum feasible participation of residents of the areas and members of the groups served, so as to best stimulate and take full advantage of capabilities for self-advancement and assure that those programs and projects are otherwise meaningful to and widely utilized by their intended beneficiaries; and

(5) the broadening of the resource base of programs directed to the elimination of poverty, so as to secure, in addition to the services and assistance of public officials, private religious, charitable, and neighborhood organizations, and individual citizens, a more active role for business, labor, and professional groups able to provide employment opportunities or otherwise influence the quantity and quality of services of concern to the poor.

(b) It is further declared to be the purpose of this part and the policy of the Administration to provide for basic education, health care, vocational training, and employment opportunities in rural America to enable the poor living in rural areas to remain in such areas and become self-sufficient therein. It shall not be the purpose of this title or the policy of the Administration to encourage the rural poor to migrate to urban areas, inasmuch as it is the finding of Congress that continuation of such migration is frequently not in the best interests of the poor and tends to further congest the already overcrowded slums and ghettos of our Nation's cities.

PART A—COMMUNITY ACTION AGENCIES AND PROGRAMS

DESIGNATION OF COMMUNITY ACTION AGENCIES; COMMUNITY ACTION PROGRAMS

SEC. 111. (a) A community action agency shall be a State or political subdivision of a State (having elected or duly appointed governing officials), or a combination of such political subdivisions, or a public or private nonprofit agency or organization which has been designated by a State or such a political subdivision or combination of such subdivisions, which—

(1) has the power and authority and will perform the functions set forth in section 113, including the power to enter into contracts with public and private nonprofit agencies and organizations to assist in fulfilling the purposes of this title, and

(2) is determined to be capable of planning, conducting, administering, and evaluating a community action program and is currently designated as a community action agency by the Director.

A community action program is a community based and operated program—

(1) which includes or is designed to include a sufficient number of projects or components to provide, in sum, a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem;

(2) which has been developed and which organizes and combines its component projects and activities, in a manner appropriate to carry out all the purposes of this part; and

(3) which conforms to such other supplementary criteria as the Director may prescribe consistent with the purposes and provisions of this title.

(b) Components of a community action program may be administered by the community action agency, where consistent with sound and efficient management and applicable law, or by other agencies. They may be projects eligible for assistance under this part, or projects assisted from other public or private sources; and they may be either specially designed to meet local needs, or designed pursuant to the eligibility standards of a State or Federal program providing assistance to a particular kind of activity which will help in meeting those needs.

(c) For the purpose of this title, a community may be a city, county, multicity, or multicounty unit, an Indian reservation, or a neighborhood or other area (irrespective of boundaries or political subdivisions) which provides a suitable organizational base and possesses the commonality of interest needed for a community action program. The Director shall consult with the heads of other Federal agencies responsible for programs relating to work and training programs, physical and economic development housing, education, health, and other community services to encourage the establishment of coterminous or complementary boundaries for planning purposes among those programs and community action programs assisted under this title.

(d) The Director may designate and provide financial assistance to a public or private nonprofit agency as a community action agency in lieu of a community action agency designated under subsection (a) for activities of the kind described in this part where he determines (1) that the community action agency serving the community has failed, after having a reasonable opportunity to do so, to submit a satisfactory plan for a community action program which meets the criteria for approval set forth in this title, or to carry out such plan in a satisfactory manner, or (2) that neither the State nor any qualified political subdivision or combination of such subdivision is willing to be designated as the community action agency for such community or to designate a public or private nonprofit agency or organization to be so designated by the Director.

(e) No political subdivision of a State shall be included in the community action program of a community action agency designated under subsection (a) if the elected or duly appointed governing officials of such political subdivision do not wish to be so included. Such political subdivision, and any public or private nonprofit organization or agency designated by it, shall be eligible for designation as a community action agency on the same basis as other political subdivisions and their designees.

(f) For the purposes of this title, a tribal government of an Indian reservation shall be deemed to be a political subdivision of a State.

(g) In carrying out his responsibilities under this part the Director may delegate to a State, in accordance with criteria and guidelines established by him, such functions as he deems appropriate, except that no such delegation shall take place unless all the community action agencies within such State formally indicate their approval of such proposed delegation.

COMMUNITY ACTION AGENCIES AND BOARDS

SEC. 112. (a) Each community action agency which is a State or a political subdivision of a State or a combination of political subdivisions, shall administer its program through a community action board which shall meet the requirements of subsection (b). Each community action agency which is a public or private nonprofit agency or organization designated by a State or political subdivision of a State, or combination of political subdivisions, or is an agency designated by the Director under section 111(d), shall have a governing board which shall meet the requirements of subsection (b).

(b) Each board to which this subsection applies shall consist of not more than fifty-one members and shall be so constituted that (1) one-third of the members of the board are elected public officials, or their representatives, except that if the number of elected officials reasonably available and willing to serve is less than one-third of the membership of the board, membership on the board of appointive public officials may be counted in meeting such one-third requirement, (2) at least one-third of the members are persons chosen in accordance with democratic selection procedures adequate to assure that they are representative of the poor in the area served, and (3) the remainder of the members are officials or members of business, industry, labor, religious, welfare, education, or other major groups and interests in the community. Each member of the board selected to represent a specific geographic area within a community must reside in the area he represents. No person selected under clause (2) or (3) of this subsection as a member of a board shall serve on such board for more than five consecutive years, or more than a total of ten years.

(c) Where a community action agency places responsibility for major policy determinations with respect to the character, funding, extent, and administration of and budgeting for programs to be carried on in a particular geographic area within the community in a subsidiary board, council, or similar agency, such board, council, or agency shall be broadly representative of such area, subject to regulations of the Director which assure adequate opportunity for membership of elected public officials on such board, council, or agency. Each community action agency shall be encouraged to make use of neighborhood-based organizations composed of residents of the area or members of the groups served to assist such agency in the planning, conduct, and evaluation of components of the community action program.

(d) (1) The Director shall promulgate such standards or rules relating to the scheduling and notice of meetings, quorums (which shall be not less than 50 per centum of the total membership), procedures, establishment of committees, and similar matters as he may deem necessary to assure that boards which are subject to subsection (b) provide a continuing and effective mechanism for securing broad, community involvement in programs assisted under this title and that all groups or elements represented on those boards have a full and fair opportunity to participate in decisions affecting those programs. Such standards or rules shall not preclude any such board from appointing an executive committee or similar group, which fairly reflects the composition of the board, to transact the board's business between its meetings. The quorum requirements for any such committee or group, which shall not be less than 50 percent of the membership, shall be established by the board.

(2) the Director shall require community action agencies to establish procedures under which community agencies and representative groups of the poor which feel themselves inadequately represented on the community action board or governing board may petition for adequate representation.

(e) The powers of every community action agency governing board shall include the power to appoint persons to senior staff positions, to determine major personnel, fiscal and program policies, to approve overall program plans and priorities, and to assure compliance with conditions of and approve proposals for financial assistance under this part.

(f) Each community action board referred to in the first sentence of subsection (a) shall—

(1) have a full opportunity to participate in the development and implementation of all programs and projects designed to serve the poor or low-income areas with maximum feasible participation of residents of the areas and members of the group served, so as to best stimulate and take full advantage of capabilities for self-advancement and assure that those programs and projects are otherwise meaningful to and widely utilized by their intended beneficiaries;

(2) have at least one-third of its members chosen in accordance with democratic selection procedures adequate to assure that they are representative of the poor in the area served;

(3) be so established and organized that the poor and residents of the area concerned will be enabled to influence the character of programs affecting their interests and regularly participate in the planning and implementation of those programs; and

(4) be a continuing and effective mechanism for securing broad community involvement in the programs assisted under this title.

(g) The Director shall insure that no election or other democratic selection procedure conducted pursuant to clause (2) of subsection (b), or pursuant to clause (2) of subsection (f), shall be held on a Sabbath Day which is observed as a day of rest and worship by residents in the area served.

SPECIFIC POWERS AND FUNCTIONS OF COMMUNITY ACTION AGENCIES

SEC. 113. (a) In order to carry out its overall responsibility for planning, coordinating, evaluating, and administering a community action program, a community action agency must have authority under its charter or applicable law to receive and administer funds under this part, funds and contributions from private or local public sources which may be used in support of a community action program, and funds under any Federal or State assistance program pursuant to which a public or private nonprofit agency (as the case may be) organized in accord-

ance with this title could act as grantee, contractor, or sponsor of projcts appropriate for inclusion in a community action program. A community action agency must also be empowered to transfer funds so received, and to delegate powers to other agencies, subject to the powers of its governing board and its overall program responsibilities. This power to transfer funds and delegate powers must include the power to make transfers and delegations covering component projects in all cases where this will contribute to efficiency and effectiveness or otherwise further program objectives.

(b) In exercising its powers and carrying out its overall responsibility for a community action program, a community action agency shall have, subject to the purposes of this title, at least the following functions:

(1) planning systematically for and evaluating the program, including actions to develop information as to the problems and causes of poverty in the community, determine how much and how effectively assistance is being provided to deal with those problems and causes, and establish priorities among projects, activities and areas as needed for the best and most efficient use of resources.

(2) Encouraging agencies engaged in activities related to the community action program to plan for, secure and administer assistance available under this part or from other sources on a common or cooperative basis; providing planning or technical assistance to those agencies; and generally, in cooperation with community agencies and officials, undertaking actions to improve existing efforts to attack poverty, such as improving day-to-day communication, closing service gaps, focusing resources on the most needy, and providing additional opportunities to low-income individuals for regular employment or participation in the programs or activities for which those community agencies and officials are responsible.

(3) Initiating and sponsoring projects responsive to needs of the poor which are not otherwise being met, with particular emphasis on providing central or common services that can be drawn upon by a variety of related programs, developing new approaches or new types of services that can be incorporated into other programs, and filling gaps pending the expansion or modification of those programs.

(4) Establishing effective procedures by which the poor and area residents concerned will be enabled to influence the character of programs affecting their interests providing for their regular participation in the implementation of those programs, and providing technical and other support needed to enable the poor and neighborhood groups to secure on their own behalf available assistance from public and private sources.

(5) Joining with and encouraging business, labor, and other private groups and organizations to undertake, together with public officials and agencies, activities in support of the community action program which will result in the additional use of private resources and capabilities, with a view to such things as developing new employment opportunities, stimulating investment that will have a measurable impact in reducing poverty among residents of areas of concentrated poverty, and providing methods by which residents of those areas can work with private groups, firms, and institutions in seeking solutions to problems of common concern.

ADMINISTRATIVE STANDARDS

SEC. 114. (a) Each community action agency shall observe, and shall (as appropriate) require or encourage other agencies participating in a community action program to observe, standards of organization, management and administration which will assure, so far as reasonably possible, that all program activities are conducted in a manner consistent with the purposes of this title and the objective of providing assistance effectively, efficiently, and free of any taint of partisan political bias or personal or family favoritism. Each community action agency shall establish or adopt rules to carry out this section, which shall include rules to assure full staff accountability in matters governed by law, regulations, or agency policy. Each community action agency shall also provide for reasonable public access to information, including but not limited to public hearings at the request of appropriate community groups and reasonable public access to books and records of the agency or other agencies engaged in program activities or operations involving the use of authority or funds for which it is responsible. And each community action agency shall adopt for itself and other agencies using funds or exercising authority for which it is responsible, rules designed to establish specific standards governing salaries, salary increases, travel and per diem allowances, and other employee benefits; to assure that only persons capable of discharging their duties with competence and integrity are employed and that employees are promoted or advanced under impartial procedures calculated to improve agency performance and effectiveness; to guard against personal or financial conflicts of interests; and to define employee duties of advocacy on behalf of the poor in an appropriate manner which will in any case preclude employees from participating, in connection with the performance of their duties, in any form of picketing, protest, or other direct action which is in violation of law.

(b) The Director shall prescribe rules or regulations to supplement subsection (a), which shall be binding on all agencies carrying on community action program activities with financial assistance under this title. He may, where appropriate, establish special or simplified requirements for smaller agencies or agencies operating in rural areas. These special requirements shall not, however, affect the applicability of rules governing conflicts of interest, use of position or authority for partisan or nonpartisan political purposes or participation in direct action, regardless of customary practices or rules among agencies in the community. The Director shall consult with the heads of other Federal agencies responsible for programs providing assistance to activities which may be included in community action programs for the purpose of securing maximum consistency between rules or regulations prescribed or followed by those agencies and those prescribed under this section.

HOUSING DEVELOPMENT AND SERVICES ORGANIZATIONS

SEC. 115. Each community action agency shall encourage the establishment of housing development and services organizations designed to focus on the housing needs of low-income families and individuals. Such organizations shall provide the technical, administrative, and financial assistance which is required to help low-income families and individuals more effectively to utilize existing programs, and which is required to enable nonprofit, cooperative, and public sponsors more effectively to take advantage of existing Federal, State, and local mortgage insurance and housing assistance programs. Where appropriate, such organizations may be nonprofit housing development corporations. Such corporations may themselves become sponsors of housing under existing programs of specialized housing agencies, but under no circumstances shall such corporations insure mortgages or duplicate the long-term capital financing functions of programs now administered by the specialized housing agencies. Housing development and service organizations shall coordinate their efforts with other community action agency efforts so that any programs undertaken under authority of this section shall be closely related to other community action programs.

PART B—FINANCIAL ASSISTANCE TO COMMUNITY ACTION PROGRAMS AND RELATED ACTIVITIES

GENERAL PROVISIONS FOR FINANCIAL ASSISTANCE

SEC. 121. (a) The Director may provide financial assistance to community action agencies for the planning conduct, administration, and evaluation of community action programs and components. Those components may involve, without limitation, other activities and supporting facilities designed to assist participants including the elderly poor—

(1) to secure and retain meaningful employment;

(2) to attain an adequate education;

(3) to make better use of available income;

(4) to provide and maintain adequate housing and a suitable living environment;

(5) To undertake family planning, consistent with personal and family goals, religious and moral convictions;

(6) to obtain services for the prevention of narcotics addiction, alcoholism, and the rehabilitation of narcotic addicts and alcoholics;

(7) to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and employment-related assistance;

(8) to remove obstacles and solve personal and family problems which block the achievement of self-sufficiency;

(9) to achieve greater participation in the affairs of the community; and

(10) to make more frequent and effective use of other programs related to the purposes of this Act.

He may also provide financial assistance to other public or private nonprofit agencies to aid them in planning for the establishment of a community action agency.

(b) If the Director determines that a limited purpose project or program involving activities otherwise eligible under this section is needed to serve needs of low-income families and individuals in a community and no community action agency has been designated for that community pursuant to section 111, or where a community action agency gives its approval for such a program to be funded directly through a public or private nonprofit agency or organization, he may extend financial assistance for that project or program to a public or private nonprofit agency which he finds is capable of carrying out the project in an efficient and effective manner consistent with the purpose of this title.

(c) The Director shall prescribe necessary rules or regulations governing applications for assistance under this section to assure that every reasonable effort is made by each applicant to secure the views of local public officials and agencies in the community having a direct or substantial interest in the application and to resolve all issues of cooperation and possible duplication prior to its submission.

(d) The Director shall require, as a condition of assistance, that each community action agency has adopted a systematic approach to the achievement of the purposes of this title and to the utilization of funds provided under this part. Such systematic approach shall encompass a planning and implementation process which seeks to identify the problems and causes of poverty in the community, seeks to mobilize and coordinate relevant public and private resources, establishes program priorities, links program components with one another and with other rel-

evant programs, and provides for evaluation. The Director may, however, extend the time for such requirement to take into account the length of time a program has been in operation. He shall also take necessary steps to assure the participation of other Federal agencies in support of the development and implementation of plans under this subsection.

(e) In order to promote local responsibility and initiative, the Director shall not establish binding national priorities on funds authorized by this section, but he shall review each application for financial assistance on its merits. Before extending financial assistance to a new community action agency under this section, and in determining the amount of and conditions on which such assistance shall be extended, the Director shall consider the extent and nature of poverty in the community and the probable capacity of the agency to carry out an effective program. In reviewing or supplementing financial assistance to a previously existing community action agency, he shall consider the progress made in carrying on programs by such agency.

SPECIAL PROGRAMS AND ASSISTANCE

SEC. 122. (a) In order to stimulate actions to meet or deal with particularly critical needs or problems of the poor which are common to a number of communities, the Director may develop and carry on special programs under this section. This authority shall be used only where the Director determines that the objectives sought could not be effectively achieved through the use of authorities under section 121, including assistance to components or projects based on models developed and promulgated by him. It shall also be used only with respect to programs which (A) involve activities which can be incorporated into or be closely coordinated with community action programs, (B) involve significant new combinations of resources or new and innovative approaches, or (C) are structured in a way that will, within the limits of the type of assistance or activities contemplated, most fully and effectively promote the purposes of this part. Subject to such conditions as may be appropriate to assure effective and efficient administration, the Director may provide financial assistance to public or private nonprofit agencies to carry on local projects initiated under such special programs; but he shall do so in a manner that will encourage, wherever feasible, the inclusion of the assisted projects in community action programs, with a view to minimizing possible duplication and promoting efficiencies in the use of common facilities and services, better assisting persons or families having a variety of needs, and otherwise securing from the funds committed the greatest possible impact in promoting family and individual self-sufficiency. Programs under this section shall include those described in the following paragraphs.

(1) A "Legal Services" program to further the cause of justice among persons living in poverty by mobilizing the assistance of lawyers and legal institutions and by providing legal advice, legal representation, legal counseling, education in legal matters, and other appropriate legal services. Projects involving legal advice and representation shall be carried on in a way that assures maintenance of a lawyer-client relationship consistent with the best standards of the legal profession. The Director shall make arrangements under which the State bar association and the principal local bar associations in the community to be served by any proposed project authorized by this paragraph shall be consulted and afforded an adequate opportunity to submit, to the Director, comments and recommendations on the proposed project before such project is approved or funded, and to submit, to the Director comments and recommendations on the operations to such project, if approved and funded. No funds or personnel made available for such program (whether conducted pursuant to this section or any other section in this part) shall be utilized for the defense of any person indicted (or proceeded against by information) for the commission of a crime, except in extraordinary circumstances where, after consultation with the court having jurisdiction, the Director has determined that adequate legal assistance will not be available for an indigent defendant unless such services are made available. Members of the Armed Forces, and members of their immediate families, shall be eligible to obtain legal services under such programs in cases of extreme hardship (determined in accordance with regulations of the Director issued after consultation with the Secretary of Defense: *Provided*, That nothing in this sentence shall be so construed as to require the Director to expand or enlarge existing programs or to initiate new programs in order to carry out the provisions of this sentence unless and until the Secretary of Defense assumes the cost of such services and has reached agreement with the Director on reimbursement for all such additional costs as may be incurred in carrying out the provisions of this sentence.

(2) A program to be known as "Community Food and Nutrition Program" designed to provide on an emergency basis, directly or by delegation of authority pursuant to the provisions of title VI of this Act, financial assistance for the provision of such supplies and services, nutritional foodstuffs, and related services, as may be necessary to counteract conditions of starvation or malnutrition among the poor. Such assistance may be provided by way of supplement to such other assistance as may be extended under the provisions of other Federal programs, and may be used to extend and broaden such programs to serve economically disadvantaged individuals and families where such services are not now provided and without regard to the requirements of such laws for local or State administration or financial participation. In extending such assistance, the Director may make grants to community action agencies or local public or private nonprofit organizations or agencies to carry out the purposes of this paragraph. The Director is authorized to carry out the functions under this paragraph through the Secretary of Agriculture in a manner that will insure the availability of such supplies and services, nutritional foodstuffs, and related services through a community action agency where feasible, or other agencies or organizations if no such agency exists or is able to administer programs to provide such foodstuffs, services, and supplies to needy individuals and families.

(3) An "Environmental Action" program through which low-income persons will be paid for work (which would not otherwise be performed) on projects designed to combat pollution or to improve the environment. Projects may include, without limitation: cleanup and sanitation activities, including solid waste removal; reclamation and rehabilitation of eroded or ecologically damaged areas, including areas affected by strip mining; conservation and beautification activities, including tree planting and recreation area development; the restoration and maintenance of environment; and the improvement of the quality of life in urban and rural areas.

(4) A program to be known as "Rural Housing Development and Rehabilitation" designed to assist low-income families in rural areas to construct and acquire ownership of adequate housing, to rehabilitate or repair existing substandard units in such areas, and to otherwise assist families in obtaining standard housing. Financial assistance under this paragraph shall be provided to nonprofit rural housing development corporations and cooperatives serving areas which are defined by the Farmers Home Administration as rural areas, and shall be used for, but not limited to, such purposes as administrative expenses; revolving development funds; nonrevolving land, land development and construction write-downs; rehabilitation or repair of substandard housing; and loans to low-income families. In the construction, rehabilitation, and repair of housing for low-income families under this paragraph, the services of persons enrolled in Mainstream programs may be utilized. Loans under this paragraph may be used for, but limited to, such purposes as the purchase of new housing units, the repair, rehabilitation and purchase of existing units, and to supplement existing Federal loan programs in order that low-income families may benefit from them. The repayment period of such loans shall not exceed thirty-three years. No loans under this paragraph shall bear an interest rate of less than 1 per centum per annum, but if the Director, after having examined the family income of the applicant, the projected housing costs of the applicant, and such other factors as he deems appropriate, determines that the applicant would otherwise be unable to participate in this program, he may waive the interest in whole or in part and for such periods of time as he may establish except that (1) no such waiver may be granted to an applicant whose adjusted family income (as defined by the Farmers Home Administration) is in excess of $3,700 per annum and (2) any applicant for whom such a waiver is provided shall be required to commit at least 20 per centum of his adjusted family income toward the mortgage debt service and other housing costs. Family incomes shall be recertified annually, and monthly payments for all loans under this paragraph adjusted accordingly.

(5) A program to be known as "Senior Opportunities and Services" designed to identify and meet the needs of older, poor persons above the age of sixty in one or more of the following areas: development and provision of new employment and volunteer services; effective referral to existing health, welfare, employment, housing, legal, consumer, transportation, education, and recreational and other services; stimulation and creation of additional services and programs to remedy gaps and deficiencies in presently existing services and programs; modification of existing procedures, eligibility requirements and program structures to facilitate the greater use of, and participation in, public services by the older poor; development of all-season recreation and service centers controlled by older persons themselves, and such other activities and services as the Director may determine are necessary or specially appropriate to meet the needs of the older poor and to assure them greater self-sufficiency. In administering this program the Director shall utilize to the maximum extent feasible the services of the Administration of Aging.

RESIDENT EMPLOYMENT

SEC. 123. In the conduct of all component programs under this title, residents of the area and members of the groups served shall be provided maximum employment opportunity, including opportunity for further occupational training and career advancement. The Director shall encourage the employment of persons fifty-five years and older as regular, part-time and short-term staff in component programs.

NEIGHBORHOOD CENTERS

SEC. 124. The Director shall encourage the development of neighborhood centers, designed to promote the effectiveness of needed services in such fields as health, education, manpower, consumer protection, child

and economic development, housing, legal, recreation, and social services, and so organized (through a corporate or other appropriate framework) as to promote maximum participation of neighborhood residents in center planning, policymaking, administration, and operation. In addition to providing such services as may not otherwise be conveniently or readily available, such centers shall be responsive to such neighborhood needs, such as counseling, referral, follow-through, and community development activities, as may be necessary or appropriate to best assure a system under which existing programs are extended to the most disadvantaged, or linked to one another, are responsible and relevant to the range of community, family, and individual problems and are fully adapted to neighborhood needs and conditions.

ALLOTMENT OF FUNDS: LIMITATIONS ON ASSISTANCE

SEC. 125. (a) Of the sums which are appropriated or allocated for assistance in the development and implementation of community action programs pursuant to section 121, and for special program projects referred to in section 122(a), and which are not subject to any other provision governing allotment or distribution, the Director shall allot not more than 2 per centum among Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands, according to their respective needs. He shall also reserve not more than 20 per centum of those sums for allotment in accordance with such criteria and procedures as he may prescribe. The remainder shall be allotted among the States, in accordance with the latest available data, so that equal proportions are distributed on the basis of (1) the relative number of public assistance recipients in each State as compared to all States, (2) the average number of unemployed persons in each State as compared to all States, and (3) the relative number of related children living with families below the poverty level in each State as compared with all other States. For the purposes of this section the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census except that the per centum figure used to determine the allotment under this clause for any State shall not be reduced by more than half a per centum of the per centum of the total allotments to all States under this clause, which equals the per centum of the total allotments to all States received by such State for the fiscal year ending June 30, 1974, under section 225(a) of the Economic Opportunity Act. Retention of such per centum for such State in any fiscal year in which such per centum otherwise would be reduced by more than half a per centum shall be achieved by proportionately reducing the per centums of the remaining States, but with such adjustments as may be necessary to prevent the per centums of such remaining States from being thereby reduced by more than half a per centum of the per centums of such remaining States for the fiscal year ending June 30, 1974, under section 225(a) of such Act. That part of any State's allotment which the Director determines will not be needed may be reallotted at such dates during the fiscal year as the Director may fix, in proportion to the original allotments, but with appropriate adjustments to assure that any amount so made available to any State in excess of its needs is similarly reallotted among the other States.

(b) The Director may provide for the separate allotment of funds for any special program referred to in section 122(a). This allotment may be made in accordance with the criteria prescribed in subsection (a), or it may be made in accordance with other criteria which he determines will assure an equitable distribution of funds reflecting the relative incidence in each State of the needs or problems at which the program is directed, except that in no event may more than 12½ per centum of the funds for any one program be used in any one State.

(c) Unless otherwise provided in this title, financial assistance extended to a community action agency or other agency pursuant to sections 121 and 122(a), for the period ending June 30, 1975, shall not exceed 80 per centum of the approved cost of the assisted programs or activities. For the succeeding period ending June 30, 1976, such financial assistance shall not exceed 70 per centum of such costs and thereafter shall not exceed 60 per centum of such costs. However, the Director may approve assistance in excess of such percentages if he determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this title. The Director shall not require non-Federal contributions in excess of 20 per centum in fiscal year 1975, 30 per centum in fiscal year 1976, and 40 per centum in fiscal year 1977 of the approved cost of programs or activities assisted under this Act. In addition, for the periods ending June 30, 1976, and June 30, 1977, the Director may approve assistance in excess of such percentages upon evidence that the aggregate of all non-Federal contributions by agencies within a State for grants made pursuant to sections 121 and 122(a) as a percentage of the aggregate of all funds granted to such agencies in such State pursuant to such sections meets the percentage requirements of this subsection. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, or services.

(d) No program shall be approved for assistance under sections 121 and 122(a) unless the Director satisfies himself (1) that the services to be provided under such program will be in addition to, and not in substitution for, services previously provided without Federal assistance, and (2) that funds or other resources devoted to programs designed to meet the needs of the poor within the community will not be diminished in order to provide any contributions required under subsection (c). The requirement imposed by the preceding sentence shall be subject to such regulations as the Director may adopt and promulgate establishing objective criteria for determinations covering situations where a strict application of that requirement would result in unnecessary hardship or otherwise be inconsistent with the purposes sought to be achieved.

DESIGN AND PLANNING ASSISTANCE PROGRAMS

SEC. 126. (a) The Director shall make grants or enter into contracts to provide financial assistance for the operating expenses of programs conducted by community-based design and planning organizations to provide technical assistance and professional architectural and related services relating to housing, neighborhood facilities, transportation and other aspects of community planning and development to persons and community organizations or groups not otherwise able to afford such assistance. Such programs shall be conducted with maximum use of the voluntary services of professional and community personnel. In providing assistance under this section, the Director shall afford priority to persons in urban or rural poverty areas with substandard housing, substandard public service facilities, and generally blighted conditions. Design and planning services to be provided by such organization shall include—

(1) comprehensive community or area planning and development;

(2) specific projects for the priority planning and development needs of the community; and

(3) educational programs directed to local residents emphasizing their role in the planning and development process in the community.

(b) No assistance may be provided under this section unless such design and planning organization—

(1) is a nonprofit organization located in the neighborhood or area to be served with a majority of the governing body of such organization comprised of residents of that neighborhood or area;

(2) has as a primary function the goal of bringing about, through the involvement of the appropriate community action agency or otherwise, maximum possible participation of local residents, especially low-income residents, in the planning and decisionmaking regarding the development of their community; and

(3) will carry out its design and planning services principally through the voluntary participation of professional and community personnel (including, where available, VISTA volunteers).

(c) Design and planning organizations receiving assistance under this section shall not subcontract with any profitmaking organization or pay fees for architectural professional services.

YOUTH RECREATION AND SPORTS PROGRAM

SEC. 127. (a) In order to provide to disadvantaged youth recreation and physical fitness instruction and competition with high-quality facilities and supervision and related educational and counseling services (including instruction concerning study practices, career opportunities, job responsibilities, health and nutrition, and drug abuse education) through regular association with college instructors and athletes and exposure to college and university campuses and other recreational facilities, the Director shall make grants or enter into contracts for conduct of an annual youth recreation and sports program concentrated in the summer months and with continued activities throughout the year, so as to offer disadvantaged youth living in areas of rural and urban poverty an opportunity to receive such recreation and educational instruction, information, and services and to participate in such physical fitness programs and sports competitions.

(b) No assistance may be provided under this section unless satisfactory assurances are received that (1) not less than 90 per centum of the youths participating in each program to be assisted under this section are from families with incomes below the poverty level as determined by the Director, and that such participating youths and other neighborhood residents through the involvement of the appropriate community action agency or otherwise, will have maximum participation in program planning and operation and (2) all significant segments of the low-income population of the community to be served will be served on an equitable basis in terms of participating youths and instructional and other support personnel.

(c) Programs under this section shall be administered by the Director through grants or contracts with any qualified organization of colleges and universities or such other qualified nonprofit organizations active in the field with access to appropriate recreational facilities as the Director shall determine in accordance with regulations which he shall prescribe. Each such grant or contract and subcontract with participating institutions of higher education or other qualified organizations active in the field shall contain provisions to assure that the program to be assisted will provide a non-Federal contribution (in cash or in kind) of no less than 20 per centum of the direct costs necessary to carry out the program. Each such grant, contract, or subcontract shall include provisions for—

(1) providing opportunities for disadvantaged youth to engage in competitive sports and receive sports skills and physical fitness instruction and education in good health and nutrition practices;

(2) providing such youth with instruction and information regarding study practices, career opportunities, job responsibilities, and drug abuse;

(3) carrying out continuing related activities throughout the year;

(4) meeting the requirements of subsection (b) of this section;

(5) enabling the contractor and institutions of higher education or other qualified organizations active in the field located conveniently to such areas of poverty and the students and personnel of such institutions or organizations active in the field to participate more fully in the community life and in solutions of community problems; and

(6) serving metropolitan centers of the United States and rural areas, within the limits of program resources.

CONSUMER ACTION AND COOPERATIVE PROGRAMS

SEC. 128. (a) The Director shall make grants or enter into contracts to provide financial assistance for the development, technical assistance to and conduct of consumer action and advocacy and cooperative programs, credit resources development programs, and consumer protection and education programs designed to demonstrate various techniques and models and to carry out projects to assist and provide technical assistance to low-income persons to try to improve the quality, improve the delivery, and lower the price of goods and services, to obtain, without undue delay or burden, financial credit at reasonable cost, and to develop means of enforcing consumer rights, developing consumer grievance procedures and presenting consumer grievances, submitting consumer views and concerns for protection against unfair, deceptive, or discriminatory trade and commercial practices and educating low-income persons with respect to such rights, procedures, grievances, views and concern.

(b) No assistance may be provided under this section unless the grantee or contracting organization or agency is a nonprofit organization and has as a primary function the goal of bringing about, through the involvement of the appropriate community action agency or otherwise, maximum possible participation of low-income persons in the project.

PART C—SUPPLEMENT PROGRAMS AND ACTIVITIES

TECHNICAL ASSISTANCE AND TRAINING

SEC. 131. The Director may provide, directly or through grants or other arrangements, (1) technical assistance to communities in developing, conducting, and administering programs under this part, and (2) training for specialized or other personnel which is needed in connection with those programs or which otherwise pertains to the purposes of this title. Upon request of an agency receiving financial assistance under this title, the Director may make special assignments of personnel to the agency to assist and advise it in the performance of functions related to the assisted activity; but no such special assignment shall be for a period of more than two years in the case of any agency.

STATE AGENCY ASSISTANCE

SEC. 132. (a) The Director may provide financial assistance to State agencies designated in accordance with State law, to enable those agencies—

(1) to provide technical assistance to communities and local agencies in developing and carrying out programs under this title;

(2) to assist in coordinating State activities related to this title;

(3) to advise and assist the Director in developing procedures and programs to promote the participation of States and State agencies in programs under this title; and

(4) to advise and assist the Director and the heads of other Federal agencies, in identifying problems posed by Federal statutory or administrative requirements that operate to impede State level coordination of programs related to this title, and in developing methods or recommendations for overcoming those problems.

(b) In any grants or contracts with State agencies, the Director shall give preference to programs or activities which are administered or coordinated by the agencies designated pursuant to subsection (a), or which have been developed and will be carried on with the assistance of those agencies.

(c) In order to promote coordination in the use of funds under this Act and funds provided or granted by State agencies, the Director may enter into agreements with States or State agencies pursuant to which they will act as agents of the United States for purposes of providing financial assistance to community action agencies or other local agencies in connection with specific projects or programs involving the common or joint use of State funds and funds under this title.

(d) If any member of a board to which section 112(b) is applicable files an allegation with the Director that an agency receiving assistance under this section is not observing any requirement of this Act, or any regulation, rule, or guideline promulgated by the Director under this Act, the Director shall promptly investigate such allegation and shall consider it; and, if after such investigation and consideration he finds reasonable cause to believe that the allegations are true, he shall hold a hearing, upon the conclusion of which he shall notify all interested persons of his findings. If he finds that the allegations are true, and that, after being afforded a reasonable opportunity to do so, the agency has failed to make appropriate corrections, he shall forthwith terminate further assistance under this part to such agency until he has received assurances satisfactory to him that further violations will not occur.

SPECIAL ASSISTANCE

SEC. 133. The Director may provide financial assistance for projects conducted by public or private nonprofit agencies which are designed to serve groups of low-income individuals who are not being effectively served by other programs under this title. In administering this section, the Director shall give special consideration to programs designed to assist older persons and other low-income individuals who do not reside in low-income areas and who are not being effectively served by other programs under this title.

PART D—GENERAL AND TECHNICAL PROVISIONS

RURAL AREAS

SEC. 141. (a) In exercising authority under this title, the Director shall take necessary steps to further the extension of benefits to residents of rural areas, consistent with the extent and severity of poverty among rural residents, and to encourage high levels of managerial and technical competence in programs undertaken in rural areas. These steps shall include, to the maximum extent practicable, (1) the development under section 122(a) of programs particularly responsive to special needs of rural areas; (2) the establishment, pursuant to section 521, of a program of research and pilot project activities specifically focused upon the problems of rural poverty; (3) the provision of technical assistance so as to afford a priority of agencies in rural communities and to aid those agencies, through such arrangements as may be appropriate, in securing assistance under Federal programs which are related to this title but which are not generally utilized in rural areas; and (4) the development of special or simplified procedures, forms, guidelines, model components, and model programs for use in rural areas.

(b) The Director shall establish criteria designed to achieve an equitable distribution of assistance under this Act within the States between urban and rural areas. In developing such criteria, he shall consider the relative number in the States or areas therein of: (1) low-income families, particularly those with children; (2) unemployed persons; (3) persons receiving cash or other assistance on a needs basis from public agencies or private organizations; (4) school dropouts; (5) adults with less than an eighth-grade education; (6) persons rejected for military service; and (7) poor persons living in urban places compared to the number living in rural places as determined by the latest reports of the Bureau of the Census.

(c) Notwithstanding any other provision of this title, the Director is authorized to provide finanacial assistance in rural areas to public or private nonprofit agencies for any project for which assistance to community action agencies is authorized, if he determines that it is not feasible to establish a community action agency within a reasonable period of time. The assistance so granted shall be subject to such conditions as the Director deems appropriate to promote adherence to the purposes of this Act and the early establishment of a community action agency in the area.

(d) The Director shall encourage the development of programs for the interchange of personnel, for the undertaking of common or related projects, and other methods of cooperation between urban and rural communities, with particular emphasis on fostering cooperation in situations where it may contribute to new employment opportunities and between larger urban communities with concentrations of low-income persons and families and rural areas in which substantial numbers of those persons and families have recently resided.

SUBMISSION OF PLANS TO GOVERNORS

SEC. 142. In carrying out the provisions of this title, no contract, agreement, grant, loan, or other assistance shall be made with, or provided to, any State or local public agency or any private institution or organization for the purpose of carrying out any program, project, or other activity within a State unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by the Governor within thirty days of such submission, or, if so disapproved, has been reconsidered by the Director and found by him to be fully consistent with the provisions and in furtherance of the purposes of this title. Funds to cover the costs of the proposed contract, agreement, grant, loan, or other assistance shall be obligated from the appropriation which is current at the time the plan is submitted to the Governor. This section shall not, however, apply to contracts, agreements, grants, loans, or other assistance to any institution of higher education in existence on the date of the approval of this Act.

FISCAL RESPONSIBILITY AND AUDIT

SEC. 143. (a) No funds shall be released to any agency receiving financial assistance under this title until it has submitted to the Director a statement certifying that the assisted agency and its delegate agencies (or subcontractors for performance of any major portion of the assisted program) have established an accounting system with internal controls adequate to safeguard their assets, check the accuracy and reliability of the ac-

counting data, promote operating efficiency and encourage compliance with prescribed management policies and such additional fiscal responsibility and accounting requirements as the Director may establish. The statement may be furnished by a certified public accountant, a duly licensed public accountant or, in the case of a public agency, the appropriate public financial officer who accepts responsibility for providing required financial services to that agency.

(b) Within three months after the effective date of a grant to or contract of assistance with an organization or agency, the Director shall make or cause to be made a preliminary audit survey to review and evaluate the adequacy of the accounting system and internal controls established thereunder to meet the standards set forth in the statement referred to in subsection (a). Promptly after the completion of the survey, the Director shall determine on the basis of findings and conclusions resulting from the survey whether the accounting systems and internal controls meet those standards and, if not, whether to suspend the grant or contract. In the event of suspension, the assisted agency shall be given not more than six months within which to establish the necessary system and controls, and, in the event of failure to do so within such time period, the assistance shall be terminated by the Director.

(c) At least once annually the Director shall make or cause to be made an audit of each grant or contract of assistance under this title. Promptly after the completion of such audit, he shall determine on the basis of resulting findings and conclusions whether any of the costs of expenditures incurred shall be disallowed. In the event of disallowance, the Director may seek recovery of the sums involved by appropriate means, including court action or a commensurate increase in the required non-Federal share of the costs of any grant or contract with the same agency or organization which is then in effect or which is entered into within twelve months after the date of disallowance.

(d) The Director shall establish such other requirements and take such actions as he may deem necessary and appropriate to carry out the provisions of this section and to insure fiscal responsibility and accountability, and the effective and efficient handling of funds in connection with programs assisted under this title. These requirements and actions shall include (1) necessary action to assure that the rate of expenditure of any agency receiving financial assistance does not exceed the rate contemplated under its approved program; and (2) appropriate requirements to promote the continuity and coordination of all projects or components of programs receiving financial assistance under this title, including provision for the periodic reprograming and supplemention of assistance previously provided.

SPECIAL LIMITATIONS

SEC. 144. The following special limitations shall apply, as indicated, to programs under this title.

(1) Financial assistance under this title may include funds to provide a reasonable allowance for attendance at meetings of any community action agency governing board, neighborhood council or committee, as appropriate to assure and encourage the maximum feasible participation of members of groups and residents of areas served in accordance with the purposes of this title, and to provide reimbursement of actual expenses connected with those meetings; but those funds (or matching non-Federal funds) may not be used to pay allowances in the case of any individual who is a Federal, State, or local government employee, or an employee of a community action agency, or for payment of an allowance to any individual for attendance at more than two meetings a month.

(2) The Director shall issue necessary rules or regulations to assure that no employee engaged in carrying out community action program activities receiving financial assistance under this title is compensated from funds so provided at a rate in excess of $15,000 per annum, and that any amount paid to such an employee at a rate in excess of $15,000 per annum shall not be considered in determining whether the non-Federal contributions requirements of section 125(c) have been complied with; the Director may, however, provide in those rules or regulations for exceptions covering cases (particularly in large metropolitan areas) where, because of the need for specialized or professional skills or prevailing local salary levels, application of the foregoing restriction would greatly impair program effectiveness or otherwise be inconsistent with the purposes sought to be achieved.

(3) No officer or employee of the Agency shall serve as member of a board, council, or committee of any agency serving as grantee, contractor, or delegate agency in connection with a program receiving financial assistance under this title; but this shall not prohibit an officer or employee from serving on a board, council, or committee which does not have any authority or powers in connection with a program assisted under this title.

(4) In granting financial assistance for projects or activities in the field of family planning, the Director shall assure that family planning services, including the dissemination of family planning information and medical assistance and supplies, are made available to all low-income individuals who meet the criteria for eligibility for assistance under this title which have been established by the assisted agency and who desire such information, assistance, or supplies. The Director shall require, in connection with any such financial assistance, that—

(A) no individual will be provided with any information, medical supervision, or supples which that individual indicates are inconsistent with his or her moral, philosophical, or religious beliefs; and

(B) no individual will be provided with any medical supervision or supplies unless he or she has voluntarily requested such medical supervision or supplies.

The use of family planning services assisted under this title shall not be a prerequisite to the receipts of services from or participation in any other programs under this Act.

(5) No financial assistance shall be extended under this title to provide general aid to elementary or secondary education in any school or school system; but this shall not prohibit the provision of special, remedial, and other noncurricular educational assistance.

(6) In extending assistance under this title the Director shall give special consideration to programs which make maximum use of existing schools, community centers, settlement houses, and other facilities during times they are not in use for their primary purpose.

(7) No financial assistance shall be extended under this title in any case in which the Director determines that the costs of developing and administering all of the programs assisted under this Act carried on by or under the supervision of any community action agency exceed 15 per centum of the total costs, including non-Federal contributions to such costs, of such programs. The Director, after consultation with the Director of the Bureau of the Budget, shall establish by regulation, criteria for determining (i) the costs of developing and administering such programs, and (ii) the total costs of such programs. In any case in which the Director determines that the cost of administering such programs does not exceed 15 per centum of such total costs but is, in his judgment, excessive, he shall forthwith require such community action agency to take such steps prescribed by him as will eliminate such excessive administrative cost, including the sharing by one or more such community action agencies of a common director and other administrative personnel. The Director may waive the limitation prescribed by this paragraph for specific periods of time not to exceed six months whenever he determines that such a waiver is necessary in order to carry out the purposes of this title.

(8) Consistent with the provisions of this Act, the Director shall assure that financial assistance under this title will be distributed on an equitable basis in any community and within any State so that all significant segments of the low-income population are being served.

INCENTIVE GRANTS

SEC. 145. (a) The Director may provide financial assistance from funds appropriated to carry out this section to community action agencies or public or private nonprofit agencies designated under section 111 for programs authorized under this title, and to State economic opportunity offices for programs and activities authorized under section 132(a). Financial assistance extended to a community action agency or other agency pursuant to this section may be used for new programs or to supplement existing programs and shall not exceed 50 per centum of the cost of such new or supplemental programs.

(b) Matching local and State funds supplied under this section shall be in cash and shall represent State and local initiatives newly obligated within the previous year to the purposes of the grant-supported activity; and no program shall be approved for assistance under this section unless the Director satisfies himself (1) that the activities to be carried out under such program will be in addition to, and not in substitution for, activities previously carried on without Federal assistance, (2) that funds or other resources devoted to programs designed to meet the needs of the poor within the community, area, or State will not be diminished in order to provide the contributions required under this section. The requirement imposed by the preceding sentence shall be subject to such regulations as the Secretary may adopt and promulgate establishing objective criteria for determinations covering situations where a strict application of that requirement would result in unnecessary hardship or otherwise be inconsistent with the purpose sought to be achieved.

Mr. HAWKINS (during the reading). Mr. Chairman, I ask unanimous consent that all of title I through line 18, page 227, 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 California?

Mr. QUIE. Mr. Chairman, reserving the right to object, is it the purpose of the gentleman from California that then the Committee will rise?

Mr. HAWKINS. Mr. Chairman, I will make a second motion that the Committee do rise.

Mr. QUIE. And then the situation will be that when we return to this legislation tomorrow, it will be that any amendment to title I will be in order? Is that correct?

The CHAIRMAN. That is correct.

Mr. QUIE. Mr. Chairman, I withdraw my reservation of objection.

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

There was no objection.

Mr. HAWKINS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITE Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 14449) to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs, had come to no resolution thereon.

GENERAL LEAVE

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the bill under consideration.

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

There was no objection.

PERSONAL EXPLANATION

Mr. GROSS. Mr. Speaker, on the quorum call that was vacated this afternoon, I was present and recorded my presence. I asked that the RECORD so state.

TRIBUTE TO STEWART ALSOP

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

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise to advise the House of the death of one of America's most renowned authors and columnists—Stewart Alsop.

His writing on national and international affairs was always thoughtful and incisive. I think he reached the zenith of this power as a columnist with his weekly column in Newsweek which I always turned to first upon picking up that magazine.

As an author and columnist Stewart Alsop was noted for his intellectual courage.

Courage was probably his outstanding characteristic whether in wartime or in facing death as he described in "Stay of Execution."

America has lost an inspiring citizen. To his wife and children I extend my deepest sympathy.

I ask unanimous consent to include the article on Stewart Alsop in yesterday's Washington Post.

[From The Washington Post, May 27, 1974]

STEWART ALSOP, NOTED AUTHOR, EDITOR AND COLUMNIST, DIES

(By Kenneth Crawford)

Stewart Alsop, who died yesterday at 60, had been one of the most respected members of the Washington press corps for the past quarter-century.

His intepretations of national and international affairs were original, distinctive and unpredictable. None of the categorical labels fastened upon most of his contemporaries—"liberal," "conservative," internationalist," "isolationist," "hawk" or "dove"—ever quite fitted him.

Folowing his discharge from the armed services in 1945, Mr. Alsop joined his brother, Joseph, and together they wrote a widely syndicated Washington column entitled "Matter of Fact." Their collaboration endured for 13 years, producing in addition to their newspaper columns many magazine articles, several journalistic prizes and frequent full-length articles. The partnership was dissolved in 1958 and Joseph alone carried on the column.

Preferring magazine writing to newspaper syndication, Stewart joined the Saturday Evening Post as national affairs editor. Later he became the Post's Washington editor, contributing a one-page commentary for every issue and frequent full-length articles.

He joined Newsweek six months before The Saturday Evening Post suspended publication in 1968. His page soon became one of Newsweeks's most read and quoted features.

Mr. Alsop thought of himself as a reporter, primarily. His writing was never rewriting from previously published material. The continuity of his access to leaders and insiders, through Republican and Democratic administrations alike, was uninterrupted. He was liked even by those who disliked what he wrote. By his own account, he outraged conservatives and liberals by turn and felt that this was his function as an analytical reporter.

He traveled extensively both in this country and abroad, interviewing at one time or another most of the great decision-makers of his time.

In the 1972 presidential campaign, he maintained communication with all the candidates and with such influential non-candidates as Sen. Edward Kennedy and Henry Kissinger. In the preconvention months, he sampled conditions and opinion in urban ghettos and even in the havens of draft dodgers and deserters in Canada. He also reported on travels to Britain, France, Egypt, Israel, Czechoslovakia and Vietnam.

An article he once wrote about President John F. Kennedy's thinking in a crisis situation had the benefit of editing by the President himself. From President Franklin D. Roosevelt, his distant blood relation, through President Richard Nixon, Mr. Alsop enjoyed more or less friendly relations with the White House. However, politicians at one point accused the Alsop brothers of peddling "gloom and doom."

Although he eschewed literary pretentions, he was an inventive writer and phrasemaker. He was first to use such shortcut political descriptive terms as "hawk" and "dove," "egghead," "Irish Mafia" and "eyeball-to-eyeball." He was effective with the spare prose required by journalistic space limitations.

Mr. Alsop was born on the 640-acre Alsop family tobacco and dairy farm at Avon, Conn., the third of four children, the eldest Joseph, the Washington columnist, the second Corinne now Mrs. Percy Chubb of Chester, N.J., and the youngest John, of Avon, Conn., an insurance executive and unsuccessful Republican candidate for governor of Connecticut in 1962.

Asthmatic as a child, Stewart was tutored by his mother and by Agnes Guthrie, a Scottish governess who was a fixture in the Alsop household for more than 50 years, until he was nine years old. He then attended Kingswood School in Hartford until ready for Groton, where he spent five years preparing for Yale.

In later years, Mr. Alsop recalled his "sentence" at Groton ruefully but gratefully. He said it had been perfect training for his later stint in the British army. It accustomed him, he explained, to a barracks-room atmosphere, strict discipline and bad food. Like his brother, Joseph, before him he was an editor of "The Grotonian," a school publication. He and Joseph later twitted their brother, John, for becoming editor-in-chief, which they said, was like being a collaborator in a prison camp.

Yale for Stewart represented a break with family traditions, which designated Harvard as the inevitable college choice. Both his brothers followed the footsteps of forebears several generations back to the Harvard Yard.

Mr. Alsop's career at Yale was relatively uneventful until his senior year, when he won a literary prize—$110 awarded in $10 bills. A party he gave to celebrate this achievement and to divest himself of some of the prize money was raided by campus police, who might have been placated by Mr. Alsop's explanations except that one of his exuberant guests walloped one of the guardians of campus tranquility.

Called in by the dean, Mr. Alsop confessed his responsibility for the party and asked whether he was to be "expulsed." As Mr. Alsop recalled the conversation years later, the dean exploded, "Expulsed? What kind of usage is that for the winner of a literary prize? You are expelled—e-x-p-e-l-l-e-d." Yale relented, however, after reviewing Mr. Alsops' academic record and graduated him with his class in 1936.

He then joined his cousin, Theodore Roosevelt III, son of President Theodore Roosevelt and brother of Alice Roosevelt Longworth, at Doubleday, working as a book editor. But in 1941, with the war coming on, Mr. Alsop enlisted in the Navy, where he served one day before medical examiners decided that his asthma disqualified him. Later drafted, he was told that asthma and high blood pressure would make him acceptable for limited service only.

He then decided to try the British army and made application at the Washington Embassy. He confessed that he had been rejected by American services. After looking over his credentials, the British officers who interviewed him asked: "Can you see properly?" Mr. Alsop said he could and that was enough. He shipped out from Halifax with a contingent of fellow recruits early in 1942 for service in the 60th King's Royal Rifle Corps. After a period of training, he was commissioned a lieutenant and given command of a machine gun platoon.

He saw action in North Africa and Italy, winning a British Mention in Dispatches for distinguished service. Then, armed with a chit from his cousin Theodore, at that time a general in the Army, he flew to Algiers with the intention of transferring to American service. There, he was told that the Army had no field openings at the moment except for Methodist chaplains and veterinarians. Being neither of these, he reported back to the British.

They shifted him to the Strategic Air Service, where he was trained as a paratrooper. By that time the American O.S.S., Gen. William Donovan's cloak-and-dagger service, was looking for French-speaking soldiers to maintain liaison with the Maquis in France. Mr. Alsop was parachuted into France late in 1944 and operated with a French underground unit behind German lines for three months, winning a Croix of Guerre with palm and a citation signed by Gen. Charles de Gaulle.

On one of his last missions for the O.S.S., he guided a truck transport to an American supply depot in the field to pick up gasoline and other necessities for his Maquis band on Royan Island. Reporting to an American officer, he clicked his heels, snapped a British palm-forward salute and announced: "Lieutenant (pronounced leftenant) Alsop reporting, sir." Unaccustomed to his American uniform, Mr. Alsop was wearing his rifleman's badge upside down and his lieutenant's bars wrong way to.

The supply officer was some time being convinced that Mr. Alsop was not one of the German commandos rumored to be masquerading in American uniforms bent on the assassination of Gen. Dwight D. Eisenhower.

Between his service in Italy and in France, Mr. Alsop had married Patricia Hankey, daughter of a British naval officer, whom he had met at a party for British servicemen at Allerton Castle, the seat of Lord Mowbray and Stourton, premier baron of the realm. It almost didn't happen. When Mr. Alsop, who had been invited to Allerton along with several regimental comrades, introduced himself, his host muttered: "Good God. You sound like an American. We have a rule here: no motor cars, no Americans."

But the rule was broken and Miss Hankey was there. She was at the time, unbeknownst to Mr. Alsop, an employee of the British Special Operations Executive, the agency that conducted secret warfare in France in cooperation with the O.S.S. and the Maquis.

Returning from the war, Mr. Alsop decided upon a career in journalism after first considering the Foreign Service.

His book, "The Center," published by Harper and Row, was a national best-seller. Before that he was coauthor with Thomas Braden, a comrade-in-arms both in the 60th and the O.S.S., now a Washington columnist on "Sub Rosa," an account of clandestine operations in the war, and coauthor with his brother, Joseph, of "We Accuse" and "The Reporter's Trade," the latter a compilation of their newspaper columns.

His last book was "Stay of Execution," a moving and fascinating account of the strange illness that struck him down.

One of Mr. Alsop's most popular articles for the Saturday Evening Post was a wry examination of the Alsop-Roosevelt family tree, inspired by the family portraits that surrounded him in his boyhood. His maternal grandmother was a sister of President Theodore Roosevelt. President James Monroe also graced the Roosevelts, geneaology. Mr. Alsop called the Roosevelts, who were rich in eccentrics as well as notables, his "gaudier ancestors."

The Alsop side included a member of the Continental Congress but he lost his chance for immortality by refusing to sign the Declaration of Independence. Indeed, he sat out the Revolutionary War.

Generally, Mr. Alsop wrote, his paternal ancestors were prosperous but relatively undistinguished. They established themselves in Middletown, Conn., when it was the state's leading port and largest city. The rum trade, a major source of income to the city and to five generations of Alsops, lost out when ships got too big to navigate the Connecticut River Narrows.

The original family house is now the art gallery of Wesleyan University. The Alsop farm at Avon is 20 miles from Middletown and nine miles from Hartford.

Mr. Alsop's father dismissed many members of the Roosevelt family, ancestral and contemporary, as "crazy jacks." But he admired Theodore, whom he joined in the Bull Moose breakaway from the Republican Party in 1912. He was not so sure that Franklin D. Roosevelt didn't belong in the crazy-jack category and chided his sons in Washington for their approval of F.D.R.

The senior Alsop served in both branches of the Connecticut legislature and aspired to the governorship but the 1912 defection stood in his way. In private life, he was president of a large insurance company as well as his own farm manager.

In his Post article, Mr. Alsop devoted some attention to an ancestor who murdered a Harvard professor to whom he owed money. The professor was stuffed into a furnace where false teeth resistant to fire provided the corpus delecti. The author said the dining room furniture he still used had been handed down by the murderer, for whom it was elaborately carved in the Canary Islands.

In addition to his wife, of the home, 3520 Springland La. NW, and his two brothers and his sister, Mr. Alsop is survived by six children.

They are Joseph Wright Alsop (the sixth bearer of that name), of Los Angeles, Ian Alsop and Elizabeth Mahoney, both of New York City, Stewart J. O. Alsop, a student at Occidental College in Los Angeles, and Richard Nicholas and Andrew Christian Alsop, both living at home and attending Sheridan School in Washington.

In a statement President Nixon praised Mr. Alsop for "vigorous independence of mind, a dedicated and fearless pursuit of the truth, an uncommon devotion to the nation's welfare and a consistency that on all matters—no matter how controversial—that good will and decency should prevail."

In mourning Mr. Alsop's death as a "sad loss," the President cited the courage that was "the hallmark of his final struggle against death," and said his writings will remain a journalistic standard for years.

Services will be held at 10:30 a.m. Wednesday at St. John's Episcopal Church at Lafayette Square in Washington. Mr. Alsop will be buried in Indian Hill Cemetery in Middletown, Conn.

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

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

Mr. WON PAT. Mr. Speaker, today I am introducing a bill which authorizes an amendment to section 2(f) of the Public Health Service Act (42 U.S.C. 201(f)) so as to include the Territory of Guam in the definition of a "State" includes all American areas, including the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands. Only Guam is left out.

Guam's exclusion from this important section of our national health laws was not intentional in the strict sense of the word When the PBS Act was first enacted by Congress in 1944, Guam was then in the hands of Japanese occupiers. Consequently, the territory was deleted from the original definition of a State, although our sister territory, the Virgin Islands, and the Commonwealth of Puerto Rico were so defined for the purposes of receiving benefits.

Although the PBS Act has been continuously amended since 1944, to include new and farther-reaching programs of great merit, and although Guam has benefited from many of the programs, the original definition of a "State" continues to exclude our fellow Americans in Guam, and thus pose a continued and needless threat that future PBS programs will not extend to the territory.

I was notified by officials of the Health Service Corps that the territory was ineligible to participate in this program which sends medical personnel to areas that are critically short of skilled doctors and nurses. Thankfully, Congressman PAUL ROGERS, chairman of the Subcommittee on Public Health and Environment, recognized the need for Guam to participate in the Health Service Corps and was successful in amending that program in the closing days of the 92d Congress.

With that action, Guam was then eligible to participate in the full range of PBS programs. Or so we thought. Several months ago, a member of my staff was told by officials of the Bureau of Health Resources Development that doctors applying for Federal student loan grant forgiveness would be turned down if they practiced in Guam—this despite the fact that the program was designed to encourage doctors to practice in so-called "medically short" areas. Although Guam is recognized by the Department of Health, Education, and Welfare as a "medically short" area, the program of partial repayment of educational loans for practice in a shortage area would not apply to Guam as the program used the original definition of a "State" as it now appears in 42 U.S.C. 201(f) we were told.

Following numerous telephone calls to other PBS officials, I was informed that the loan forgiveness program does embrace Guam in its coverage and that the original interpretation of the law was in error.

Naturally, we are pleased that the mistake has been rectified. I sincerely fear, however, that other officials, well-meaning but unfamiliar with the law, can and will make similar mistakes in the future—mistakes that could be costly to the well-being of the residents of Guam, and, mistakes which might result once again in the territory's being needlessly deprived of medical services from which other Americans are benefiting.

The quality and the quantity of medical care in Guam is a matter of constant concern to many of our people. At present, Guam has many fine physicians practicing in the territory. However, there also exists a critical shortage of skilled doctors and nurses to meet our total needs. This is a problem which will persist for years to come to the lasting detriment of future generations of Guamanians unless we can encourage other medical personnel to come to Guam by taking full advantage of benefits such as the loan forgiveness program.

For this reason, and to insure that Guam will not once again find itself left out of yet another PBS program, either through a legislative accident or careless staff work in the agency, I urge my colleagues to support the bill I have introduced today.

THE MASSACRE OF THE INNOCENTS

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

Mr. KOCH. Mr. Speaker, on April 19 of this year, a man shot through the head in a Roman Catholic suburb of Belfast became the 1,000th victim of Catholic and Protestant terrorist violence that has gripped Northern Ireland since the summer of 1969. The toll includes 700 civilians, the youngest of them aged 5 months, the oldest 91. Of the 700, 47 were aged 60 or over, 20 were children 13 or under. The massacre of the innocents has spread to the Republic of Ireland to the south where, on May 17, 23 men, women and infants were killed by three car

bombs strategically placed in Dublin during the Friday evening rush hour.

Much has been written of the political and religious issues which have provoked the violence in Ireland. What needs to be discussed is the far more basic issue of the morality of this kind of violence per se, apart from the merits of the ends motivating it. Mr. Speaker, I am absolutely convinced that no political or religious argument could justify this kind of indiscriminate murder of innocent civilians. No reasonable moral calculation can support the slaughter of children. It is vicious violence of this nature which defines the notion of extremism. It is perpetrated by those who have sacrificed every vestige of moral sensitivity to the demands of their own fanaticism.

I hesitate to draw parallels between distinct international situations. However, I think I can safely generalize about indiscriminate terrorism wherever it is practiced. In my mind, there is no distinction between the madness that provokes Protestant and Catholic terrorists in Ireland, and that which drove Arab terrorists to the slaying of 20 children at Maalot in Israel. The same moral obtuseness runs across the political or religious divisions separating these groups.

There is one extremely instructive difference between the facts of Irish and Arab terrorism. The governments of the Irish Republic and Northern Ireland have pursued the active policies against terrorism that the Arab governments have consistently resisted. In the North, these policies drew bitter opposition. Before it was toppled by the Protestant-led general strike, the Protestant-Catholic coalition government of Brian Faulkner in the North worked closely with British troops in anti-terrorist activities. In addition, the Republic of Ireland, led by President Erskine Childers, is cooperating with the British Army in sealing Northern Ireland's border against movement by either Protestant or Catholic extremists. Following the fall of the Faulkner government, it is difficult to predict what the future will bring. However, as long as the past policies against terrorism are resolutely continued, there remains hope for an end to the bloodshed. Whatever hope may persist for an end to Arab terrorism certainly cannot be credited to the governments of the Arab world. Their indifference to the obscene violence committed by their own citizens represents nothing less than collusion. I trust that history will condemn the Arab governments by the same measure that it will acclaim the governments of Brian Faulkner and Erskine Childers.

GET BACK ON THE TRACK

(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, what this country needs is not a good 5-cent cigar as Vice President Thomas Riley Marshall remarked to the Senate clerk after listening to long-winded oratory about the country's needs back in 1920. This is our 198th year since the Declaration and what this country needs now is a resolute determination to get our country firmly on the track by promptly and rapidly resolving the Watergate and related messes.

THE NATION SUFFERS

We have runaway inflation which costs citizens their bread, health, and retirement opportunities, an unbalanced budget that costs $32 billion each year just for interest, a deteriorating economy, spotty unemployment, deteriorating Federal programs, and crumbling trust of our Government both at home and abroad.

At the heart of all this is an executive branch of the Government that has been ripped apart by resignations, firings, indictments, and the unresolved question of White House responsibility for possible illegal acts or coverup that obstructs justice.

As a consequence the executive branch is not functioning with any direction or effectiveness. Decisions are postponed. Normal governmental processes stall. Efficient government will not move until Watergate is settled. We cannot afford continued inaction on the economy and paralysis of effective governmental policies at home and abroad. Action for the Nation's ills are needed now.

For this reason I strongly urge the House of Representatives to promptly schedule a showdown on the impeachment issue. We should set a day certain, no later than July 4 to bring to the House floor the question of to impeach, or, not to impeach, the President.

The endless delays on this issue that can be contrived by lawyers, using the courts, are not of constitutional making. The issue of Watergate as it affects the President and impeachment can under the Constitution only be debated by the House, and tried by the Senate, not determined or resolved by the courts.

To delay while lawyers dally or quibble for court interpretations further strains the country's needs and wearies the patience of America.

The time has come to put an end to the uncertainties that are paralyzing our country and undermining the well-being of all of its citizens—young and old. We must not let the continued delays postpone action beyond July 4.

That is time enough for the Judiciary Committee to report a summation of the evidence along with a report of those instances of defiance of subpena for materials relevant to the inquiry and to make recommendations to the House. Otherwise defense attorney delays can string out too long.

Because of the urgency to the Nation, we need to get the matter behind us and start America moving again.

It is time, no later than July 4, to bring the Watergate mess to the House floor. The end to the constitutional question of impeachment will be debated there and the vote taken on whether the President should be tried or the charges dropped.

THE SUGAR ACT

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

Mr. FORD. Mr. Speaker, this body will soon be considering H.R. 14747—legislation to extend the Sugar Act. When we begin consideration of this bill, I will be joined by several Members from both sides of the aisle in offering amendments to improve the parts of the act which affect agricultural workers. The intent of our amendments is to provide basic and minimal protection for more than 100,000 workers who are employed in a Government-protected, Government-subsidized and Government-controlled industry, but who are still living in poverty.

At the outset of my remarks I would like to say that the Agriculture Committee made a serious attempt to deal with the inequities which have resulted from the Sugar Act when they considered this legislation in committee, I would like to commend the distinguished chairman, Mr. POAGE, and the members of the committee for the progress they have made in this regard.

However, the committee did not go far enough. It failed to balance the immense benefits provided to the sugar-growing corporations and other growers in the industry with adequate protections for the workers. It stopped long before it met even the most basic needs of the sugar field workers, and as a result, the committee left big loopholes in the labor provisions of the act.

The amendments which we will offer were proposed in committee, and we did relatively well. These amendments were only narrowly defeated, and I think the considerable support which they received bespeaks the fact that they are a moderate and fair approach to a legitimate and serious problem.

At this point I would like to thank the many members of the Agriculture Committee who did support these amendments, and let them know that we will welcome their continued support when the amendments are offered on the floor.

Mr. Speaker, I find it somewhat incredible that we must spend so much time debating these amendments which merely provide basic protections for workers as fair and equitable wage determination procedures, accident insurance, piece-rate pay protection and remedies against illegal acts of the employed. It is astounding that these basic protections are opposed by an industry which is aided by the tax dollars of American working men and women in the amount of one-half billion dollars a year—the sugar corporations which benefit from so many Government actions, including import controls, guaranteed prices, subsidies and crop insurance. But unfortunately, that is the case.

In contrast to these powerful corporations which receive so much Federal aid authorized by the Sugar Act, let us look at the sugarworker—who receives nothing under the present law. Sugar field workers are among the poorest of poor. They live at barely a subsistence level. They are underprivileged, discriminated against, exploited, and abused. They have no union and are unlikely to have any in the near future. They desperately need

the kind of protection which only the Federal Government can provide.

Since 1934, sugar legislation has contained special labor provisions. Minimum wages for workers have been required and child labor was prohibited. But under the hostile administration of the U.S. Department of Agriculture's Sugar Division, and under the steady, antagonistic lobbying of the powerful sugar industry, these protections have been minimized and often undercut.

Witnesses testifying before the Agriculture Committee in February charged that in Louisiana sugarworkers are bound to the plantation by debt just as they were a hundred years ago. Some 15,000 field workers there work with sophisticated, complicated machinery for annual incomes of less than $3,000 a year.

Further testimony indicated that thousands of migrants labor from sunup to sunset for poverty earnings in many sugar beet producing areas, and typically, when the work has been completed, these hard-working people leave the areas in the same conditions of poverty as when they arrived.

In Florida, sugar producers are permitted to offer a wage so low that U.S. workers will neither cultivate nor harvest the cane in the swamps. The producers need not raise the wage until they attract sufficient American workers. Instead, the Federal Government helps them import tens of thousands of foreign workers who are willing to work at the lower rates.

The sad fact is that the majority of the Nation's more than 100,000 sugar field workers earn so little annually that many would be eligible for welfare payments if the Sugar Act did not exist. This is true even though they work hard in a Government-protected industry.

The low earnings and poverty-like conditions under which they live have an adverse effect on the sugar workers' health. For example, a Tulane University medical survey of a sample of Louisiana sugar worker families referred to in testimony before the committee showed that "of 37 adults, only 2 were found to be medically normal and only 8 were not in need of medical care."

Although children were somewhat more healthy, "only 16 out of 70 were completely healthy." The survey's most devastating finding was "the high incidence of gross development and mental retardation" among the children—due to inadequate diets and other poverty factors.

Much testimony before the committee also raised significant questions concerning the administration of the act by USDA and alleged bias against the workers by USDA. The wage determinations are based on nebulous factors. A worker's grievance against a grower is judged, according to USDA regulations, by a committee composed of local sugargrowers.

In 1971, the Department attempted to deprive sugarworkers of a 10-cents-an-hour wage increase. It attempted to use the then existing wage-price freeze as the excuse for this unwarranted action—even though both the administration and Congress specifically exempted low-wage workers and agricultural commodities from the freeze.

This issue finally had to be taken into court and, of course, the courts upset the USDA effort. In fact, the courts have consistently ruled against and admonished the Department for its administration of the act's labor provisions.

Mr. Speaker, from the evidence I have seen, it appears that the U.S. Department of Agriculture has been a willing accomplice of the sugargrowers to keep worker protection provisions down to the absolute minimum necessary to prevent Congress from terminating the Sugar Act. The USDA has helped to keep these workers in poverty-stricken peonage, and it has attempted to evade court decisions aimed at improving the workers' welfare.

In view of these conditions and in anticipation of House action on Sugar Act legislation this year, several of my distinguished colleagues—Mr. THOMPSON, Mr. O'HARA, Mr. CLAY, Mr. LEHMAN, and Mr. BROWN of California—and I introduced H.R. 12988 on February 21, the equitable benefits amendments. This was a comprehensive and far-ranging bill concerning the wages, housing, use of aliens, job discharges and discrimination, medical and health insurance, grievance machinery, and accounting and audits in the sugar industry.

While the Ad Hoc Subcommittee on the Sugar Act of the Agriculture Committee was considering its legislation, my staff, some of the key supporters of H.R. 12988, and I discussed the labor-protection provisions with members and staff of the Agriculture Committee. We sharply scaled down the provisions of H.R. 12988 in the hopes of reaching agreement, but neither the Ad Hoc Subcommittee on the Sugar Act nor the Agriculture Committee would accept some of the most necessary provisions. It is for this reason that we have found it necessary to pursue this on the House floor.

We intend to offer four amendments.

The first amendment concerns the procedure to determine the minimum wage rate for sugar field workers. It actually has three parts.

In H.R. 14747, the committee has made the growers' ability to pay into a major factor for determining the workers' wage rates. But there is no assurance whatsoever in the bill that the data used is accurate. In fact, for Louisiana, the USDA currently depends upon stale data from the growers' 1969–71 crop and it does not plan to make a new sample until 1975.

The present "sample" consists of information from an inadequate 6.9 percent of the growers. But worst of all, the data is the material proffered by growers. There is no independent verification of the growers' information even though these producers have an obvious interest in showing a maximum costs of production and a minimum incomes.

A part of our wage amendments will, therefore, require that the Department use statistically valid samples which are independently verified in determining the growers' ability to pay. Mr. Speaker, we consider such a requirement to be only fair and reasonable.

In addition, the standards which H.R. 14747 would require the Secretary to use in determining the minimum wages are absolutely slanted in the growers' favor. They are "cost of living, the prices of sugar and by-products, income from sugar beets and sugar cane, the cost of production and the sporadic and seasonal nature of the work."

Three out of these five standards—income from sugar beets and sugar cane, cost of production and prices of sugar and by-products—involve the employer's ability to pay. There are insufficient standards concerning the workers' costs and ability to live to balance these grower-oriented standards.

We, therefore, propose in the wage amendment to add two more standards which the Secretary must consider when he determines the minimum wages. They are the percentage increase of productivity during the immediately preceding year and the extra cost made necessary by the workers' need to travel and live away from home to work in sugar production.

Productivity is considered an important factor throughout the American economy in determining wages and should be in this industry too. Workers should be allowed to benefit from the increased productivity which they help to create and which certainly benefits their employers.

Travel and living away from home in cultivating and harvesting sugar involves extra costs to workers and their families. This cost should be recognized in wage determinations in exactly the same way as the growers' cost of production is currently recognized in H.R. 14747.

A third change in the wage determination procedure of H.R. 14747 is the need to clarify and make more specific the wage determination standards which are already in the bill. This clarification would improve the integrity of the administrative process. It is absolutely essential in view of the USDA's past hostility to the workers and its lack of impartiality and justice in administering the existing labor requirements.

Therefore, instead of simply stating "cost of living" as a factor which the Secretary of Agriculture must consider, the amendment would specify "the percentage increase or decrease in the cost of living as reported by the Consumer Price Index during the immediately preceding 12 months." Instead of "the income from sugar beets and sugarcane" and the "cost of production," the amendment would specify that these factors be considered particularly "for each producing area."

Those, Mr. Speaker, are the three parts of our most important amendment—the one concerning the wage determination procedure.

INSURANCE

Our second amendment would provide on-the-job accident insurance for the sugar field workers. Although sugar field laborers are among the poorest workers in our economy, most have no insurance protection against injuries, disabilities or death caused by work-re-

lated injuries. Only two States, Colorado and Hawaii, now provide workmen's compensation coverage and Minnesota will do so shortly. In the other States, sugar field workers are excluded.

Our amendment would require accident insurance, but would limit it to accidents which occur while the employee is at work for the producer. As a result, the insurance cost will be extremely small—only a small fraction of one percent of payroll.

PIECE RATE PROTECTION

Our third amendment concerns piece rate pay protection. The USDA currently requires producers in Florida who employ sugar field workers at piece rates to pay them at least the hourly minimum wage determined by the Secretary—7 CFR 863, 28(a)(5). The Fair Labor Standards Act also requires that piece rate workers be guaranteed the specified hourly minimums. These requirements are necessary to assure that the piece rate method of payment is truly an incentive system instead of a means of undercutting the hourly minimum wage.

Astoundingly, the USDA does not require the Florida procedure in any other producing area. I am informed that the Florida requirement exists because of the insistence of the governments of the Caribbean countries which supply the alien workers for the Florida sugar cane production. The U.S. Deparment of Agriculture absolutely refuses to extend the same protection to U.S. workers in other areas of sugar harvest.

In other words, our own Government will provide benefits to foreign nationals which it will not provide to its own citizens. And foreign governments show greater concern for the protection of their nationals who work on sugar than our Government does for its citizens who do the same work.

This, Mr. Speaker is a shameful situation. Our amendment would do away with this injustice and lack of care about the welfare of American workers by requiring exactly the same piece rate regulations for other sugar producing areas as the USDA now requires in Florida.

WORKERS' REMEDY

Our fourth and final amendment would provide a remedy against illegal producer actions and close another serious loophole in H.R. 13747. The bill prohibits producers from "discharging and in any other way discriminating against any employee" because he sought to enforce his rights under the act.

It also prohibits producers from charging or permitting to be charged unreasonable costs for furnishing to any employee those items or services customarily furnished.

It provides penalties which the Secretary may exact from producers for violations, but the worker is not compensated for the losses he has suffered as a result of the illegal actions. The worker apparently does not even get the amount of his original loss.

In all fairness, the worker should be compensated. The amendment therefore provides, instead of the penalty exacted by the Secretary, a remedy for the worker in the form of an amount equal to the workers' loss and an equal amount as liquidated damages. This remedy can be sought only after the Secretary has decided a case in the worker's favor.

BALANCE EQUITIES

These worker benefit amendments, Mr. Speaker, are reasonable, just and essential. They are hardly far-reaching or unusual in the labor-management relations of our time.

These amendments are aimed at benefitting workers. But they will also aid the Sugar Act. For they will help balance the equities of the act. They will make the act fairer to all in the industry. And they will help answer the skepticism and criticism which many Americans now express about the act.

Mr. Speaker, it is no secret that many of our colleagues from cities, suburban, and nonsugar rural areas have serious doubts about the need for the Sugar Act when sugar prices and profits are at an all-time high. Many have doubts about the need to aid the huge corporations and conglomerates in this industry.

These doubts will certainly be sharply augmented if sugar field workers are left to desperate poverty and unfair administration of their rights by H.R. 14747. The success or failure of the workers benefit amendments on the House floor will indicate whether the Sugar Act is to be legislation which will protect all parts of the sugar industry—the poor as well as the rich, the weak as well as the strong. The progress of these amendments will indicate to many whether the Sugar Act is beneficial enough to a sufficient number of Americans to be worth extending.

GOVERNOR REAGAN OPPOSES FEDERAL LAND USE BILL

The SPEAKER. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 5 minutes.

Mr. BAUMAN. Mr. Speaker, the House will soon be taking up the Land Use Planning Act, H.R. 10294, and I am afraid that a great many of those who will be voting on this bill are not fully aware of the undesirable consequences of implementing this plan.

One who is thoroughly aware of both the need to allow for wise and careful use of our natural resources, and of the right and wrong ways for the Government to approach this need, is the Governor of California, Ronald Reagan. I received a letter from Governor Reagan today concerning the land use bill, and I would like to share his views with the Members.

The Governor also offered a critique of the bill to the gentleman from Arizona (Mr. UDALL) who is its principal author. In that letter, Mr. Reagan states that while wise land use policy is desirable.

This process can best be accomplished by allowing the States and localities to determine and solve their own land use and environmental issues.

H.R. 10294 would introduce Federal authority where it does not belong, Governor Reagan contends, and he concludes that—

It is essential to the best interests of the Nation that the responsibilities for balancing environmental, social, and economic objectives be maintained at the State and local levels.

I heartily agree, and I join with Governor Reagan in urging the Members to oppose H.R. 10294. At this point, I insert in the RECORD the text of Governor Reagan's letters to me and to the gentleman from Arizona (Mr. UDALL):

STATE OF CALIFORNIA,
GOVERNOR'S OFFICE,
Sacramento, Calif., May 22, 1974.

Hon. ROBERT E. BAUMAN,
Member of Congress,
Longworth House Office Building,
Washington, D.C.

DEAR BOB: I am writing to express California's concern over legislation currently before the Congress regarding a federal land use policy. It is our view that there is a need for federal, state, and local governments to specify environmental, social, and economic objectives and to coordinate their efforts toward accomplishment of those objectives. The focus of responsibility for the development of land use decisions rests with the state and local governments, not the federal government.

It has been our experience in the past that narrowly constructed guidelines developed by federal agency administrators are not equally applicable throughout the nation. We feel this would be the case with a federal land use policy. Such a policy would be administratively unfeasible and would pose a serious threat to the constitutionally guaranteed right of private property ownership.

In his State of the Union Message to Congress last January, President Nixon referred to the national land use legislation and stated: "This legislation would reaffirm that the basic responsibility for land use decisions rests with the states and localities, and would provide funds to encourage them to meet their responsibility." We support this approach and urge you to support it as well. HR 10294 does not serve this objective.

Recognizing these concerns, we have sent the enclosed letter to Congressman Udall, the author of HR 10294, explaining our position on the federal land use legislation. We believe it is essential to the best interests of the nation that the responsibilities for balancing environmental, social, and economic objectives be maintained at the state and local levels. I, therefore, urge you to oppose HR 10294.

Sincerely,

RONALD REAGAN,
Governor.

STATE OF CALIFORNIA,
GOVERNOR'S OFFICE,
Sacramento, Calif., April 24, 1974.

Mr. MORRIS K. UDALL,
Subcommittee on the Environment, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. UDALL: California recognizes the need for the nation and each state and locality to develop a land use policy so that land—our most valuable resource—is used wisely. State and local agencies must develop balanced environmental, economic and social objectives in order to meet this responsibility. This process can best be accomplished by allowing the states and localities to determine and solve their own land use and environmental issues.

In attempting to accomplish environmental goals, federal agency administrators frequently issue guidelines and regulations which attempt to meet national as well as state objectives. Often the effect of this action is that a "functional feudalist", concerned with only one issue, dictates the land use objectives of states and localities. A federally mandated "guideline" on land use that

might apply to a non-urban state may not apply to a complex state like California that has highly urbanized as well as non-urban, resource-oriented areas.

In California we are taking steps to develop a mechanism which will provide for the establishment of statewide environmental, social and economic objectives. This mechanism is attainable at the state level by coordination of functional planning, resolution of local jurisdictional conflicts while preserving local authority, and respect for private property rights.

The federal government should recognize California's leadership in this field and work to insure that state and local as well as national environmental goals are balanced with economic and social goals. In referring to the pending national land use legislation in his State of the Union speech in January of this year, President Nixon stated: "This legislation would reaffirm that the basic responsibility for land use decisions rests with state and localities, and would provide funds to encourage them to meet their responsibility."

HR 10294 does not meet this objective. We believe that the states and localities must develop a balanced approach to land use needs and must maintain a process in order to conserve limited resources. We believe it is impossible to centralize land use decision making at the federal level without: (1) establishing an arbitrary bureaucratic machinery that would almost guarantee administrative chaos, or (2) seriously infringing on the constitutionally guaranteed concept of private ownership of property. It appears to us that the legislative approach contained in these measures would inevitably raise such constitutional issues.

A year ago, in outlining principles to be used on guidelines for land use legislation in California, I stated that California would be pleased to implement sound legislation, but HR 10294 as written does not meet California's criteria. While we appreciate the interest in establishing a federal land use policy, such a policy should not require federal infringement in an area of responsibility reserved to the states and localities.

Sincerely,

RONALD REAGAN,
Governor.

LETTER TO THE SECURITIES AND EXCHANGE COMMISSION REQUESTING INVESTIGATION

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 15 minutes.

Mr. VANIK. Mr. Speaker, my staff has been conducting an ongoing study of corporate reporting to the Securities and Exchange Commission. In this connection, I have directed a letter requesting a complete and thorough investigation by the Securities and Exchange Commission into what might constitute questionable trading by some of the senior officials of the Pennzoil Corp., immediately prior to the public announcement of the divestiture plan by Pennzoil of the United Gas Pipeline Corp.

Since I sent the following letter to the SEC it has come to my attention that there is some confusion as to the amount of stock purchased during the 3-month period—but no confusion as to what might constitute questionable trading.

Apparently, the stock was purchased indirectly by the four principals through the Choctaw Corp., an investment company which is owned jointly by the Liedtkes, Coleman, Bovaird, and others. The form 4 report appears to indicate that each of the four principals individually acquired approximately 125,000 shares. However, the question has been raised as to whether the stock was bought by the Choctaw Corp. and each of the principals reported the common acquisitions by the investment company individually therefore, making the purchases appear larger.

If the latter case is true, the four principals bought approximately 125,000 shares of Pennzoil stock worth about $4–$5 million—not 492,000 shares worth about $14 million.

The letter to the Chairman of the Securities and Exchange Commission and his response in which he indicates an investigation is underway are as follows:

MAY 23, 1974.

Hon. RAY GARRETT, Jr.,
Chairman, Securities and Exchange Commission, Washington, D.C.

DEAR MR. CHAIRMAN: It has come to my attention by information developed by my staff that there is an apparent gross violation of SEC regulations on insider trading by some officers and board members of the Pennzoil Oil Company prior to their recent action to spin-off its major subsidiary, the United Gas Pipeline Company in a complicated stock scheme that appears to be extremely advantageous to the stockholders at Pennzoil.

As you know, Section 10b of the SEC Act of 1934 and Rule 10b–5 thereunder prohibits corporate officers from trading in the company's stock based on inside information that is not available to other investors.

From an examination of SEC Form 4 Statement of Changes in Beneficial Ownership of Securities, my staff found that in a three month period between December, 1973 and February, 1974 just prior to the March 14, 1974 public announcement of the spin-off by the Pennzoil Board of Directors—the Chairman of the Board, the President, and two Members of the Board of Pennzoil purchased approximately half a million shares of Pennzoil stock, worth close to $14 million.

J. Hugh Liedtke—Chairman of the Board and Chief Executive Officer—126,089 shares purchased.

William C. Liedtke, Jr.—President—126,020 shares purchased.

George L. Coleman—Director—125,000 shares purchased.

William J. Bovaird—Director—115,000 shares purchased.

These officers reported no trading in March or April of 1974 after the decision was publicly announced. Also, there was little or no trading reported in the remainder of 1973.

It was only while the United Gas sale was being devised that these officers were making their huge purchases.

This is indeed a complicated stock scheme which could have wide ranging implications not only for the stockholders of Pennzoil and United but also for the consumers of natural gas that are serviced by the United Pipeline.

As you know, there are a number of theories about the impact of the scheme. A Federal Power Commission investigator has characterized this scheme as a potential "disaster" and a "systematic corporated raid." The complicated deal appears to be a good deal for Penzoil stockholders in that this weak subsidiary is being spun off after being drained of virtually all of its capital. The FPC is already investigating the effect of the deal of consumers of natural gas who may be paying higher prices because of the weakened financial position of the pipeline company.

It is my hope that the SEC will make an immediate and thorough investigation of not only this apparent violation of the SEC insider trading regulations, but also the basic integrity of the Registration Statement filed by Pennzoil on April 2, 1974.

Other questions have been raised in this case: The S–1 Registration Statement was cleared in record time by the SEC in one day (filed on April 2, 1974 and cleared on April 3, 1974). Is this the usual procedure and do you feel that the investing public is being adequately protected by this less than vigorous analysis?

As you may know, a principal in this case, Mr. William Liedtke, the President of Pennzoil, was the Southwest Coordinator for the Finance Committee for the Committee to Reelect the President and was directly involved in the delivery of $700,000 in cash to Washington in a Pennzoil plane in order to avoid the disclosure deadline in April of 1972. Under these circumstances, can you assure me that there were no improper contacts made by the White House or others in the Administration in an effort to affect the SEC clearance of this deal?

Do you routinely check the trading statements of corporate officers when they file a scheme such as this? If not, why not?

I appreciate any assistance which you could provide in this matter.

Sincerely yours,

CHARLES A. VANIK,
Member of Congress.

SECURITIES AND EXCHANGE COMMISSION,
Washington, D.C., May 28, 1974.

Hon. CHARLES A. VANIK,
House of Representatives, Washington, D.C.

DEAR MR. VANIK: In your letter of May 23, 1974, you express the hope that this agency will make an immediate and thorough investigation to determine whether insider trading violations have occurred in connection with the recent spin-off by Pennzoil Oil Company of its subsidiary United Gas Pipeline Company. You also express the hope that any such investigation would extend to the basic integrity of the registration statement filed by United Gas for the spin-off transaction.

The Commission has directed its staff to conduct an inquiry with respect to whether violations of the securities laws have occurred because of insider trading by Pennzoil's officers and directors. With respect to the United Gas registration statement, the Commission has no reason to believe at this time that the disclosure in such document is either inaccurate or inadequate.

With respect to the purchases of securities by the four Pennzoil officers and directors referred to in your letter, the following information may be helpful to you. The Form 4 ownership reports you mention reflect purchases of approximately 125,000 shares of Pennzoil common stock in which the four cited officers and directors hold an indirect beneficial interest. Such shares were purchased by Choctaw Corporation, an investment company, in which such four persons own interests. Thus, virtually all of their purchases from December 1973 through February 1974 should be aggregated rather than computed individually. Enclosed for your information are copies of Forms 4 filed by Messrs. Hugh Liedtke, William Liedtke, Coleman and Bovaird for the months of December 1973, January 1974 and February 1974.

Despite the fact that the resulting amount is roughly one-quarter the amount indicated in your letter, such fact, of course, in no way alters the basic issue of whether there was trading on the basis of non-public material information. This is a question which the staff will examine.

With respect to the question of registration under the Securities Act of 1933, we believe

that the following comments may be helpful. The transaction involved a distribution of United Gas Pipeline stock to stockholders of Pennzoil. No payment was required of them nor did the transaction require their consent. Under the circumstances, counsel for the company was of the opinion that registration was not required but the staff disagreed and so advised counsel. He thereafter advised the staff that a registration statement covering shares to be issued in the spin-off would be prepared and filed either on Monday or Tuesday, April 1 or April 2, 1974. On April 2, 1974, a registration statement on Form S–1 was filed by Gas Pipeline Company for the spin-off. The prospectus comprises principally information from reports previously filed with the Commission by United Gas and Pennzoil. And its principal effect was to bring the previously filed and public information together in one document and to subject that information to the liability provisions of the Securities Act of 1933 so as to provide additional protection for public investors. It was thereafter possible to accord expedited review to this filing and that also served to minimize trading market problems. Comments were therefore furnished to counsel on April 3, 1974, and with the understanding that suggested changes would be made in the final prospectus, the registration statement was declared effective on that date by the staff pursuant to delegated authority.

With regard to your question about improper Administration or White House contacts, no member of the Commission or the staff was contacted by the White House or others in the Administration in an effort to effect the clearance of the registration statement or otherwise with regard to this matter.

Finally, you ask whether we routinely check the "trading statements" of corporate officers in connection with processing a disclosure filing. It is the staff's practice to review other documents filed with the Commission in connection with processing a registration statement under the Securities Act when there appears to be a reason for doing so. The staff informs me that the ownership reports of Pennzoil's corporate officers were not examined because this was not then regarded as a necessary step in reviewing the registration statement of United Gas Pipeline Company under the circumstances referred to above.

Please let me know if you have any further questions with respect to this matter.

Sincerely,

RAY GARRETT, JR.,
Chairman.

FORM 4—STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES (SECURITIES BOUGHT, SOLD, OR OTHERWISE ACQUIRED OR DISPOSED OF)

HUGH J. LIEDTKE

1. Name and business address of reporting person: Liedtke, J. Hugh, 900 Southwest Tower, Houston, Tex. 77002.
2. State of incorporation: Delaware.
3. If an amendment give date of statement amended: None.
4. Name of Company: Pennzoil Co.
5. IRS or SS identifying number of reporting person: xxx-xx-xxxx.
6. Relationships of reporting person to company: Chairman of the board and chief executive officer.

STATEMENT FOR CALENDAR MONTH, DECEMBER 1973; DATE OF LAST PREVIOUS STATEMENT, JUNE 5, 1973; RECEIVED AT SEC, JAN. 9, 1974

Title of securities	Date of transaction	Amount of securities acquired	Amount of securities disposed of	Character of transaction reported	Purchase or sale price per share or other unit	Amount owned at end of month	Nature of ownership of securities owned at end of month
Common stock	Dec. 27, 1973		4,900	Gifts		[1] 132,804	Direct.[1]
Do	Dec. 21, 1973	[2] 12,800		Open market	26		
Do	do	[2] 2,500		do	24¾		
Do	do	[2] 7,500		do	25		
Do	Dec. 24, 1973	[2] 500		do	26	[2] 383,300	Indirect.[2]

[1] Includes 2,679 shares held in the employees stock purchase plan.
[2] Choctaw Corp., an investment company, owns 383,300 shares. J. Hugh Liedtke owns an interest in Choctaw.

STATEMENT FOR CALENDAR MONTH, JANUARY 1974; DATE OF LAST PREVIOUS STATEMENT, JAN. 7, 1974; RECEIVED AT SEC, FEB. 11, 1974

Title of securities	Date of transaction	Amount of securities acquired	Amount of securities disposed of	Character of transaction reported	Purchase or sale price per share or other unit	Amount owned at end of month	Nature of ownership of securities owned at end of month
Common stock						[2] 132,804	Direct.[2]
Do	Jan. 3, 1974	400		Open market	27¾		
Do	do	3,100		do	28		
Do	Jan. 4, 1974	4,700		do	27⅝		
Do	do	100		do	27¾		
Do	do	1,200		do	27⅞		
Do	do	3,100		do	28		
Do	do	1,100		do	28⅛		
Do	do	12,000		do	28¼		
Do	do	2,000		do	28⅜		
Do	Jan. 7, 1974	2,300		do	28		
Do	do	3,500		do	28⅛		
Do	do	1,300		do	28¼		
Do	Jan. 8, 1974	100		do	28¼		
Do	do	400		do	28¾		
Do	do	13,200		do	28⅞		
Do	do	4,700		do	29		
Do	do	2,000		do	29⅛		
Do	do	5,500		do	29¼		
Do	Jan. 9, 1974	1,000		do	26¾		
Do	do	1,000		do	27		
Do	do	5,000		do	27⅛		
Do	do	900		do	27⅞		
Do	do	2,000		do	28		
Do	do	9,700		do	28⅛		
Do	do	1,800		do	28⅛		
Do	do	500		do	28¼		
Do	do	5,000		do	28⅜		
Do	Jan. 10, 1974	500		do	25¼		
Do	do	500		do	25⅛		
Do	do	400		do	25⅜		
Do	do	600		do	25¾		
Do	do	500		do	25⅞		
Do	do	2,000		do	26	[1] 475,400	Indirect.[1]

[1] Choctaw Corp., an investment company, owns 475,400 shares. J. Hugh Liedtke owns an interest in Choctaw.
[2] Includes 2,679 shares held in the employees stock purchase plan.

STATEMENT FOR CALENDAR MONTH, FEBRUARY 1974; DATE OF LAST PREVIOUS STATEMENT, FEB. 4, 1974, RECEIVED AT SEC, MAR. 12, 1974

Title of securities	Date of transaction	Amount of securities acquired	Amount of securities disposed of	Character of transaction reported	Purchase or sale price per share or other unit	Amount owned at end of month	Nature of ownership of securities owned at end of month
Common stock	[1] 1973	[1] 1,089		Purchase	23.333	[2] 133,893	Direct.[2]
Do	Feb. 4, 1974	[2] 500		Open market	24½		
Do	do	[2] 1,900		do	24¾		
Do	do	[2] 1,600		do	25		

STATEMENT FOR CALENDAR MONTH, FEBRUARY 1974; DATE OF LAST PREVIOUS STATEMENT, FEB. 4, 1974, RECEIVED AT SEC, MAR. 12, 1974—Continued

Title of securities	Date of transaction	Amount of securities acquired	Amount of securities disposed of	Character of transaction reported	Purchase or sale price per share or other unit	Amount owned at end of month	Nature of ownership of securities owned at end of month
Do	Feb. 11, 1974	[3] 500		do	24¼		
Do	do	[3] 500		do	24½		
Do	Feb. 12, 1974	[3] 500		do	24		
Do	Feb. 19, 1974	[3] 500		do	25⅝		
Do	do	[3] 1,200		do	25¾		
Do	do	[3] 700		do	25⅞		
Do	do	[3] 700		do	26		
Do	Feb. 20, 1974	[3] 1,000		do	26	[3] 485,000	Indirect.[3]

[1] Purchased in 1973 through the employees stock purchase plan and held in trust.
[2] Includes 3,768 shares purchased through the employees stock purchase plan and held in trust.
[3] Owned by Choctaw Corp., an investment company. J. Hugh Liedtke owns an interest in Choctaw

FORM 4—STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES (SECURITIES BOUGHT, SOLD, OR OTHERWISE ACQUIRED OR DISPOSED OF)

WILLIAM C. LIEDTKE, JR.

1. Name and business address of reporting person: Liedtke, Jr, William C., 900 Southwest Tower, Houston, Tex. 77002.
2. State of incorporation: Delaware.
3. If an amendment give date of statement amended: None.
4. Name of company: Pennzoil Co.
5. IRS or SS identifying number of reporting person xxx-xx-xxxx.
6. Relationships of reporting person to company: President.
7. Date of last previous statement: March 7, 1973.

STATEMENT FOR CALENDAR MONTH, DECEMBER 1973; DATE OF LAST PREVIOUS STATEMENT, MAR. 7, 1973; RECEIVED AT SEC, JAN. 9, 1974

Title of securities	Date of transaction	Amount of securities acquired	Amount of securities disposed of	Character of transaction reported	Purchase or sale price per share or other unit	Amount owned at end of month	Nature of ownership of securities owned at end of month
Common stock	Dec. 26, 1973		400	Gift		[1] 160,923	Direct.[1]
Do	Dec. 21, 1973	[2] 12,800		Open market	26		
Do	do	[2] 2,500		do	24¾		
Do	do	[2] 7,500		do	25		
Do	Dec. 24, 1973	[2] 500		do	26	[2] 383,300	Indirect.[2]

[1] Includes 2,573 shares held in trust through the employees stock purchase plan. Excludes 1,100 shares owned by Mrs. Liedtke. In addition, trusts for the benefit of the Liedtke children own 4,200 shares.
[2] Choctaw Corp., an investment company, owns 383,300 shares. Mr. Liedtke owns an interest in Choctaw.

STATEMENT FOR CALENDAR MONTH, JANUARY 1974; DATE OF PREVIOUS LAST STATEMENT, JAN. 7, 1974; RECEIVED AT SEC, FEB. 11, 1974

Title of securities	Date of transaction	Amount of securities acquired [1]	Amount of securities disposed of	Character of transaction reported	Purchase or sale price per share or other unit	Amount owned at end of month	Nature of ownership of securities owned at end of month
Common stock						[2] 160,923	Direct.
Do	Jan. 3, 1974	400		Open market	27¾		
Do	do	3,100		do	28		
Do	Jan. 4, 1974	4,700		do	27⅝		
Do	do	100		do	27¾		
Do	do	1,200		do	27⅞		
Do	do	3,100		do	28		
Do	do	1,100		do	28⅛		
Do	do	12,000		do	28¼		
Do	do	2,000		do	28⅜		
Do	Jan. 7, 1974	2,300		do	28		
Do	do	3,500		do	28⅛		
Do	do	1,300		do	28¼		
Do	Jan. 8, 1974	100		do	28¼		
Do	do	400		do	28¾		
Do	do	13,200		do	28⅞		
Do	do	4,700		do	29		
Do	do	2,000		do	29⅛		
Do	do	5,500		do	29¼		
Do	Jan. 9, 1974	1,000		do	26¾		
Do	do	1,000		do	27		
Do	do	5,000		do	27½		
Do	do	900		do	27⅞		
Do	do	2,000		do	28		
Do	do	9,700		do	28½		
Do	do	1,800		do	28⅝		
Do	do	500		do	28¼		
Do	do	5,000		do	28⅝		
Do	Jan. 10, 1974	500		do	25¼		
Do	do	500		do	25½		
Do	do	400		do	25⅝		
Do	do	600		do	25¾		
Do	do	500		do	25⅞		
Do	do	2,000		do	26	[1] 475,400	Indirect.

[1] Choctaw Corp., an investment company, owns 475,400 shares. Mr. Liedtke owns an interest in Choctaw.
[2] Includes 2,573 shares held in trust through the employees stock purchase plan. Excludes 1,100 shares owned by Mrs. Liedtke. In addition, trusts for the benefit of the Liedtke children own 4,200 shares.

STATEMENT FOR CALENDAR MONTH, FEBRUARY 1974; DATE OF LAST PREVIOUS STATEMENT, FEB. 4, 1974; RECEIVED AT SEC, MAR. 12, 1974

Title of securities	Date of transaction	Amount of securities acquired	Amount of securities disposed of	Character of transaction reported	Purchase or sale price per share or other unit (average)	Amount owned at end of month	Nature of ownership of securities owned at end of month
Common stock	[1] 1973	[1] 1,020		Purchase	23.331	[2] 164,516	Direct.[2]
Do	Feb. 4, 1974	[3] 500		Open market	24½		
Do	do	[3] 1,900		do	24¾		

STATEMENT FOR CALENDAR MONTH, FEBRUARY 1974; DATE OF LAST PREVIOUS STATEMENT, FEB. 4, 1974, RECEIVED AT SEC, MAR. 12, 1974—Continued

Title of securities	Date of transaction	Amount of securities acquired	Amount of securities disposed of	Character of transaction reported	Purchase or sale price per share or other unit	Amount owned at end of month	Nature of ownership of securities owned at end of month
Common stock	Feb. 4, 1974	[3] 1,600		Open market	25		
Do	Feb. 11, 1974	[3] 500		do	24¼		
Do	do	[3] 500		do	24½		
Do	Feb. 12, 1974	[3] 500		do	24		
Do	Feb. 19, 1974	[3] 500		do	25⅝		
Do	do	[3] 1,200		do	25¾		
Do	do	[3] 700		do	25⅞		
Do	do	[3] 700		do	26		
Do	Feb. 20, 1974	[3] 1,000		do	26	[3] 485,000	Indirect.[3]

[1] Purchased during 1973 through the employees stock purchase plan and held in trust.
[2] Includes 3,593 shares purchased through the employees stock purchase plan and held in trust. Excludes 1,100 shares owned by Mrs. Liedtke; in addition, trusts for the benefit of the Liedtke children own 4,200 shares.
[3] Owned by Choctaw Corp., an investment company. William C. Liedtke, Jr. owns an interest in Choctaw.

STATEMENT FOR CALENDAR MONTH, FEBRUARY 1974; DATE OF LAST PREVIOUS STATEMENT, MAR. 6, 1974; RECEIVED AT SEC, MAR. 11, 1974

Title of securities	Date of transaction	Amount of securities acquired	Amount of securities disposed of	Character of transaction reported	Purchase or sale price per share or other unit (average)	Amount owned at end of month	Nature of ownership of securities owned at end of month
Common stock	1973	[1] 1,020		Purchase	23.331	[2] 161,943	Direct.[2]
Do	Feb. 4, 1974	[3] 500		Open market	24½		
Do	do	[3] 1,900		do	24¾		
Do	do	[3] 1,600		do	25		
Do	Feb. 11, 1974	[3] 500		do	24¼		
Do	do	[3] 500		do	24½		
Do	Feb. 12, 1974	[3] 500		do	24		
Do	Feb. 19, 1974	[3] 500		do	25⅝		
Do	do	[3] 1,200		do	25¾		
Do	do	[3] 700		do	25⅞		
Do	do	[3] 700		do	26		
Do	Feb. 20, 1974	[3] 1,000		do	26	[3] 485,000	Indirect.[3]

[1] Purchased during 1973 through the employees stock purchase plan and held in trust.
[2] Includes 3,593 shares purchased through the employees stock purchase plan and held in trust. Excludes 1,100 shares owned by Mrs. Liedtke; in addition, trusts for the benefit of the Liedtke children own 4,200 shares.
[3] Owned by Choctaw Corp., an investment company. William C. Liedtke, Jr., owns an interest in Choctaw.

IMPEACHMENT PROCEEDINGS

The SPEAKER. Under a previous order of the House the gentleman from Pennsylvania (Mr. EILBERG) is recognized for 5 minutes.

Mr. EILBERG. Mr. Speaker, the question of the possible impeachment of the President of the United States is the most serious question facing the Nation.

At this time I enter into the RECORD a resolution passed by the City Council of Philadelphia concerning this matter:

RESOLUTION

Memorializing the United States House of Representatives to initiate and expedite impeachment proceedings against the President of the United States.

Whereas, Richard M. Nixon has taken the oath of office of the President of the United States to uphold and protect the Constitution and laws of the United States; and

Whereas, A determination should be made to decide if substantial evidence exists that he has violated his oath of office to uphold and protect the Constitution and laws of the United States; therefore

Resolved, By the Council of the City of Philadelphia, That the United States House of Representatives is hereby memorialized to initiate and expedite impeachment proceedings against President Richard M. Nixon.

Resolved, That certified copies of this Resolution be forwarded to each member of the Philadelphia congressional delegation, the Chairman of the House Judiciary Committee, and United States Senators Hugh Scott and Richard Schweiker.

JUNE 2, 1946, A GREAT DAY IN ITALIAN HISTORY

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, Sunday, June 2, marks a stirring event in the rich history of Italy. For on that day in 1946, the great Italian people gave a resounding vote of confidence for political democracy.

The beautiful land of Italy, washed by the blue waves of the Mediterranean and cradled within the Alps, has boasted of an advanced civilization for thousands upon thousands of years. It may be truly said that Italy constitutes a mosaic of human history. She is the font of Western culture—her legal system is a model for the West, her language is the tongue of music, and her Renaissance stands as one of man's greatest achievements. Yet throughout her glorious history, few more stirring events have occurred than the day, 28 years ago, when the Italian people chose a republican form of government.

Let us recall those early postwar years. In the devastation and destruction of World War II, Italy had suffered more heavily than any Western nation except Germany. During the war, her civilian population had endured privations and suffering even more severe than the German citizens, and in addition, they had suffered more than two decades of oppressive Fascist rule.

In the immediate aftermath of war, the most urgent political problem facing Italy was the need to establish a framework for effective democratic government. The task was a difficult one because of the multiplicity of political parties and because of disagreement over whether the monarchy would be abandoned or retained.

In a nationwide referendum, held on June 2, 1946, the Italian people elected delegates to a constituent assembly to draw up a new constitution. In the same referendum the Italians were called upon to decide whether to keep the monarchy or turn to a republic with a president. By a margin of 2 million votes the Italian people voted for a republican form of government, an outstanding victory for political democracy.

Eleven days after the referendum, King Umberto II left Italy. In July the new Italian Government was established, based on the first free elections since 1921. In December 1947, the Constituent Assembly completed the framing of the new Italian Constitution, and on January 1, 1948, that historic document came into force.

The way had been paved for the momentous task of rebuilding Italy. With the aid of the Marshall plan, the determined and ingenious Italian people launched upon a great period of economic, political, and social progress. In addition to outstanding postwar achievements on the domestic scene, Italy also placed herself in the vanguard of European integration. Moreover, in the North Atlantic Treaty Organization, Italy has been and continues to be a stalwart and loyal Western ally.

Thus, Mr. Speaker, we commemorate June 2, 1946, a proud day in Italian history, and, indeed, in the entire history of man's eternal striving for freedom. On this glad occasion, may I extend warmest best wishes to the people of

that great Republic, to their distinguished Ambassador here in Washington, His Excellency Egidio Ortona, and to our many friends of Italian descent in my own 11th District of Illinois, throughout the United States, and all over the world. May the people of Italy continue their important contributions to the culture of the West, to the vitality of democracy, and to democracy's precious ideals.

AMENDMENT TO THE COMMUNITY SERVICES ACT. H.R. 14449

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER), is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, at the appropriate time, I intend to offer an amendment to section 610 of H.R. 14449 which would authorize the Director of the Community Services Agency to undertake a study of the interrelationship of Federal benefit programs for the elderly. The study would be carried out in cooperation with the Federal Council on Aging.

Mr. Speaker, one of the most vexing problems I have witnessed since I came to Congress involves the interaction of Government programs intended to aid the elderly poor. I refer to the negative impact that an increase in benefits from one program may have on an older person's eligibility for benefits from another.

Many of the elderly poor now find that they are on a treadmill. No sooner do they receive increased cash benefits from one source—social security, for example—than they are faced with the prospect of a rent increase in public housing or a cut in veterans pensions or the loss of eligibility for food stamps. In part, these problems arise because programs for the elderly are operated by a vast array of Government agencies, each with their own regulations and legislative authorizations.

Clearly, a comprehensive review of these programs is needed in an effort to bring about greater uniformity and consistency in program standards. Section 610 of H.R. 14449 now authorizes the Director of the Community Services Agency to "initiate and maintain interagency liaison with all other appropriate Federal agencies to achieve a coordinated national approach to the needs of the elderly poor." Section 610 also authorizes the CSA Director "to carry out investigations and studies which would assist the elderly poor to achieve self-sufficiency." It would seem, then, that the initiation of a study of the interrelationship of Federal benefit programs, as authorized in our amendment, represents a logical extension of the authority already provided the Director of the Community Services Agency in section 610 of this act.

The language of the amendment is as follows:

AMENDMENT TO H.R. 14449, AS REPORTED OFFERED BY MR. FRASER

Page 266, line 10, insert "(a)" immediately after "Sec. 610.".

Page 267, immediately after line 8, insert the following new subsection:

(b) The Director shall initiate and carry out, in cooperation with the Federal Council on the Aging, a study to carry out the purposes of section 205(g) of the Older Americans Act of 1965 (87 Stat. 34). Such study shall review the interrelationships of benefit programs for the elderly operated by Federal, State, and local government agencies, and shall develop measures for bringing about greater uniformity of eligibility standards, and for eliminating the negative impact which the standards of one program may have on another program.

MEMORANDUM FOR SENATORS AND MEMBER ON MIA'S

The SPEAKER. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, of continuing concern to me is the plight of our servicemen still missing in action in Southeast Asia. The events of yesterday when we honored our war dead reminded me very forcefully that we must do everything within our power to determine if these men are still alive. I, among others, have expressed concern over recent actions of the Department of Defense in reclassifying some MIA as presumed KIA. I would like to share with my colleagues the following information sheet from DOD concerning this action:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., May 20, 1974.

MEMORANDUM FOR SENATORS AND MEMBERS OF THE HOUSE OF REPRESENTATIVES

The issue of those Americans who remain unaccounted for in Southeast Asia is a matter of continuing concern to you and your constituents. We in the Department of Defense share this concern and are taking every action possible to account for these men and in the meantime provide assistance to their families.

Recent correspondence has indicated an increated interest regarding Service reviews of the status of our servicemen who are missing. In view of this I want to assure you that the Secretaries of the Military Departments are conducting these reviews in strict accordance with existing law. Title 37, United States Code, contains the provisions under which the appropriate Secretary effects reviews of the cases of his missing members. The final decree entered in *McDonald v. McLucas (73 Civ. 3190)* requires that the Secretaries afford specific rights to certain family members of missing servicemen in connection with reviews of their cases under Sections 555 and 556 of Title 37. These rights, including that of a hearing, are afforded those next of kin currently receiving governmental financial benefits. Although not required by the decree, the Secretaries of the Military Departments are also offering these rights to the primary next of kin in those instances where no next of kin are currently receiving financial benefits. Two fact sheets are attached, one which discusses the recent court decree in more detail and one which addresses status changes.

It must be emphasized that our military departments have never abandoned the next of kin or, in any fashion, reduced the level of support and assistance provided family members throughout the course of the conflict. For example, full pay and allowances remain in effect and are distributed according to the missing member's request or as modified by family need; dependents continue to have access to all military facilities and services; full-time casualty assistance officers remain assigned to each family; and extra benefits, such as space available air travel authority, remain in effect.

You may be assured that we intend to continue to press the other side for fulfillment of their obligations under Article 8(b) of the Paris Agreement and that the fullest possible accounting of our missing men remains our unalterable goal.

I hope you will find this information helpful. If you wish to forward copies of this memorandum with its enclosures to your constituents who express their interest and concern, we will be glad to make them available to your office.

JOHN M. MAURY.

FACT SHEET—MCDONALD V. MCLUCAS (73 CIV. 3190) (42LW2445 3–5–74)

MAY 9, 1974.

The suit was filed on 20 July 1973, in the US District Court for the Southern District of New York, as a class action against the Secretaries of the Military Departments. Plaintiffs are five next of kin of MIA servicemen and are represented by Dermot G. Foley, Esq., who is the brother of an Air Force MIA. The thrust of this action attacked the constitutionality of Title 37, USC, Sections 555, 556 which govern review of and changes to the status of missing servicemen.

As a result of the Temporary Restraining Order handed down by the court on 6 August 1973, Secretarial reviews could only be conducted in those cases where the primary next of kin requested the appropriate Secretary in writing that he not delay action based on information in his possession.

A three-judge panel heard the case in New York on 23 October 1973, and filed their opinion on 13 February 1974. In this opinion, the court concluded that status reviews of missing servicemen were being conducted in a constitutionally defective manner, and held that "minimum" standards of procedural due process must be accorded to the affected parties at all future reviews. Specifically, the court's final decree, which was entered on 11 March 1974, enjoined the defendants from conducting any such status reviews unless next of kin currently receiving governmental financial benefits that could be terminated by a status review are given notice of a status review; afforded a reasonable opportunity to attend a hearing, with a lawyer if they so choose; reasonable access to the information upon which the status review will be based; and permission to present any information which they consider relevant to the proceeding. Further, the decree states that these rights need only be afforded to those next of kin, currently receiving governmental financial benefits which could be terminated by a status review, who demand it after notice.

It is significant to note that with respect to status changes family members listed in the TRO were identified as "primary next of kin." This delineation of family relationship is one of lineage and derives from applicable Service directives which govern posthumous estate settlement to the designated beneficiaries of members. The final decree, on the other hand, identifies required family involvement as only those next of kin "currently receiving governmental financial benefits."

Although in most cases primary next of kin are also currently receiving governmental financial benefits, there are instances where no next of kin are currently in receipt of such benefits. These are predominantly cases wherein parents of a single serviceman are non-dependent and are the primary next of kin. Although not required by the decree, the Secretaries of the Military Departments are offering the rights listed therein to the primary next of kin in those instances where no next of kin are currently receiving governmental financial benefits.

FACT SHEET—STATUS DETERMINATIONS

Under Public Law (sections 551–558, Title 37, United States Code), the Secretaries of the Military Departments are given responsibility for the determination of and changes to the "missing status" of their members. Section 551(2) defines "missing status" as the status of a member of a uniformed service who is officially carried or determined to be absent in a status of (a) missing; (b) missing in action; (c) interned in a foreign country; (d) captured, beleaguered, or besieged by a hostile force; or (e) detained in a foreign country against his will. To assist him, each Secretary calls upon professionals within his organization who conduct an exhaustive study, based on all available information, of each individual case.

In making status determinations, two possibilities exist besides the option of retaining the individual in a missing status. In those cases where information is received which conclusively establishes that the member is dead a report of death will be issued. A finding of death is made when circumstances are such that the missing individual cannot reasonably be presumed to be living. The law requires the Secretaries to effect a full review of each missing case no later than one year after the individual is declared missing. Based on available information, a decision is then made to declare the individual deceased or to continue him in a missing status. Subsequent reviews are made as the circumstances warrant.

During the conflict, men were placed in a missing status following the incident when insufficient evidence was available to warrant a captured status. Some men survived particularly severe incidents and became prisoners of war. Other men were known to have been alive and uninjured on the ground, communicating the approach of enemy troops, and subsequently have gone unacknowledged by the other side. Still other men whose fate remains unknown were lost through circumstances totally unknown to us. Many of our missing men were retained in a missing status because of confidence that our men held captive, when released, would be able to provide some information about other men, and the belief that any agreement reached to end the war would include provisions for the exchange of information about the missing.

Our returnees provided information which allowed resolution of the cases of fewer than 100 servicemen and indicated that many others apparently did not enter the known captivity environment. In some instances, then, an individual can be reasonably presumed to be dead in view of the circumstances of the incident and the further information received from the captivity environment. Additionally, none of the lists of U.S. servicemen previously provided by the other side contained the names of all of the men of whom we believe the enemy had knowledge.

Under the law, a missing serviceman is presumed to be deceased when a careful, individual review of all available information concerning his case by the Secretary and his experts reveals that the serviceman can no longer be presumed to be living. This review includes consideration of whatever evidence is available that the man did or could have survived the incident, the extent to which all available sources of information have been explored and the likelihood of the existence and receipt of additional information. In cases such as losses over water or in remote jungle areas, we feel that the likelihood of knowledge of the fate of these men by the other side is not great. We recognize that in some cases, even complete cooperation from the other side and exhaustive search on our part will fail to uncover any new evidence regarding the specific incident in which a man was lost. In these cases, just as in others, final determinations of status must still be made in accordance with the law.

Change in status is not unalterably tied to the inspection of combat sites or to the recovery of remains nor does it negate the necessity for the other side to comply with Article 8(b) of the Paris agreement. The article details clearly the obligations of the parties for arrangements for the location and repatriation of the remains of the dead as well as the exchange of information about the missing. Because the circumstances of loss together with the amount and substance of additional information vary considerably among the cases of our missing servicemen, the only procedure for uniform administration of the existing law in consideration of change in status is that of an exhaustive, individual professional review, as has been done in the past and as is being accomplished now in each of the Services.

PANAMA CANAL: AFL–CIO APPROVES MAJOR MODERNIZATION OF EXISTING CANAL

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD), is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, over a period of years many civic, fraternal, labor, patriotic, professional and other organizations have adopted resolutions urging the expenditure of Federal funds for the major modernization of the Panama Canal. The most recent such action is a resolution by the AFL–CIO national convention in 1974 and its approval by its executive council.

This resolution recognizes the increase in size of vessels and the necessity for a set of larger locks in a program for the major modernization of the existing canal. It calls for resumption of work on the third locks project that was suspended in 1942 because of more urgent war needs.

Legislation for such modernization is now pending in both House and Senate; S. 2330, introduced by Senator THURMOND and H.R. 1517 by myself. These bills are identical.

Mr. Speaker, in connection with these measures I would stress that the program provided enables the maximum utilization of all work so far accomplished on the Panama Canal, that it will provide the best operational canal practicable of achievement at least cost, that it will retain the fresh water barrier between the oceans thus avoiding marine biological dangers involved in constructing a salt water channel between the oceans, that it will revitalize the Isthmus with tremendous benefits to Panama, and that it can be done under existing treaty provisions.

In order to make the indicated AFL–CIO action available to the Congress and the Nation at large, I quote it as part of my remarks along with the texts of the indicated measures.

PANAMA CANAL

Resolution No. 67—By Industrial Union Department.

Whereas, The efficient maintenance, operation, sanitation, utilization and defense of the Panama Canal are of overriding importance to the American people, since a majority of ships transiting the canal carry cargo and passengers originating or terminating in American ports and it is a vital artery for U.S. defense, and

Whereas, The utilization of the Panama Canal is now increasingly limited by the failure to implement the Third Locks project set forth in the report of the Panama Canal dated February 24, 1939, and authorized by the act of August 11, 1939, and

Whereas, The increase in the size of ships transiting the Canal has resulted in navigational problems which can assume serious proportions unless the Canal is modernized, and

Whereas, Many of the operations of the Panama Canal Company, of the Panama Zone Government and of the military installations are carried out by many thousands of American and Panamanian citizens, all of whom have the status of federal employes. Without doubt the completion of the Third Locks project will be a great improvement to international commerce and provide for the job security and safer working conditions of federal employes; therefore, be it

Resolved: The AFL–CIO pledges every effort to effectuate legislation authorizing the expenditure of federal funds to contine work on the Third Locks project of the Panama Canal.

H.R. 1517

A bill to provide for the increase of capacity and the improvement of operations of the Panama Canal, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Panama Canal Modernization Act".

SEC. 2. (a) The Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed to prosecute the work necessary to increase the capacity and improve the operations of the Panama Canal through the adaptation of the Third Locks project set forth in the report of the Governor of the Panama Canal, dated February 24, 1939 (House Document Numbered 210, Seventy-sixth Congress), and authorized to be undertaken by the Act of August 11, 1939 (53 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), with usable lock dimensions of one hundred and forty feet by one thousand two hundred feet by not less than forty-five feet, and including the following: elimination of the Pedro Miguel Locks, and consolidation of all Pacific locks near Agua Dulce in new lock structures to correspond with the locks capacity at Gatun, raise the summit water level to its optimum height of approximately ninety-two feet, and provide a summit-level lake anchorage at the Pacific end of the canal, together with such appurtenant structures, works, and facilities, and enlargements or improvements of existing channels, structures, works, and facilities, as may be deemed necessary, at an estimated total cost not to exceed $950,000,000, which is hereby authorized to be appropriated for this purpose: *Provided, however,* That the initial appropriation for the fiscal year 1974 shall not exceed $45,000,000.

(b) The provisions of the second sentence and the second paragraph of the Act of August 11, 1939 (53 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), shall apply with respect to the work authorized by subsection (a) of this section. As used in such Act, the terms "Governor of the Panama Canal", "Secretary of War", and "Panama Railroad Company" shall be held and considered to refer to the "Governor of the Canal Zone", "Secretary of the Army", and "Panama Canal Company", respectively, for the purposes of this Act.

(c) In carrying out the purposes of this Act, the Governor of the Canal Zone may

act and exercise his authority as President of the Panama Canal Company and may utilize the services and facilities of that company.

SEC. 3. (a) There is hereby established a board, to be known as the "Panama Canal Advisory and Inspection Board" (hereinafter referred to as the "Board").

(b) The Board shall be composed of five members who are citizens of the United States of America. Members of the Board shall be appointed by the President, by and with the advice and consent of the Senate, as follows:

(1) one member from private life, experienced and skilled in private business (including engineering);

(2) two members from private life, experienced and skilled in the science of engineering;

(3) one member who is a commissioned officer of the Corps of Engineers, United States Army (retired); and

(4) one member who is a commissioned officer of the line, United States Navy (retired).

(c) The President shall designate as Chairman of the Board one of the members experienced and skilled in the science of engineering.

(d) The President shall fill each vacancy on the Board in the same manner as the original appointment.

(e) The Board shall cease to exist on that date designated by the President as the date on which its work under this Act is completed.

(f) The Chairman of the Board shall be paid basic pay at the rate provided for level II of the Executive Schedule in section 5313 of title 5, United States Code. The other members of the Board appointed from private life shall be paid basic pay at a per annum rate which is $500 less than the rate of basic pay of the Chairman. The members of the Board who are retired officers of the United States Army and the United States Navy each shall be paid at a rate of basic pay which, when added to his pay as a retired officer, will establish his total rate of pay from the United States at a per annum rate which is $500 less than the rate of basic pay of the Chairman.

(g) The Board shall appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, a Secretary and such other personnel as may be necessary to carry out its functions and activities and shall fix their rates of basic pay in accordance with chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. The Secretary and other personnel of the Board shall serve at the pleasure of the Board.

SEC. 4. (a) The Board is authorized and directed to study and review all plans and designs for the Third Locks project referred to in section 2(a) of this Act, to make on-the-site studies and inspections of the Third Locks project, and to obtain current information on all phases of planning and construction with respect to such project. The Governor of the Canal Zone shall furnish and make available to the Board at all times current information with respect to such plans, designs, and construction. No construction work shall be commenced at any stage of the Third Locks project unless the plans and designs for such work, and all changes and modifications of such plans and designs, have been submitted by the Governor of the Canal Zone to, and have had the prior approval of, the Board. The Board shall report promptly to the Governor of the Canal Zone the results of its studies and reviews of all plans and designs, including changes and modifications thereof, which have been submitted to the Board by the Governor of the Canal Zone, together with its approval or disapproval thereof, or its recommendations for changes or modifications thereof, and its reasons therefor.

(b) The Board shall submit to the President and to the Congress an annual report covering its activities and functions under this Act and the progress of the work on the Third Locks project and may submit in its discretion, interim reports to the President and to the Congress with respect to these matters.

SEC. 5. For the purpose of conducting all studies, reviews, inquiries, and investigations deemed necessary by the Board in carrying out its functions and activities under this Act, the Board is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Board is given power to designate and authorize any member, or other personnel, of the Board, to administer oaths and affirmations, subpena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Board may deem relevant or material to the performance of the functions and activities of the Board. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

SEC. 6. In carrying out its functions and activities under this Act, the Board is authorized to obtain the services of experts and consultants or organizations thereof in accordance with section 3109 of title 5, United States Code, at rates not in excess of $200 per diem.

SEC. 7. Upon request of the Board, the head of any department, agency, or establishment in the executive branch of the Federal Government is authorized to detail, on a reimbursable or nonreimbursable basis, for such period or periods as may be agreed upon by the Board and the head of the department, agency, or establishment concerned, any of the personnel of such department, agency, or establishment to assist the Board in carrying out its functions and activities under this Act.

SEC. 8. The Board may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

SEC. 9. The Administrator of General Services or the President of the Panama Canal Company, or both, shall provide, on a reimbursable basis, such administrative support services for the Board as the Board may request.

SEC. 10. The Board may make expenditures for travel and subsistence expenses of members and personnel of the Board in accordance with chapter 57 of title 5, United States Code, for rent of quarters at the seat of government and in the Canal Zone, and for such printing and binding as the Board deems necessary to carry out effectively its functions and activities under this Act.

SEC. 11. All expenses of the Board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Board or by such other member or employee of the Board as the Chairman may designate.

SEC. 12. There are hereby authorized to be appropriated to the Board each fiscal year such sums as may be necessary to carry out its functions and activities under this Act.

SEC. 13. Any provision of the Act of August 11, 1939 (54 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), or of any other statute, inconsistent with any provision of this Act is superseded, for the purposes of this Act, to the extent of such inconsistency.

LEGISLATION TO IMPROVE OVERSIGHT CAPABILITY

The SPEAKER. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 10 minutes.

Mr. OWENS. Mr. Speaker, today I am introducing legislation to implement a statement of purpose that Congress enacted in the Legislative Reorganization Act of 1970: to improve the oversight capabilities of both Houses of Congress.

One of the most significant developments in the history of American Government is the changing role of the executive branch. After freeing themselves from the oppressive rule of an English King, the framers of the Constitution were understandably reluctant to create a new government in which the executive was supreme. The intervening 200 years have seen a marked growth in executive power, with the executive branch expanding to hundreds of Federal agencies. These agencies, although created by Congress, are primarily responsible to the President. The specialists in each department advise the President in the formulation of his programs and policies, and they help him draft the important proposals which are sent to Congress for consideration. This growth in executive responsibility in turn increases the congressional responsibility to fulfill the legislative function of oversight and review.

We do not have adequate machinery for effective legislative oversight. Hearings before standing committees give us scattered oversight over the powers of the executive departments. But standing committees emphasize legislation over review. In addition, we can create special investigating committees whose function is solely oversight and review. We also have the General Accounting Office, the investigatory arm of Congress which sometimes includes policy review with its financial audit of a program.

But this is not enough. This type of review is haphazard and incomplete. It is not systematic and it is not thorough. My bill will create a vehicle for that systematic review.

Too often after the legislative creation of a program, Congress shifts its attention to other matters, allowing the new program to lapse into disrepair through lack of maintenance. Too often we try to remedy the program's deficiencies by creating another agency without repealing or amending the original program, thereby causing wasteful duplication of function. It is not enough to review the new program every 3 years. Our oversight responsibility begins the day after enactment.

Too often we feel overwhelmed by the growing size and complexity of the Federal agencies. All of us have seen the figures which show, for example, that the Defense Department employs more people to prepare its own budget than Congress does to review the entire budget. In addition, we have all felt the frustration of knowing that the only people who can provide us with expert information on a particular program work within the program itself. My bill will help alleviate

this problem by developing agency experts not possessed by agency self-interest.

We cannot review the myriad policy decisions which are made every day in hundreds of agency offices. But as Representative Melvin Laird stated in 1965 before the Joint Committee on the Organization of Congress:

> We all can cite example after example of Executive abuse of intent of Congress in carrying out and administering programs.

My bill would create within each standing committee of Congress, with the exception of the appropriations committees and the House Rules Committee, a regular staff whose only function would be to assist the committee in its oversight responsibility through "the analysis, appraisal, and evaluation of the application, administration, execution, and effectiveness of the laws enacted by the Congress."

The staff is permanent. The executive agencies will be subjected to constant legislative scrutiny. Committee review will be the rule, not the exception. Agency heads and spokesmen will be held accountable, not just in times of trauma or crisis, but as a routine.

The oversight staff of each committee will consist of six professional and three clerical personnel. Committee members will hear expert agency advice from someone who is not employed by that agency. The staff will be able to determine whether a certain agency is meeting policy objectives and to suggest reforms for existing programs. Finally, working in a legislative and not an administrative environment, the staff will report from the perspective of congressional intent rather than agency interpretation, and their recommendations will take into account committee requirements and pending legislation.

Some Members may appreciate the need for increased congressional oversight but may wonder if we do not already have the existing apparatus which could be altered or modified to assume this function. The fact is, the machinery does not exist. Congress made note of this in the Legislative Reorganization Act of 1970, which incidentally was passed 50 years after the creation of the GAO. The issue goes beyond patching the weaknesses of existing structures. Through its constant proximity to the committee, the oversight staff would be uniquely qualified to review the administration of program and policy in light of congressional intent.

A section-by-section description of the bill will reveal other strengths.

I have already covered much of section I in the foregoing remarks. The section states that a "separate" committee oversight staff shall be maintained "in addition to any of its regular staff otherwise authorized by law or other resolution of a House of Congress."

Section 2 insures that the multiyear programs and projects will be examined on a regular basis. The section provides that each extended project shall be reviewed annually and that a report on the effectiveness of those programs shall be made to the Congress.

Section 3 establishes a standing committee on the Executive Office to extend legislative review over White House policies which have previously escaped the oversight responsibilities of Congress. Over the past few years, several officials connected with the President have assumed the responsibility and power, but not the requirement for accountability, of Cabinet secretaries. Surely, if our legislative and oversight functions are to be complete, the Congress must follow the policymaking power as it shifts from agency to White House.

All proposed legislation relating to authorization of appropriations for Executive Office operations shall be referred to this committee. The new committee will also have the powers delegated to existing standing committees, including the power to issue subpenas.

Section 4 provides that each committee at the end of each Congress shall present "a summary of proposed oversight priorities for the succeeding Congress," from which an oversight agenda listing program review priorities will emerge at the beginning of the new Congress. Committee members would be able to structure and plan their preparatory work around specific dates. The oversight staff would have a long-range timetable during which each agency within a committee's jurisdiction would be the subject of a regular period of review.

Section 5 gives Congress as a national legislature and the individual members as district representatives the opportunity to better serve constituents. Under this section, the GAO shall have the duty to categorize and tabulate the Members' requests for casework assistance. The purpose of this section is "to permit an overall assessment regarding the pattern of problems that are affecting persons seeking the assistance of Members of Congress."

Through this section, the GAO will be able to supply us with information none of us are capable of gathering. When we act upon an individual constituent's request, we treat the problem as a unique case. By categorizing and tabulating the requests, the GAO will be able to detect a pattern of complaints against one agency which may indicate problems with a program. The GAO may then advise Congress of possible remedies.

Congress needs a defined and continuing mechanism for administrative agency oversight. This bill will provide the tools. This bill will allow us to reclaim our proper share of authority over national policy by reviewing the correlation of the policy's implementation to congressional intent. By strengthening our oversight function, we will also strengthen our legislative function. Before Members of Congress can take a responsible position on what we should do, we must have an accurate and complete account of what we already have done.

Here, reprinted, is a copy of this bill:

H.R. 15020

OVERSIGHT STAFF

SECTION 1. Each standing legislative committee of either House of Congress, except the appropriations and rules committees of the House of Representatives, and the appropriations committee of the Senate, shall maintain, in addition to any of its regular staff otherwise authorized by law or other resolution of a House of the Congress, a separate staff for the purposes of assisting such committee in the analysis, appraisal, and evaluation of the application, administration, execution, and effectiveness of the laws enacted by the Congress. Such staff shall consist of no less than six professional and three clerical assistants. The members of such staff shall be appointed on a permanent basis, without regard to political affiliation, and solely on the basis of fitness to perform the duties of their respective positions. The staff shall make such investigations, and conduct such hearings, both in the District of Columbia, and elsewhere in the United States, as directed by the Chairman, or majority vote of the committee, in order to assist the committee in its oversight functions.

REVIEW OF MULTIYEAR AUTHORIZATIONS

SEC. 2. Each program or project for which money is authorized by law to be appropriated for three years or more shall be reviewed annually by the legislative committee which has jurisdiction over the subject matter of such program or project, or shall be reviewed by the General Accounting Office at the direction of such committee, and it shall be the duty of such committee to report to the House from which its members are drawn its conclusions as to the effectiveness of such program or project, and any recommendations such committee may have as to such program or project, not less frequently than annually.

STANDING COMMITTEE ON THE EXECUTIVE OFFICE

SEC. 3. At the beginning of the session of each odd-numbered year, there shall be elected by each House a Standing Committee on the Executive Office, one of whose members shall be elected by that House as chairman of that Committee. The Standing Committee so elected by each House shall have the duty to oversee the functions of the White House and related executive office agencies, including the Office of Management and Budget, particularly with respect to any policymaking functions usually performed by heads of departments but formally or informally transferred to officials over whom the Standing Committee has oversight jurisdiction. The Standing Committee so elected by each House shall have the authority to issue subpenas in the course of its functions, and to each such committee shall be referred all legislation, messages, petitions, memorials, and other matters proposed in the House from which the members of such committee are drawn and relating to authorization of appropriations for such executive office agencies.

OVERSIGHT AGENDA

SEC. 4. On or before November 30 of each even-numbered year, each of the standing committees of the House shall submit to the Speaker and the minority leader a summary of its proposed oversight priorities for the succeeding Congress. On the basis of these summaries and after consultation with the chairmen of the various standing committees and with representatives of the General Accounting Office and the Congressional Research Service, the leadership shall present to the House no later than January 20 of the succeeding year, in the form of a House resolution, an oversight agenda which shall include a list of the program review priorities for each standing committee, and which may specify the date or dates by which each such committee must complete its oversight activities and report its findings and recommendations to the House.

GAO CASEWORK ASSISTANCE

SEC. 5. The General Accounting Office, in consultation with the appropriate commit-

tees of the Senate and the House of Representatives, shall have the duty to establish procedures whereby individual Members of the Senate and of the House of Representatives may categorize constituents and other requests for Member assistance in the nature of casework, so that this information may be tabulated, by automatic data processing or otherwise, in order to permit an overall assessment regarding the pattern of problems that are affecting persons seeking the assistance of Members of Congress in the area of casework. The General Accounting Office shall submit quarterly reports to the Senate and the House of Representatives containing the tabulated data and an analysis of such pattern, and any recommendations the General Accounting Office may have on general solutions to problems which frequently occur.

(b) It shall be the duty of the General Accounting Office to provide technical and general assistance to each Member of either House of Congress in the performance of such casework as that Member may refer to such Office.

EFFECT ON HOUSE AND SENATE RULEMAKING POWER

SEC. 6. The provisions of this Act, except section 5, are enacted by the Congress—

(1) insofar as applicable to the Senate, as an exercise of the rulemaking power of the Senate and, to the extent so applicable, those sections are deemed a part of the Standing Rules of the Senate, superseding other individual rules of the Senate only to the extent that those sections are inconsistent with those other individual Senate rules, subject to and with full recognition of the power of the Senate to enact or change any rule of the Senate at any time in its exercise of its constitutional right to determine the rules of its proceedings; and

(2) insofar as applicable to the House of Representatives, as an exercise of the rulemaking power of the House of Representatives, subject to and with full recognition of the power of the House of Representatives to enact or change any rule of the House at any time in its exercise of its constitutional right to determine the rules of its proceedings.

THE NEED TO EXPAND THE FORESTRY INCENTIVES PROGRAM

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

Mr. SIKES. Mr. Speaker, the Congress took a major step forward when it authorized a forestry incentives program as a means of assuring an adequate supply of wood for future generations. As you know, the program authorizes the Federal Government to share the costs incurred in planting trees and applying cultural treatments in the small forests of private, nonindustrial owners.

The Federal Government authorized an expenditure of $10 million to initiate the program and carry it through the remainder of fiscal 1974. The response to the amendment of the availability of funds has been one of overwhelming endorsement. Accordingly, a budget item of $25 million has been recommended to the Congress for fiscal 1975. It will probably be the first time ever that a new program in its first year of operation is to be funded to the limit of the statutory authorization. It already is apparent that the program is too small to meet the need which is being demonstrated.

Let me tell you how the program is being received. It was launched in March of this year. I had the pleasure of being at the first incentives planting in Florida. Since then, public response in Florida and in many other States has been most encouraging.

Requests for assistance have been so numerous that nine States already have obligated their entire allotments for this year. Twenty-eight States have spent more than 60 percent of their allotment although the program is barely 2 months old.

The forestry incentives program for small landowners also has stimulated some very important supporting efforts by others.

For example, the State of Mississippi has enacted a parallel forest resources program under which the State will share planting costs with private landowners. The State program is expected to be about $1 million annually. This sum is nearly twice as much as the Federal allotment to Mississippi landowners.

In a related move, a lumber company has offered to pay the owners of small forests an annual rental based upon the productive capacity of the soil. These leases enable small owners to pay their taxes and other incidental expenses while they wait for the trees to grow to harvestable size. The leasing program has another important aspect in that the trees increase in quality and value while they are growing in size.

Several forest industries are helping their smaller neighbors by making equipment and labor available at cost. These offers are especially important at this time because new equipment is difficult to acquire under the 54-week delay involved in filling some factory orders. One company announced at a meeting of Forest Farmers in Daytona Beach, Fla., recently that it would help its neighbors plant 100,000 acres annually for the next decade. That is a significant goal.

With this kind of cooperation, the future becomes much brighter, provided the Federal Government continues to do its part. That part simply means to increase the authorization for funds and to expand the availablity of the incentives program to more landowners.

Therefore, I am introducing an amendment to the forestry incentives program that would increase the Federal authorization to $50 million annually from the present $25 million. I also recommend that the acreage limitation under which small landowners can participate be increased to 1,000 acres per owner from the present 500-acre level. This adjustment is necessary in order to extend assistance to some of the unusual ownership patterns in Missouri, Wyoming, and a few other States. It also is important because there are many deserving landowners who own more than 500 acres and who should not be denied the right to participate in the program.

WILLIAM J. HULL

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PERKINS. Mr. Speaker, the long-range prospects for economic prosperity in this country depend to a large degree upon the use we make of our water resources.

I am delighted that so much attention is presently being paid to this important subject, much of it by people who have only recently awakened to its importance.

We have in Washington a valiant fighter for the wise management and development of our water resources—one whose record goes back over a period of many years. He is William J. Hull, a man known favorably and well by many Members of this House as special counsel to the Water Resources Congress, president of the National Waterways Conference, and legislative adviser to the Ohio Valley Improvement Association.

Because today is his 62d birthday, I take this occasion to pay tribute to him and the fine work he has done on behalf of my State and the rest of the Nation over the years.

Bill Hull, born May 28, 1912, in Hicksville, Ohio, is Washington vice president of Ashland Oil Co., which has headquarters in my congressional district. He is a graduate of Phillips Academy and Yale University, and is a member of Phi Beta Kappa and Delta Sigma Rho, honorary fraternities.

He is an honorable member of the bars of Kentucky, Ohio, and the District of Columbia.

His scholarship in the field of water resources is attested by coauthorship with his son, Robert W. Hull, of "The Origin and Development of the Waterways Policy of the United States" in 1967. I wish Bill Hull well on his birthday, and hope that he is around to make his unique contributions to the Congress and the country for many years to come.

PASSING OF THOMAS R. HAY

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

Mr. RONCALLO of New York. Mr. Speaker, Long Island has lost a distinguished member of its community with the passing of Thomas R. Hay, a historian and electrical engineer, who died Sunday in Glen Cove Community Hospital. Hay, a Locust Valley resident since 1941, edited and wrote for various electrical engineering trade magazines. However, his daughter, Edith Hay Wyckoff, publisher of the weekly Locust Valley Leader, said:

History was the whole thing. He just did the engineering to put food on the table.

A specialist on the South's role in the Civil War, Hay wrote a number of books on Southern generals, including James Longstreet and John Bell Hood. He was working on a biography of Gen. John Bankhead Magruder when he died. Hay contributed to various historical journals and encyclopedias and had a 1,000-volume historical research library in his home.

While we mourn his passing and share the grief and loss of his family, we are heartened by the fact that his works will

remain among us long after we are all gone.

WHAT FOOD CAN POOR BUY?

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

Mr. BURKE of Massachusetts. Mr. Speaker, I take this opportunity to bring to the attention of the Members a column that appeared in today's newspapers throughout the Nation written by the nationally known columnist Sylvia Porter about the high cost of food and "What Food Can Poor Buy?" I have filed a bill this year which will help the poor and middle-income people of this Nation. The legislation authorizes the Secretary of Agriculture to supply free seeds upon request to the people of the United States and encourage home gardening. This bill will only cost the Federal Government $6 million a year and can produce up to $380 million in fresh garden vegetables. The Subcommittee on Agriculture heard the bill 2 weeks ago, under the chairmanship of Congressman JOSEPH VIGORITO, of Pennsylvania.

I hope the full committee will report out my little old seed bill and demonstrate the concern of Congress on the serious problem of rising prices and future shortages in food. I include for the RECORD the news column:

WHAT FOOD CAN POOR BUY?

(By Sylvia Porter)

How far can the millions of poor in America trade down in food—in an era of galloping "staple inflation"? While you may be spending the national "average" of only 16 percent of your after-tax income on food, what about the family already spending 30 to 50 percent of its income on food and facing quantum jumps in the prices of those high-protein basics at the bottom of the food ladder? What's below the bottom?

In the past year, according to latest official figures, the cost of food at home has risen almost 20 percent. But in the same period, the average price of a five-pound bag of flour has soared 60 percent; a three-pound can of shortening has jumped 64 percent; a 10-pound bag of potatoes, 60 percent; bread, 34 percent; a pound of dried beans, 182 percent; a pound of rice, 103 percent; a half-gallon of milk, 27 percent; a dozen large eggs, 29 percent; a pound of turkey, 35 percent; ½ pound of cheese, 30 percent. And so it goes.

As meat prices skyrocketed in 1973, millions traded down from steaks to stew, hamburger, fish and chicken; from stew and hamburger to milk, cheese, rice and beans.

But by so doing, we intensified an already powerful price rise among "bottom rung" basics. Bean prices were rising before our demands spurted because of production cutbacks by farmers discouraged by low bean prices in previous years.

The price of rice took off in response to enormous exports last year and a huge gift of rice to South Vietnam to use as currency in exchange for money to support its army.

Increases in prices of milk, turkey and eggs are tied to increases in the costs of feed grains.

As a result, a pound of dried beans is becoming almost as expensive as a pound of hamburger and, reports one food processor, it's now more costly to produce a can of chili and beans than it is to produce a can of chili and beef!

And that's only part of the staple inflation tale, for prices also have been soaring for other key protein substitutes—dried milk, lentils, split peas, spaghetti and macaroni. (Somewhat surprisingly, though, the Bureau of Labor Statistics does not price these items for its monthly reports.)

Where does the low-income family—which has been leaning more and more heavily on spaghetti, beans, cheese, rice and the like—turn now?

Among the few items left to trade down to is peanut butter. But peanut butter costs an average of more than 75 cents a pound at latest official reporting date, hardly a bargain anymore. Another is tuna fish. But tuna fish is also up 19 percent from a year ago and is moving rapidly out of the bargain category.

Our Secretary of Agriculture's memorable advice a while back to "eat less" is fine for the overweight, overfed middle-income American—and indeed, in 1973, our national per capita food consumption dropped 2 percent while our consumption of meat fell sharply for the first time in decades (7 percent). Welcome as this may be for our overfed, it's hardly practical advice for the family already on a grossly inadequate diet, already buying at the bottom of the food ladder—and facing along with the rest of us inescapable increases in the costs of clothing, shelter, transportation, other absolute necessities.

The diets of most of the one in five Americans who now qualify for food stamps are widely considered nutritionally deficient. Where does this family turn—except to more malnutrition or more help via food stamps?

Still to come, I suppose, is the money-saving advice: "Eat dog food." However, pet food sales are zooming, and in low-income areas sales are now far exceeding the amounts which could be consumed by their animal populations. By one recent estimate, one-third of the dog and cat food being bought in ghettoes is consumed by people. And, notes a report on food price changes by the Senate Select Committee on Nutrition and Human Needs, advertising by pet food manufacturers has appeared to be "more and more directed at possible human consumers."

RAIN OVER SOUTHEAST ASIA

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

Mr. GUDE. Mr. Speaker, the admission by the U.S. Government that it had spent $21.6 million trying to create rain over part of Southeast Asia between 1967 and 1972 raises questions for which the Pentagon should provide answers and explanations.

Repeated attempts in the past several years to obtain the facts from Defense Department officials have met only with denials that such activity ever took place. Now, previously classified testimony reveals that this project was going on even while the Secretary of Defense was testifying before Congress that it did not exist. Secretary Laird, in testifying on April 18, 1972, before the Senate Foreign Relations Committee said:

We have never engaged in that type of activity over North Vietnam.

In a January 28 letter, former Secretary Laird corrected his testimony by saying he had never approved rainmaking over North Vietnam but had "just been informed that such activities were conducted over North Vietnam in 1967 and again in 1968."

This project has to rank as one of the most useless ever conceived by the Government. Not only did the ill-conceived rainmaking effort accomplish nothing except to wash $21.6 million down the drain, it was undertaken with no thought as to the very dangerous situations which could evolve from such a policy.

Geophysical warfare is still at a relatively primitive stage. The technology is rapidly expanding, however, and beyond making rain there are the possibilities of prolonging droughts, redirecting storms and hurricanes, and setting off earthquakes with small nuclear devices. Indeed, permanently changing the world's climate by tampering with the polar ice cap is no longer in the realm of science fiction.

The Government's action makes it clear that no effective restraints exist to prevent our military from engaging in disasters like this and makes it more imperative than ever to reach international agreement on weather modification activities.

H.R. 10337, NAVAJO-HOPI BILL

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

Mr. MEEDS. Mr. Speaker, tomorrow the House will take under consideration the bill, H.R. 10337, providing for the resolution of a longstanding land dispute between the Navajo and Hopi Indian Tribes in the State of Arizona.

The Rules Committee has reported House Resolution 1095 providing for a 2-hour open rule.

When the House takes up the legislation, I intend to offer an amendment to the bill in the nature of a substitute. Several of my colleagues have indicated their support for the approach my substitute takes in resolving this very difficult matter.

This dispute is a very sensitive, volatile problem and there is no easy solution. I think it is safe to say that any outside, imposed solution, which may eventually become necessary, will be very difficult to implement and administer and may well contribute to the local ill will.

My substitute seeks to avoid this possibility by giving the tribes a last chance to arrive at a mutual settlement of the dispute.

Mr. Speaker, I include the text of my substitute be printed in the RECORD and I urge my colleagues to review its provisions and give it their most serious consideration.

AN AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 10337, AS REPORTED, OFFERED BY MR. MEEDS

1. Strike all after the enacting clause, and insert in lieu thereof the following:

That, (a) within thirty days after enactment of this Act, the chief judge of the United States District Court for the District of Columbia shall appoint a Navajo-Hopi Board of Arbitration (hereinafter in this Act

referred to as the "Board") which shall provide for the settlement and determination of the relative rights and interests of the Navajo and Hopi Indian Tribes (hereinafter in this Act referred to as the "parties") in and to lands, including surface and subsurface right, lying within the joint use area of the Hopi Reservation established by the Executive Order of December 16, 1882, as determined in the case of *Healing* v. *Jones*, (210 F. Supp. 125, D. Ariz. 1962; aff'd U.S. 758, 1963) (hereinafter in this Act referred to as the Healing case); and the rights and interests of the Hopi Tribes or Hopi individuals in and to lands, including surface and subsurface rights, lying within the Navajo Reservation created by the Act entitled "An Act to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes," approved June 14, 1934 (48 Stat. 960). The Board shall be composed of the three members, one of which such chief judge shall designate as Chairman. No member appointed to such Board shall have any interest, direct or indirect, in the settlement of the interests and rights set out in this subsection. Such chief judge shall promptly appoint a Board member to fill any vacancy which may occur in the Board's membership.

(b) Members of the Board shall receive compensation in the daily equivalent of the rate provided for grade GS–18 of the General Schedule in section 5332 of title 5 of the United States Code, for each day they are engaged in the business of the Board, and shall be allowed travel expenses, including per diem allowance, as authorized by section 5702 of title 5 of the United States Code, in connection with their services for the Board.

(c) In carrying out its responsibilities under the provisions of this Act, the Board is authorized to—

(1) make such rules and regulations as it deems necessary, not inconsistent with this Act, and

(2) request from any department, agency, or independent instrumentality of the Federal Government any information, personnel, services, or materials it deems necessary to carry out its functions; and each such department, agency, or instrumentality is authorized to cooperate with the Board and to comply with such requests to the extent permitted by law, on a reimbursable or nonreimbursable basis.

(d) All Board members shall attend the negotiation sessions provided for in section 2(c) except in the case of illness or other extenuating circumstances. Any formal action or determination of the Board shall require the agreement of a majority of the Board members.

(e) The existence of the Board and the negotiating teams established under section 2 shall terminate when the Board has filed a final report as provided in sections 3 and 4, but in no event later than the end of the one-year period beginning on the date of enactment of this Act.

(f) The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") shall appoint a liaison representative to the Board who shall attend negotiating sessions and facilitate the provision of information and assistance requested by the Board from the Department of the Interior.

(g) There is authorized to be appropriated not to exceed $500,000 for the expenses of the Board, such amount to be available in the fiscal year in which it is appropriated and in the following fiscal year.

SEC. 2. (a) Within the twenty-day period after appointment of the Board, the Board shall, in writing, contact the tribal councils of the Hopi and Navajo Tribes requesting the appointment by each such council of a negotiating team representing each tribe. Each such team shall be composed of an odd number of members (not exceeding seven), to be certified by appropriate resolution of the respective tribal council. Notwithstanding any other provision of law, the negotiating teams, when appointed and certified, shall have full authority to bind the respective tribes with respect to any matter within the scope of this Act. Each tribal council shall promptly fill any vacancy occurring on its negotiating team.

(b) In the event either or both of the parties fail to appoint and certify a negotiating team under subsection (a) within thirty days after the Board contacts the tribal council under such subsection, the provisions of section 4(a) shall become operative.

(c) Within fifteen days after formal certification of both teams to the Board, the Board shall schedule the first sessions of negotiations at Flagstaff, Arizona. Thereafter, negotiating sessions, conducted under guidelines established by this Act, shall be scheduled at Flagstaff, Arizona, or at any other place by agreement of the Board and the negotiating teams, as long as at least one session is held biweekly.

(d) In the event that either or both negotiating teams fail to attend two consecutive sessions or, in the opinion of the Board, either fails to negotiate in good faith, or an impasse in the negotiations is reached, the provisions of section 4(a) shall become operative.

(e) In the event of a disagreement within a negotiating team, the majority of the team shall prevail and act on behalf of the team unless the resolution of the tribal council certifying the team specifically provides otherwise.

SEC. 3 (a) If, within one hundred and eighty days after the first session scheduled by the Board under section 2(c) of this Act, the parties reach agreement on the settlement of the rights and interests of the parties, such agreement shall be reduced to writing, signed by the members of the negotiating teams and the members of the Board, and notarized. The Board shall submit such agreement to the Attorney General of the United States who shall, forthwith, advise the Board only on the constitutionality and legality of any or all provisions of such agreement. The Board shall have limited discretion to modify such agreement to conform to the advice of the Attorney General and to make technical changes. The Board shall provide the negotiating teams with copies of such modified agreement for their approval and signatures as above. If the teams approve and sign the modified agreement, the Board shall transmit it, together with a report thereon, to the Speaker of the House of Representatives and to the President of the Senate. The Board shall provide copies to the Attorney General and the Secretary, each of whom shall provide a report thereon to the Interior and Insular Affairs Committees of the Senate and the House of Representatives.

(b) If, within sixty days (excluding days on which either the House of Representatives or the Senate is not in session because of an adjournment for more than three calendar days to a day certain) after submission of such agreement and report to the Congress, neither the Senate or House of Representatives passes a resolution disapproving such agreement, it shall have the force and effect of law and shall be conclusive and binding upon the Navajo and Hopi Tribes and upon all other persons as to the rights and interests in lands or interests in lands which are determined and settled by said agreement.

SEC. 4. (a) If the negotiating teams fail to reach agreement within one hundred and eighty days after the date of the first session scheduled by the Board under section 2(c), or if one or both of the parties is in default under the provisions of section 2(b) or 2(c), the Board shall, within 60 days thereafter, devise a plan of settlement which shall be most reasonable and equitable in light of the law and circumstances and consistent with the guidelines set forth in section 6 of this Act: *Provided*, That the Board, in its final determination, may weight the default of either party pursuant to section 2(b) and 2(d). The Board shall then follow the procedures set out for agreements in section 3 of this Act; *Provided*, That such plan shall not be submitted to the parties for their approval.

(b) For the purpose of facilitating a negotiated settlement pursuant to section 3 or a settlement devised pursuant to subsection (a) of this section, the Board is authorized—

(1) notwithstanding the provisions of section 2 of the Act of May 25, 1918 (40 Stat. 570; 25 U.S.C. 211), to enter into an agreement with the Secretary to purchase or otherwise acquire lands for the benefit of either party from funds authorized by this Act; from the funds of either party; or funds under any other authority of law. Such lands shall be taken in trust by the United States for the benefit of the party for whom they are purchased;

(2) to enter into an agreement with the Secretary for the development of a land restoration and reclamation program for lands lying within the joint use areas of the 1882 Executive Order Reservation;

(3) to enter into an agreement with the Secretary for the development of a program for removal and resettlement pursuant to the provisions of sections 7 and 8 of this Act;

(4) in the event the subsurface interests underlying lands within the 1882 joint use area are maintained in joint, undivided ownership, to make temporary adjustments in the division of income from such subsurface interest or to otherwise temporarily to allocate the use of the interest of either or both parties to such subsurface income; and

(5) to make provision for a limited tenure and use, and for a phased removal of members of one party from lands which may be partitioned to the other party; *Provided*, That such limited tenure and use and phased removal shall be for a period not to exceed eight years from the date of final settlement.

(c) The authorizations contained in subsection (b) hereof shall be discretionary with the Board and shall not be construed to represent any directive of the Congress.

SEC. 5. For the purpose of section 3, the parties may make any provision in such agreement which is not inconsistent with existing law. No such agreement nor any provision in it shall be deemed to be a taking by the United States of private property compensable under the fifth amendment to the Constitution of the United States.

SEC. 6. For the purposes of a settlement under section 4 of this Act, the Board and the Attorney General shall be guided by the following:

(1) The Hopi Tribe and the Navajo Tribe, under the decision of the Healing case, have a joint, undivided, and equal interest in and to all of the 1882 joint use area.

(2) Any division or partition of the joint use area which results in a less than equal share to one party shall be fully and finally compensable to such party by the other party or out of appropriations hereinafter provided or both, except that any such compensation from the appropriation provided

shall not prejudice the right of the compensated party to share equitably in the remaining portion of such appropriation unless imposed as a sanction pursuant to section 2(b) or 2(d) of this Act.

(3) The rights and interests of the Hopi Tribe in and to the exclusive Hopi Reservation defined in the Healing case shall not be reduced or limited in any manner.

(4) Undue social, economic, and cultural disruption shall be avoided insofar as reasonably practicable.

(5) Subject to the provisions of paragraph (2) of this section, funds appropriated under this Act shall be expended in such manner as will be most beneficial, in terms of long-term social and economic development, to members of both Navajo and Hopi Tribes living within the exterior boundaries of the Reservation established by the Executive Order of December 16, 1882.

(6) In any division of the surface rights to the 1882 joint use area, reasonable provision shall be made for the use and right of access to identified religious shrines of either party on the portion allocated to the other party, and for the reasonable availability of and access to water, firewood, and grazing resources such as to render the surface use of both parties viable.

(7) Any claim the Hopi Tribe may have against the Navajo Tribe for an accounting of all sums collected by the Navajo Tribe since September 28, 1962, as trader license fees or commissions, lease rentals or proceeds, or other similar charges for doing business on, or the use of, lands within the Executive Order Reservation of December 16, 1882, is for a one-half share in such sums. The settlement may provide for satisfaction of such claims or for adjudication of such claims, in which case the Hopi Tribe is authorized to commence an action against the Navajo Tribe in the United States District Court for the District of Arizona with any interest on an award by such court to be at the rate of 6 per centum per annum.

(8) Pursuant to the first section of the Act of June 14, 1934 (48 Stat. 960), provision shall be made for the partition and allocation of lands and interests in lands to the Hopi Tribe or Hopi individuals in the so-called Moencopi Area of the 1934 Navajo Reservation, which such provision shall take into consideration the—

(A) number of Hopi residing within such area on June 14, 1934;

(B) number of direct descendants of such Hopis residing in such area on the effective date of this Act;

(C) existing Hopi-Navajo dwelling patterns in such area;

(D) access to and availability of firewood, water, and grazing resources;

(E) necessity of a corridor to the major portion of the Hopi Reservation; and

(F) contiguity and unity of lands partitioned to the Hopi Tribe or individuals.

Any lands apportioned to the Hopi Tribe or individuals shall be considered a part of the Hopi Reservation and administered by the Hopi Tribe.

SEC. 7. Any settlement accomplished under section 3 or 4 of this Act which necessitates the resettlement of members of one party from lands apportioned to the other party shall provide for—

(1) the availability of lands for resettlement;

(2) a reasonable period of time for resettlement to avoid undue social, economic, and cultural disruption;

(3) funds for rehabilitation of individuals or family units subject to resettlement;

(4) expenses of resettlement; and

(5) purchase of nonmovable improvements of individuals subject to resettlement.

SEC. 8. For the purposes of section 7—

(1) The United States shall purchase from the head of each Navajo or Hopi household, who is required to resettle pursuant to the provisions of any settlement under section 3 or 4 of this Act, the habitation and other improvements owned by him on the area from which he is required to move. The purchase price shall be the fair market value of such habitation and improvements.

(2) In addition to payments made pursuant to paragraph (1) of this section, the Secretary shall—

(A) reimburse each head of a household, whose family is moved pursuant to any settlement under section 3 or 4 of this Act, for his actual reasonable moving expenses as if he were a displaced person under section 202 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894);

"(B) pay to each head of a household, whose family is moved pursuant to any settlement under section 3 or 4 of this Act, an amount which, when added to the fair market value of the habitation and improvements purchased under paragraph (1) of this section, equals the reasonable cost of a decent, safe, and sanitary replacement dwelling adequate to accommodate such displaced household: *Provided*, That the additional payment authorized by this subparagraph (B) shall not exceed $15,000 for a household of three or less and not more than $20,000 for a household of four or more: *Provided further*, That the additional payment authorized by this subparagraph shall be made only to a displaced person who purchases and occupies such replacement dwelling not later than the end of the two-year period beginning on the date on which he receives from the Secretary final payment for the habitation and improvements purchased under paragraph (1) of this section, or on which he moves from such habitation, whichever is the later date. Nothing in this paragraph shall require a displaced person to occupy a dwelling with a higher degree of safety and sanitation than he desires.

(3) In implementing paragraphs (2)(A) and (B) of this section, the Secretary shall establish standards consistent with those established in the implementation of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

(4) The Secretary is authorized to dispose of dwellings and other improvements acquired pursuant to this section in such manner as he sees fit, including resale of such improvements to members of the tribe exercising jurisdiction over the area at prices no higher than their acquisition costs. Proceeds from such sales shall be deposited in the United States Treasury as miscellaneous receipts.

SEC. 9. Any lands or interests in lands partitioned or purchased as in-lieu lands hereunder shall be taken by the United States in trust for the tribe to which such lands are partitioned or for which such lands are purchased and shall become a part of the reservation of such tribe.

SEC. 10. In the event the subsurface rights to lands partitioned under the provisions of this Act are left in joint ownership, such interests shall be administered by the Secretary on a joint-use basis with any development thereof being subject to the consent of both parties. Costs of such development shall be shared by both parties and the net income derived from such development shall be distributed by the Secretary to the parties on the basis of any percentage formula agreed upon or set in the settlement.

SEC. 11. Notwithstanding any other provision of this Act, the Secretary is authorized to allot in severalty to individual Paiute Indians, not now members of the Navajo Indian Tribe, who are located within the area described in the Act of June 14, 1934, and who were located within said area or are direct descendants of Paiute Indians who were located within said area on the date of such Act, land in quantities as specified in the Act of February 8, 1887 (24 Stat. 388), and patents shall be issued to them for such lands in the manner and with the restrictions as provided in sections 1, 5, and 6 of that Act.

SEC. 12. Subsequent to the partition of the surface of any land by a settlement reached or determined under authority of section 3 or 4 of this Act, the Navajo Tribe shall pay to the Hopi Tribe, from the date of such partition, fair rental value as determined by the Secretary for all Navajo Indian use of lands partitioned to the Hopi Tribe and the Hopi Tribe shall pay to the Navajo Tribe, from the date of such partition, fair rental value as determined by the Secretary for all Hopi Indian use of lands partitioned to the Navajo Tribe.

SEC. 13. Either party may institute any original, ancillary, or supplementary actions against the other party as may be necessary or desirable to insure quiet and peaceful enjoyment of the reservation lands of said party and the members thereof and fully to accomplish the objects and purposes of any settlement reached under section 3 or 4 of this Act. Such actions may be commenced in the United States District Court for the District of Arizona by either of said parties against the other, acting through the Chairman of the respective tribal councils, for and on behalf of the tribes, including all villages, clans, and individual members thereof.

SEC. 14. The United States shall not be an indispensable party to any action or actions commenced under authority of this Act and any judgment or judgments shall not be regarded as a claim or claims against the United States.

SEC. 15. All applicable provisions and final remedies provided for by the Federal Rules of Civil Procedure and all other remedies and processes available for enforcement and collection of judgments in the district courts of the United States may be used in the enforcement of judgments obtained pursuant to the provisions of this Act.

SEC. 16. (a) For the purposes of carrying out the provisions of section 4(b) of this Act, there is hereby authorized to be appropriated a sum not to exceed $20,000,000. The Secretary may use such sums to make a loan or loans to either or both parties, to be used by such party or parties pursuant to an agreement of settlement reached pursuant to section 3 of this Act, or pursuant to a settlement devised under section 4 of this Act.

(b) Any loan or loans made pursuant to subsection (a) of tihs section shall be repaid to the United States by the party to whom the funds are loaned, and they shall not bear interest. The loan shall be repaid from the borrowing party's annual share of earnings from the subsurface rights within the 1882 joint use area, unless otherwise determined by the Secretary: *Provided*, That the minimum amount to be repaid each year shall be $500,000 for each such loan.

SEC. 17. For the purpose of carrying out the provisions of section 8 and for the purpose of any compensation which may become payable pursuant to the provisions of section 6 of this Act, there is hereby authorized to be appropriated not to exceed $30,000,000.

2. Strike all of the title of H.R. 10337 and insert in lieu, the following:

"To provide for the mediation and arbitration of the conflicting interests of the Navajo and Hopi Indian Tribes in and to lands lying within the joint use area of the Hopi Reservation established by the Executive Order of December 16, 1882, and to lands ly-

ing within the Navajo Reservation created by the Act of June 14, 1934, and for other purposes."

CONFERENCE REPORT ON H.R. 12565, APPROPRIATIONS FOR PROCUREMENT FOR ARMED FORCES, 1974

Mr. HÉBERT (pursuant to an order of the House on Thursday, May 23) filed the following conference report and statement on the bill (H.R. 12565) to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 93-1064)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12565) to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test, and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—PROCUREMENT

SEC. 101. In addition to the funds authorized to be appropriated under Public Law 93-155 there is hereby authorized to be appropriated during fiscal year 1974 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons authorized by law, in amounts as follows:

Aircraft

For aircraft: for the Army, $15,000,000; for the Navy and the Marine Corps, $201,200,000; for the Air Force, $187,800,000.

Missiles

For missiles: for the Army, $76,600,000; for the Navy, $17,000,000; for the Marine Corps, $22,300,000; for the Air Force, $39,000,00.

Naval Vessels

For naval vessels: for the Navy, $24,-800,000.

Tracked Combat Vehicles

For tracked combat vehicles: For the Army, $63,400,000.

Other Weapons

For other weapons: For the Army, $8,200,-000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. In addition to the funds authorized to be appropriated under Public Law 93-155, there is hereby authorized to be appropriated during the fiscal year 1974, for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army $35,898,000;

For the Navy (including the Marine Corps), $38,528,000,

For the Air Force $29,466,000, and

For the Defense agencies, $5,991,000.

TITLE III—MILITARY CONSTRUCTION

SEC. 301. In addition to the funds authorized to be appropriated under Public Law 93-166, there is hereby authorized to be appropriated during the fiscal year 1974, for use by the Secretary of Defense, or his designee, for military family housing, for operating expenses and maintenance of real property in support of military family housing, an amount not to exceed $3,866,000.

SEC. 302. Authorizations contained in this title shall be subject to the authorizations and limitations of the Military Construction Authorization Act, 1974 (Public Law 93-166), in the same manner as if such authorizations had been included in that Act.

TITLE IV—GENERAL PROVISIONS

Sec. 401. No volunteer for enlistment into the Armed Forces shall be denied enlistment solely because of his not having a high school diploma.

Sec. 402. This Act may be cited as the "Department of Defense Supplemental Appropriation Authorization Act, 1974".

And the Senate agree to the same.

F. EDW. HÉBERT,
MELVIN PRICE,
O. C. FISHER,
CHARLES E. BENNETT,
SAMUEL S. STRATTON,
WILLIAM G. BRAY,
L. C. ARENDS,
BOB WILSON,
CHARLES GUBSER,
Managers on the Part of the House.

JOHN C. STENNIS,
STUART SYMINGTON,
HENRY M. JACKSON,
HOWARD W. CANNON,
STROM THURMOND,
JOHN TOWER,
PETER H. DOMINICK,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill H.R. 12565, an act to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test, and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes, submit the following joint statement to the House and to the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

GENERAL BACKGROUND

The Administration's Fiscal Year 1974 supplemental request requiring authorization for appropriations for the Department of Defense requested new authorizations of $1,257,-455,000. The amount approved by the House on April 4, 1974, was $1,142,049,000. The amount approved by the Senate on May 6, 1974, was $415,474,000 in the form of a total authorization for appropriations plus an additional transfer authority of $155.8 million under which incremental defense costs related to the Middle East War would be funded from the $2.2 billion provided as "emergency security assistance for Israel" already provided. The net difference between the two bills was $726,575,000. The resolution of differences by the House and Senate conference results in a new total of $769,049,000. Therefore, the new total in the bill is $373,000,000 less than the House figure of $1,142,049,000, and $353,575,000 higher than the Senate figure of $415,474,000.

Set out below are selected major items in controversy and their resolution:

TITLE I—PROCUREMENT

Aircraft—Army

Support Equipment—Flight Simulators

The House bill contained an authorization of $7.0 million for three UH-IN helicopter flight simulators for the Army.

The Senate deleted the request in its entirety.

The Senate pointed out that the justification presented by the Army did not show sufficient urgency to warrant this request being approved on a supplemental basis.

The House recedes.

Aircraft—Navy

P-3C (Patrol) ASW Aircraft

The House authorized $49.6 million for the procurement of six P-3C ASW aircraft for the Navy.

The Senate deleted the request in its entirety.

The House conferees' position was that the P-3C displayed its superior ability as a flexible counter force to an increased Soviet submarine threat as recently as the Arab-Israeli hostilities. The urgent need for an all P-3C maritime patrol force has been clearly demonstrated. The additional six aircraft requested in the supplemental will permit the transition of a Pacific Fleet patrol squadron of P-3Cs approximately one year earlier than without the supplemental.

The Senate recedes from its position and accepts the House authorization of $49.6 million.

KC-130R Tanker Aircraft

The House authorized $39.0 million for the procurement of six KC-130 tanker aircraft for the use of the Marine Corps.

The Senate deleted the request in its entirety on the grounds that the request to accelerate modernization was not deemed urgent. The House conferees' argument was that the modernization of the Reserves was urgently needed and is dependent upon the approval of new procurement of KC-130R aircraft for the use by the Regular Forces, so that six KC-130F aircraft may be assigned to the Reserve Forces in early FY-1976. Any further postponement in obtaining the new aircraft will cause an equal lag in providing the Reserve Force with the KC-130F and the attendant aerial refueling capability.

The Senate recedes from its position and accepts the House authorization of $39.0 million.

Aircraft modifications

The Department of the Navy had requested $33.3 million for aircraft modifications. The House approved the request. The Senate had reduced the request to $23.5 million. The reduction of $9.8 million included $6 million to modify A-6E aircraft with an interim CONDOR missile capability and $3.8 million for standard arm avionics installations.

The House conferees emphasized that the recent conflict in the Middle East clearly demonstrated the need for going forward immediately with the modifications requested by the Navy.

The Senate recedes.

Spares and repair parts in KC-130 spares

In view of the action taken by the conferees to go forward with the KC-130 tanker procurement, the Senate conferees agreed to recede and approve the $1.7 million previously deleted by the Senate for KC-130 spares.

Support equipment

The Navy request for $18 million for simulators for aviation training was denied by the Senate. After considerable discussion concerning the requirement for modernizing existing aviation simulation training equipment, the House conferees reluctantly receded and accepted the Senate action.

Air Force aircraft—simulators A–7D and F–111F

The Senate had denied funding to the Air Force in the amount of $13.1 million for these simulators insisting that the Air Force request did not reflect sufficient urgency to warrant approval in a supplemental.

The House conferees were unable to dissuade the Senate from this position, therefore the House receded.

Modification of in-service aircraft

The Department of Defense requested $145.9 million for modification of in-service aircraft. This amount was approved in its entirety by the House.

The Senate reduced this amount to $72.6 million, eliminating $40 million for the C–141 stretch program; $18.5 million from the Civil Reserve Air Fleet; and $14.1 million for flight simulator modifications.

After considerable discussion, the House conferees agreed to recede and accept the Senate reduction of $18.5 million for the CRAF program, and $14.1 million for flight simulator modifications, while the Senate agreed to recede from its position on the C–141 stretch program with an amendment authorizing $31 million for this program.

Aircraft spares

The Department of the Air Force had requested $153.5 million for aircraft spares, including $108.9 million for C–5A/C–141 spares, and $14.6 million for general modification spares. The Senate reduced this authorization from $153.5 million to $37.3 million, which included $7.3 million for general modification spares. After considerable discussion, the House conferees reluctantly receded and accepted the Senate figure of $37.3 million.

Other production charges

The Department had requested $101 million for this purpose, including $6.8 million for ECM simulators, $4.5 million for the TALSS (Tactical Advanced Locator Strike System), $75 million for ECM pods, and $14.7 million for alternate mission equipment. The House approved this departmental request in its entirety, while the Senate approved only $12.7 million of the alternate mission equipment request.

The House receded from its position on all the programs with the exception of the alternate mission equipment program, which was approved at the level requested by the Department of Defense of $14.7 million.

Missiles—Army

The Department had requested $65.2 million for TOW anti-tank missiles. The House approved $57.4 for this purpose, while the Senate had approved a figure of $47.1 million.

The Senate receded from its position and accepted the House figure.

Missiles—Navy

The Department of the Navy had requested $11.6 million for the procurement of the SHRIKE missile, the AGM–45A. The House approved the request in its entirety.

The Senate had denied this request.

The House conferees receded.

Missiles—Air Force

The Department of the Air Force requested a total of $16.5 million for expendable tactical drones and related spares and repair parts. The House approved this departmental request.

The Senate had denied the request except for $400,000 for spares and repair parts.

The Senate recedes.

Naval vessels

Trident Long Leadtime Procurement

The Department of the Navy had requested $24.8 million for the procurement of long leadtime items for the FY 1975 Trident program. The $24.8 million is necessary to procure items such as turbines, turbine generator sets, other engine room components, and hull steel for the second and third Trident submarines. Funds to procure these items were authorized in the FY–1974 Department of Defense Authorization Act, but not appropriated by the Congress. In denying funding for these long leadtime items, the Senate appropriations report stated: "In approving this reduction, the Committee in no way desires to detract from those long leadtime items whose procurement is necessary for the timely production of submarines two through four. The Committee therefore directs that the Department of Defense review the rate of production that would result from the reduction of $240 million and seek additional funds in a supplemental request if necessary."

The procurement of these long leadtime components are necessary to permit timely construction of these submarines and to reduce the delivery schedule risk for ships two and three which are requested in the FY–1975 budget.

After considerable discussion, the Senate conferees reluctantly receded.

Tracked combat vehicles—Army

M60A1—Tanks

The Department of the Army had requested an authorization for the procurement of 133 tanks in the amount of $47.4 million. This request was approved by the House.

The Senate approved the procurement of 96 tanks in the amount of $34.9 million, a net reduction of 37 tanks and $12.5 million.

The House conferees persuaded the Senate conferees that the total authorization requested by the Army was urgently required to continue the modernization of United States Army tank inventories.

The Senate recedes.

Personnel carriers

The Department of the Army had requested $44.3 million for the procurement of 923 M–113A1 armored personnel carriers. The House approved this request in its entirety.

The Senate denied this request in its entirety, emphasizing its view that the Army inventory position in respect to this vehicle was adequate.

The House conferees recede.

M125A1 mortar carrier

The Department of the Army had requested authorization for the procurement of 105 of these vehicles, a cut of $5.9 million. The House had approved this request in its entirety, while the Senate had denied this request.

The Senate conferees maintained that the Army has an adequate inventory of this item and did not consider this item of sufficient priority for inclusion in a supplemental funding request.

The House conferees recede.

TITLE II—R.D.T. & E.

The National Security Agency had requested authorization in the amount of $975,000 for a classified project of an urgent nature. The House had approved this request, while the Senate had denied it.

The Senate recedes.

TITLE III—MILITARY CONSTRUCTION

The Department of the Navy had requested an authorization of $29 million for the expansion of facilities at Diego Garcia. The additional facilities at Diego Garcia were to provide logistic support to sustain limited deployment of military forces of the United States in the Indian Ocean. This request was approved by the House by a vote of 255 to 94. The Senate had denied this request, stating that the expansion of these facilities required a complete review of United States policy in the Indian Ocean area.

The Senate conferees also emphasized their objection to the project's inclusion in a supplemental authorization request. The House conferees, with the understanding and assurance that this project would be given careful consideration by the Senate in the military construction bill for FY–1975, reluctantly recede and accept the Senate recommendation to deny the authorization request at this time. The action taken by the conferees is without prejudice to the merits of the project.

Language differences

In addition to the money differences between the House and Senate versions of H.R. 12565, there were four substantive language differences. The language differences were resolved as follows:

1. Section 102 of the Senate bill would have required the transfer of Military Assistance Program funds in the amount of $155.8 million to military procurement accounts to defray the increased cost of new equipment to be procured as a result of the transfer of military equipment to Israel. The House bill contained no similar provision.

The House conferees argued that the new equipment procured by the Departments to replace equipment transferred to Israel was in almost every instance qualitatively superior to that transferred to Israel and justified the additional expenditures of departmental funds. It should be pointed out that the action of the conferees should not be construed as establishing a policy of requiring the Department of Defense appropriation accounts to absorb the incremental cost of transactions involving grants or sales of equipment to other countries.

The Senate conferees receded from their position and the provision was deleted from the bill.

2. Section 103 of the House bill authorized construction of military facilities at Diego Garcia in the amount of $29 million. As previously indicated, the Senate had no similar provision; therefore, in view of the action taken by the conferees to defer this construction request until the FY–1975 Military Construction authorization request, this provision was deleted from the bill until the consideration of the FY 1975 Military Construction request.

3. Section 401 of the Senate bill contained a provision prohibiting the utilization of any unobligated funds available in the Military Assistance Program for Southeast Asia after the date of enactment of the bill. This section was included by the Senate to hold the Department of Defense to the previously approved $1.126 billion ceiling for military aid to South Vietnam for FY 1974 and to prevent the obligation of $266 million which would have been available if the reported obligations for FY 1974 had been adjusted.

The House/Senate conferees agreed that no accounting change would be permitted by the Department involving the $266 million in question and wished to emphasize their agreement that the accounting procedures observed by the Department in respect to the utilization of FY–1974 MASF funds would remain unchanged.

It cannot be emphasized on the part of the conferees too strongly that the statutory ceiling of $1.126 billion enacted in FY 1974 remains unaltered and shall not be circumvented by accounting adjustments.

The House conferees also pointed out that the limitation of the Senate amendment, while not possibly so intended, could also be interpreted as applying to U.S. forces in that geographic area.

In view of these understandings, the conferees agreed that the language of Section 401 was not necessary, and the question was moot.

The Senate recedes.

4. Section 401 of the House bill provided that "No volunteer for enlistment into the Armed Forces shall be denied enlistment solely because of his not having a high school diploma."

The purpose of the House language was to insure that the military departments did not deny original enlistment solely because a potential recruit was not a high school graduate, particularly when the enlistment was needed to meet established requirements for new accessions to the Armed Forces. The conferees agree that this provision does not give preference to non-high school graduates for enlistment into the Armed Forces. Further, it should not be construed to prevent the Secretaries of the various military departments from using educational levels as an indicator of qualifications for personnel management and for the screening of personnel acquisition in each service. The conferees intend that the highest qualified personnel available shall be taken into the armed services and fully qualified non-high school graduates should not be denied enlistment simply because of arbitrary quotas placed on high school graduates.

The Senate recedes.

F. EDW. HÉBERT,
MELVIN PRICE,
O. C. FISHER,
SAMUEL S. STRATTON,
CHARLES E. BENNETT,
WILLIAM G. BRAY,
L. C. ARENDS,
BOB WILSON,
CHARLES GUBSER,
Managers on the Part of the House.

JOHN C. STENNIS,
STUART SYMINGTON,
HENRY M. JACKSON,
HOWARD W. CANNON,
STROM THURMOND,
JOHN TOWER,
PETER H. DOMINICK,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PEPPER (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. HELSTOSKI (at the request of Mr. O'NEILL), for today, and the balance of the week on account of official business.

Mr. KETCHUM (at the request of Mr. RHODES), for today and the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unainmous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 30 minutes, on May 29, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mrs. HOLT) to revise and extend their remarks and include extraneous material:)

Mr. BAUMAN, for 5 minutes, today.

(The following Members (at the request of Mr. MEZVINSKY) to revise and extend their remarks and include extraneous material:)

Mr. VANIK, for 15 minutes, today.
Mr. EILBERG, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. FRASER, for 5 minutes, today.
Mr. MONTGOMERY, for 5 minutes, today.
Mr. FLOOD, for 5 minutes, today.
Mr. OWENS, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. QUIE to include extraneous remarks during general debate.

Mr. ROUSSELOT to revise and extend his remarks and include extraneous matter in the Extensions of Remarks today.

(The following Members (at the request of Mrs. HOLT) and to include extraneous material:)

Mr. GOLDWATER in two instances.
Mr. BAUMAN in three instances.
Mr. MILLER in four instances.
Mr. MCCLORY in two instances.
Mr. SARASIN.
Mr. FROEHLICH.
Mr. DERWINSKI in two instances.

(The following Members (at the request of Mr. MEZVINSKY) and to include extraneous matter:)

Mr. RANGEL in 10 instances.
Mr. SEIBERLING in 10 instances.
Mr. VANIK.
Mr. YOUNG of Texas.
Mr. CONYERS.
Mr. BINGHAM in 10 instances.
Mr. PODELL.
Mr. MURTHA.
Mr. HUNGATE in two instances.
Mr. DANIELSON in two instances.
Mr. EILBERG.
Mr. CAREY of New York.

ADJOURNMENT

Mr. MEZVINSKY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 53 minutes p.m.), the House adjourned until Wednesday, May 29, 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:

2364. A letter from the President of the United States, transmitting a proposed budget amendment for fiscal year 1975 for the Department of Health, Education, and Welfare (H. Doc. No. 93-302); to the Committee on Appropriations and ordered to be printed.

2365. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 74-20 to provide additional security supporting assistance funds for activities relating to clearance of the Suez Canal in fiscal year 1974, pursuant to sections 614 (a), 653(a), and 634(d) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2394(d); and the finding and determination to permit the sale to Egypt of tobacco valued at not more than $10 million under title I of Public Law 480, pursuant to sections 103 (d)(3), 103(d)(4), and 410, as amended (7 U.S.C. 1703(d)); to the Committee on Agriculture.

2366. A letter from the Acting Secretary, Department of Agriculture, transmitting a draft of proposed legislation to amend the Food Stamp Act of 1964, as amended, and for other purposes; to the Committee on Agriculture.

2367. A letter from the Assistant Secretary of Defense, transmitting a report of the estimated value, by country, of support furnished from military functions appropriations for Vietnamese and other Free World Forces in Vietnam and support of local forces in Laos, pursuant to section 737(b) of Public Law 93-238; to the Committee on Appropriations.

2368. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a summary of the Corporation's 1973 operations and notification of a delay in submitting the full text of the 1973 annual report, pursuant to 12 U.S.C. 1827(a); to the Committee on Banking and Currency.

2369. A letter from the Secretary of Health Education and Welfare, transmitting the second annual report on Headstart services to handicapped children pursuant to the Economic Opportunity Act of 1964, as amended (sec. 3(b)(2), Public Law 92-424); to the Committee on Education and Labor.

2370. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to Public Law 92-403; to the Committee on Foreign Affairs.

2371. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed grant agreement with the University of Minnesota for a research project entitled "Mineral Beneficiation Studies on Minnesota Copper-Nickel Deposits from the Duluth Gabbro"; to the Committee on Interior and Insular Affairs.

2372. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Physics International Co., San Leandro, Calif., for a research project entitled "Open Pit Mine Tests of High Velocity Projectiles"; to the Committee on Interior and Insular Affairs.

2373. A letter from the Secretary of Commerce, transmitting a report entitled "The Effects of Pollution Abatement on International Trade", pursuant to section 6 of Public Law 92-500; to the Committee on Public Works.

2374. A letter from the Administrator of General Services, transmitting a prospectus of proposed building alterations at the GSA Depot, Dayton, Ohio, pursuant to 40 U.S.C. 606; to the Committee on Public Works.

2375. A letter from the Administrator of General Services, transmitting a revised prospectus for alterations to the U.S. Customhouse at 610 South Canal Street, Chicago, Ill., pursuant to 40 U.S.C. 606; to the Committee on Public Works.

2376. A letter from the Administrator of General Services, transmitting a revised prospectus for alterations to the Federal Center, Fort Worth, Tex., pursuant to 40 U.S.C. 606; to the Committee on Public Works.

RECEIVED FROM THE COMPTROLLER GENERAL

2377. A letter from the Comptroller General of the United States, transmitting a report of the audit of the Federal Deposit Insurance Corporation for the year ended June 30, 1973 (limited by agency restriction on access to bank examination records) (H. Doc. No. 93-303); to the Committee on Government Operations and ordered to be printed.

2378. A letter from the Comptroller General of the United States, transmitting a report of the shortcomings in the Environmental Protection Agency's efforts to protect man and the environment from the effects of harmful pesticides; to the Committeee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on May 23, 1974, the following report was filed on May 24, 1974*]

Mr. HÉBERT: Committee of conference. Conference report on H.R. 12565. (Rept. No. 93-1064). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER (for himself, Mr. BURGENER, Mr. CLANCY, Mr. COLLINS of Texas, Mr. CONABLE, Mr. DUNCAN, Mr. HOSMER, Mr. HUBER, Mr. KEMP, Mr. BURLESON of Texas, and Mr. WAGGONNER):

H.R. 15016. A bill to amend the Internal Revenue Code of 1954 to provide a limited exclusion of capital gains realized by taxpayers other than corporations on securities; to the Committee on Ways and Means.

By Mr. BROWN of California (for himself and Mr. CONTE):

H.R. 15017. 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. BURLISON of Missouri:

H.R. 15018. A bill to extend for 1 year the time for entering into a contract under section 106 of the Water Resources Development Act of 1974; to the Committee on Public Works.

By Mrs. GRIFFITHS (for herself, Mr. CORMAN, Mr. BRASCO, Mr. BROWN of California, Mrs. COLLINS of Illinois, Mr. STARK and Mr. TRAXLER):

H.R. 15019. A bill to create a national system of health security; to the Committee on Ways and Means.

By Mr. OWENS:

H.R. 15020. A bill to improve the oversight capabilities of the House of Representatives and the Senate and for other purposes; to the Committee on Rules.

By Mr. PATMAN (for himself, Mr. CAMP, Mr. CHAPPELL, Mr. EDWARDS of California, Mr. GONZALEZ, Mr. SARBANES, and Mr. STARK):

H.R. 15021. 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. QUIE (for himself, Mr. CONABLE, Mr. ESCH, Mr. FORSYTHE, Mr. HANSEN of Idaho, Mr. HORTON, Mr. KEMP, Mr. MALLARY, Mr. MAZZOLI, Mr. MCKAY, Mr. PEYSER, Mr. PODELL, Mr. SARBANES, Mr. TIERNAN, Mr. WHITEHURST, Mr. WON PAT, and Mr. YOUNG of Illinois):

H.R. 15022. A bill to encourage and assist States and localities to develop, demonstrate, and evaluate means of improving the utilization and effectiveness of human services through integrated planning, management, and delivery of those services in order to achieve the objectives of personal independence and individual and family economic self-sufficiency; to the Committee on Education and Labor.

By Mr. RARICK:

H.R. 15023. A bill to amend title II of the Social Security Act to eliminate the 5-month waiting period for disability insurance benefits in cases of terminal illness; to the Commitee on Ways and Means.

By Mr. ROUSH (for himself, Mr. BURKE of Massachusetts, Mr. DELLUMS, Mr. DRINAN, Mr. HECHLER of West Virginia, Mr. MYERS, and Mr. ROE):

HR. 15024. A bill to amend the Internal Revenue Code of 1954 to allow the rapid depreciation of expenditures to rehabilitate low-income rental housing incurred after December 31, 1974; to the Committee on Ways and Means.

By Mr. SIKES:

H.R. 15025. A bill to amend the Agricultural Act of 1970 to increase the amount authorized to be appropriated for the forestry incentive program administered under title X of such act and to increase the size of a tract which may be affected by such program; to the Committee on Agriculture.

By Mr. STUDDS (for himself, Mr. ADAMS, Mr. ALEXANDER, Mr. ASPIN, Mr. BERGLAND, Mr. BIAGGI, Mr. BOLLING, Mr BRINKLEY, Mr. ROBERT W. DANIEL, JR., Mr. DELLUMS, Mr. DORN, Mr. FOLEY, Mr. FOUNTAIN, Mr. GROVER, Mr. HECHLER of West Virginia, Mr. HICKS, Mr. HUBER, Mr. KEMP, Mr. LITTON, Mr. LOTT, Mr LUKEN, Mr. MCKAY, Mr. MANN, Mr. MILLS, and Mrs. MINK):

H.R. 15026. A bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. STUDDS (for himself, Mr. MITCHELL of New York, Mr. MIZELL, Mr. MURPHY of New York, Mr. MURTHA, Mr. OWENS, Mr. PATTEN, Mr. PEPPER, Mr. PREYER, Mr. RANGEL, Mr. ROGERS, Mr. RONCALLO of New York, Mr. ST GERMAIN, Mrs. SCHROEDER, Mr. SIKES, Mr. SISK, Mr. JAMES V. STANTON, Mr. STEELE, Mr. STEPHENS, Mr. STOKES, Mr. VANDER VEEN, Mr. WALSH, Mr. YATES, and Mr. FISH):

H.R. 15027. A bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes; to the Committee on Merchant Marine and Fisheries

By Mr. THOMSON of Wisconsin:

H.R. 15028. A bill to amend title 38 of the United States Code so as to provide that monthly social security benefit payments and annuity and pension payments under the Railroad Retirement Act of 1937 shall not be included as income for the purpose of determining eligibility for a veteran's or widow's pension; to the Committee on Veterans' Affairs.

By Mr. WON PAT:

H.R. 15029. A bill to amend the Public Health Service Act to revise the definition of the term "State" to authorize the inclusion of Guam in the programs authorized by that act; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY of New York:

H. Res. 1149. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials, were presented and referred as follows:

486. By the SPEAKER: Memorial of the Legislature of the State of Oklahoma, relative to the exoneration of Dr. Samuel A. Mudd of any complicity in the assassination of President Abraham Lincoln; to the Committee on the Judiciary.

487. Also, memorial of the Legislature of the State of South Carolina, relative to the Federal revenue sharing program; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COHEN:

H.R. 15030. A bill for the relief of Fisheries Communications, Inc.; to the Committee on the Judiciary.

By Mr. HOGAN:

H.R. 15031. A bill for the relief of Eugene Leland Memorial Hospital; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

THE POOREST AMONG US

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 28, 1974

Mr. RANGEL. Mr. Speaker, the American Jewish Committee held its 68th annual meeting last week in New York. The committee passed unanimously a statement concerning world poverty which I insert in the RECORD for my colleagues' attention. It is an eloquent plea for the elimination of poverty worldwide. Americans must join other nations in this fight and help create a world community committed to eradicating hunger and want.

The statement follows:

STATEMENT ON THE POOREST AMONG US

The American Jewish Committee has long been concerned with the plight of 25 million poor Americans, those who subsist on incomes below federal minimum living standards. They include the 9 million people on public assistance (of whom only a small percentage are employable), the under-employed, and the fully employed who earn less than these federal standards. A majority of this group is white, but it includes a disproportionate number of Blacks and persons from other minority groups. Included also are poor Jews, particularly many elderly living in inadequate social security.

We believe that the existence of poverty in an affluent society is morally indefensible, breeds hostility and community tension, and alienates one group from another. The best bulwark against poverty, we contend, is a prosperous nation that provides work opportunity for all, and adequate financial aid to those who cannot work. Therefore, we call for a program of social insurance that will incorporate financial safeguards, health insurance for all, and a social security program that will ultimately make the existence of a public welfare system unnecessary. Until such time, the present welfare system must be revised and improved.

But our efforts to eliminate the blight of poverty and malnutrition in America must not lead us to neglect our obligations abroad. The spectre of starvation is haunting large parts of the world today. Hundreds of millions of the world's peoples are under-