Shiftlett, Richard M., [redacted]
West, Joe E., [redacted]

BIOMEDICAL SCIENCES CORPS

Aboud, Ellis G., [redacted]
Baldwin, Bart A., [redacted]
Bousser, James E., [redacted]
Calder, Glade H., [redacted]
Curry, Charles J. [redacted]
DeVincentis, Joseph G., [redacted]
Deuel, Kenneth H., [redacted]
Fisher, Elwood E. [redacted]
Hodges, James M., [redacted]
Kittilstad, Owen H. [redacted]
Lucchesi, Rudolph A., [redacted]
McDonald, Maynard R., [redacted]
Penikas, Vincent T., [redacted]
Reardon, Joan A. [redacted]
Wexler, Seymour [redacted]

HOUSE OF REPRESENTATIVES—*Monday, July 29, 1974*

The House met at 12 o'clock noon.

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

Jesus said: *I have come that they might have life and that they might have it more abundantly*—John 10: 10.

Eternal God, our Father, who art from everlasting to everlasting and whose mercy and truth endureth forever, speak to us the words of wisdom and give to us the strength of spirit we need to do our work faithfully and fully this day.

Grant that all who work under the dome of this glorious Capitol may have the higher wisdom of Thy spirit, the greater truth of Thy mind, the broader glory of Thy concern, and the deeper love of Thy goodwill.

Bless all who live and labor under the flag of this land of liberty. So rule their minds and so direct their endeavors that justice, peace, and freedom may here and everywhere prevail for the glory of Thy holy name and the good of our human family. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15074) entitled "An act to regulate certain political campaign finance practices in the District of Columbia, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H.R. 6642) entitled "An act to suspend the duties of certain bicycle parts and accessories until the close of December 31, 1976," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. TALMADGE, Mr. HARTKE, Mr. BENNETT, and Mr. CURTIS to be the conferees on the part of the Senate.

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

S. 754. An act to give effect to the sixth amendment right to a speedy trial for persons charged with criminal offenses and to reduce the danger of recidivism by strengthening the supervision over persons released pending trial, and for other purposes;

S. 821. An act to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes; and

S. 3164. An act to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement services provided in federally related mortgage transactions, and for other purposes.

A DEMOCRAT FOR THE PRESIDENCY

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

Mr. MONTGOMERY. Mr. Speaker, as one of the first Democratic Members of the House to rise in support of President Nixon and the office he holds, I wish to announce my opposition to impeachment. I am ready to roll up my sleeves and work with those on the Judiciary Committee of a like mind in asking our colleagues from all sections of the Nation to vote against the articles.

I know the members of the Judiciary Committee have experienced a great deal of anguish and soul searching in reaching their individual decisions, but I must disagree with the committee's recommendations. Alleged misconduct is indeed a serious matter, but equally serious is the damage we do to our Nation and the Office of President.

When this matter reaches the House floor I would hope we will not lose sight of what is best for the American people and the Nation itself. I know, Mr. Speaker, you will give those of us who oppose impeachment a fair shake.

REV. ALICE M. HENDERSON, FIRST WOMAN CHAPLAIN OF U.S. ARMY

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

Mr. FLYNT. Mr. Speaker, it is a source of pride that the first woman chaplain of the U.S. Army, Rev. Alice A Henderson, is from the Sixth Congressional District of Georgia, which I have the privilege to represent.

Chaplain Henderson was born in Indian Springs, Butts County, Ga., on December 13, 1945. Raised with four brothers and five sisters, she graduated from Henderson High School in Jackson, Ga.

A 1968 graduate of Clark College, Atlanta, she attended Turner Theological Seminary, Atlanta, where she graduated in 1972 with a master of divinity, philosophy, and theology.

Prior to receiving her commission, Chaplain Henderson was an associate minister at the Cobb-Bethel African Methodist Episcopal Church in Atlanta. Presently she is attending the U.S. Army Chaplain School in Fort Hamilton, N.Y., and upon completion of her course, her first duty station will be Fort Bragg, N.C.

It is with respect and pleasure that I congratulate her on being commissioned as a captain of the Chaplains Branch of the U.S. Army.

FAVORABLE COMMENTS RECEIVED ON TELEVISED IMPEACHMENT PROCEEDINGS

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

Mr. BINGHAM. Mr. Speaker, along with millions of other Americans, over the past few days I spent many hours glued to the television set watching our Committee on the Judiciary. I want to say that the experience made me proud of that committee and proud of the House of Representatives. I have heard nothing but favorable comments from citizens who watched the committee at work.

One reasonable prediction was that the performance of the committee and its chairman would result in a sharp rise in the percentage of public approval of the Congress, as measured by the polls.

There were impressive statements made both for and against impeachment, but the proponents of article I were able to buttress their case with a wealth of factual material drawn from the evidence before the committee. In contrast, those opponents who spoke to the proposals to strike various subparagraphs of article I—and several were noticeably silent—made few references to specifics. Instead, they appeared to rely mainly on procedural stratagems, some of which backfired, and on legalistic arguments.

The high quality of the debate was marred by the jury trial tactics of one member, whose frequent sneering comments about the proponents of impeachment were in unpleasant contrast to the consideration and respect shown by other committee members. I doubt that these tactics helped the gentleman's client.

On the whole, let me repeat, we deeply appreciate the hard work, the dignity, the sincerity, and dedication of our Committee on the Judiciary and its chairman.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

ALL SIX HONORABLE MEN

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

Mr. SHUSTER. Mr. Speaker, the historic impeachment vote last Saturday night, while easy for none on the Judiciary Committee, was perhaps most difficult for the six freshmen Republicans. Who could have thought when the Speaker administered their oath of office on January 3, 1973, that 1 year, 6 months and 24 days later they would be faced with a vote to impeach their President?

Three of them, Congressmen BUTLER, COHEN, and FROEHLICH, voted for impeachment. Three of them, Congressmen LOTT, MARAZITI, and MOORHEAD of California voted against impeachment.

Mr. Speaker, I hope the American people will know that all six agonized over this sober issue, and most of all the American people can be absolutely assured that all six are decent, capable men who voted their conscience. I do not know how I shall finally vote, but their vote means I shall be ultimately in fundamental disagreement with three of my closest colleagues on this historic issue. But I do know this, Mr. Speaker, that when that day comes I shall respect the three with whom I disagree no less than the three with whom I stand, because most importantly, Mr. Speaker, all six are honorable men.

FIRST ANNUAL REPORT OF THE NATIONAL HEART AND LUNG ADVISORY COUNCIL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-218)

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

To the Congress of the United States:

I herewith transmit the First Annual Report of the National Heart and Lung Advisory Council, prepared in accordance with the requirement of Public Law 92-423, the "National Heart, Blood Vessel, Lung, and Blood Act of 1972."

It should be noted that funds for the Heart and Lung Institute have been increased greatly in recent years: from $195 million in 1971 to $286 million in 1974, to $309 million proposed for 1975. In short, the Administration's actions on the heart and lung program clearly identify it as an area of very high priority.

While there are recommendations in the Council's report that are at variance with the Administration's views, the Council's Report merits serious consideration and will be closely studied and evaluated. I am forwarding the report so that the Congress may also have it available for its deliberations.

RICHARD NIXON.

THE WHITE HOUSE, *July 29, 1974.*

PROVIDING FOR THE RECLASSIFICATION OF POSITIONS OF DEPUTY U.S. MARSHAL

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5094), to amend title 5, United States Code, to provide for the reclassification of positions of deputy U.S. marshal, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, strike out lines 8 to 11, inclusive, and insert:

SEC. 2. (a) Effective on the effective date of this section, a nonsupervisory deputy United States Marshal on the rolls on such date to which the amendments made by the first section of this Act apply, shall be converted as follows, except that each nonsupervisory deputy marshal (1) who was reclassified as the result of new classification standards approved June 15, 1973, shall be converted to that step and grade which he would have received had this Act applied to him on the date immediately preceding the reclassification action, or (2) who was appointed to a position classified under the classification standards approved June 15, 1973, shall be converted to that step and grade which he would have received had his position been classified under the classification standards which were in effect before June 15, 1973:

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

Mr. GROSS. Mr. Speaker, reserving the right to object, could we have a brief explanation of what is here proposed?

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

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

Mr. DULSKI. Mr. Speaker, the Senate amendment to section 2 of the House bill is a perfecting amendment which is necessary to insure that no deputy U.S. marshal will gain a windfall under this legislation through the pyramiding of reclassification actions.

H.R. 5094 reclassifies the positions of deputy U.S. marshal and authorizes the conversion of each deputy marshal to a higher grade of the General Schedule effective at the beginning of the first pay period which commences on or after the date of enactment.

This bill was reported to the House by the Committee on Post Office and Civil Service on May 30, 1973, and was passed by the House on June 19, 1973, by a record vote of 319 yeas to 84 nays.

However, on June 15, 1973, the U.S. Civil Service Commission approved new classification standards which reclassified most of the positions covered by this legislation.

Therefore to prevent receipt of dual benefits as a result of the Commission's actions and this legislation, the Senate amendment provides that those deputy marshals who were reclassified under the new standards approved by the Civil Service Commission on June 15, 1973, shall be converted under the legislation to the grade and step which they would have received had this act applied to them on the date immediately preceding the Commission's reclassification action.

Mr. GROSS. Mr. Speaker, further reserving the right to object, I appreciate the gentleman's explanation. I just wonder why the other body sat on this legislation from May of 1973 until the present date.

I did not support the legislation in the first instance when it passed the House, but I do think the amendment to be concurred in at this time is a good amendment.

I shall not further pursue my objections to the bill under the circumstances. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 411]

Alexander	Griffiths	Murphy, Ill.
Badillo	Gubser	Murphy, N.Y.
Blatnik	Gunter	Owens
Boland	Hammer-schmidt	Peyser
Bowen	Hanna	Pickle
Brasco	Hansen, Idaho	Powell, Ohio
Brooks	Hansen, Wash.	Railsback
Brown, Ohio	Harrington	Rangel
Burgener	Hastings	Rarick
Burke, Calif.	Hawkins	Reid
Butler	Hogan	Robison, N.Y.
Carey, N.Y.	Holifield	Rodino
Carter	Holtzman	Rooney, N.Y.
Chisholm	Hosmer	Rose
Clancy	Hungate	Roy
Clark	Hutchinson	Ruppe
Clay	Johnson, Colo.	Sandman
Cohen	Johnson, Pa.	Sarbanes
Conyers	Jones, Okla.	Schneebeli
Cotter	Jones, Tenn.	Sebelius
Culver	Jordan	Seiberling
Danielson	Kastenmeier	Shriver
Davis, Ga.	Kuykendall	Sisk
Davis, S.C.	Landrum	Smith, N.Y.
de la Garza	Latta	Stark
Dellenback	Leggett	Steed
Dennis	Lehman	Steele
Dingell	Lent	Stuckey
Donohue	Long, Md.	Symms
Dorn	McClory	Talcott
Drinan	McKay	Teague
Edwards, Calif.	McSpadden	Thornton
Eilberg	Madden	Towell, Nev.
Esch	Mann	Treen
Evans, Colo.	Maraziti	Udall
Evins, Tenn.	Martin, N.C.	Vander Jagt
Findley	Mathis, Ga.	Waldie
Fish	Mayne	Whitten
Flowers	Mazzoli	Wiggins
Frey	Melcher	Wilson, Bob
Froehlich	Metcalfe	Wilson, Charles H., Calif.
Gettys	Mezvinsky	Young, Alaska
Grasso	Moorhead, Calif.	Young, Ill.
Gray		
Green, Oreg.		

The SPEAKER. On this rollcall 303 Members have recorded their presence by electronic device, a quorum.

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

PROVIDING ADDITIONAL COPIES OF HEARINGS AND FINAL REPORT OF JUDICIARY COMMITTEE ON IMPEACHMENT INQUIRY

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 93–1228) on the concurrent resolution (H. Con. Res. 566) to provide additional copies of hearings and the final report of the Judiciary Committee on the impeachment inquiry, and ask for immediate consideration of the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 566

Resolved by the House of Representatives (the Senate concurring), That there shall be printed for use of the Committee on the Judiciary five thousand additional copies of all parts of its hearings concerning the impeachment inquiry, pursuant to H. Res. 803.

SEC. 2. There shall be printed for the use of the House Committee on the Judiciary ten thousand additional copies of its final report to the House.

Mr. BRADEMAS. Mr. Speaker, House Concurrent Resolution 566 would provide the Committee on the Judiciary with additional copies of several documents of the committee relating to the impeachment inquiry.

First, the resolution would authorize the printing of 5,000 additional copies of the hearings concerning the impeachment inquiry. These documents will include the transcripts of eight recorded Presidential conversations; a comparison of certain portions of the White House and Judiciary Committee versions of the tapes; evidentiary materials submitted to the committee, including material submitted by the President's counsel, Mr. St. Clair; and transcripts of oral testimony before the committee.

The resolution would also authorize the printing of 10,000 additional copies of the committee's final report to the House on the impeachment inquiry.

Mr. Speaker, the purpose of this resolution is to provide the Committee on the Judiciary with sufficient copies of these documents to fill requests to the committee from Members of Congress and from the public.

The committee was authorized by the House of Representatives to conduct a full and complete investigation to determine whether sufficient grounds exist for the House to exercise its constitutional power to impeach the President of the United States and to report to the House such resolutions, articles of impeachment, or other recommendations, as it deems proper.

For the last several months, the Committee on the Judiciary has considered volumes of evidentiary material, and during the last few weeks, it has received oral testimony from a number of witnesses.

The committee believed that it was in the public interest to release all this information and evidentiary material.

Mr. Speaker, by law the Committee on the Judiciary is limited to a little over a thousand copies of each of these documents. However, the committee has found that this supply is totally inadequate to meet the great demand for these documents. This resolution would simply provide the committee with additional copies of these important documents to meet this demand, and I urge my colleagues to support the Senate amendment to this resolution.

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

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

Mr. GROSS. Mr. Speaker, this proposal, unlike the one that was defeated under the suspension of the rules, reduces in the first instance the number from 10,000 to 5,000 copies and in the second instance reduces the number from 50,000 to 10,000 copies.

Mr. BRADEMAS. The gentleman is correct except that in the first instance, the number is reduced from 20,000 to 5,000 copies.

Mr. GROSS. Would the gentleman state how the reduced number of copies will be distributed?

Mr. BRADEMAS. Copies would be made available, I will say to the gentleman from Iowa, to the Committee on the Judiciary for distribution in response to requests, as I said earlier, on the part of Members of Congress and of the public. Each Member of the House should by now have received one set of the several volumes that have already been printed under the standing authority of the committees of the House to print 1,000 copies of such documents. There is no stipulation in the resolution providing that each Member of the House receive a certain number of volumes.

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

Mr. BRADEMAS. Of course, I yield further to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, have these copies been printed?

Mr. BRADEMAS. No, they have not been printed.

Mr. GROSS. The previous request for printing 10,000 copies in the first instance and 50,000 in the second instance would have resulted in a charge of some $1 million?

Mr. BRADEMAS. If the gentleman will allow me to make one correction in what he said, the previous resolution would have provided not for 10,000 but for 20,000 copies.

Mr. GROSS. And would have resulted in a bill close to $1 million.

Mr. BRADEMAS. The gentleman is correct.

Mr. GROSS. Mr. Speaker, I commend the committee for having reduced very substantially the number. It certainly will cut the cost and I believe it will fit the needs. I therefore have no objection.

Mr. BRADEMAS. I thank the gentleman from Iowa.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

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

There was no objection.

CONFERENCE REPORT ON H.R. 14592, AUTHORIZING MILITARY PROCUREMENT APPROPRIATIONS, 1975

Mr. HÉBERT. Mr. Speaker, I call up the conference report on the bill (H.R. 14592) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 24, 1974.)

Mr. HÉBERT (during the reading). Mr. Speaker, in view of the fact that the conference report (H. Rept. 93–1212) has been printed and available to the Members and also printed in the CONGRESSIONAL RECORD of Wednesday, July 24, 1974, I ask unanimous consent that further reading of the statement be dispensed with.

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

There was no objection.

Mr. HÉBERT. Mr. Speaker, your House conferees on H.R. 14592 are pleased to report that they have reached an agreement with the other body in respect to the differences between the House and Senate actions on this legislation.

This bill will provide the fiscal year 1975 authorization to the armed services for appropriations for the procurement of weapons systems and related research, development, test, and evaluation. It will also, among other things,

prescribe the authorized personnel strengths of both the Active and Reserve components of our Armed Forces, and the civilian personnel strength of the Department of Defense.

The President's fiscal year 1975 budget contains a total authorization request of $23.1 billion for these purposes. This request was reduced by the House to $22.6 billion, while the Senate authorized $21.8 billion.

As a result of the conference to resolve the differences between the House and Senate actions on this administration request, the new total reflected in the conference report is $22.195 billion. Thus, the conference report is $340.1 million more than the measure voted by the Senate, and it is approximately $448 million less than the $22.6 billion previously approved by the House.

For purposes of the printed RECORD, I will incorporate at this point in my statement a comparative summary by major weapons categories, actions previously taken by the two bodies on this bill together with the final conference action:

DEPARTMENT OF DEFENSE, FISCAL YEAR 1975 AUTHORIZATION BILL, SUMMARY BY MAJOR WEAPON CATEGORY

[In thousands of dollars]

	Request	House	Senate	Authorized
Aircraft:				
Army	339,500	335,000	320,300	320,300
Navy and Marine Corps	2,960,600	2,964,100	2,862,700	2,866,200
Air Force	3,496,600	3,391,400	3,286,300	3,286,300
Subtotal	6,796,700	6,690,500	6,469,300	6,472,800
Missiles:				
Army	459,200	439,400	436,500	436,500
Navy	620,600	620,600	634,500	634,500
Marine Corps	76,000	76,000	74,100	74,100
Air Force	1,610,800	1,610,800	1,556,800	1,579,200
Subtotal	2,766,600	2,746,800	2,701,900	2,724,300
Naval vessels: Navy	3,562,600	3,539,100	2,856,200	3,156,400
Tracked combat vehicles:				
Army	331,900	321,200	293,300	300,600
Marine Corps	80,100	74,200	74,200	74,200
Subtotal	412,000	395,400	367,500	374,800
Torpedoes: Navy	187,700	187,700	187,700	187,700
Other weapons:				
Army	53,400	55,700	46,000	52,200
Navy	25,600	25,600	25,500	25,500
Marine Corps	500	500	500	500
Subtotal	79,500	81,800	72,000	78,200
Total procurement	13,805,100	13,641,300	12,654,600	12,994,200
Research, development, test, and evaluation:				
Army	1,985,976	1,878,397	1,883,216	1,878,397
Navy	3,264,503	3,153,006	3,178,742	3,153,006
Air Force	3,518,860	3,459,760	3,389,470	3,389,517
Defense agencies	528,700	485,500	509,657	491,057
Test and evaluation	27,000	25,000	27,000	25,000
Gross total R.D.T. & E.	9,325,039	9,001,663	8,988,085	8,936,977
Reimbursements from foreign military sales			−35,673	−35,673
Net total R.D.T. & E.	9,325,039	9,001,663	8,952,412	8,901,304
Total procurement and R.D.T. & E.	23,130,139	22,642,963	21,607,012	21,895,504
Procurement assistance to South Vietnam (title VII)	(287,360)	(263,860)	212,300	263,860
Grand total procurement and R.D.T. & E.	23,130,139	22,642,963	21,819,312	22,159,364

The conference action required 15 separate meetings during the period June 20 through July 23, 1974.

Lest some Members of this body minimize the problems confronted by your conferees, let me briefly review the magnitude of the differences.

The procurement portion of the bill contained 54 major differences involving weapons systems.

The research, development, test, and evaluation portion of the bill contained 89 significant program differences.

Further complicating this problem were 49 substantive language differences. Each of these language differences created a separate set of problems involving, for example, items such as: Active duty manpower strengths; civilian personnel strengths; reserve strengths; research on animals; missile flight testing from operational bases in the United States; disposal of naval vessels; restrictions on CIA activities; utilization of the Island of Culebra for target practice; restrictions on the export of technology; and recomputation of military retired pay.

All of these, and many more, taxed the patience and the capabilities of your House conferees. Seven of the language differences were rejected by the House conferees on the basis of the House rule regarding germaneness. However, this was only accomplished after considerable discussion because of the understandable reluctance of the Senate conferees to acknowledge or accept the legislative restrictions imposed by the House rules.

Certain of the differences, such as that relating to the exporting of our technology to foreign countries were only resolved by substantial language changes that brought the provision within the House rules.

My purpose in mentioning all of these facets of the conference problems is to enable the Members to better understand the reason why the conference meetings were so protracted.

Details of the conference action have been printed in the CONGRESSIONAL RECORD, dated Wednesday, June 24, 1974. I trust that all the Members have had an opportunity to review the detailed statement of managers in explanation of the action taken by the conferees. However, in view of the special interest that many Members have in specific actions taken by the conferees, I will now briefly refer to a few of them and attempt to explain further the basis for the action taken.

MASF

The Defense Department had requested $1.6 billion in support of the MASF program for fiscal year 1975. The House authorized $1.126 billion for this purpose, while the Senate recommended a total of $900 million. The conferees resolved this difference by agreeing upon a program limitation of $1 billion for military assistance to South Vietnam during fiscal year 1975

Both bodies had agreed that this program should be subject to separate accounting for obligations incurred under the program. However, the Senate, in addition, recommended separate appropriations for this account. Your House conferees accepted this Senate action as being consistent with the objectives of the House and therefore agreed to the Senate language. In taking this action, the House conferees therefore agreed to transfer $263.9 million from title I, of the procurement title, to a new title in the bill establishing a new program for military assistance to South Vietnam which is not service funded. In essence, therefore, the military assistance program for South Vietnam will be handled essentially as a MAP program rather than a MASF program.

RESEARCH ON DOGS

The Senate amendment contained a provision prohibiting the use of funds authorized by this act for the purpose of carrying out research, testing, and/or evaluation of poisonous gases, radioactive materials, poisonous chemicals, biological or chemical warfare agents upon dogs. No similar provision appeared in the House bill.

The conferees examined the merits of the provision most carefully. We ascertained that adoption of this provision without modification would completely prohibit the conduct of all research involving the use of dogs even though the purpose was for the health and safety of civilian and military defense personnel, or for the benefit of dogs and other animals.

The conferees learned that in certain instances dogs have been indispensable species in research efforts which have contributed significantly to the health of human beings. For example, university experts related their experiments with a chemical that is found as a contaminant in the preparation of white flour for bread. When the bread containing this chemical was fed to dogs, even with very low levels of the chemical, it caused seizures. The importance of this finding was that a similar occurrence of convulsions might be expected in children. Of particular significance was the fact that when this bread containing this contaminant was fed to other species of

animal life, no adverse effects were observed.

In view of these circumstances, the conferees agreed to modify the language of the Senate amendment to embrace the prohibition adopted by the Senate in respect to prohibiting the utilization of dogs in research for the purpose of developing biological or chemical weapons but provided a provision which continues to permit research on dogs for other purposes to improve and save lives.

EXPORT OF TECHNOLOGY

One of the more complex and difficult problems confronting the conferees resulted from a Senate amendment which would have provided the Secretary of Defense with very broad authority relating to the granting of export licenses on the sale of goods or technology to foreign countries. There was, of course, no similar provision in the House bill.

The language of the Senate amendment, as written, was clearly in violation of the House rule regarding germaneness and our conferees so informed the representatives of the Senate. However, the conferees on the part of the Senate insisted on inclusion of some language relating to this problem and agreed to modify it in a manner which would be consistent with the House rule of germaneness.

After considerable discussion, the conferees agreed to restrict the application of this provision to goods, technology, and industrial techniques which have been developed in whole or in part as a direct or indirect result of research and development or procurement programs of the Department of Defense. In taking this action, the conferees were unanimous in their expression of concern over the fact that our country has, in the past, apparently unwittingly committed itself to the sale of items which undoubtedly will enhance the military capabilities of our potential enemies.

Let me emphasize that the language adopted by the conferees is not designed, in any way, to modify or amend the provisions of the Export Administration Act. Rather, they are designed to simply insure that the voice of the Secretary of Defense will be given appropriate attention during the decisionmaking processes in the executive branch when the subject of export licenses is being considered.

At a time when the cost of military hardware is becoming astronomical it makes no sense whatsoever to further compound the defense problem by providing our potential enemies with the fruits of sophisticated American technology. Technology that will inevitably be used by these countries to our disadvantage. Action of this kind only serves to require further defense expenditures on our part to meet the increased threat posed by our potential enemies.

It was therefore necessary that our House conferees join with our Senate colleagues in attempting to fashion language in this bill which would serve to dampen the requirement for new and higher defense expenditures.

I believe the language adopted by the conferees will accomplish its objectives without conflicting with the House rules. The conferees are unanimous in their view that this provision should cause representatives of the executive branch to exercise greater care and caution when making a decision involving the transfer of U.S. technology to Iron Curtain countries.

RECOMPUTATION OF MILITARY RETIRED PAY

As in previous years, the Senate bill contained a floor amendment not considered in committee which would have provided recomputation of military retired pay on the basis of the January 1, 1972, pay scales. The House bill contained no similar provision.

Prior to going to conference with the Senate, I ascertained that the language relating to the recomputation of military retired pay was nongermane to the House bill and therefore in conflict with the rules of the House. Under these circumstances therefore, the House conferees refused to accept the Senate provision.

The House conferees, however, advised our Senate colleagues that the Committee on Armed Services plans to consider major legislative revisions to the military retirement system in the near future. Therefore, the committee will be amenable during those hearings to hear any recommendations involving recomputation of military retired pay that may be advanced by representatives of organizations who request the opportunity to be heard by the Committee.

CONCLUSION

Your House conferees did not achieve all of their objectives in this conference; we were forced to give up House positions in respect to a substantial number of items in order to achieve a reasonable compromise with the other body.

The conference report does however, in my judgment, represent a sound and reasonable compromise of approximately 200 differences between the House and Senate versions of H.R. 14592.

I therefore urge its support by every member of this body.

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

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

Mr. GROSS. This figure of $22.195 billion, I believe that is what the gentleman is talking about.

Mr. HÉBERT. Yes.

Mr. GROSS. And included in the report, does that include the replacement for the weapons that went to Israel last year?

Mr. HÉBERT. It has nothing to do with Israel.

Mr. GROSS. Does it provide the funds for replacement of weapons?

Mr. HÉBERT. Most of the funds for the replacement were contained in the fiscal year 1974 supplemental; however, there is a continuing replacement requirement and therefore funds providing for the replacement of certain weaponry given to Israel are included in this bill.

Mr. GROSS. Well, that was passed late last year or early this year and is taken care of in this authorization bill?

In terms of replacement?

Mr. HÉBERT. That is correct.

Mr. GROSS. I thank the gentleman.

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

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

Mr. FRENZEL. Mr. Speaker, on page 11 of the conference report, in section 709, subparagraph (b), the Secretary of Defense is given authority over the export of goods, technology and techniques which will significantly increase the present or potential military capability of such country.

In paragraph (c), he is given the power to recommend to the President that the export be disapproved if it significantly increases the present or potential material capability of that controlled country.

Since this was not in the House bill and did appear only on the floor of the Senate, and has been modified slightly in conference, I would ask the chairman if he can tell me what is meant by the word "significantly." I am interested in knowing whether the shipments of materials which are generally available in the world market, and particularly available from our trading competitors in Europe and Japan, might be included under that definition of significantly enhancing the military.

Mr. HÉBERT. Mr. Speaker, I will refer that question to the gentleman from Illinois, the chairman of the Subcommittee on Research and Development.

Mr. PRICE of Illinois. Mr. Speaker, if the gentleman will yield, I will say that actually this amendment does not do much more than state the authority in the law already, except that this pinpoints the problem we are now having and empasizes the intent of the conference that we be exceptionally careful in exporting materials and technology that can enhance the military position of the countries that we had in mind when we redrafted this amendment.

There are goods such as computers and related technology that obviously would contribute to the military capability of these countries. This is what we are concerned with.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman, but if the chairman will yield further, we do have a process that works now under the Export Administration Act. The chairman of the subcommittee indicates that this process will not be much different, and certainly I would feel more comfortable if I thought the criteria were to be much the same as exists now, under which the Defense Department does have a regular and consistent chance to object to the issuing of export licenses.

I was led to believe in some informal discussions that the managers felt that this would be an unusual power and probably would not be used very much. I would not want some of our exporters to have the feeling that there might be second guessing on a regular basis by the Defense Department. That is why I am interested in knowing what is the significant potential.

Does a machine which can be used to manufacture a military weapon, but can also be used for other purposes and which in fact is available on the world market, does that come under that definition? I would think not, and I would like the chairman's assurance that it does not.

Mr. PRICE of Illinois. Mr. Speaker, the effort here is to make certain that the Secretary of Defense is listened to when he does make an objection. We have basically had the policy in existence for a long time, but we have too much evidence in the past that the Secretary of Defense was not listened to when he did raise objection based on national security.

We have quite a list of items in which this has occurred. The effort behind this particular amendment is to reemphasize the importance of listening to those who are particularly involved in security, national security.

Mr. FRENZEL. If the chairman will yield further, would the gentleman then say that the Secretary of Defense will use the same standards that he has used in the past, and this was simply to get his input heard in stronger fashion?

Mr. PRICE of Illinois. Yes, I would say that would be the case.

Mr. BRAY. Mr. Speaker, I rise in support of the conference action on H.R. 14592 and recommend adoption of the conference report.

Mr. Speaker, the gentleman from Louisiana has given the Members a thorough summary of the action taken by your conferees. This statement of the chairman, together with the conference report, should answer any questions that may be in the minds of any of the Members. However, I would like to briefly elaborate on the action taken by the conferees in respect to the so-called Jackson amendment regarding the export of U.S. technology to Iron Curtain countries.

At the outset, let me emphasize that I strongly support the administration's efforts to increase our foreign trade so as to overcome any deficit that we may now have in our balance of payments, but I oppose with great vigor any blind commitment to this policy which will cause us to transfer to our potential enemies the goods and technology which American labor and management has developed and which will result in enhancing the military capability of our potential enemies.

As indicated by the chairman of the Armed Services Committee, it is the height of folly to spend billions on new weaponry and then in the same breath transfer to our potential enemies sophisticated devices and technology which ultimately will neutralize this weaponry.

Our primary advantage over the Soviets is the advanced level of technology, both scientific and industrial, which we have over that totalitarian state. That is the difference, in my judgment, between freedom and slavery.

We are in a horserace with the Soviet Union and at the present time our technology has given us a lap on our opponents—yet, there are some myopic bureaucrats in the executive branch who would literally give away the industrial techniques and secrets that not only permits us to maintain our military security but also contributes immeasureably to our industrial might.

The American laboring man is the envy of the world. He has achieved economic advantages that are but "an impossible dream" for his counterparts in Soviet bloc countries. Much of this economic advantage of the American workingman over his foreign contemporary is due to our industrial know-how and industrial techniques. Thus, to export the advantage of this industrial technique to Soviet bloc countries borders on absolute madness. It will ultimately pit American free labor against the slave labor of totalitarian countries, such as the Soviet Union.

We are all aware of ongoing negotiations to transfer the aviation industry's production know-how on wide-bodied aircraft to a Soviet bloc nation.

One of the largest aircraft manufacturers in America is planning to build a large factory in a Soviet bloc nation, not only to build wide-bodied aircraft but to teach the labor and technicians in that country how to operate such a factory. While such a factory may make a short-term profit for the company, such action will injure our American military defensive strength and also cause the export of tens of thousands of American jobs in the aircraft industry to foreign countries, an industry in which today our country is preeminent.

We are all aware of the ongoing effort of the Soviet Union to acquire our latest computer technology. Unless prompt and proper action is taken, we will lose our superiority in this most important field.

These are some of the considerations which prompted your conferees to embrace the Jackson amendment, albeit in a drastically reduced form to guard against this kind of "death wish" that seems to be the order of the day in some offices of the executive branch. The Jackson amendment was nongermane to this legislation but as we have rewritten the amendment, it is now germane.

Action is needed immediately on this restraint on the transfer of American know-how to the Communist bloc. A country that does not protect its national security and the well-being of its citizens will not prosper.

I trust that my colleagues will unanimously adopt this conference report.

Mr. PRICE of Illinois. Mr. Speaker, as a participant in the conference, I rise in support of the conference report of the Armed Services Committee on the Department of Defense Appropriation Authorization Act, 1975. I am particularly proud that we were successful in working out with the other body the final language of Title VIII—Nuclear Powered Navy. This title will make it: "the policy of the United States of America to modernize the strike forces of the U.S. Navy by the construction of nuclear powered major combatant vessels and to provide for an adequate industrial base for the research, development, design, construction, operation, and maintenance for such vessels."

I, as chairman of the Joint Committee on Atomic Energy, would like to comment on some early history of the nuclear navy and the leadership the Congress provided in the construction of nuclear-powered warships. Title VIII enunciates and confirms the policy of the Joint Committee.

This is a policy that the Joint Committee on Atomic Energy has advocated for more than a decade. Those of us on the Joint Committee, as well as many members of the House and Senate Armed Services and Appropriations Committees, who have studied this issue for many years, have been astonished by the lack of foresight exhibited by the executive branch in failing to recognize the necessity of providing our major warships with nuclear propulsion.

I am proud that in enacting this legislation it is the Congress which will demonstrate foresight, courage, and wisdom by taking this initiative to strengthen the defense of our Nation. I am sure that naval historians will cite this action as a classic example of Congress exercising its power under article I, section 8, of the Constitution "to provide and maintain a Navy."

Title VIII will provide by law that all future major combatant vessels built for the strike forces of the U.S. Navy shall be nuclear powered. The act clearly defines this to mean all future combatant submarines, aircraft carriers, and carrier escorts such as cruisers, frigates, and destroyers. Title VIII stipulates that henceforth all requests for authorization or appropriation of funds for construction of major combatants for the strike forces shall be for nuclear powered ships "unless and until the President of the United States has fully advised the Congress that construction of nuclear powered vessels for such purposes is not in the national interest." It says:

> Such reports of the President to the Congress shall include for consideration by Congress an alternate program of nuclear powered ships with appropriate design, cost, and schedule information.

The enactment of title VIII means that the Defense Department and the Navy must now stop wasting the taxpayers' funds on further studies of diesel submarines, non-nuclear aircraft carriers, and non-nuclear carrier escorts.

The need for nuclear propulsion in major combatant vessels for our naval strike forces has been studied to death, despite the clearly demonstrated advantages of nuclear warships. The continued record of Defense Department delay in approving nuclear warships demonstrates the urgent need for this matter to be resolved by the legislative process, so that further progress is not impeded by each newly appointed civilian or military bureaucrat who is in a position to stop progress in the executive bureaucracy.

Ever since the beginning of the naval nuclear propulsion program the Joint Committee on Atomic Energy has seen

to it that we get our information first hand. We have visited the laboratories where the development work is being done. We visited the land prototype site where the original testing for the *Nautilus* was being done. As soon as she was completed we held hearings on the *Nautilus* submerged and at sea. We later held hearings aboard the *Skipjack*, the first of the higher speed, single-screw nuclear submarines. In 1960, prior to the first successful launching of a Polaris missile from a submerged nuclear submarine, we held a 2-day meeting of the Joint Committee at sea aboard the U.S.S. *George Washington*, the first Polaris submarine.

When the first nuclear carrier *Enterprise* was finished we flew to Guantanamo and held hearings aboard the ship during her shakedown trials off Cuba in early 1962. Many of you will remember the fight that erupted the following year when Secretary of Defense McNamara decided against providing nuclear propulsion for the aircraft carrier *John F. Kennedy*. The Joint Committee held extensive hearings in the fall of 1963 on "Nuclear Propulsion for Naval Surface Vessels." We published a committee analysis which pointed out in detail the errors in the Department of Defense analysis. The Joint Committee 1963 report specifically recommended "that the United States adopt the policy of utilizing nuclear propulsion in all future major surface warships." Regrettably the *Kennedy* throughout its life will be dependent on a train of tankers, but those of us who carried on the fight did finally succeed in having Secretary McNamara authorize the *Nimitz* class of nuclear aircraft carriers.

Throughout the early 1960's the Joint Committee and the House and Senate Armed Services and Appropriations Committees engaged in extensive correspondence with the Department of Defense over the issue of nuclear propulsion for surface warships. For anyone interested, much of that correspondence is published on pages 245 through 318 of the Joint Committee hearing print entitled "Naval Nuclear Propulsion Program 1967–68."

In the late 1960's Congress, based on recommendations of the House Armed Services Committee, succeeded in getting a nuclear frigate building program established, but we had to resort to mandatory language in the law to do so.

The Defense Department plan was to stop authorizing any nuclear submarines by 1970. Some senior analysts in the Pentagon even recommended sinking 10 of our Polaris submarines as a cost saving measure. Several committees of Congress held special hearings in 1968 on the nuclear submarine program. As a result of this, Congress not only demanded that we continue building nuclear attack submarines but that we proceed with submarines of higher speed and greater quietness.

Three years ago the Department of Defense suddenly terminated plans to build more nuclear frigates and the nuclear carrier *Carl Vinson* CVN–70. They did this even though a special subcommittee of the House and Senate Armed Services Committees had issued an 800-page hearing record and a report which concluded we should go ahead with the CVN–70.

Senator JACKSON immediately called for hearings of the Military Applications Subcommittee of the Joint Committee on Atomic Energy. We reviewed the whole subject of nuclear propulsion for naval warships, submarine, and surface. In addition to the testimony of the Chairman of the Joint Chiefs of Staff, the Chief of Naval Operations, and Admiral Rickover, we obtained the written comments of the Deputy Secretary of Defense. The record of this investigation is included in the Joint Committee print titled "Hearing and Subsequent Inquiry of the Subcommittee on Military Applications on Nuclear Propulsion for Naval Warships, May 5, 1971–September 30, 1972." That print on pages 123–277 includes a "Chronological Summary of the History of Nuclear Propulsion for Surface Ships" in which Admiral Rickover cites in detail all of the lengthy studies that have been made of this subject over the past quarter century. Also on pages 278 to 333 of this print are published 26 items of official correspondence concerning nuclear carriers and nuclear frigates.

The perturbations in the world supplies of petroleum gave us a special concern relative to the supply of fuel for our warships. By letter dated January 5, 1974, I expressed these concerns to the Department of Defense. I would like to include this exchange in the RECORD following my remarks.

More recently the Joint Committee report dated April 3, 1974, on the fiscal year 1975 Atomic Energy Commission appropriation authorization stated:

> The recent interruptions in the availability of foreign petroleum fuel supplies have highlighted the vulnerability of our petroleum supply lines. It is obvious that in time of war it may well be impossible to provide petroleum to our naval striking forces in areas of highest threat. This increased vulnerability again accents the importance of providing nuclear propulsion for our first-line warships. The committee, accordingly, reiterates its longstanding recommendation that all new surface submarine first-line striking forces be provided with nuclear propulsion.

The need for nuclear propulsion for major combatant vessels for our first-line naval strike forces is completely documented. In addition to the annual thorough review of the naval nuclear propulsion program there have been many special congressional hearings and reports issued on various aspects of naval nuclear propulsion. I will include a list of some of these reports in the RECORD following my statement.

This bill also authorizes construction of our eighth nuclear frigate, the DLGN 41, and contains additional long lead funding for our ninth nuclear frigate, the DLGN 42. It has been only through the strong resolve of Congress that these nuclear frigates have been authorized to be built for the Navy—after they were canceled by the Department of Defense 3 years ago.

Based on my past experience with the naval nuclear propulsion issue I would not be surprised to learn that attempts will again be made in the Department of Defense to cancel or delay their construction. It should be clearly understood that it is the definite intent of Congress that these ships be built now as follow ships of the *Virginia* DLGN 38 class, using existing shipbuilding contract options.

In this connection this bill also contains research and development funds for a new weapons system, a development called Aegis, which is intended to be an improvement over existing shipboard antiair warfare weaponry, but which is years from being ready to be committed to ship construction. Although Aegis should be considered for installation in nuclear frigates after it has been successfully developed, the DLGN 41 and DLGN 42 must not be delayed to wait for it.

All too often the desire for improved weapons which are off in the future has been used as an excuse for not building ships. If a war should erupt we will have to fight it with the ships we have, not the ones we hope to have many years in the future. To follow such a course could be fatal. With the investment we have in the four nuclear carriers in commission and under construction it would be dead wrong to defer building the DLGN 41 and DLGN 42 which are vitally needed to escort these nuclear carriers for literally years to wait for this new weapons system. I hope this point is clear to all.

Mr. Speaker, my esteemed colleague from California, CHET HOLIFIELD, who also has been chairman of the Joint Committee on Atomic Energy, and I are the only two remaining charter members of the Joint Committee. The experience and knowledge I have gained through a quarter century on that committee has, I believe, given me a special insight into all aspects of the naval nuclear propulsion program. Based on everything I have learned from studying this issue in detail for over 25 years, I can state categorically that the need for nuclear propulsion in naval strike force ships has been proven, needs no further study before a decision is made, and is of the most vital need for our country and our Navy.

It gives me great personal pleasure to be able to cast my vote for this truly historic legislation. I am sure that I speak for CHET HOLIFIELD, whose final days in this chamber will be brightened by the result which culminates the long fight many of us have carried on for so long, and marks the turning point for a new Navy which will be second to none.

The hearings and reports on the naval nuclear propulsion program published by committees of the Congress include:

LIST OF HEARINGS AND REPORTS

Hearings of the Joint Committee on Atomic Energy Subcommittee on Research and Development chaired by Congressman Melvin Price and the Subcommittee on Military Applications chaired by Senator Henry M. Jackson on "Naval Reactor Program and Shippingport Project" dated March 7 and April 12, 1957.

Joint Committee on Atomic Energy "Review of Naval Reactor Program and Admiral Rickover Award" dated April 11, 1959, chaired by Senator Clinton P. Anderson held aboard the USS *Skipjack* at sea while the nuclear submarine was establishing new records for speed and depth of operation.

Joint Committee on Atomic Energy review of "Naval Reactor Program and Polaris Missile Systems" chaired by Senator Clinton P. Anderson held at sea on board the first Polaris submarine, the USS *George Washington*, on April 9, 1960.

Joint Committee on Atomic Energy "Tour of the USS *Enterprise* and Report on Joint AEC-Naval Reactor Program" dated March 31, 1962, chaired by Congressman Chet Holifield held at sea aboard the USS *Enterprise* while operating at sea off Guantanamo Naval Base, Cuba.

Joint Committee on Atomic Energy, June 26, 27, July 23, 1963 and July 1, 1964, hearings on "Loss of the USS *Thresher*" chaired by Senator John O. Pastore.

Joint Committee on Atomic Energy hearing on "Nuclear Propulsion for Naval Surface Vessels" dated October 30, 31 and November 13, 1963, chaired by Senator John O. Pastore. This was followed by a special December 1963 report of the Joint Committee on Atomic Energy which recommended:

1. That the decision to install conventional propulsion in the new aircraft carrier, CVA-67 should be set aside and plans made to install nuclear propulsion in this ship; and

2. That the United States adopt the policy of utilizing nuclear propulsion in all future major surface warships; and

3. That a vigorous research and development program for surface warship nuclear propulsion be continued.

Joint Committee on Atomic Energy, January 26, 1966, hearing on "Naval Nuclear Propulsion Program 1966" chaired by Congressman Chet Holifield.

Joint Committee on Atomic Energy, March 16, 1967 and February 8, 1968, hearings on "Naval Nuclear Propulsion Program 1967-68" chaired by Senator John O. Pastore.

Senate Armed Services Preparedness and Investigating Subcommittee chaired by Senator John Stennis, hearings on "U.S. Submarine Program" dated March 13, 15, 19, 27, 1968. This was followed by a special report of the Subcommittee on the "United States Submarine Program" dated September 23, 1968, which recommended that the nuclear attack submarine construction program be continued beyond fiscal year 1970, that the development of the high speed submarine and the electric drive submarine proceed, and that work begin promptly on the development of a submarine of advanced design.

Joint Committee on Atomic Energy hearings on "Nuclear Submarines of Advanced Design Parts I and II" dated June 21 and July 25, 1968, chaired by Congressman Chet Holifield.

Joint Committee on Atomic Energy, April 23, 1969 hearing on "Naval Nuclear Propulsion Program 1969" chaired by Congressman Chet Holifield.

Joint Committee on Atomic Energy, March 19 and 20, 1970, hearings on "Naval Nuclear Propulsion Program 1970" chaired by Congressman Chet Holifield.

Joint Senate-House Armed Services Subcommittee hearings on "CVAN-70 Aircraft Carrier" dated April 7, 8, 10, 13, 15 and 16, 1970, co-chaired by Senator John Stennis and Congressman Charles Bennett. This set of hearings was followed by a special report of the Joint Subcommittee dated April 22, 1970, which stated:

"The Subcommittee, in consideration of the full range of carrier capability including modernity and the exceptional advantages of nuclear power is of the opinion that the long lead funds for the CVAN-70 should be approved."

House Armed Services Antisubmarine Warfare Subcommittee, October 9, 1970, report on "Trip to the Knolls Atomic Power Laboratory, September 28, 1970" chaired by Congressman Samuel S. Stratton.

Joint Committee on Atomic Energy, March 10, 1971, hearing on "Naval Nuclear Propulsion Program 1971" chaired by Senator John O. Pastore.

Joint Committee on Atomic Energy Subcommittee on Military Applications hearing and subsequent inquiry on "Nuclear Propulsion for Naval Warships" dated May 5, 1971—September 30, 1972, alternately chaired by Senator Jackson and Congressman Holifield. This inquiry addressed the need for the *Los Angeles* Class high speed SSN's, tactical cruise missile submarines, the Trident submarine program, nuclear aircraft carriers and nuclear frigates.

Joint Committee on Atomic Energy, February 8, 1972 and March 28, 1973, hearings on "Naval Nuclear Propulsion Program 1972-1973" chaired by Congressman Melvin PRICE.

Joint Committee on Atomic Energy, February 25, 1974, hearing on "Naval Nuclear Propulsion Program—1974", chaired by Congressman Melvin Price (in the process of being published).

JOINT COMMITTEE ON ATOMIC ENERGY,
Washington, D.C., January 5, 1974.

Hon. JAMES R. SCHLESINGER,
Secretary of Defense,
Washington, D.C.

DEAR JIM: The increacing severity of our energy problem should, in my view, call for an accelerated effort in the application of nuclear power for the propulsion of naval warships. I fully appreciate your personal efforts in making additions of some nuclear propelled ships to our Navy although I believe recent events call for a sharply increased effort in this vital area of national defense. Accordingly, I suggest that a review of the planned shipbuilding program be made with the objective of increasing the number of nuclear powered warships. We are indeed fortunate that we have the proven technical base to immediately proceed with additional applications of nuclear propulsion. It certainly would be most unfortunate if we didn't take advantage of our position especially since nuclear power provides such positive solutions to our growing and irreversible global petroleum problem.

I want to emphasize that I am not suggesting the initiation of additional studies. From the Committee's detailed involvement in the review of the various studies I can assure you we need no additional effort in this area. Such comprehensive reviews as the Committee's 1963 and 1971-72 hearings and report on nuclear propulsion clearly illustrate the military value and justification of this application of nuclear energy. The growing petroleum problem has just increased the importance of the factors justifying nuclear power especially in the area of foreign access to petroleum supplies. Of course, although secondary to the primary factor of military effectiveness, the increasing costs of petroleum fuels also increase the economic justification of nuclear power.

You can be assured of Congressional support in immediately moving ahead with more naval nuclear propulsion projects. As you know the Congress, through its various Committees of responsibility in the defense area, has led in bringing about nuclear propulsion for our navy.

Sincerely yours,

MELVIN PRICE,
Chairman.

THE SECRETARY OF DEFENSE,
Washington, March 11, 1974.

Hon. MELVIN PRICE,
Chairman, Joint Committee on Atomic Energy, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of January 5, 1974, in which you suggested that a review of the Navy's planned shipbuilding program be made with the objective of increasing the number of nuclear powered warships.

By mid-1974 our 107 nuclear powered combatants will constitute over one-third of the active warship fleet. These nuclear powered warships include 41 strategic ballistic missile submarines, 61 attack submarines, one aircraft carrier and four fleet air defense guided missile ships—the Navy's first line ships. Additional nuclear powered combatants authorized by Congress are, or soon will be, under construction: the first TRIDENT SSBNs, four 637 Class SSNs, and twenty-three 688 Class SSNs, three nuclear powered aircraft carriers and four guided missile frigates. In addition to the nuclear powered ships in service, under construction, or authorized by Congress, the FY 75 budget request includes funding of two TRIDENT submarines, three high-speed attack submarines, and one guided missile frigate. Delivery of the five nuclear powered frigates (DLGNs) under construction, together with the cruiser and the two frigates now in the fleet, will give us eight nuclear powered surface combatants which will be adequate to form two all nuclear powered carrier task forces, when none of the ships are in overhaul.

As you know, in FY 72 the Department of Defense continued the DLGN construction program by awarding a contract to the Newport News Shipbuilding and Drydock Company for the construction of DLGN 38 Class Frigates. At that time it was decided to construct three units of this new class while retaining a contract option for two additional units. Recently Congress added to our Fiscal Year 74 budget request $79 million for advanced procurement of long-lead items for the two additional nuclear ships, DLGNs 41 and 42. We have included DLGN-41 in the FY 75 budget and are protecting the option for procuring the second in FY 76. When the full scope of our current nuclear ship program is considered, we find that the shipbuilders involved have a very large backlog ahead of them.

There are several important factors influencing the selection of nuclear or nonnuclear propulsion systems for a warship. Three of the most significant items are the relative procurement and operating costs, individual ship capability requirements, and overall Navy force level and modernization needs.

To date, the use of nuclear power has been limited to suface ships of 8,000 tons or more. These relatively large ships (frigates and cruisers), with highly capable anti-air and anti-submarine systems, are at the high end of the high-low mix of surface combatant ship types. The high-low mix concept of balancing overall fleet capability between larger numbers of capable low-cost ships and fewer numbers of highly capable but expensive first-line ships is essential for maintaining our overall combat capabilities.

In spite of the many attractive features of nuclear ships, both their acquisition costs and manning costs tend to be higher than for conventional ships having the same weapons systems. As you are aware over the past several years there have been extended discussions of the degree to which indirect costs tend to offset these differences. The major increase in the cost of fuel oil since October 1973 has tended to add some weight to this concept. On the other hand,

the introduction of significantly more efficient conventional propulsion systems will result in lower acquisition and operating costs for such ships due to reduced manning requirements and reduced engineering plant size. As an additional consideration, the peace time flexibility of deployments for nuclear ships is constrained by the apprehensive attitude of many countries towards port visits by nuclear ships. In my view, these apprehensions are largely unfounded but progress in dispelling this barrier to nuclear ship visits has been slow.

Requirements for overall naval combat effectiveness depend in large part on the expected threat. In some ocean areas where our Navy is planned to operate, the threat is expected to be relatively low intensity and to consist of principally submarine-launched torpedoes and cruise missiles with only small numbers of ship- and aircraft-launched cruise missiles. Requirements for individual ship effectiveness are less demanding in such areas than would be required in higher threat environments, where additional threats from aircraf would be expected. I am sure that you recognize that. In addition to the need for first-line ships capable of operations in high threat areas, there are many important missions that can be effectively carried out by less complex and less expensive ships.

In this decade, we must phase out virtually all of the remaining World War II surface combatants because their deteriorating material condition and declining combat value is making them increasingly inefficient. If we are to procure the large number of ships needed to maintain even current force level, the bulk of the new ships must be from the "low" side of the "high-low" spectrum. The numerical requirements alone for surface escorts needed to protect military and commercial shipping in open ocean and lower threat areas of the world lead us to the use of less complex ships under present budgetary constraints.

Your personal efforts and the support of the Congress in attaining our present posture in nuclear propulsion in the Navy are very much appreciated. I solicit your continued support of our shipbuilding program and assure you that nuclear propulsion will be actively considered for all future Navy major surface warship building programs.

Sincerely,

JAMES R. SCHLESINGER.

Mr. FRENZEL. Mr. Speaker, I am troubled by the conference report on H.R. 14592 for two principal reasons.

First, since various administration and Federal Reserve spokesmen have called for reduction in spending of from $5 billion to $20 billion from proposed budget levels, I am not sure of the proper amount, but I do know that substantial reductions are required unless this bill's $22-plus billion is sharply reduced by the Appropriations Committee, substantial reductions in overall spending are not possible.

There are areas ripe for reductions, especially personnel. We have too many troops in Europe, and overseas generally.

The feature which leads me to vote against this bill, however, is section 709 on pages 10 and 11 of the conference report. The section gives the Secretary of Defense extraordinary power, perhaps unconstitutionally greater than that of the President since he can overrule the President, to stop exports to any country in the world if he feels it will increase significantly the military potential of the country.

The section invades the jurisdiction of the Export Administration Act which, according to testimony from the Departments of Defense, State, Commerce, Treasury, and the CIEP, works effectively as is.

It was not in the House version. It appeared as a floor amendment in the Senate, and was accepted by the conference managers.

According to floor statements by the managers, the criteria on which an export might be stopped, will be the same as at present, but the raw power given here to the Secretary, particularly over the head of the President, is unwarranted.

Therefore, not only is the spending level of the bill inflationary, but also it contains a potential to reduce further our already negative trade balances. I must vote against it.

Mr. BENNETT. Mr. Speaker, I rise in support of the conference report on H.R. 14592. I particularly want to bring to the attention of the House the fact that title VIII providing for a nuclear powered Navy is intact in the bill with only minor clearifying modifications. This title requires that all future major combatant vessels be nuclear powered unless the President fully advises the Congress that it is not in the national interest to have them such. The major combatant vessels are all submarines, both attack and missile, all aircraft carriers and the ships that are designed to run with them, cruisers, frigates, and destroyers—also all ships designed for independent missions from the categories listed above—that is, submarines, aircraft carriers, cruisers, frigates, and destroyers where essential unlimited high speed endurance will be of significant military value.

Mr. Speaker, Congress has had to fight hard and long to get the nuclear navy. As recently as 2 years ago we had to mandate the construction of nuclear frigates No. 41 and 42 unless the President fully advised that their construction was not in the national interest. The President has not so advised us and the contract for their construction has been let.

Despite the wording of title VIII, we hear rumblings that a group within the Department of Defense is saying they should not be built.

This is the same group of systems analysts who opposed the nuclear-powered Navy from the start. Now they are saying that frigates should not be constructed until the Aegis missile system is ready to go on them.

Mr. Speaker, we now have four nuclear-powered aircraft carriers in being or under construction. Those 4 require at least 16 escorts. For escorts we have the *Bainbridge*, the *Truxton*, and the *California*. We also have the *South Carolina*, the *Virginia*, and the *Texas* under construction and the DLGN-40. That means there will only be 7 nuclear-powered frigates instead of the 16 needed if the DLGN-41 and 42 are not built.

Again, Mr. Speaker, the Congress must insist that the nuclear frigates and the nuclear Navy continue to be constructed as the Congress has ordered.

Mrs. HOLT. Mr. Speaker, I am voting for the conference report on the military procurement authorization, but only after bitter disappointment that the conferees rejected the amendment that would have permitted a recomputation of military retirement pay as a percentage of active duty pay.

Many of us worked diligently to secure the passage of the amendment to award fair treatment to thousands of older veterans, who served long and honorable careers with the promise of security.

We have an obligation to compensate them in accordance with the terms under which they served our Nation. As you know, changes in the method of computing retirement pay were made in 1958 and 1963, and thousands of older veterans got shortchanged in the shuffle.

They are receiving far less than servicemen of comparable rank who are retiring today, and this inequitable situation is a gross breach of faith. I can assure you, Mr. Speaker, that our fight for equitable treatment of our older retirees from military service has not ended.

I have been assured that major legislation revising the military retirement system will be considered in the near future, and I pledge that we will renew our struggle for recomputation.

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

The previous question was ordered.

The SPEAKER. The question is on the conference report.

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 305, nays 38, not voting 91, as follows:

[Roll No. 412]

YEAS—305

Abdnor	Blackburn	Chappell
Adams	Boggs	Clausen,
Addabbo	Boiling	Don H.
Anderson,	Brademas	Clawson, Del
Calif.	Bray	Cleveland
Anderson, Ill.	Breaux	Cochran
Andrews, N.C.	Breckinridge	Cohen
Andrews,	Brinkley	Collier
N. Dak.	Brooks	Collins, Ill.
Annunzio	Broomfield	Collins, Tex.
Archer	Brotzman	Conable
Arends	Brown, Calif.	Conlan
Armstrong	Brown, Mich.	Conte
Ashbrook	Brown, Ohio	Corman
Ashley	Broyhill, N.C.	Coughlin
Aspin	Broyhill, Va.	Crane
Bafalis	Buchanan	Cronin
Baker	Burke, Fla.	Daniel, Dan
Barrett	Burke, Mass.	Daniel, Robert
Bauman	Burleson, Tex.	W., Jr.
Beard	Burlison, Mo.	Daniels,
Bell	Butler	Dominick V.
Bennett	Byron	Danielson
Bergland	Camp	Davis, Wis.
Bevill	Carney, Ohio	Delaney
Biaggi	Casey, Tex.	Denholm
Biester	Chamberlain	Dennis

Dent	Litton	Rodino
Derwinski	Long, La.	Roe
Devine	Long, Md.	Rogers
Dickinson	Lott	Roncalio, Wyo.
Diggs	Lujan	Roncallo, N.Y.
Dingell	Luken	Rooney, Pa.
Donohue	McClory	Rostenkowski
Downing	McCloskey	Roush
Dulski	McCollister	Rousselot
Duncan	McCormack	Runnels
du Pont	McDade	Ruth
Edwards, Ala.	McEwen	St Germain
Eilberg	McFall	Sandman
Erlenborn	McKinney	Sarasin
Esch	Macdonald	Sarbanes
Eshleman	Madigan	Satterfield
Fascell	Mahon	Scherle
Fish	Mallary	Shipley
Fisher	Mann	Shoup
Flood	Maraziti	Shuster
Flowers	Martin, Nebr.	Sikes
Flynt	Mathias, Calif.	Skubitz
Foley	Mathis, Ga.	Slack
Fountain	Matsunaga	Smith, Iowa
Frelinghuysen	Mayne	Smith, N.Y.
Froehlich	Meeds	Snyder
Fulton	Mezvinsky	Spence
Fuqua	Michel	Staggers
Gaydos	Milford	Stanton,
Giaimo	Miller	J. William
Gibbons	Mills	Stanton,
Gilman	Minish	James V.
Ginn	Mink	Steiger, Ariz.
Goldwater	Minshall, Ohio	Steiger, Wis.
Gonzalez	Mitchell, N.Y.	Stephens
Goodling	Mizell	Stratton
Gross	Moakley	Stubblefield
Grover	Mollohan	Sullivan
Gude	Montgomery	Symington
Guyer	Moorhead,	Taylor, Mo.
Haley	Calif.	Taylor, N.C.
Hamilton	Moorhead, Pa.	Thomson, Wis.
Hanley	Morgan	Thone
Hanrahan	Mosher	Thornton
Harsha	Moss	Tiernan
Hays	Murphy, Ill.	Ullman
Hébert	Murtha	Van Deerlin
Heckler, Mass.	Myers	Vander Veen
Heinz	Natcher	Veysey
Henderson	Nelsen	Vigorito
Hicks	Nichols	Waggonner
Hillis	O'Brien	Walsh
Hinshaw	O'Hara	Wampler
Hogan	O'Neill	Ware
Holt	Owens	Whalen
Horton	Parris	White
Howard	Passman	Whitehurst
Huber	Patman	Widnall
Hudnut	Patten	Williams
Hungate	Pepper	Wilson,
Hunt	Perkins	Charles, Tex.
Hutchinson	Pettis	Winn
Ichord	Pike	Wolff
Jarman	Poage	Wright
Jones, Ala.	Podell	Wyatt
Jones, N.C.	Powell, Ohio	Wydler
Jones, Okla.	Preyer	Wylie
Jordan	Price, Ill.	Wyman
Karth	Price, Tex.	Yates
Kazen	Quie	Yatron
Kemp	Quillen	Young, Fla.
Ketchum	Railsback	Young, Ill.
King	Randall	Young, S.C.
Kluczynski	Regula	Young, Tex.
Kyros	Rhodes	Zablocki
Lagomarsino	Rinaldo	Zion
Landgrebe	Roberts	Zwach
Latta	Robinson, Va.	

NAYS—38

Abzug	Hechler, W. Va.	Rosenthal
Bingham	Helstoski	Roybal
Burton, John	Holtzman	Ryan
Burton, Phillip	Kastenmeier	Schroeder
Conyers	Koch	Seiberling
Dellums	Mitchell, Md.	Stokes
Drinan	Nedzi	Studds
Edwards, Calif.	Nix	Thompson, N.J.
Ford	Obey	Traxler
Forsythe	Rangel	Vanik
Fraser	Rees	Waldie
Frenzel	Reuss	Young, Ga.
Green, Pa.	Riegle	

NOT VOTING—91

Alexander	Carter	Davis, S.C.
Badillo	Cederberg	de la Garza
Blatnik	Chisholm	Dellenback
Boland	Clancy	Dorn
Bowen	Clark	Eckhardt
Brasco	Clay	Evans, Colo.
Burgener	Cotter	Evins, Tenn.
Burke, Calif.	Culver	Findley
Carey, N.Y.	Davis, Ga.	Frey
Gettys	Leggett	Shriver
Grasso	Lehman	Sisk
Gray	Lent	Stark
Green, Oreg.	McKay	Steed
Griffiths	McSpadden	Steele
Gubser	Madden	Steelman
Gunter	Martin, N.C.	Stuckey
Hammer-	Mazzoli	Symms
schmidt	Melcher	Talcott
Hanna	Metcalfe	Teague
Hansen, Idaho	Murphy, N.Y.	Towell, Nev.
Hansen, Wash.	Peyser	Treen
Harrington	Pickle	Udall
Hastings	Pritchard	Vander Jagt
Hawkins	Rarick	Whitten
Holifield	Reid	Wiggins
Hosmer	Robison, N.Y.	Wilson, Bob
Johnson, Calif.	Rooney, N.Y.	Wilson,
Johnson, Colo.	Rose	Charles H.,
Johnson, Pa.	Roy	Calif.
Jones, Tenn.	Ruppe	Young, Alaska
Kuykendall	Schneebeli	
Landrum	Sebelius	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Rarick for, with Mr. Badillo against.

Mr. Murphy of New York for, with Mr. Hanna against.

Mr. Charles H. Wilson of California for, with Mrs. Chisholm against.

Mr. Teague for, with Mr. Clay against.

Mr. Carey of New York for, with Mr. Stark against.

Mrs. Burke of California for, with Mr. Metcalfe against.

Mr. Melcher for, with Mr. Eckhardt against.

Mr. Hawkins for, with Mr. Harrington against.

Until further notice:

Mr. Alexander with Mr. Blatnik.

Mr. Gunter with Mr. Reid.

Mr. Holifield with Mr. Culver.

Mr. Rose with Mr. Gettys.

Mr. Rooney of New York with Mrs. Grasso.

Mr. Brasco with Mr. Gray.

Mr. Cotter with Mrs. Green of Oregon.

Mr. Davis of Georgia with Mrs. Hansen of Washington.

Mr. Boland with Mr. Cederberg.

Mr. Leggett with Mr. Treen.

Mr. Madden with Mr. Steele.

Mr. Davis of South Carolina with Mr. Findley.

Mr. Bowen with Mr. Steelman.

Mr. Sisk with Mr. Clancy.

Mr. Udall with Mr. Hosmer.

Mr. Whitten with Mr. Sebelius.

Mr. Mazzoli with Mr. Dellenback.

Mr. Pickle with Mr. Ruppe.

Mr. Randall with Mr. Hammerschmidt.

Mr. de la Garza with Mr. Frey.

Mr. Clark with Mr. Lent.

Mr. Jones of Tennessee with Mr. Kuykendall.

Mr. McKay with Mr. Gubser.

Mr. Evins of Tennessee with Mr. Schneebeli.

Mr. Carter with Mr. Hastings.

Mr. Evans of Colorado with Mr. Shriver.

Mr. Dorn with Mr. Robison of New York.

Mrs. Griffiths with Mr. Symms.

Mr. Johnson of California with Mr. Martin of North Carolina.

Mr. Lehman with Mr. Talcott.

Mr. Johnson of Pennsylvania with Mr. Towell of Nevada.

Mr. McSpadden with Mr. Vander Jagt.

Mr. Roy with Mr. Bob Wilson.

Mr. Steed with Mr. Wiggins.

Mr. Stuckey with Mr. Young of Alaska.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

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

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

There was no objection.

HOME RULE ACT AMENDMENTS

Mr. FRASER. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 15791) to amend section 204(g) of the District of Columbia Self-Government and Governmental Reorganization Act, and for other purposes, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 204(g) of the District of Columbia Self Government and Governmental Reorganization Act (Public Law 93–198; 87 Stat. 774) is amended by deleting the second sentence thereof.

With the following committee amendment in the nature of a substitute:

Strike out all after the enacting clause and insert:

That the District of Columbia Self-Government and Governmental Reorganization Act (84 Stat. 774) is amended as follows:

(1) The second sentence of subsection (g) of section 204 of that Act is repealed.

(2) Subsection (b) of section 401 of that Act is amended by (A) redesignating paragraph (3) as paragraph (4); and (B) inserting immediately after paragraph (2) the following:

"(3) To fill a vacancy in the Office of Chairman, the Board of Elections shall hold a special election in the District on the first Tuesday occurring more than one hundred and fourteen days after the date on which such vacancy occurs, unless the Board of Elections determines that such vacancy could be more practicably filled in a special election held on the same day as the next general election to be held in the District occurring within sixty days of the date on which a special election would otherwise have been held under the provisions of this paragraph. The person elected Chairman to fill a vacancy in the Office of Chairman shall take office on the day in which the Board of Elections certifies his election, and shall serve as Chairman only for the remainder of the term during which such vacancy occurred. When the Office of Chairman becomes vacant, the Council shall select one of the elected at-large members of the Council to serve as Chairman and one to serve as Chairman pro tempore until the election of a new Chairman."

(3) The first sentence of section 441 of that Act is amended to read as follows: "The fiscal year of the District shall, beginning on October 1, 1976, commence on the first day of October of each year and shall end on the thirtieth day of September of the succeeding calendar year."

(4) Paragraph (1) of section 462 of that Act is amended to read as follows:

"(1) briefly describing each project to be financed by the act;".

(5) The first sentence of section 465 of that Act is amended to read as follows: "At the end of the twenty-day period specified in section 464, the Mayor may issue general obligation bonds as authorized pursuant to the provisions of sections 461 through 465."

(6) The second sentence of section 466 is amended by striking out "Council" and inserting in lieu thereof "Mayor".

(7) Section 502 of that Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 502. Notwithstanding any other provision of law, there is authorized to be appropriated as the annual Federal payment to the District of Columbia for the fiscal year ending June 30, 1975, the sum of $230,000,000; for the fiscal year ending June 30, 1976, the sum of $254,000,000; for the fiscal year ending September 30, 1977, the sum of $280,000,000; for the fiscal year ending September 30, 1978, and for each fiscal year thereafter, the sum of $300,000,000. For the period July 1, 1976, through September 30, 1976, there is authorized to be appropriated a Federal payment of $70,000,000."

(8) Section 771 of that Act is amended to read as follows:

"EFFECTIVE DATES

SEC. 771. (a) Titles I and V, and parts A and G, and section 722 of title VII shall take effect on the date of enactment of this Act.

"(b) Sections 712, 713, 714, and 715 of title VII, and section 401(b) of title IV, and title II shall take effect July 1, 1974, except that any provision thereof which in effect transfers authority to appoint any citizen member of the National Capital Planning Commission or the District of Columbia Redevelopment Land Agency shall take effect January 2, 1975.

"(c) Titles III and IV, except section 401 (b) of title IV, shall take effect January 2, 1975, if title IV is accepted by a majority of the registered qualified electors in the District of Columbia voting on the charter issue in the charter referendum.

"(d) Title VI and parts D and F of sections 711, 716, 717, 718, 719, 721, and 723 of title VII shall take effect only if and upon the date that title IV becomes effective.

"(e) Part E of title VII shall take effect on the date on which title IV is accepted by a majority of the registered qualified electors in the District of Columbia voting on the charter issue in the charter referendum."

SEC. 2. (a) The first sentence of subsection (e) of section 10 of the District of Columbia Election Act (D.C. Code, sec. 1–1110) is amended by striking out "for members of the Board of Education".

(b) The Board of Elections shall prescribe regulations as it considers necessary in order to carry out the purposes of the amendment made by subsection (a).

Mr. FRASER (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

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

Mr. Speaker, the legislation which is before the House makes a number of corrections which are required in order to overcome some technical problems arising out of the enactment of the home rule legislation. The bill encompasses a number of changes which I will now describe to the Members.

The first change relates to the status of the D.C. Manpower Administration employees. Under the home rule bill these employees are transferred to the District government, but under the language in the home rule bill their status and rights as employees would have been in jeopardy without the technical amendment which is offered in this bill. With the adoption of this part of the bill the rights of these employees as they are transferred from a Federal to a District status will be protected.

The second change provides for the event of a vacancy in the position of Council Chairman. There is no provision in the home rule bill for this. This bill provides for a means of filling the vacancy in the position of Council Chairman in the event that occurs.

The third change would alter the fiscal year to conform to the fiscal year of the Federal Government. In other words, in October 1976 the District of Columbia would go onto the same fiscal year as the Federal agencies. In that connection we are making a prorata adjustment in the authorization for the Federal payment to cover that 3-month period which requires an additional authorization for the Federal payment.

Another change deals with the issuance of general obligation bonds. These are minor technical amendments to increase the flexibility which the city and the Mayor have in issuing the bonds.

Then there is a section which alters the effective date with respect to certain provisions of the home rule bill, in general moving the effective date from January 1, 1975, to July 1, 1974.

Finally, Mr. Speaker, this bill would provide that where there are vacancies in the Board of Election those vacancies can be filled at the next general election which occurs at least 114 days from the time of the vacancy. But without the provisions in this bill the filling of the vacancies by election can only take place at elections at which School Board members are elected. With this change other general elections will be available to fill those vacancies provided the vacancies occur early enough to meet the requirements of the law.

Mr. Speaker, in general this is what the bill seeks to accomplish. There was no opposition to it in the committee. It came out with a unanimous vote. There is no additional cost to the Government, to the Treasury other than perhaps the cost of printing ballots for the election of School Board members who would be elected this fall rather than a year from now.

If there are any questions I will be glad to try to answer those questions, and if there are none I yield back the balance of my time.

AMENDMENT OFFERED BY MR. GUDE TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. GUDE. Mr. Speaker, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. GUDE to the committee amendment in the nature of a substitute:

Page 5, immediately after line 7, insert the following:

(9) Part D of title VII of that Act is amended by adding at the end thereof the following:

HORIZONTAL PROPERTY

SEC. 744. In addition to other authority delegated to it, and in accordance with section 406 of Reorganization Plan Numbered 3 of 1967, the District of Columbia Council may promulgate any regulation modifying any provision of the Horizontal Property Act of the District of Columbia (D.C. Code, sec. 5–901 et seq.).

(10) The table of contents for part D of title VII of this Act is amended by inserting at the end thereof "Sec. 744. Horizontal property.".

Mr. GROSS .Mr. Speaker, I reserve a point of order on the amendment.

Mr. GUDE. Mr. Speaker, I offer an amendment to the bill which will give the District government authority to regulate condominiums and condominium conversions. A wide variety of problems caused by condominium construction, sales, and conversion plague urban and suburban areas today, and responsible local governments are acting to provide necessary regulations for the protection of tenants and prospective buyers. The District government will have authority to act in this area once home rule legislation takes effect next January, but the problem is so pressing, that the Mayor and the Chairman and Vice Chairman of the City Council have written the committee requesting that the necessary authority be provided sooner.

The condominium law in the District of Columbia was adopted in 1963. New construction of housing units under this law has been very light. Before 1971, there were 166 units constructed. In 1971, there were 126 new units, in 1972, none, and in 1973, 51 new units, for a total of 343 since the law was passed.

Conversions, however, have been a different story. Before 1971, 83 units were converted. In 1971 there were 107 conversions, in 1972, 418 conversions, in 1973, 1,141 conversions, and already in the first 6 months of 1974, 546 units converted. This total of 2,295 units converted is almost seven times the number of newly constructed units.

With conversions, moreover, come the real problems. Developers, distressed at declining returns on their rental buildings, may be intrigued by the possibility of a sizable quick return through conversions of their buildings to condominium units. Often these are old buildings with a host of structural and repair problems, but with a few minor repairs, fresh paint,

and a new refrigerator or stove, they suddenly become newly renovated units at a much higher price. New owners discover the reality only after they move in. Condominium conversions also create the problem of what to do with existing tenants. While some tenants are more than willing to buy their units, and others plan to move out and rent elsewhere, many tenants have no wish to move and have no money to buy. This is particularly true of the elderly, who often have been living in the same apartment for years, exist on small fixed incomes, and have no resources to finance a purchase or to move elsewhere to what will inevitably be a more expensive apartment. This kind of problem, along with the developing record of quick conversions and overnight evictions by developers, has prompted many local governments to act to protect tenant rights by requiring advance notice of intent to convert, allowing existing tenants plenty of time to decide if they want to buy their units and imposing a waiting period before tenants can be forced to move out. In my district, the Montgomery County Council has recently enacted such a measure, and it is entirely appropriate that it be done at that level of government. The purpose of my amendment is to give the District of Columbia government the authority to enact similar regulations.

The Mayor has already proposed a set of regulations to protect purchasers of condominium units and tenants caught up in the turmoil of a conversion. The Corporation Counsel's office has issued an opinion that the city has very restricted powers in regulating condiminium sales and conversions. Mayor Washington and City Council Vice Chairman Sterling Tucker, who is Chairman of the Council Committee on Housing, have asked for immediate action by Congress to broaden the authority of the city to adopt the necessary regulations to protect purchasers and tenants. The City Council has held 2 days of hearings on condominium problems, and a long list of witnesses have testified to the need for the immediate adoption of broad, protective regulations.

In corresponding with the Mayor and the City Council on this subject, I have suggested one direction in which the city government might move once they have sufficient authority. That is, rather than banning conversions, or making them subject to a vote by existing tenants, simply treat proposed conversions in the same way that proposed zoning changes are treated—through an application to a local board which could hold a hearing, consider all points of view, and render a judgment which could ultimately be appealed through the proper channels. My amendment, of course, would not provide for any particular course of action that the District government must take. That would be up to them. I mention my proposal, however, to suggest a reasonable solution to a common problem of urban areas which might usefully be applied by other local governments as well.

At this point, Mr. Speaker, I would like to insert in the RECORD letters the committee received from the Mayor and Chairman of the City Council requesting that this authority be granted.

THE DISTRICT OF COLUMBIA,
Washington, D.C., July 12, 1974.

Hon. CHARLES C. DIGGS, Jr.,
Chairman, Committee on the District of Columbia, House of Representatives, Longworth Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your letter asking if it would be useful to have Congress consider legislation to broaden the authority of the District Government with respect to condominiums, I am writing this letter to encourage such action.

The D.C. City Council has scheduled public hearings on proposed condominium regulations for July 18 and 19, 1974. These are the regulations which I transmitted to the Council on June 25, 1974 providing for the full exercise of the Council's present authority. Accordingly, it would be desirable if the Council had general enabling authority with regard to condominiums in the event it decided regulatory provisions are needed which are beyond the present authority of the Council to enact. I am advised that this can be accomplished by enactment by the Congress of legislation which would authorize the D.C. Council to amend or repeal by regulation the District of Columbia Horizontal Property Act, chapter 9 of Title 5, District of Columbia Code.

Please let me know if I can be of further assistance.

Sincerely yours,
WALTER E. WASHINGTON,
Mayor-Commissioner.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
Washington, D.C., July 24, 1974.

Hon. CHARLES C. DIGGS, Jr.,
Chairman, Committee on the District of Columbia, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of July 1st asking my opinion regarding Congressional legislation which would broaden the statutory power of the City Council with respect to the regulation of condominium conversions.

I agree with the letters of Mayor Washington and Vice Chairman Tucker, dated July 12th and July 10, 1974 respectively, that it would be desirable for Congress to delegate general legislative authority on this subject to the City Council. With respect to possible solutions to the problem, upon which we have already completed Public Hearings without specific proposals in front of us, as Vice Chairman Tucker pointed out there is some sentiment on the Council for a Regulation which would require prior approval of a percentage of existing tenants and would impose a moratorium on all further conversions for some period of time. After attending a substantial part of that Hearing, I have some reservations about either of these approaches to the problem and suggest the possibility that the Council may want to explore as an alternative the approach suggested by Congressman Gilbert Gude, namely that the District Government be empowered under specific guidelines laid down by the Council to review the merits of each, separate proposed conversion and rule upon same in the way zoning changes and variances are presently processed, including the right to appeal to our Courts on the basis of the evidence from any determination by the appropriate reviewing body.

Sincerely,
JOHN A. NEVIUS,
Chairman, City Council.

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

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

Mr. GROSS. Was this amendment considered in the committee? What consideration has been given to this amendment?

Mr. GUDE. The chairman of the Committee on the District of Columbia has been interested in holding hearings on the question of condominiums; but, quite frankly, with the heavy schedule we have had and the legislation we have been considering we have not been able to hold hearings in this area; however, the City Council has had hearings.

This is something, in effect, that the House has already dealt with, in that this is part of the self-government bill. This is merely stepping up the time in which the City Council can legislate in this area.

I say to the gentleman that this is a critical, urgent problem which concerns many people in the city, and I do not know that Congress is going to be able to pay attention to condominium legislation between now and January but that the City Council will.

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

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

Mr. NELSEN. There is nothing in the amendment that would prevent the conversion, but it gives authority to the City Council to make decisions as to the processes that might develop later; but it does not take sides on the issue, as I understand it. I am sure the City Council would hold hearings in detail on this matter before they took action.

Mr. GUDE. That is exactly right. It merely gives the authority to act in this particular area and, of course, Congress would have the authority to override any actions.

Mr. NELSEN. In keeping with the home rule intent, it would be giving to the City Council the decisionmaking that we have heretofore exercised up here.

Mr. GUDE. That is exactly right.

The SPEAKER. Does the gentleman from Iowa desire to be heard on his point of order?

Mr. GROSS. Mr. Speaker, I withdraw the reservation of a point of order.

I move to strike the requisite number of words.

Mr. Speaker, I inquire as to the financing provisions in this bill. It provides for a Federal payment to the District for the fiscal year ending June 30, 1975, of $230 million.

For the fiscal year ending June 1976 there is the sum of $254 million.

For the fiscal year ending September 30, 1977, there is the sum of $280 million.

For the fiscal year ending September 30, 1978, and for each fiscal year thereafter, there is the sum of $300 million.

Mr. FRASER. Will the gentleman yield?

Mr. GROSS. Yes, I will yield to the gentleman from Minnesota.

Mr. FRASER. If the gentleman will look on page 10 of that report, where the language is to be found, he will note those figures he has just read are all old law or existing law. The only purpose of reciting that law again is to provide that a pro

rata share of the $280 million figure, namely, one-fourth of it, is available for the 3-month change in the fiscal year period. There is no change in the existing law except to provide for that one 3-month period when we go from the July fiscal year to the October fiscal year. It is strictly a pro rata amount. There is no effective change in the amount authorized to be appropriated.

Mr. GROSS. Authorized in the legislation previously passed?

Mr. FRASER. Yes, the gentleman is right.

Mr. GROSS. Well, how do we know what the ability of the Federal Government will be to subsidize the District of Columbia in view of the steadily declining population of the District of Columbia? Why should there be a commitment in perpetuity of $300 million as a Federal contribution to the District?

Mr. FRASER. I think the gentleman is right in suggesting that our foresight here may not be up to what in fact takes place in the economy and the needs of the District and other demands on the Federal budget, but this was what was worked out in the conference committee on the home rule bill itself. My own guess is that the present rate of inflation, if it continues much longer, is going to make all of these figures meaningless. I stress the point, as the gentleman understands, that these are only authorizations, and the actual amount appropriated each year will reflect the more careful measurement of the needs of the District and the demands of the Federal budget.

Mr. GROSS. I trust the gentleman's last statement will be duly noted by the Appropriations Committee when it gets to the business of providing funds for the District of Columbia. In my opinion it borders on the fantastic to authorize a $300 million appropriation for the District of Columbia in perpetuity. Was September 30 established in the so-called home rule legislation as the end of fiscal year for the District of Columbia?

Mr. FRASER. The September 30–October 1 fiscal year was not in the home rule bill, but it is in this bill. The purpose of putting it in this bill is to bring the District into conformity with the new Federal fiscal year, and it starts at the same time.

Mr. GROSS. I thank the gentleman.

The SPEAKER. The question is on the amendment offered by the gentleman from Maryland (Mr. GUDE) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

Mr. BROYHILL of Virginia. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I wish to express my support for the bill H.R. 15791, the purpose of which is to amend the D.C. Home Rule Act in several respects.

This bill will change the dates of the District of Columbia fiscal year to correspond to the newly adopted Federal fiscal year dates—October 1 to September 31—beginning in 1976. There are also several amendments transferring certain authority in regard to the issuance of general obligation bonds from the Council to the Mayor, and another amendment will authorize an election next November to fill vacancies existing on the D.C. Board of Education as a result of several members having resigned to seek other elective office in the city.

The provision in H.R. 15791 in which I have the greatest interest, however, would amend section 204(g) of the Home Rule Act, which pertains to the transfer of the D.C. Manpower Administration from the Federal Government to the District of Columbia government, which occurred on July 1 of this year.

The first sentence of this subsection states that any employee of the D.C. Manpower Administration in the competitive service of the United States at the time this agency is transferred to the D.C. government under this act shall retain all his present rights, benefits, and privileges. This, of course, is completely proper. The second sentence of this subsection, however, to which I take strong exception and which H.R. 15791 will repeal, provides that when such an employee vacates the position into which he was transferred, that position shall no longer be a position in the competitive service.

This means that any present employee of the D.C. Manpower Administration who now enjoys competitive status under the civil service system, but who may be promoted or transferred into a different position in this Agency which either was vacant as of July 1 or becomes vacant after that date, will revert in status from the competitive service to the excepted service after such promotion or transfer. Further, such an employee in the Manpower Administration whose position becomes reclassified after July 1 will suffer this same change of status.

I am advised that employees in the excepted service under the civil service system lack two important privileges which are enjoyed by employees in the competitive service. First, they have no "bumping rights," or retention rights based upon seniority in the event of reductions in force. And second, any appeals by employees in the excepted service, as to disciplinary or other adverse actions of any kind, will go to the D.C. Mayor rather than to the Civil Service Commission.

I wish to call attention to section 713 (d) of the D.C. Home Rule Act, which appears on its face to assure transferred employees continuity of all their former rights, stating as follows:

> No officer or employee shall, by reason of his transfer to the District government under this Act or his separation from service under this Act, be deprived of any civil service rights, benefits, and privileges held by him prior to such transfer or any right of appeal or review he may have by reason of his separation from service.

In view of the language quoted above, it is obvious that our committee and the Congress did not intend any such loss of rights which the second sentence of section 204(g) would impose upon some employees of the D.C. Manpower Administration. However, the counsel for the U.S. Civil Service Commission has advised that the effect of 204(g) as it presently exists will be as I have described it, regardless of section 713(d).

This inequity is inconsistent with the general rule in the Federal Personnel Manual covering the transfer of agencies, and also with certain provision in Public Law 93–198 designed to protect the rights, benefits, and privileges of civil service employees. Furthermore, since the Home Rule Act contains no such provision regarding the employees of the D.C. Redevelopment Land Agency and the National Capital Housing Agency, which also were transferred to the District of Columbia government on July 1 of this year, this provision with respect to employees of the D.C. Manpower Administration is also discriminatory.

A number of the employees of the D.C. Manpower Administration are constituents of mine, and I am certainly interested in their welfare. Further than that, however, I am deeply concerned that all the employees of this agency be afforded equitable treatment under this law.

Mr. Speaker, the presence of this unfortunate provision in the D.C. Home Rule Act is nothing more than an understandable oversight in the preparation of a very long and complicated piece of legislation, and I am confident that this Congress will not allow this inadvertent inequity to prevail. I urge favorable action on the bill H.R. 15791 at this time, which among other things will repeal the second sentence of section 204(g) and thus restore justice to that section of the D.C. Home Rule Act.

Mr. DIGGS. Mr. Speaker, the purpose of H.R. 15791 as amended, and as reported, House Report No. 93–1201, is to correct the Home Rule Act at several points where practical difficulties are foreseen. One change is to place employees of the D.C. Manpower Administration on the same footing as to their rights and employees status as other employees being transferred on July 1, 1974, from Federal agencies to the D.C. government. Others include changing the District to the new Federal fiscal year of October 1 to September 30, make July 1, 1974, rather than January 2, 1975, the effective date for several sections, simplify the procedure for general obligation bonds and to fill Board of Education vacancies at the next general election.

BACKGROUND

MANPOWER EMPLOYEES

Fourteen hundred employees of the D.C. Manpower Administration, the Redevelopment Land Agency, and the National Capital Housing Authority, are transferred to the D.C. government under the terms of title II of the Self-Government and Governmental Reorganization Act which became law December 24, 1973.

General language in section 713 of the act protects the rights of all transferred employees as follows:

> (d) No officer or employee shall, by reason of his transfer to the District Government under this Act or his separation from serv-

ice under this Act, be deprived of any Civil Service rights, benefits, and privileges held by him prior to such transfer or any right of appeal or review he may have by reason of his separation from service.

However, an additional sentence applying only to the employees being transferred from the District of Columbia Manpower Administration appears in section 204(g) as follows:

When such an employee vacates a position into which he was transferred, such position shall no longer be a position in such competitive service.

Deleting that sentence would treat all transferred employees equally.

BOARD OF EDUCATION VACANCIES

The 11-member elected Board of Education already has several vacancies created by members resigning to run for election for City Council this September and November.

Present law calls for electing replacements at the next Board of Education election in November 1975. In the meantime, the remaining members fill vacancies by appointment.

Section 2 of the bill sets a special election to fill those vacancies this fall with the city general election.

OTHER SECTIONS

Paragraphs (4), (5), and (6) of the first section correct apparent oversights in the Home Rule Act on general obligation bonds that can be issued by the District.

Paragraphs (8), (2), (3), and (7) of the first section, dealing with effective dates for sections of the Home Rule Act, filling a vacancy in the office of Chairman of the District Council, and conforming the District to the Federal fiscal year, will each the transition to home rule government.

NEED FOR LEGISLATION

MANPOWER EMPLOYEES

A May 1974 legal opinion by Anthony L. Mondello, General Counsel for the U.S. Civil Service Commission, stated the effect this special language has on D.C. Manpower Administration employees being transferred.

In order for a position with DCMA to retain its character as a position in the competition service an employee must be occupying that position at the time of transfer. Otherwise it becomes a position in the excepted service after the transfer date. Vacant positions at the time of transfer, therefore, lose their status as competitive service positions. Similarly, once the transferee vacates his or her position, that position loses its character as a position in the competitive service. This conclusion is supported by H.R. Report No. 93–482 at page 7 which describes the purpose of section 204 as follows:

That such employees shall be able to retain their Civil Service standing *until such time as they may vacate their current positions.* [Emphasis added.]

As a result, many of the affected employees urged Congress to change this language, Mayor-Commissioner Walter E. Washington wrote the chairman on June 27 requesting the change in the Home Rule Act made by paragraph (1) of the first section.

BOARD OF EDUCATION ELECTION AND OTHER SECTIONS

The action taken in the other sections of the bill will correct situations which have been brought to the attention of the committee by the Board of Education and by several District officials and the Mayor.

The amendment made by paragraph (8) of the first section, for example, avoids the possibility of a 6-month hiatus of uncertain legal status for employees, existing regulations and pending lawsuits. Paragraph (8) makes July 1, 1974, rather than January 2, 1975, the effective date for sections 712, 713, 714, and 715, which deal with these matters. Those sections will now apply to the transfers made on July 1, 1974, of three Federal agencies which now come under District control.

HISTORY

Hearings on possible amendments to the Home Rule Act in regards to the transfers made by title II of that act were held by the full committee on June 26, and July 2, 1974. Statements requesting the change in the law made by paragraph (1) of the first section were made by the Honorable GILBERT GUDE, the Honorable JOEL BROYHILL, and the Honorable LAWRENCE J. HOGAN. Testimony was received from officials of the District government, the Deputy-Assistant Secretary of Labor for Manpower, and two of the affected employees.

No testimony has been received nor statements filed in opposition to this legislation.

VOTE

The bill, H.R. 15791, as amended, was ordered favorably reported to the House on July 16, 1974, by a voice vote, a quorum being present.

COST

There is no additional cost associated with this legislation, except that occasioned by the ballots for candidates for the Board of Education at the regular District election.

DISTRICT GOVERNMENT REPORTS

The letters of the Mayor-Commissioner of the District requesting the change made by paragraphs (1), (3), (4), (5), (6), and (7) of the first section follow:

THE DISTRICT OF COLUMBIA,
Washington, D.C., June 27, 1974.

Hon. CHARLES C. DIGGS, JR.,
Chairman, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is to inform you that it is my understandings that representatives of the U.S. Department of Labor, the District of Columbia Manpower Administration, Local 12, the District Government, and the General Counsel of the American Federation of Government Employees reached agreement June 26, 1974 that a single amendment to the D.C. Self-Government and Government Reorganization Act is necessary to provide for the continuation of competitive status for the transferred employees of the D.C. Manpower Administration. The parties agreed that section 204(g) of that Act should be amended to strike the last sentence in subsection (g).

In view of this agreement, the District Government recommends that the second sentence of section 204(g) be deleted. Attached is a draft bill to accomplish that purpose.

It is also my understanding that the parties referred to above are of the opinion that the purpose of section 204 is clearly set forth in the House Committee on the District of Columbia report on the D.C. Self-Government and Government Reorganization Act. That report (H. Rept. 93–482) states with respect to the effect of section 204 that "all manpower activities in the District of Columbia will be consolidated under the Mayor's office into a coordinated manpower service delivery system." In the view of these parties, section 204 thus provides for the transfer of the full complement of employees of the D.C. Manpower Administration. Accordingly, we do not recommend additional amendment of section 204.

I hope the Committee will be able to give prompt consideration to the single amendment we proposed to section 204(g). If I can be of further assistance please let me know.

Sincerely yours,

WALTER E. WASHINGTON,
Mayor-Commissioner.

THE DISTRICT OF COLUMBIA,
Washington, D.C., July 15, 1974.

Hon. CHARLES C. DIGGS, Jr.,
Chairman, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: At the hearing of June 26, 1974, before the Joint Senate and House Committees on the District of Columbia concerning the status of transition provisions of Title II of the District of Columbia Self-Government and Governmental Reorganization Act, the District Government was requested to furnish the Congress with such additional amendments to the Act as would be needed to effectuate the orderly transfer of the functions and authorities provided by such Act. In response to your request, there is attached a draft bill containing proposed amendments to certain sections of Titles IV and V of the Act relating to the borrowing and budgetary processes of the new Distict Government.

The first amendment proposed by the draft bill would amend section 441 of the Act to change the fiscal year of the District Government from July 1 through June 30 of each year to one beginning on October 1 of each year and ending on September 30 of the succeeding calendar year. Pursuant to section 501 of H.R. 7130, a bill which has passed both the House and Senate and is awaiting approval, the fiscal year of the Federal Government is changed to begin on October 1 of each year. Inasmuch as the budget and appropriation procedures of the District Government traditionally have paralleled those of the United States and will not be materially changed under the Self-Government Act, it appears desirable and practical that a corresponding change be effected in the fiscal year of the new District Government.

The second proposed amendment would amend section 462(1) of the Act to clearly indicate that an act of the Council of the District of Columbia authorizing a bond issue may, should it so provide, finance several projects and is not limited to the financing of a single project.

The third amendment would amend section 465 of the Act to reduce the time period needed to issue general obligation bonds and to specifically vest in the Mayor the authority to perform the administrative act of issuing bonds which, pursuant to the provisions of sections 461 through 464, have already been authorized by act of the Council and have met the notice and publication requirements set out therein.

The fourth amendment would amend section 466 of the Act to vest in the Mayor, as a purely administrative function, the right to reject any and all bids on general obligation bond issues. This amendment will further serve to reduce the time period involved in the sale of bond issues.

The final proposed amendment would

amend section 502 of the Act relating to the authorization of appropriations for the annual Federal payment to the District of Columbia to reflect the recommended change in the fiscal year of the District, as proposed in the first amendment of the draft bill. For the interim period between the end of the old fiscal year to the beginning of the new fiscal year, a Federal payment of $70,000,000 is proposed.

We believe that each of the proposed amendments to the Self-Government Act will be essential to the financial operations of the new District Government and urge their favorable consideration by the Congress. We shall be glad to furnish such additional information concerning these proposals as may be requested.

Sincerely yours,

WALTER E. WASHINGTON,
Mayor-Commissioner.

The SPEAKER. The question is on the committee amendment in the nature of a substitute as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

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

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 337, nays 10, not voting 87, as follows:

[Roll No. 413]

YEAS—337

Abdnor	Brown, Ohio	Davis, Wis.
Abzug	Broyhill, N.C.	Delaney
Adams	Broyhill, Va.	Dellenback
Addabbo	Buchanan	Dellums
Anderson, Calif.	Burke, Fla.	Denholm
	Burke, Mass.	Dennis
Anderson, Ill.	Burlison, Mo.	Dent
Andrews, N.C.	Burton, John	Derwinski
Andrews, N. Dak.	Burton, Phillip	Devine
	Butler	Dickinson
Annunzio	Byron	Diggs
Archer	Camp	Dingell
Arends	Carney, Ohio	Donohue
Armstrong	Casey, Tex.	Downing
Ashley	Cederberg	Drinan
Aspin	Chamberlain	Duncan
Bafalis	Chappell	du Pont
Barrett	Clancy	Eckhardt
Bauman	Clausen, Don H.	Edwards, Ala.
Beard		Edwards, Calif.
Bell	Clawson, Del	Eilberg
Bennett	Cleveland	Erlenborn
Bergland	Cochran	Eshleman
Bevill	Cohen	Fascell
Biaggi	Collier	Fish
Biester	Collins, Ill.	Flood
Bingham	Conable	Flowers
Blackburn	Conlan	Forsythe
Boggs	Conte	Fountain
Bolling	Conyers	Fraser
Brademas	Corman	Frelinghuysen
Bray	Coughlin	Frenzel
Breaux	Crane	Froehlich
Breckinridge	Cronin	Fulton
Brinkley	Daniel, Dan	Fuqua
Brooks	Daniel, Robert W., Jr.	Gaydos
Broomfield		Gialmo
Brotzman	Daniels, Dominick V.	Gibbons
Brown, Calif.		Gilman
Brown, Mich.	Danielson	Ginn
Goldwater	Meeds	Sarbanes
Gonzalez	Mezvinsky	Satterfield
Goodling	Michel	Scherle
Green, Pa.	Milford	Schroeder
Grover	Miller	Sebelius
Gude	Mills	Seiberling
Guyer	Minish	Shipley
Haley	Mink	Shoup
Hamilton	Minshall, Ohio	Shriver
Hanley	Mitchell, Md.	Shuster
Hanrahan	Mitchell, N.Y.	Sikes
Harsha	Mizell	Skubitz
Hays	Moakley	Slack
Hébert	Mollohan	Smith, Iowa
Hechler, W. Va.	Montgomery	Smith, N.Y.
Heckler, Mass.	Moorhead, Calif.	Snyder
Heinz		Spence
Helstoski	Moorhead, Pa.	Staggers
Henderson	Morgan	Stanton, James V.
Hicks	Mosher	
Hillis	Moss	Steelman
Hinshaw	Murphy, Ill.	Steiger, Ariz.
Hogan	Murtha	Steiger, Wis.
Holt	Natcher	Stephens
Holtzman	Nedzi	Stokes
Horton	Nelsen	Stratton
Howard	Nichols	Stubblefield
Huber	Nix	Studds
Hudnut	Obey	Sullivan
Hungate	O'Brien	Symington
Hunt	O'Hara	Taylor, Mo.
Hutchinson	O'Neill	Taylor, N.C.
Ichord	Owens	Thompson, N.J.
Jarman	Parris	Thomson, Wis.
Johnson, Calif.	Passman	Thone
Jones, Ala.	Patman	Thornton
Jones, N.C.	Patten	Tiernan
Jones, Okla.	Pepper	Traxler
Jordan	Perkins	Ullman
Karth	Pettis	Van Deerlin
Kastenmeier	Peyser	Vander Jagt
Kazen	Pike	Vander Veen
Kemp	Poage	Vanik
Ketchum	Podell	Veysey
King	Powell, Ohio	Vigorito
Kluczynski	Preyer	Waggonner
Koch	Price, Ill.	Waldie
Kyros	Price, Tex.	Walsh
Lagomarsino	Pritchard	Wampler
Latta	Quie	Ware
Lent	Railsback	Whalen
Litton	Randall	White
Long, La.	Rees	Whitehurst
Long, Md.	Regula	Widnall
Lott	Reuss	Wiggins
Lujan	Riegle	Williams
Luken	Roberts	Wilson, Charles, Tex.
McClory	Robinson, Va.	
McCloskey	Rodino	Winn
McCollister	Roe	Wolff
McCormack	Rogers	Wright
McDade	Roncalio, Wyo.	Wyatt
McEwen	Roncallo, N.Y.	Wydler
McFall	Rooney, Pa.	Wylie
McKinney	Rosenthal	Wyman
Madigan	Rostenkowski	Yates
Mahon	Roush	Yatron
Mallary	Rousselot	Young, Fla.
Mann	Roybal	Young, Ga.
Maraziti	Ruppe	Young, Ill.
Martin, Nebr.	Ruth	Young, S.C.
Mathias, Calif.	Ryan	Young, Tex.
Mathis, Ga.	St Germain	Zablocki
Matsunaga	Sandman	Zion
Mayne	Sarasin	Zwach

NAYS—10

Ashbrook	Flynt	Myers
Baker	Gross	Quillen
Burleson, Tex.	Landgrebe	Runnels
Collins, Tex.		

NOT VOTING—87

Alexander	Evins, Tenn.	Hosmer
Badillo	Findley	Johnson, Colo.
Blatnik	Fisher	Johnson, Pa.
Boland	Foley	Jones, Tenn.
Bowen	Ford	Kuykendall
Brasco	Frey	Landrum
Burgener	Gettys	Leggett
Burke, Calif.	Grasso	Lehman
Carey, N.Y.	Gray	McKay
Carter	Green, Oreg.	McSpadden
Chisholm	Griffiths	Macdonald
Clark	Gubser	Madden
Clay	Gunter	Martin, N.C.
Cotter	Hammer-schmidt	Mazzoli
Culver		Meicher
Davis, Ga.	Hanna	Metcalfe
Davis, S.C.	Hansen, Idaho	Murphy, N.Y.
de la Garza	Hansen, Wash.	Pickle
Dorn	Harrington	Rangel
Dulski	Hastings	Rarick
Esch	Hawkins	Reid
Evans, Colo.	Holifield	Rhodes
Rinaldo	Stark	Udall
Robison, N.Y.	Steed	Whitten
Rooney, N.Y.	Steele	Wilson, Bob
Rose	Stuckey	Wilson, Charles H., Calif.
Roy	Symms	
Schneebeli	Talcott	Young, Alaska
Sisk	Teague	
Stanton, J. William	Towell, Nev.	
	Treen	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Murphy of New York with Mr. Blatnik.
Mr. Charles H. Wilson of California with Mr. Gray.
Mr. Teague with Mr. Reid.
Mr. Carey of New York with Mr. Dulski.
Mr. Rooney of New York with Mr. Gettys.
Mrs. Burke of California with Mr. Dorn.
Mr. Melcher with Mrs. Green of Oregon.
Mr. Hawkins with Mr. Harrington.
Mr. Rarick with Mrs. Hansen of Washington.
Mr. Badillo with Mr. Fisher.
Mrs. Chisholm with Mr. Culver.
Mr. Stark with Mr. Ford.
Mr. Alexander with Mr. Esch.
Mr. Clay with Mr. Hanna.
Mr. Rose with Mr. Carter.
Mr. Holifield with Mrs. Griffiths.
Mr. Brasco with Mr. Findley.
Mr. Cotter with Mr. Gubser.
Mrs. Grasso with Mr. Metcalfe.
Mr. Boland with Mr. Hammerschmidt.
Mr. Davis of Georgia with Mr. Frey.
Mr. Sisk with Mr. Hastings.
Mr. Bowen with Mr. Johnson of Pennsylvania.
Mr. Davis of South Carolina with Mr. Macdonald.
Mr. de la Garza with Mr. Kuykendall.
Mr. Jones of Tennesse with Mr. Hosmer.
Mr. Evans of Colorado with Mr. Mazzoli.
Mr. Evins of Tennessee with Mr. McSpadden.
Mr. Lehman with Mr. Pickle.
Mr. Stead with Mr. Rinaldo.
Mr. Stuckey with Mr. Schneebeli.
Mr. Roy with Mr. Leggett.
Mr. McKay with Mr. Landrum.
Mr. Rangel with Mr. Foley.
Mr. Udall with Mr. Gunter.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRASER. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks on the bill just passed.

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

There was no objection.

DISTRICT OF COLUMBIA PUBLIC POSTSECONDARY EDUCATION ACT

Mr. DIGGS. 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. 15643) to reorganize public higher education in the District of Columbia, establish a Board of Trustees, authorize and direct the Board of Trustees to consolidate the existing local institutions of public higher education into a single Land-Grant University of the District of Columbia, direct the Board of Trustees to administer the University of the District of Columbia, and for other purposes, and pending that motion, Mr.

Speaker, I ask unanimous consent that general debate be limited not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Minnesota (Mr. NELSEN) and myself.

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

There was no objection.

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

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. 15643, with Mr. ANNUNZIO 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 unanimous-consent agreement, the gentleman from Michigan (Mr. DIGGS) will be recognized for 30 minutes, and the gentleman from Minnesota (Mr. NELSEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan.

Mr. DIGGS. Mr. Chairman, H.R. 15643 is a bill to authorize the consolidation of the existing public institutions of postsecondary education into a single, land-grant University of the District of Columbia, the establishment of which will be the first step toward correcting the gross, indeed, outrageous, inequities that exist between the publicly supported postgraduate educational opportunities available to residents of the District of Columbia as compared to similar opportunities afforded to the residents of all of our States, the residents of all of our major cities and the residents of our Trust Territories of Guam and Puerto Rico.

It is proper that the Congress take the first step in the process of upgrading postsecondary education in the Nation's Capital, because it is the Congress that has controlled this city for over a hundred years and, it is the Congress which, prior to 1966, sanctioned the existence as a small, struggling teachers college as adequate to meet the public higher education needs of this city. Both the Congress and the residents of the District are indebted to the distinguished ranking minority member of the D.C. Committee, Mr. ANCHER NELSEN, for introducing legislation in this body to establish the Washington Technical Institute and the Federal City College.

It is important that the university come into existence under a mandate of Congress, for it will not only put the full weight and prestige of the United States behind it, it will also be an indication to the American people that the Congress continues to be concerned about this city—all aspects of it—and that while we heartily endorse home rule for the local residents, we nevertheless will continue our role as protector of the Federal interest. And, there is a Federal interest in the quality of education in the District, not only because more than half the Members, their wives and children, diplomats and their families and other foreign citizens actually reside here, but also because we have a continuing Federal interest in assuring that all of the services and programs of the Nation's Capital are a showplace for the rest of the Nation.

I want to point out right here and now that this bill neither authorizes nor does it contemplate any outlays of Federal funds for the university over and above the present. What it seeks to do, by authorizing the consolidation of the existing administrations and programs, is to strengthen what now exists and to provide a structure whereby the postsecondary educational institutions will no longer have to compete with each other for local funds, but, rather, will be able to compete, from a position of strength, with other local agencies and programs for a fair share of local revenues. In addition, the university will be in a much stronger position than the three separate existing institutions, to participate in the large array of both federally supported and sponsored and privately supported programs of research and investigation.

LACK OF COMPARABILITY WITH STATES AND CITIES

It is a sad fact, very sad indeed, that the District, both in terms of total numbers and percentages, educates, at public expense, fewer of its residents, in a lesser number of courses of study, than does any State in the Union and any city of comparable size.

It is no less than a disgrace that the Nation's Capital, which in terms of population is larger than 10 States and is the ninth largest city in the Nation, is providing publicly-supported postsecondary education to only 11,000 full-time equivalent students, which is about 2 percent of the total population, whereas, the national average is over 3 percent per State. Every one of the 10 States with a smaller population than the District, except Alaska, has more students enrolled in public institutions of postsecondary education than does the District—indeed, some of these smaller States enroll twice as many students as does the District. And, Alaska, the one exception, has less than half the District's population; yet, has more than three times the percentage of its population enrolled in public colleges and institutions than does the District.

The lack of comparability with other jurisdictions and the lack of commitment to quality public postsecondary education is further evidenced by looking at the financial investment to operate public colleges in the District as compared with other jurisdictions.

In terms of the total appropriation for the operation of institutions of public higher education as a percentage of the States' total revenues, the range is from a high percentage of 37 percent to a low of about 4 percent. The national average is about 12 percent. The District ranks 51st, the lowest, appropriating only 3.9 percent of its total budget for fiscal 1975 in operating expenses for postsecondary education. This is a serious indictment.

Mr. Chairman, I have tables graphically demonstrating the lack of comparability in public postsecondary education between the District and the States both in terms of enrollments and funds allocated, and I ask unanimous consent that these documents be inserted at the end of my statement.

Mr. Chairman, two issues have been raised about this bill, which I would like to discuss briefly.

The first issue deals with the vocational and technical aspects of the university. There is concern in some quarters that vocational and technical education will be downgraded if it is made a part of a larger university. There is concern in other quarters that the bill, as written, will result in a downgrading of liberal and fine arts, indeed, there has been a suggestion that the bill is intended to create a vocational-technical university. Neither of these interpretations is correct. It is the intent of the committee to authorize the creation of an institution that will provide a wide range of educational opportunities for the residents of this city. Mr. NELSEN and I agree that the vocational-technical education at Washington Technical Institute must be preserved and expanded. But, we also agree that a solid university must be well-rounded, and offer a range of courses of study dictated by the needs of the community. Because there has been some confusion as to the congressional intent, I have prepared an amendment to the statement of purpose in cooperation with my distinguished colleague from Minnesota, which I will introduce at the appropriate time.

Several citizens and organizations have inquired whether the language contained on page 26, line 12 to line 17, specifically "except the programs of technical and vocational education of the Washington Technical Institute, are hereby determined to be sound and valid and shall be used as the basis for a unit of the university committed to furthering job-oriented courses of study," was intended to tie and limit the Trustees hand with respect to programs and courses of vocational and technical education. Stated otherwise, questions have been raised whether or not the quoted langauge would limit the ability of the trustees to change, modify, or abolish programs and courses deemed in the view of the trustees to be outdated, unnecessary, invalid, or unsound. It is our specific intent to authorize the trustees to take whatever action it deems appropriate to change or abolish courses or programs of technical and vocational education. Our only concern is that the trustees continue to accord vocational and technical education a proper priority on a par with the other units of the university. We have never intended the interpretation embraced by some that the trustees could not change or abolish courses or programs of technical or vocational education.

The second issue concerns the authorization in this bill for the university Board of Trustees to initiate programs of graduate and postgraduate education. Inherent in the concept of the university is the need for developing a scholarly

research capability to exhaustively examine societal and problems of natural phenomena that lead to new truths, new insights, and new levels of understanding. It is out of this construct that graduate education, both for unlocking the secrets of the universe, as well as for the utility of the knowledge, is developed.

The expectation is that the Board of Trustees of the University of the District of Columbia, created by H.R. 15643, will examine in great depth the near-term and long-term problems requiring solutions as a basis for determining which graduate programs ought to be developed and on what kind of orderly time frame. It is only reasonable to assume that this process would include a review of the existing capability provided by private institutions in the District of Columbia, with alternative schemes whereby such services may be provided for the citizens of the District of Columbia.

Only the Board of Trustees can intelligently guide the examination of graduate program development for the University, reflecting its awareness of the many areas of resources that are available to it through the various agencies of the Federal Government, through the consortium of universities, through the insights of the citizenry, and through its own experience.

The challenge of Public Law 93–198, the District of Columbia Self-Government and Governmental Reorganization Act, has increased the recognition both on the part of the citizens of the District of Columbia as well as the members of the House District Committee to the historic role that public universities have played in assisting the several States and territories in developing their human resources for more effective development.

It is generally recognized, as stated in the two days of joint community hearings held jointly by the Board of Higher Education, the Board of Vocational Education, and the City Council's Committee on Education, Youth Affairs and Manpower, during which over 40 witnesses testified: and, our Education Subcommittee, during which over 20 witnesses testified that a broadening of the base of skills within the citizenry for policy formulation, planning, organizing, directing, supervising, coordinating, and accounting for the quantity and quality of education, as well as public services, must be immediately forthcoming on a day-to-day basis to assure the measure of success in self-governance that is anticipated. The development of these skills appropriately becomes a part of the mission of a substantive public university and a basis for its examination of its graduate level needs. This was one of the considerations of the Congress in the enactment of the Land-Grant College Act of 1862 in developing a similar capability within the several States and territories to meet this type of need in the development of a young Nation.

Mr. Chairman, a number of people have asked me what the private institutions think about the proposed university—do they feel threatened by the bill. We have letters from the Consortium of Universities, and the president of Georgetown University, clearly supporting H.R. 15643, and the establishment of a public land-grant University of the District of Columbia.

UNIVERSITY FACILITIES

One final point, Mr. Chairman, and that concerns the questions which have been raised relative to the physical facilities of the University. Quality public universities have been developed in the United States on as little as 30 acres of land in high density residential areas in urban communities to in excess of 300 acres of land in low population density rural areas.

Obviously, well-established programs such as the aerospace program presently operated by the Washington Technical Institute must remain in a nonresidential area in the same manner that programs related to water resources and marine life would be located near the Anacostia and Potomac Rivers. The consolidation of programs will lend themselves to facilities considerations of square footage requirements for classrooms and laboratories based on programs but also taking into account the rapidly developing Metro subway and surface system for facilitating the movement of traffic from the four quadrants of the District to multiple program locations.

The designing of an institution to serve the needs of 3 percent of the population of the District of Columbia, which would be comparable to the several States and territories, would of necessity produce economy of scales in the development of facilities if for no other reason than because of a single administration to plan for maximum utilization of spaces. The Board of Trustees will have the opportunity to review its facilities needs in the context of a total program and develop out of realism and wisdom facilities requirements for each program to create the physical environment.

What is apparent is the probability that unnecessary duplications will be avoided because of the presence of a single Board approving program offerings at both the undergraduate and graduate level before any development takes place and approving such offerings in the context of developing people for the kinds of jobs that this community needs to be performed.

CONCLUSION

We have been playing catchup with respect to postsecondary education in the District since 1966. An affirmative vote on H.R. 15643 will go a long way toward providing the local residents and the newly elected government a structure and a vehicle to catch up faster.

The material referred to follows:

TABLE I.—NUMBER AND FULL TIME EQUIVALENT ENROLLMENTS OF PUBLIC POSTSECONDARY EDUCATION INSTITUTIONS IN 10 STATES WITH A TOTAL POPULATION SMALLER THAN THE DISTRICT OF COLUMBIA

States	Population [1]	Public institutions [2] of post-secondary education		Total enrollment [2] all institutions
		Number	Names	
District of Columbia	757,000	3	(1) District of Columbia Teachers College, 2,227; (2) Federal City College, 6,168; (3) Washington Technical Institute, 2,770	11,165
Alaska	300,000	1	University of Alaska—5 branches: (1) Anchorage; (2) Fairbanks; (3) Juneau-Dgls; (4) Ketchikan; (5) Sitka	9,066
Delaware	548,000	3	(1) Delaware State College; (2) University of Delaware; (3) Delaware Technical: Northern Branch, Southern Branch	19,519
Idaho	713,000	6	(1) Boise State College; (2) College of Southern Idaho; (3) Idaho State University; (4) Lewis and Clark State College; (5) Northern Idaho College; (6) University of Idaho.	28,115
Montana	694,000	9	(1) Dawson College; (2) Eastern Montana College; (3) Flathead Valley College; (4) Miles Community College; (5) Montana College of Minerals and Science; (6) Montana State University; (7) Northern Montana College; (8) University of Montana; (9) Western Montana College.	20,440
Nevada	489,000	4	(1) University of Nevada: Las Vegas Campus, Reno Campus; (2) Clark County Community College; (3) Elko Community College; (4) Western Nevada Community College.	14,939
New Hampshire	738,000	2	(1) New Hampshire Technical Institute; (2) University of New Hampshire System—3 branches; University of New Hampshire, Keene State College, Plymouth State College.	16,497
North Dakota	618,000	9	(1) Bismarck Junior College; (2) Dickinson State College; (3) Lake Region Junior College; (4) Mayville State College; (5) Minot State College; (6) North Dakota State School of Science; (7) North Dakota State University; North Dakota State University main campus, North Dakota State University Bottineau branch; (8) University of North Dakota; University of North Dakota main campus; University of North Dakota Williston branch; (9) Valley City State College.	29,156
South Dakota	666,000	6	(1) Black Hills State College; (2) Dakota State College; (3) Northern State College; (4) South Dakota School of Mines and Technology; (5) South Dakota State University; (6) University of South Dakota: University of South Dakota main campus, University of South Dakota Springfield.	------
Vermont	444,000	5	(1) Castleton State College; (2) Johnson State College; (3) Lyndon State College; (4) University of Vermont and State Agric. College; (5) Vermont Technical College.	13,531
Wyoming	332,000	8	(1) Casper College; (2) Central Wyoming College; (3) Eastern Wyoming College; (4) Laramie County Community College; (5) Northwest Community College; (6) Sheridan College; (7) University of Wyoming; (8) Western Wyoming Community College.	18,991

[1] 1970 census data from Statistical Abstract of the United States, 1972.

[2] Information supplied by the Department of Health, Education, and Welfare.

TABLE II.—TOTAL STATE APPROPRIATIONS FOR INSTITUTIONS OF HIGHER EDUCATION AS A PERCENTAGE OF TOTAL STATE GENERAL REVENUE

	1963	1968	1969	1970	1971	1972	1973
Alabama	11.47	16.93	16.58	15.78	15.55	18.08	18.08
Alaska	4.61	6.71	6.84	6.30	5.54	6.15	7.54
Arizona	16.03	24.94	26.82	23.07	24.66	22.63	22.31
Arkansas	14.02	16.58	16.98	17.15	17.65	16.95	15.17
California	15.65	15.07	16.27	18.43	19.32	16.39	16.95
Colorado	25.59	24.64	24.84	26.29	29.74	24.33	20.98
Connecticut	5.67	12.01	11.24	11.66	11.02	10.46	9.68
Delaware	5.34	6.91	8.10	7.95	7.83	7.50	7.94
Florida	13.63	20.02	17.91	19.08	20.42	18.52	18.96
Georgia	9.84	15.58	16.66	16.36	17.90	17.97	18.50
Hawaii	9.43	10.21	11.81	11.70	13.91	15.33	14.46
Idaho	22.08	22.43	22.99	23.82	24.90	25.43	25.15
Illinois	13.55	12.85	13.21	11.66	11.64	9.76	8.77
Indiana	23.04	23.34	22.97	22.01	22.68	21.32	20.35
Iowa	21.20	33.46	21.07	21.69	21.44	22.85	21.27
Kansas	21.32	21.32	21.51	20.22	22.36	22.84	23.63
Kentucky	12.58	18.00	16.89	17.68	19.04	18.87	19.83
Louisiana	15.18	19.30	18.02	17.69	22.51	18.61	.....
Maine	11.28	14.38	13.10	13.68	13.49	13.02	14.03
Maryland	11.72	11.76	11.95	11.70	13.08	13.86	12.68
Massachusetts	.....	.....	3.90	4.20	5.11	4.78	.....
Michigan	13.94	15.62	15.25	17.05	16.27	14.93	13.87
Minnesota	5.77	8.79	8.61	7.20	7.32	7.92	.....
Mississippi	9.42	16.82	14.08	12.54	16.06	16.45	17.80
Missouri	11.75	17.75	18.83	19.64	19.59	18.25	18.06
Montana	25.76	30.13	33.86	29.42	31.87	27.89	27.82
Nebraska	22.45	17.43	16.32	19.02	18.72	18.33	27.63
Nevada	14.61	19.36	18.30	19.44	17.95	19.52	17.36
New Hampshire	13.88	17.10	17.60	17.91	13.48	11.87	11.78
New Jersey	4.43	6.37	7.08	7.14	8.13	10.26	10.57
New Mexico	11.85	15.95	15.54	15.40	16.68	16.05	16.43
New York	6.76	10.07	10.02	10.84	11.48	11.91	9.61
North Carolina	6.89	12.13	13.26	14.60	14.80	16.52	16.64
North Dakota	20.20	21.25	25.19	25.19	23.29	22.10	18.42
Ohio	8.60	13.05	14.86	16.08	15.71	14.97	13.01
Oklahoma	28.49	27.72	29.98	25.30	26.13	25.54	25.54
Oregon	20.01	28.95	28.95	28.48	28.48	27.83	27.98
Pennsylvania	5.45	12.01	13.45	12.56	11.51	11.12	10.67
Rhode Island	7.58	11.39	11.33	11.99	11.62	9.97	11.62
South Carolina	6.88	9.54	9.49	10.45	10.51	11.25	11.87
South Dakota	25.66	34.97	32.34	33.92	28.66	28.99	24.54
Tennessee	10.75	17.34	17.48	18.74	19.34	18.30	18.83
Texas	.....	.....	.....	.....	.....	.....	.....
Utah	10.63	16.45	17.18	15.18	16.43	16.63	18.02
Vermont	11.73	16.16	15.97	11.94	12.63	12.20	11.54
Virginia	13.63	16.25	15.86	15.58	15.93	16.66	17.09
Washington	10.41	19.42	19.08	22.50	21.23	20.73	20.34
West Virginia	14.30	15.53	16.65	16.29	14.76	11.64	.....
Wisconsin	17.46	21.44	23.02	21.07	22.19	24.51	24.57
Wyoming	32.78	36.59	36.59	38.43	38.43	37.58	37.58

Note: District of Columbia: Total budget fiscal 1975—$888,100,000; total operating budget for post secondary education fiscal year 1975—$34,600,000; present post secondary education of total budget fiscal 1975—3.92 percent.

Source: State Tax support of Higher Education: Revenue appropriation trends and patterns 1963-73. (Lyman A. Glenny; James R. Kidder) Education Commission of the States; 1860 Lincoln St., suite 300, Denver, Colo., April 1974, report number 47.

GEORGETOWN UNIVERSITY
MEDICAL CENTER,
Washington, D.C., July 24, 1974.

Hon. CHARLES C. DIGGS, Jr.,
Hon. ANCHER NELSON,
House of Representatives,
Washington, D.C.

DEAR MR. DIGGS AND MR. NELSON: On behalf of Reverend Robert J. Henle, S.J., President of Georgetown University, who is presently away from the University on an educational mission in Latin America, I should like to express the interest of Georgetown University in the consolidation of the public higher education components of the District of Columbia into a public District of Columbia University.

We have been informed by the Consortium of the D.C. Universities, of which Georgetown University is a member, that the Consortium favors this consolidation.

Georgetown University has always cooperated with and supported all elements of public higher education in the District of Columbia, i.e., Federal City College, D.C. Teachers College, and Washington Technical Institute. In turn, Georgetown University has received similar support and cooperation from those institutions. Georgetown supports their desire to unite under a framework consistent with strengthening institutions of higher education into a more effective and viable entity on behalf of society.

On behalf of our President, Reverend Henle, I extend our continued appreciation to you for your support of the private higher education institutions, as well as your support of public institutions.

Cordially,
MATTHEW F. MCNULTY, Jr., Sc.D.,
Executive Vice President for Medical Center Affairs.

THE GEORGE WASHINGTON UNIVERSITY,
Washington, D.C., July 24, 1974.

Hon. CHARLES C. DIGGS, Jr.,
Chairman, House District Committee,
House of Representatives,
Hon. ANCHER NELSEN,
Senior Minority Member,
House District Committee.

MY DEAR MR. DIGGS AND MR. NELSEN: I should like to congratulate you and your associates on the course of action you are taking toward the establishment of a University of the District of Columbia. Having supported the creation of Federal City College and the Washington Technical Institute back in the middle sixties and having seen these two institutions develop programs and services of both need and merit to the citizens of the District of Columbia, I am convinced that the next step which would combine all of public higher education into a University of the District is now both important and timely.

I am taking the liberty of writing you of my support for this program since the position of private institutions such as George Washington University is often misinterpreted.

With very best wishes,
Sincerely,
LLOYD H. ELLIOTT.

CONSORTIUM OF UNIVERSITY OF THE WASHINGTON METROPOLITAN AREA,
Washington, D.C., July 25, 1974.

Hon. CHARLES C. DIGGS, Jr.,
House of Representatives,
Washington, D.C.

DEAR MR. DIGGS: I should like to put in writing the substance of the testimony in support of the consolidation of the existing public institutions of the District of Columbia to form the University of the District of Columbia. As you know the position of the Consortium of Universities is that such consolidation will likely result in the elimination of unnecessary duplication as to offerings and will give a firm base for the establishment of a thorough-going educational enterprise under public auspices in the District of Columbia. As I mentioned in my testimony it has been the effort and the desire of the Consortium of Universities over the years to cooperate with those institutions of higher education in the District under public auspices which are accredited and which can profit by association with their peers in the higher educational enterprise. We have had most favorable and cordial relations with the District of Columbia Teachers College over the years and look forward to continued collaboration with the new University of the District of Columbia.

We were delighted to have had the opportunity of testifying before your committee in support of this consolidation. We look forward to continued cooperation with the public higher educational enterprise of the District in the years to come. May I take this opportunity to thank you for your attention and support of the private institutions of higher education here.

With every best wish I am,
Sincerely yours,
Rev. JOHN P. WHALEN,
Executive Director.

PROVISIONS OF THE BILL

TITLE I—SHORT TITLE, PURPOSES, AND DEFINITIONS

Title I of the bill contains the short title, purposes and definitions of the principal terms used in the bill.

TITLE II—BOARD OF TRUSTEES

Title II establishes a 15-member Board of Trustees and atuhorizes the Trustees to consolidate the existing local public institutions of postsecondary education into a single Land-Grant University of the District of Columbia. This title establishes the university as an independent agency of the District of Columbia government and as such not subject to the day-to-day policy directives of the Mayor.

Membership

The bill establishes a 15-member Board of Trustees to be selected in the following manner:

(1) Twelve nominated by the Mayor, one of whom shall be a full-time student at the District of Columbia Teachers College, or the Federal City College, or the Washington Technical Institute. After the consolidation has been effectuated, the student Board member shall be a full-time student of the University.

(2) One each appointed by the Alumni Associations of the District of Columbia Teachers College, the Federal City College and the Washington Technical Institute.

After the consolidation of the local public institutions of postsecondary education has been effectuated, the three alumni members shall be appointed by the Alumni Association of the University of the District of Columbia. If any Alumni Association fails to make an appointment, the Mayor shall make the appointment.

All 15 members of the Board of Trustees shall be subject to District Council confirmation, except the student member and the three alumni members.

Trustees shall have been domiciled in and residents of the District of Columbia for the 12 consecutive months preceding their selection, except the Mayor may nominate and the Council may confirm not more than two non-resident Trustees, if in their judgment their appointments would enhance the Board of Trustees.

Employees of the Federal and District governments may be selected to serve on the Board of Trustees, unless they hold positions in clear conflict of interest, such as District

government department heads, and Federal employees with grant-making authority.

The terms of the members of the Board of Vocational Education (the governing board of Washington Technical Institute) and of the Board of Higher Education (the governing board of Federal City College and the District of Columbia Teachers College) shall terminate on the day the Board of Trustees announce that the consolidation has been effectuated to establish the University of the District of Columbia. The functions, assets, and liabilities of the existing boards shall be transferred to the Board of Trustees on the day the consolidation has been effectuated and announced, except the responsibility for licensing degree granting institutions, which shall not be transferred to the Trustees.

Term of membership on Board of Trustees

Except for the student member, who shall serve a one-year term, all members of the Board of Trustees shall serve a five-year term of office and may be re-selected to serve one successive term.

University of the District of Columbia

General Duties of the Board of Trustees

The Trustees are authorized to consolidate, by June 30, 1976, the three existing local public institutions of post-secondary education into a single Federally chartered, land-grant University of the District of Columbia. It is expected that the Board of Trustees will be fully constituted in early 1975 and shall have over a year to do the planning necessary to effectuate the consolidation and cause the University to come into being. Until the consolidation is effectuated and announced, the existing institutions shall remain in existence and continue to be governed by the existing governing boards. The boards and the institutions shall cease to exist after the consolidation has been effectuated and announced.

Utilizing the strengths of the existing institutions with respect to (1) accreditation, (2) present programs and functions, and (3) actual and potential capabilities, the Trustees shall:

1. Establish a university which shall offer a comprehensive program of post-secondary and higher education. Such program shall include but not be limited to science and technology (including environmental sciences), liberal and fine arts, vocational and technical, education and professional studies, including graduate programs and post-graduate programs. It is the firm belief of the Committee that the Washington Technical Institute is well-established with proven strengths both in terms of its program offerings and administrative leadership. For this reason the Committee determined the Washington Technical Institute to be an institution whose programs are sound and valid; and urges the Trustees to assure that the programs of the Institute be used as the basis for a major unit of the University committed to furthering job-oriented courses of study for residents of the District. It is the expectation of the Committee that the Trustees will allocate land-grant funds among the units of the University in line with the goals of the land-grant legislation, and so as to assure that no less than 50 percent of such funds are utilized for vocational and technical educational programs.

2. Establish policies and standards governing admissions, curriculums, programs, graduation, the awarding of degrees, and general policymaking for the units of the University.

3. Prepare and submit to the Mayor, on a date fixed by the Mayor, an annual budget for the fiscal year beginning July 1, 1977. Such budget shall include a proposed financial operating plan for such fiscal year, and a capital and educational improvements plan for such fiscal year and the succeeding four fiscal years for the University. The Mayor and Council shall set the maximum amount to be allocated for post-secondary education. However, in reviewing the annual budget, the Mayor and Council may not specify the purposes for which such funds may be expended or the amount of such funds which may be expended for various education programs.

4. Enter into negotiations and binding contracts pursuant to Council regulations regarding contracting with the governments of the United States and District of Columbia and other public and private agencies to render and receive services.

5. Enter into negotiations and binding contracts pursuant to Council regulations to perform organized research, training, and demonstrations on a reimbursable basis for the United States and the government of the District of Columbia and other public and private agencies.

6. Fix tuition for students attending the University with tuition charges to nonresidents being fixed as far as is feasible in amounts comparable to non-resident charges made by similar institutions.

7. Fix fees, in addition to tuition, to be paid by resident and nonresident students attending the University. Receipts from these fees shall be deposited in a revolving fund in one or more financial institutions in the District of Columbia, and shall be available for such purposes as the Trustees shall approve, without fiscal year limitation.

8. Accept services, gifts, or endowments for the use of the University. Such money shall be deposited to the credit of the particular unit in the District of Columbia Higher Education Fund established pursuant to section 403 of this Act and shall be disbursed in such amounts and in such manner as the Trustees may determine consistent with the intent of the gift or endowment.

9. Select, appoint, and fix the compensation for a President of the University and Provosts of the colleges in the University, and approve the appointments and compensation of such other officers as it deems necessary, including legal counsel.

10. Procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at daily rate for GS–18 of the General Schedule under section 5332 of such title.

11. Transfer, during the fiscal year, any appropriation balance available for one item of appropriation to another item of appropriation or to a new program, in an amount not to exceed $200,000.

12. Performing such other duties as may be necessary to carry out the purposes of this Act.

The bill authorizes the Trustees to develop policies and standards for enforcing academic freedom.

Land-grant university

Both the Federal City College and Washington Technical Institute are designated land-grant institutions by previous Acts of Congress. The bill redesignates one institution, the University of the District of Columbia, as the land-grant institution. However, the previous congressional legislation excluded the District from any participation in the Hatch Act program (Act of August 11, 1955, 7 U.S.C. 361a–361i) for research. This bill establishes the eligibility of the University to participate in such programs.

TITLE III—AUTHORIZATIONS

This title authorizes the use of District of Columbia funds in the Federal Treasury to carry out the purposes of this bill.

The need for a University of the District of Columbia

This bill, which the Committee strongly recommends favorably, would provide for the citizens and residents of the District of Columbia the quality and wide range of publicly-supported post-secondary educational opportunities available to citizens in every State in the Union, every major city in our Nation and in our Trust Territories of Guam and Puerto Rico.

Community testimony on the need

Pursuant to the request of the Chairman of this Committee, on March 23 and 30, 1974, city-wide hearings were held on legislation drafted by the Committee staff that would, among other things, establish a University of the District of Columbia. The joint-sponsors of the city-wide hearings, the Board of Higher Education, the Board of Vocational Education and the City Council's Committee on Education, Youth Affairs and Manpower, reported the results of those hearings to this Committee on May 14, 1974. In the report the joint-sponsors of the city-wide hearings stated that some 40 persons, representing over 28 thousand constituents, testified on the draft legislation and overwhelmingly supported the establishment of a University of the District of Columbia. Those 40 witnesses represented organizations with a continuing interest and commitment to improving education at all levels in the city

Mr. Chairman, I now yield to the gentleman from California (Mr. DELLUMS) 7 minutes for his statement with respect to this bill.

Mr. DELLUMS. Mr. Chairman, the purpose of H.R. 15643, as amended, is to authorize a public land-grant University in the District of Columbia through a reorganization of the existing local public institutions of postsecondary education in the District.

In 1966, Congress authorized the establishment of two publicly supported institutions of postsecondary education, the Federal City College and the Washington Technical Institute. The act created the Board of Vocational Education as the governing body of the Washington Technical Institute, and the Board of Higher Education as the governing body of the Federal City College. The act also directed the Board of Higher Education to assume control of the District of Columbia Teachers College established pursuant to the act approved February 25, 1929, from the Board of Education.

The institutions established pursuant to the 1966 legislation have done much to "remedy the major flaw" in the postsecondary educational opportunities available to citizens of the Nation's Capital at publicly supported facilities. However, the District of Columbia continues to fall short of all the States and cities of comparable size in providing publicly supported, high-quality postsecondary educational opportunities for its citizens and residents.

This committee seriously considered whether in view of the Self-Government and Governmental Reorganization Act this committee should be legislating in this area. It was determined by a large majority of the full committee that congressional action to authorize the establishment of a university was both necessary and desirable for the following reasons:

First. The committee felt that if the Congress authorized the establishment of a university for the District of Columbia, it would be a congressional endorse-

ment and commitment to high-quality postsecondary education in this, our Nation's Capital;

Second. The citizens and residents of this community urged the Congress to establish the university;

Third. The Congress conferred land-grant status on the Federal City College in 1968 and Washington Technical Institute in 1971. It was the feeling of the committee that Congress should redesignate a new land-grant institution in the District; and

Fourth. The Board of Vocational Education is a Presidentially appointed Board, and there is a serious question as to whether the District Council can abolish a Presidentially appointed board, which it would be required to do to effect the consolidation. Even assuming the authority to do so, the committee felt that there would be great reluctance on the part of the Council to take such action, which would come under close congressional scrutiny.

This bill, which the committee strongly recommends, would provide for the citizens and residents of the District of Columbia the quality and wide range of publicly supported postsecondary educational opportunities available to citizens in every State in the Union, every major city in our Nation, and in our trust territories of Guam and Puerto Rico.

Pursuant to the request of the chairman of this committee, on March 23 and 30, 1974, citywide hearings were held on legislation drafted by the committee staff that would, among other things, establish a University of the District of Columbia. The joint sponsors of the citywide hearings, the Board of Higher Education, the Board of Vocational Education, and the City Council's Committee on Education, Youth Affairs, and Manpower, reported the results of those hearings to this committee on May 14, 1974. In the report the joint sponsors of the citywide hearings stated that some 40 persons, representing over 28,000 constituents, testified on the draft legislation and overwhelmingly supported the establishment of a University of the District of Columbia. Those 40 witnesses represented organizations with a continuing interest and commitment to improving education at all levels in the city.

No new programs are authorized nor are additional costs anticipated by this legislation. On the contrary, consolidation, economy of scale, and elimination of administrative and program duplication, may result in cost savings.

The bill, H.R. 15643, as amended, was approved and ordered reported to the House by voice vote of the committee on July 17, 1974, a quorum being present.

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

After much consideration and discussion about this particular piece of legislation, I finally decided that I would support it given the assurances in testimony before the full committee and certain language inserted in the bill that vocational and technical training within the university would be protected and given their proper priority in the programs and offerings of the university in the future.

The chairman and others who drafted this particular bill, perhaps in a concession to me, may have used language which gives the impression to a reader that vocational and technical training in the university and the Washington Technical Institute are to serve as the core of the center piece of the University of the District of Columbia. This was not my intention and I think that some of the language in the bill will be corrected by amendment by the chairman to more clearly illustrate this. Certainly the academic courses offered by the Federal City College must have their proper places in the university, and it was not my intention that in protecting technical and vocational training, that the liberal arts and other academic courses should be made to suffer.

Let me turn for a moment to what I believe the intent of this legislation is and what the Congress is in establishing a University for the District of Columbia. I am told by the university officials, among others who support this legislation, that it will be more economical, that course offerings can be diminished, that administrative costs can be cut, and that overall, the action in establishing a university will promote economy and efficiency and at the same time improve the educational services of the educational institutions in the District of Columbia.

It certainly is not my intention that the university would move into such areas as establishing their own medical and dental schools or their own law school. Certainly we have enough of those schools in the District of Columbia in the private sector that if there are residents here who might wish to receive training of that sort, that the locally elected government could provide for that training to their residents through a tuition grant system, such that they could attend the private universities within the District. This, as I understood it, was the position of the Consortium of Universities, and I think it has a great deal of merit. I think that my colleague, Mrs. Green, would support the limitation of this university from expanding into graduate programs at a time when enrollments are declining throughout the country and even scheduled to decline within the private universities in the District of Columbia.

My position on this bill is further set forth in my additional views as contained in House Report 93-1202, which accompanied H.R. 15643; and at this point in the RECORD, I wish to insert those views:

ADDITIONAL VIEWS OF HON. ANCHER NELSEN

The consideration of this legislation to establish a University of the District of Columbia has caused me considerable concern.

I am particularly concerned with the vocational and technical education programs currently offered and administered by the *independent* Washington Technical Institute. The Board of that Institute is appointed by the President. The school itself is administered by Dr. Dennard, who serves as its President. Both the Board and the President have performed exceedingly well since the Institute was established in 1968. Dr. Dennard has especially performed his tasks with great skill and certainly with a great deal of admiration from those of us who come in contact with him here in Congress.

The students have also achieved great success. From my observations, they are eager, ambitious to learn and are highly employable. Over 85% of the graduates have been placed in jobs immediately upon graduation and others have gone on to further educational achievements.

I was the author of the bill in the House in 1966 that established the Washington Technical Institute. The then-Senator Wayne Morse provided for the Federal City College in a bill he introduced in the Senate. Senator Morse suggested to me that the technical school should be a college or division within the Federal City College. I objected to that because historically, in my opinion, when vocational and technical schools are not independent, so that state legislatures may fund them directly, the larger university officials—who are more oriented toward the professional schools and liberal arts—tend to deny them adequate funding.

Public Law 89-791, which established the Federal City College and the Washington Technical Institute, preserved the independence of the technical and vocational institution. In the years since, it has flourished.

Another bit of history is important here regarding my concern for this bill. I introduced legislation (ultimately Public Law 90-354) which permitted the District of Columbia and its residents to participate in various land-grant programs and funds. At that time, I was informed that only a four-year degree granting institution could be named as the beneficiary. Accordingly, language was placed in the land-grant bill that Federal City College would be named beneficiary. But, language was placed in the House report accompanying that bill that the House intended and the Presidents of the Federal City College and the Washington Technical Institute agreed (a copy of the agreement appeared in the Report) to share the land-grant funds. However, in 1970, I had to introduce another bill (ultimately Public Law 91-650) that specifically named the Washington Technical Institute as a land-grant institution, because Federal City College had retained all the land-grant funds based on an interpretation of the express language of the original public law.

For the foregoing, among other reasons, I am concerned that vocational and technical training, which is doing extremely well in the District today, may not meet the same success under this bill where the Institute becomes part of a larger university and is ruled by a university board of trustees.

It may be that vocational and technical training may have improved opportunities and status under a University of the District of Columbia, but I had doubts about the protections provided in this bill as they relate to vocational and technical training; and I would have preferred to leave the determination of this matter to the newly elected local government when it takes office January 2, 1975. However, I was given assurances during the markup on this bill by testimony of certain witnesses and some changes in language as it relates to the purposes of this Act that vocational and technical training would receive a high priority in the programs and funding of the University.

I would welcome debate on the above issues, as well as any others engendered by the provisions contained in this bill; however, given the assurances protecting vocational and technical training noted above, I consider that I can support this bill.

Mr. Chairman, the bill that we have before us is a bill that I have long been

interested in. I believe that some of the earlier history of higher educational facilities in the District of Columbia ought to be mentioned at this time.

The Members will recall that the late Senator Wayne Morse introduced a bill for higher education that came to the House of Representatives with the liberal arts part of it, and the vocational educational part of it tied together. Some of us felt that they should be separated because the history of this kind of consolidation has usually left vocational education with what is left over. So we separated the two, and each started out on their venture in their respective fields to provide education here in the District, one the Federal City College and the other the Washington Technical Institute.

Then we discovered in our committee that the land-grant money that was made available largely for rural areas was gradually working into the extension of this legislation in our larger cities all over the country, and I introduced an amendment that made the District of Columbia an eligible recipient for such land-grant money. There was some objection to that on the floor, but there is no reason why we should not relieve the budget here a little bit, if other cities were using it, why should not our Nation's Capital have it for their purposes of higher education? So we set them up with land-grant funds here in the Congress in 1968.

I would like to say that vocational education was my interest, it was a thing I felt we needed so much. I think those Members who have seen what has happened out at Washington Technical Institute must admit that it has provided a tremendous contribution to educational opportunities here in the District of Columbia. Likewise, in the liberal arts college, I think now that they have been accredited by the Middle States Association. They are on their way toward providing some very fine courses there.

But in our area, and in the Nelsen Commission report, we recommend that higher education be placed under one umbrella here for management of educational facilities a Commission on Higher Education. This would be under one sort of management facility, and this bill will move in that direction, maybe it moves further than our Nelsen Commission report, but then it is claimed to be needed for economy and efficiency.

But I was constantly aware of the fact that sometimes a vocational side gets hurt. So we have language in this bill that very definitely assures the vocational side will move ahead the same as the liberal arts or other educational courses, because we feel that there is a need for training people with a skill to use their hands as well as their minds. It is not everybody who can be a bank president or a college professor, but there are many very intelligent people who have a special skill that God gave them, and why not train it for income, for pride, for home, for everything that is important?

Out at the WTI—I was there for laying the cornerstone—recently, they have a very fine program. One lady came up to me with tears in her eyes because finally we now have provided for this community something that was much needed; vocational and technical training, and her appreciation for that was tremendous.

But I want to say that it is not my feeling that there should be the Federal Government's continued overall financial responsibility here. This bill does not constitute broader Federal commitment. It is my feeling that we are giving them a university with all of these facilities of education, and then the Federal Government's role will be the same with respect to this school as every other school in the country, and will give financial support which we do in many ways. I do not contemplate that the university will expand its offerings.

I want also to say that I hope we will improve our processes by this type of a bill. I am all for it. I understand that there will be some amendments offered which I think are necessary because it was our opinion that we were getting into the appropriation process a bit, and I think Mr. NATCHER will have some amendments to deal with that. I am in favor of that. I think other members of our committee will have something to say about this bill as to the authority for reprograming which is in it. All I can say here is that I admit that I was one of those who was reluctant about this approach, but I also admit that after hearing the statements by educators, I now am in support of it. I believe it follows the Commission report, to some extent, that we had submitted some time ago, and I hope this House will pass the bill looking at it as an economy and efficiency measure.

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

Mr. NELSEN. I yield to the gentleman from Maryland.

Mr. GUDE. I thank the gentleman for yielding.

I should like to commend the gentleman from Minnesota for his fine statement. I am in full support of it. He has shown great leadership in the District of Columbia in education particularly in his untiring efforts to establish the Washington Technical Institute.

Mr. NELSEN. I thank the gentleman for his comments.

Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. LANDGREBE).

Mr. LANDGREBE. Mr. Chairman, I will be brief. I would simply call to the attention of my colleagues my very lengthy dissenting views as printed in the committee report, and call again to the attention of my colleagues that in my Dear Colleague letter that was circulated over the weekend, the last paragraph I understand reflects some wrong information. However, in checking further on the matter, I find that this bill was handed out of committee by voice vote and to my knowledge I am the only Member of Congress publicly expressing opposition to its passage.

I would conclude my comments by saying that I really feel that this is a matter that could wait a few more months until the new District of Columbia officials have been duly elected, and that would be time enough to proceed with this massive change in the higher education organization in our Capital City.

So I certainly am sincere in my request that we vote down this bill.

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

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

Mr. GROSS. I thank the gentleman for yielding.

I do not believe I have ever seen legislation with more wide open provisions with respect to personnel, with respect to the hiring of personnel, and with respect to the handling of personnel than are contained in this bill.

Mr. LANDGREBE. As my dissenting views in the report point out, this university, as my office interprets it, would be free of any responsibility to the city government. They would name their own wages, and it seems to me they would be an entirely separate entity in the community.

Mr. GROSS. And neither the Mayor nor the City Council would have any control whatsoever?

Mr. LANDGREBE. They would have no control.

I will say to my friend, the gentleman from Iowa, it is interesting to note, and I believe he is a great deal concerned about the future fiscal welfare of this country, that as we interpret this bill the president of the new university would have a $25,000 annual petty cash account. Only his signature on a voucher will be required. That certainly is contrary to the quality of accounting that is usually demanded in Government and the business world. This generous petty cash allowance is a clear reflection of the generosity, perhaps even the irresponsibility of the people who are setting up this new giant university in our Capital City.

Mr. NELSEN. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I rise in opposition to H.R. 15643, more particularly, section 301(b) of that bill, which permits the President of the University of the District of Columbia to expend $25,000 per year with only a signed certificate as a voucher.

The report accompanying this bill, containing the dissenting views of my colleague from Indiana (Mr. LANDGREBE) states that this amount is excessive. I certainly agree with the gentleman from Indiana, but I would go further and say not only is it excessive, but it is wrong.

No one in the city government, in my opinion, be it the President of the University of the District of Columbia, a member of the City Council, or the soon-to-be-elected Mayor, should be able to expend funds merely by signing a certificate and without displaying for public audit the voucher backing up those expenditures. If the President of the uni-

versity wishes to invite prospective students to a luncheon or a number of Boy Scouts to his office for some cookies and soft drinks, certainly he should be more than willing to indicate that those expenditures were used by those particular purposes.

I shall have an amendment at the desk, which would, in my opinion, correct this particular provision in H.R. 15643.

Mr. LANDGREBE. Mr. Chairman, will the gentleman from California yield?

Mr. KETCHUM. I yield to the gentleman from Indiana (Mr. LANDGREBE).

Mr. LANDGREBE. Mr. Chairman, recently Congress amended the appropriations bill that authorizes expenditures for the White House, requiring the President to submit his entertainment bills to the General Accounting Office for review.

Mr. KETCHUM. As we quite properly should have.

Mr. LANDGREBE. And we require that any travel he authorizes should be subjected to audit by the General Accounting Office.

Mr. KETCHUM. As it quite properly should be.

Mr. LANDGREBE. All right. Then if it should be all right for the General Accounting Office, which is an arm of the legislative branch, to review the travel and food expenditures for the White House, why has this body not made such provision for our own travel? Why is the travel of this body not being subjected to that also?

Mr. KETCHUM. I would say to the gentleman from Indiana, I am the sponsor of legislation that would do just that.

Mr. LANDGREBE. How is it then, in the light of the foregoing, that this Congress can authorize a $25,000 petty cash fund for the President of this university with absolutely no accounting required?

Mr. KETCHUM. I will say to the gentleman from Indiana during my brief but interesting tenure on the District of Columbia Committee, when we were discussing authorizations, and this was prior to the home rule bill, we found a similar provision for the Mayor in that bill, and I raised the same question and we had the same debate. This is only my opinion, but in my opinion the only place we should permit confidential funds is with the police departments where they are using those funds for informants, but even those are subject to audit by the grand jury.

Mr. NELSEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, I take this time, before we go to the 5-minute rule, since I am prepared to take points of order against two items in the bill, whether it is the understanding for the RECORD, that the gentleman, or some member of the committee, will offer amendments to paragraph (h) on page 28 and paragraph (i), also on page 28 of the bill, that will provide that there must be authorization for the moneys to be expended prior to the appropriations?

In its present form, the money can be expended without authorization.

Mr. DIGGS. Mr. Chairman, I appreciate the gentleman's keen observation. We have two amendments at the desk. One will be offered by myself to section 205(h) and one to be offered by the gentleman from Kentucky (Mr. NATCHER) to section 205(i), to meet the legitimate objections of the gentleman from Iowa.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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TITLE I—SHORT TITLE, PURPOSES, AND DEFINITIONS

SHORT TITLE

SEC. 101. This Act may be cited as the "District of Columbia Public Higher Education Reorganization Act".

STATEMENT OF PURPOSE

SEC. 102. It is the intent of Congress to authorize a public land-grant university through the reorganization of the existing local institutions of public higher education in the District of Columbia.

DEFINITIONS

SEC. 103. For the purposes of this Act—

(a) The term "Trustees" means the Board of Trustees established under title II of this Act.

(b) The term "President" means the chief executive and administrative officer of the University.

(c) The term "University" means the University of the District of Columbia authorized and directed to be established under title II of this Act.

(d) The term "Provost" means the academic and administrative head of each of the several colleges of the University.

(e) The term "Mayor" means the Mayor of the District of Columbia established by section 421 of the District of Columbia Self-Government and Governmental Reorganization Act.

(f) The term "Council" means the Council of the District of Columbia established by section 401 of the District of Columbia Self-Government and Governmental Reorganization Act.

(g) The term "Board of Higher Education" means the Board of Higher Education established under section 102 of the District of Columbia Public Education Act (D.C. Code, sec. 31–1602).

(h) The term "Vocational Board" means the Board of Vocational Education established under section 202 of the District of Columbia Public Education Act (D.C. Code, sec. 31–1622).

(i) The term "Board" means the District of Columbia Board of Education established under section 303 of the Elected Board of Education Act (D.C. Code, sec. 31–101).

(j) The term "financial institution" means an insured bank as defined in section 3 of the Federal Deposit Insurance Act, or a savings and loan association as defined in section 401 of the National Housing Act.

With the following committee amendment in the nature of a substitute:

Strike out all after the enacting clause and insert:

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Sec. 403. District of Columbia Higher Education Fund.
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Sec. 405. New authority granted Board of Education.
Sec. 406. Authority of Council.
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TITLE I—SHORT TITLE, PURPOSES, AND DEFINITIONS

SHORT TITLE

SEC. 101. This Act may be cited as the "District of Columbia Public Postsecondary Education Reorganization Act".

STATEMENT OF PURPOSE

SEC. 102. It is the intent of Congress to authorize a public land-grant university through the reorganization of the existing local institutions of public postsecondary education in the District of Columbia. It is the clear and specific intent of the Congress that vocational and technical training within the University be given at all times a high priority, on a par, if not exceeding, the funding given other colleges within the University and that the land-grant funds be channeled through the University to the vocational and technical entity therein in accordance with the provisions of the Act of July 2, 1862 (7 U.S.C. 301–305, 307, 308) (known as the First Morrill Act).

DEFINITIONS

SEC. 103. For the purposes of this Act—

(a) The term "Trustees" means the Board

of Trustees established under title II of this Act.

(b) The term "President" means the chief executive and administrative officer of the University.

(c) The term "University" means the University of the District of Columbia authorized and directed to be established under title II of this Act.

(d) The term "Provost" means the academic and administrative head of each of the several colleges of the University.

(e) The term "Mayor" means the Mayor of the District of Columbia established by section 421 of the District of Columbia Self-Government and Governmental Reorganization Act.

(f) The term "Council" means the Council of the District of Columbia established by section 401 of the District of Columbia Self-Government and Governmental Reorganization Act.

(g) The term "Board of Higher Education" means the Board of Higher Education established under section 102 of the District of Columbia Public Education Act (D.C. Code, sec. 31–1602).

(h) The term "Vocational Board" means the Board of Vocational Education established under section 202 of the District of Columbia Education Act (D.C. Code, sec. 31–1622).

(i) The term "Board" means the District of Columbia Board of Education established under section 303 of the Elected-Board of Education Act (D.C. Code, sec. 31–101).

(j) The term "financial institution" means an insured bank as defined in section 3 of the Federal Deposit Insurance Act, or a savings and loan association as defined in section 401 of the National Housing Act.

TITLE II—BOARD OF TRUSTEES

MEMBERSHIP

SEC. 201. (a) There is hereby authorized to be established a University of the District of Columbia, which shall be an independent agency of the District of Columbia government, and which shall be governed by a Board of Trustees consisting of fifteen members selected according to the provisions of this section:

(1) Twelve members nominated by the Mayor, one of whom shall be a full-time student at the District of Columbia Teachers College, or the Federal City College, or the Washington Technical Institute. Except for the student member, the nominees under this subsection shall be subject to Council confirmation.

(2) One member of the Trustees appointed by the Alumni Association of the District of of Columbia Teachers College, with notice thereof to the Mayor within forty-five days after the effective date of this Act.

(3) One member of the Trustees appointed by the Alumni Association of the Federal City College, with notice thereof to the Mayor within forty-five days after the effective date of this Act.

(4) One member of the Trustees appointed by the Alumni Association of the Washingington Technical Institute, with notice thereof to the Mayor within forty-five days after the effective date of this Act.

(5) In the event the alumni associations referred to in subsections (2), (3), and (4) of this section fail to submit an appointee within the time specified, the Mayor shall make the appointment.

(6) As the initial terms of the alumni members expire, the three alumni trustees shall be appointed by the Alumni Association of the University or the Mayor if no alumni association of such University exists.

(b) All nominations and appointments under this section shall be made not later than March 2, 1975. The terms of the members of existing Boards shall terminate on the day that the Trustees announce the consolidation has been effectuated, but in no event shall the terms terminate later than June 30, 1976.

(c) The Trustees shall hold the first meeting no later than April 2, 1975. The first meeting of the Trustees shall be convened by a member of the Trustees designated by the Mayor.

(d) The student member of the Trustees shall serve a one-year term of office; all other Trustees may be selected to serve one successive term.

(e) The terms of nonstudent Trustees shall be determined by lots cast at the first meeting of the Trustees, with the initial lots to provide:

(1) three shall serve terms of two years;

(2) three shall serve terms of three years;

(3) three shall serve terms of four years; and

(4) five shall serve terms of five years.

(f) Any Trustee selected to fill a vacancy shall be selected only for the remainder of the term for which his predecessor was selected and in the same manner as the original selection. A Trustee may serve after the expiration of his term until his successor has qualified to take office.

(g) A Chairman and Vice Chairman (1) shall be selected by the Trustees from among the District of Columbia resident members, (2) shall serve a one-year term as Chairman or Vice Chairman, (3) may be reappointed, and (4) cannot serve in such capacity beyond their term as member.

(h) All members selected to the Trustees shall have been domiciled in and residents of the District of Columbia for the twelve consecutive months preceding the date of their selection except that the Mayor may nominate not more than two persons to the Trustees who are not residents of the District of Columbia if, in his judgment, their nominations would enhance the Trustees.

(i) Members of the Trustees may be employees of the United States or of the District of Columbia government, unless they hold positions in clear conflict of interest.

(j) The president of the University shall be an ex officio member of the Trustees and shall serve as Secretary to the Trustees.

SUSPENSION AND REMOVAL

SEC. 202. Any Trustee shall be automatically suspended from serving as such member after he has been found guilty of a felony by a court of competent jurisdiction. Upon a final determination of his guilt or innocence, the term of such member shall automatically terminate or be reinstated.

COMPENSATION

SEC. 203. Trustees shall serve without compensation, but may be reimbursed for their expenses, including per diem in lieu of subsistence, at the maximum rate equal to the daily equivalent provided for by grade 18 of the General Schedule established under section 5332 of title 5 of the United States Code, with a limit of $4,000 per annum, while actually engaged in service for the Trustees.

THE UNIVERSITY OF THE DISTRICT OF COLUMBIA

SEC. 204. The Trustees shall, by June 30, 1976, consolidate the existing three public institutions of postsecondary education in the District of Columbia into a single institution to be called the University of the District of Columbia, with several schools, colleges, institutes, campuses, and units that offer a comprehensive program of public postsecondary education. The institutions of public postsecondary education in the District of Columbia existing immediately prior to such consolidation shall be deemed abolished on the effective date of the consolidation. Thereafter, any reference in any law, rule, regulation, or other document of the United States or of the District of Columbia to such institutions shall be deemed to be a reference to the University of the District of Columbia.

DUTIES OF THE BOARD OF TRUSTEES

SEC. 205. It shall be the duty of the Trustees to—

(a) Review the existing public institutions of postsecondary education with respect to (1) accreditation, (2) present programs and functions, and (3) actual and potential capabilities. Those institutions and programs within such institutions that are determined to be sound and valid shall be used as a basis for the several schools, colleges, institutes, campuses, and units of the University, which shall include but not be limited to programs of science and technology, including but not limited to environmental sciences, liberal and fine arts, vocational and technical education and professional studies, including graduate programs, and postgraduate programs, except the programs of technical and vocational educational of the Washington Technical Institute, are hereby determined to be sound and valid and shall be used as the basis for a unit of the University committed to furthering job oriented courses of study.

(b) Establish or approve policies and procedures governing admissions, curriculums, programs, graduation, the awarding of degrees, and general policymaking for the units of the University.

(c) Prepare and submit to the Mayor, on a date fixed by the Mayor, an annual budget for the fiscal year beginning July 1, 1977. Such budget shall include a proposed financial operating plan for such fiscal year, and a capital and educational improvements plan for such fiscal years and the succeeding four fiscal years for the University. In reviewing the annual higher educational budget, the Mayor and Council may not specify the purposes for which such funds may be expended or the amount of such funds which may be expended for various education programs.

(d) The Trustees may transfer, during the fiscal year, any appropriation balance available for one item of appropriation to another item of appropriation or to a new program, in an amount not to exceed $200,000.

(e) Enter into negotiations and binding contracts pursuant to Council regulations regarding contracting with the governments of the United States and District of Columbia and other public and private agencies to render and receive services.

(f) Enter into negotiations and binding contracts pursuant to Council regulations to perform organized research, training, and demonstrations on a reimbursable basis for the United States and the government of the District of Columbia and other public and private agencies.

(g) Fix tuition for students attending the University with tuition charges to nonresidents being fixed as far as is feasible in amounts comparable to nonresident charges made by similar institutions.

(h) Fix fees, in addition to tuition, to be paid by resident and nonresident students attending the University. Receipts from these fees shall be deposited in a revolving fund in one or more financial institutions in the District of Columbia, and shall be available for such purposes as the Trustees shall approve, without fiscal year limitation.

(i) Accept services, gifts, or endowments for the use of the University. Such money shall be deposited to the credit of particular units of the University in the District of Columbia Higher Education Fund established pursuant to section 403 of this Act and shall be disbursed in such amounts and in such manner as the Trustees may deter-

mine consistent with the intent of the gift or endowment.

(j) Select, appoint, and fix the compensation for a President of the University and Provosts of the units of the University, and approve the appointment and compensation of such other officers as it deems necessary, including legal counsel.

(k) Procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at daily rates for individuals not in excess of the maximum daily rate for GS–18 of the General Schedule under section 5332 of such title.

(l) Develop and define a policy governing academic freedom for the University and establish mechanisms to ensure its enforcement.

(m) Perform such other duties as may be necessary to carry out the purposes of this Act.

PERSONNEL SYSTEM

SEC. 206. (a) Notwithstanding any other provision of law, the Trustees are hereby authorized to establish, not earlier than one year and not later than five years after the effective date of this section, a personnel system (setting forth minimum standards) for all employees of units, facilities, and programs of the University, including, but not limited to, pay, contract terms, leave, residence, retirement, health and life insurance, employee disability, and death benefits, all at least equal to those provided by legislation enacted by Congress, or regulations adopted pursuant thereto, and applicable to such officers and employees immediately prior to the effective date of the system established pursuant to this section. Any provision in the personnel system established by the Trustees under this section requiring employees to be residents of the District of Columbia shall apply only to employees hired after the effective date of such system.

(b) The personnel policies of the Trustees shall incorporate Executive Order Numbered 70–229 of the Commissioner of the District of Columbia, as implemented by chapter 25A of the District Personnel Manual, or similar policies developed by the Trustees to guarantee collective-bargaining rights of employees subject to this section.

(c) Personnel legislation in effect prior to the establishment by the Trustees of such system, including without limitation, legislation relating to appointments, promotions, discipline, separation pay, unemployment compensation, health disability and death benefits, leave, retirement, insurance, and veterans preference applicable to such employees, shall continue to be applicable until such time as the Trustees shall, pursuant to this section, provide for coverage under a new personnel system.

(d) All actions affecting such personnel and such members shall, until such time as a personnel system is established by the Trustees superseding such law and establishing a permanent personnel system for all employees of the University continue to be subject to the provisions of Acts of Congress relating to the appointment, promotion, discipline, separation, and other conditions of employment applicable to offices and employees of the District government, and where applicable, to the provisions of the joint agreement between the Commissioners and the Civil Service Commission authorized by Executive Numbered 5493 of November 8, 1930, relating to the appointment of District personnel.

TRANSFER OF FUNCTIONS, ASSETS, AND LIABILITIES

SEC. 207. The Board of Higher Education and the Vocational Board shall be abolished on the day the Trustees announce that the consolidation has been effectuated, but in no event shall the Boards be abolished later than June 30, 1976. Except as provided by this Act all functions, powers, and duties of the Board of Higher Education and the Vocational Board under the District of Columbia Public Education Act of 1966 (D.C. Code sec. 31–1601) shall be vested in and exercised by the Trustees. All employees, property (real and personal), and unexpended balances (available or to be made available) of appropriations, allocations, and all other funds and assets and liabilities of the Board of Higher Education and Vocational Board are authorized to be transferred to the Trustees, except the functions of licensing institutions to confer degrees as authorized by Public Law 89–791 (D.C. Code, sec. 29–415).

ESTABLISHMENT OF LAND-GRANT UNIVERSITY

SEC. 208. (a) In the administration of—

(1) the Act of August 30, 1890 (7 U.S.C. 321–326, 328) (known as the Second Morrill Act),

(2) the tenth paragraph under the heading "Emergency Appropriations" in the Act of March 4, 1907 (7 U.S.C. 322) (known as the Nelsen amendment),

(3) section 22 of the Act of June 29, 1935 (7 U.S.C. 329) (known as the Bankhead-Jones Act),

(4) the Act of March 4, 1940 (7 U.S.C. 331), and

(5) the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), the University shall be considered to be a university established for the benefit of agriculture and the mechanic arts in accordance with the provisions of the Act of July 2, 1862 (7 U.S.C. 301–305, 307, 308) (known as the First Morrill Act); and the term "State" as used in the laws and provisions of law listed in the preceding paragraphs of this section shall include the District of Columbia.

(b) In the administration of the Act of May 8, 1914 (7 U.S.C. 341–346, 347a–349) (known as the Smith Lever Act)—

(1) the University shall be considered to be a university established for the benefit of agriculture and the mechanic arts in accordance with the provisions of the Act of July 2, 1862 (7 U.S.C. 301–305, 307, 308); and

(2) the term "State" as used in such Act of May 8, 1949, shall include the District of Columbia, except that the District of Columbia shall not be eligible to receive any sums appropriated under section 3 of such Act.

(c) In lieu of an authorization of appropriations for the District of Columbia under section 3 of such Act of May 8, 1914, there is authorized to be appropriated such sums as may be necessary to provide cooperative agricultural extension work in the District of Columbia under such Act. Such sums may be used to pay no more than one-half of the total cost of providing such extension work. Any reference in such Act (other than section 3 thereof) to funds appropriated under such Act shall in the case of the District of Columbia be considered a reference to funds appropriated under this subsection.

(d) Four per centum of the sums appropriated under subsection (c) for each fiscal year shall be allotted to the Federal Extension Service of the Department of Agriculture for administrative, technical, and other services provided by the Service in carrying out the purposes of this section.

(e) The second sentence of the first section of the Act of March 2, 1887 (7 U.S.C. 361a–361l) is amended by inserting "(including the District of Columbia)" immediately after "the several States".

STATE CONSENT

SEC. 209. The enactment of this Act shall, as respects the District of Columbia, be deemed to satisfy any requirement of State consent contained in any of the laws or provisions of law referred to in section 209.

TITLE III—AUTHORIZATIONS

SEC. 301. (a) There are authorized to be appropriated out of any money in the Treasury to the credit of the District of Columbia such sums as may be necessary for carrying out the purpose of this Act.

(b) The President is authorized to provide for the expenditure in amounts not to exceed $25,000 of funds for such purposes as may be deemed necessary within limits that may be specified in annual appropriations. The President's determination thereof shall be final and conclusive, and a signed certificate shall be sufficient voucher for the expenditure of appropriations made pursuant to this section.

TITLE IV—MISCELLANEOUS

MEETINGS

SEC. 401. Meetings may be called by the Chairman or a majority of the members of the Trustees. No official action may be taken by the Trustees except at a meeting of the Trustees at which a quorum is present. Eight members shall constitute a quorum but a lesser number may hold hearings. Each meeting of the Trustees shall be open to the public and held in the District of Columbia with appropriate notice of each such meeting given to the general public, except a majority of the Trustees may elect to go into executive session to take action on personnel matters.

ADVISORY COMMITTEES

SEC. 402. The Trustees shall appoint such advisory committees as necessary to advise on educational policy. Such advisory committees may consist of members of the Trustees, students, faculty members, parents, governmental, educational, business, industrial and community representatives.

DISTRICT OF COLUMBIA HIGHER EDUCATION FUND

SEC. 403. There is established in the Federal Treasury, without fiscal year limitations, the District of Columbia Higher Education Fund. There shall be deposited in such fund all gifts, contributions, funds in receipt of services rendered, and all other moneys not included in the annual operating and capital and educational improvements funds appropriated by Congress. Such fund shall be administered pursuant to the provisions of the Budget and Accounting Act. Moneys deposited therein shall be available for investment in interest-bearing Treasury notes and bonds and shall be distributed in such amounts and in such manner as the Trustees may determine.

ANNUAL REPORT

SEC. 404. The Trustees shall make an annual report to the Congress, Mayor, Council, and the general public, on November 1 of each year, on the operation of programs and the expenditure of all funds for public higher education in the District of Columbia.

NEW AUTHORITY GRANTED BOARD OF EDUCATION

SEC. 405. (a) The Board may transfer, during the fiscal year, any appropriation balance available for one item of appropriation to another item of appropriation or to a new program, in an amount not to exceed $200,000.

(b) The Board may enter into negotiations and binding contracts pursuant to Council regulations regarding contracting with the governments of the United States and District of Columbia and other public and private agencies to render and receive services.

AUTHORITY OF COUNCIL

SEC. 406. Notwithstanding any other provision of law, or any rule of law, nothing in

this Act shall be construed as limiting the authority of the District of Columbia Council to enact any act or resolution, after January 2, 1975, pursuant to the District of Columbia Self-Government and Governmental Reorganization Act with respect to any matter covered by this Act.

EFFECTIVE DATE

SEC. 407. This Act shall take effect January 2, 1975.

Mr. DIGGS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

AMENDMENT OFFERED BY MR. DIGGS TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. DIGGS. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. DIGGS to the committee amendment in the nature of a substitute: "Page 28, line 7, immediately after "available" insert ", when appropriated,".

Mr. DIGGS. Mr. Chairman, this amendment is offered to obviate the point of order referred to by the gentleman from Iowa to section 205.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DIGGS) to the committee amendment with nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. DIGGS TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. DIGGS. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. DIGGS to the committee amendment in the nature of a substitute; Page 19, strike out line 7 and all that follows down through and including line 5 on page 20 and insert in lieu thereof the following:

STATEMENT OF PURPOSE

SEC. 102. It is the intent of Congress to authorize a public land-grant university through the reorganization of the existing local institutions of public post-secondary education in the District of Columbia. It is the clear and specific intent of the Congress that vocational and technological education within the University be given at all times its proper priority in terms of funding with other units within the University, and that the land-grant funds be utilized by the University in accordance with the provisions of the Act of July 2, 1862 (7 U.S.C. 301–305, 307, 308) (known as the First Morrill Act).

Mr. DIGGS. Mr. Chairman, the purpose of this amendment, and I referred to it in my general remarks, is to authorize the creation of a university which offers a wide range of courses and program offerings, including vocational and technical education.

This amendment, which was agreed to by the gentleman from Minnesota, the ranking minority member (Mr. NELSEN) is intended to clarify the congressional intent to authorize the creation of what I have already referred to as a well-rounded university and not an authorization to create a vocational technical university basically as an institution. Its purpose is to clarify the intent of the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DIGGS) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. DIGGS TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. DIGGS. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. DIGGS to the committee amendment in the nature of a substitute: Page 27, strike out lines 3 through 7 and insert in lieu thereof the following: "sity. The Mayor and the Council may establish the maximum amount of funds which will be allocated to the Trustees for Higher Education, but may not specify the purposes for which such funds may be expended or the amount of such funds which may be expended for the various programs under the jurisdiction of the Trustees."

Mr. DIGGS. Mr. Chairman, this amendment authorizes the Mayor and Council to set the maximum amount of funds which will be allocated for post-secondary education for each fiscal year. However, the amendment stipulates that once the maximum amount is set the Mayor and Council may not specify the uses of those funds. In other words, the Board of Trustees will determine what the funds will be used for.

This amendment, Mr. Chairman, simply gives the Board of Trustees the same authority that the Board of Education has under home rule. This amendment again represents our answer to a problem which was worked out in committee.

The language also is designed to overcome what was inadvertently left out of the printed copy of the bill. The intent of the amendment is discussed in some detail on page 3 of the committee report.

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

Mr. DIGGS. I yield to the gentleman from Indiana.

Mr. LANDGREBE. Mr. Chairman, will the gentleman read again just the first few words of the amendment? Is it "may" or "shall"?

Is it "the Mayor and Council may," or "shall"?

Mr. DIGGS. "May."

Mr. LANDGREBE. It may limit?

Mr. DIGGS. Correct.

Mr. LANDGREBE. Mr. Chairman, I am having prepared an amendment which I shall offer to the gentleman's amendment.

Mr. DIGGS. Mr. Chairman, while the amendment is being prepared, I may say that the council will have authority to deal with this matter anyway. I do not see why the amendment to be offered by the gentleman from Indiana would have any effect. The same language is in the home rule bill.

Mr. LANDGREBE. Mr. Chairman, I would still like to offer an amendment stating that the Mayor and Council shall determine the maximum amount of money that can be spent. That will be my amendment.

AMENDMENT OFFERED BY MR. LANDGREBE TO THE AMENDMENT OFFERED BY MR. DIGGS TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. LANDGREBE. Mr. Chairman, I offer an amendment to the amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. LANDGREBE to the amendment offered by Mr. DIGGS to the committee amendment in the nature of a substitute: Page 27, line 3, after the word "council" strike the word "may" and insert the word "shall."

Mr. LANDGREBE. Mr. Chairman, I would like to say just a word concerning my amendment.

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

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

Mr. DIGGS. Mr. Chairman, we can resolve this matter right now. We on this side are prepared to accept the amendment of the gentleman from Indiana.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. LANDGREBE) to the amendment offered by the gentleman from Michigan (Mr. DIGGS) to the committee amendment in the nature of a substitute.

The amendment to the amendment to the committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DIGGS), as amended, to the committee amendment in the nature of a substitute.

The amendment, as amended, to the committee amendment in the nature of a substitute was agreed to.

AMENDMENTS OFFERED BY MR. NATCHER TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. NATCHER. Mr. Chairman, I offer 4 amendments to the committee amendment in the nature of a substitute, and I ask unanimous consent that they be considered en bloc.

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

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. NATCHER to the committee amendment in the nature of a substitute:

Page 19, in the table of contents, strike out "Sec. 403. District of Columbia Higher Education Fund." and insert in lieu thereof "Sec. 403. Gifts and contributions.".

Page 27, line 11, strike out "$200,000" and insert in lieu thereof "$50,000".

Page 36, line 7, strike out "$200,000" and insert in lieu thereof "$50,000".

Page 28, strike out lines 10 through 17 and redesignate the succeeding paragraphs accordingly.

Page 35, strike out lines 8 through 20 and insert in lieu thereof the following:

Gifts and Contributions

Sec. 403. The Trustees may accept services and moneys, including gifts or endowments, from any source whatsoever, for use in carrying out the purposes of this bill. Such moneys shall be deposited in the Treasury of the United States to the credit of a trust fund account which is hereby authorized and may be invested and reinvested as trust funds of the District of Columbia. The disbursement of the moneys from such trust funds, when appropriated, shall be in such amounts, to such extent, and in such manner as the Trustees, in its judgment, may determine necessary to carry out the puropses of this act.

Mr. NATCHER. Mr. Chairman, for a great many years in the District of Columbia we have had a rule whereby all reprograming requests exceeding $25,000 were submitted to the Committee on Appropriations for approval.

This applied not only to the Federal City College and the Washington Technical Institute, but to all of the agencies of the District of Columbia and all of the departments of the city.

The amendment which I have sent to the desk, and which is now before the committee provides that on page 27 the amount of $200,000 is reduced to $50,000. Any amount over $50,000 would have to be submitted to the Appropriation Committee in the House and the Senate. This would increase the amount from $25,000 to $50,000 for the University of the District of Columbia and not further. It would apply only operating expenses and not to capital outlay projects.

The provision in the amendment that I have at the desk concerning gifts and contributions, if approved by the committee, would then read, Mr. Chairman:

Section 403. The Trustees may accept services and moneys, including gifts or endowments, from any source whatsoever, for use in carrying out the purposes of this bill. Such moneys shall be deposited in the Treasury of the United States to the credit of a trust fund account which is hereby authorized and may be invested and reinvested as trust funds of the District of Columbia. The disbursement of the moneys from such trust funds, when appropriated, shall be in such amounts, to such extent, and in such manner as the Trustees, in its judgment, may determine necessary to carry out the purposes of this act.

The other two amendments, Mr. Chairman, are correcting amendments for the two that pertain to the reprograming and to the gifts and contributions.

Mr. Chairman, these four amendments are necessary and proper in every respect, and I hope they are adopted by the committee.

I would hope that perhaps the chairman of the committee, my distinguished friend, the gentleman from Michigan, would agree to accept these amendments.

Mr. DIGGS. Mr. Chairman, I thank the gentleman, and I do accept the amendments. I think that they meet the problem, and it is a further reflection of the gentleman's sincere interest in matters pertaining to the District of Columbia.

Mr. NATCHER. Mr. Chairman, I want to thank my friend, the gentleman from Michigan, and I yield to my distinguished friend, the gentleman from Minnesota (Mr. NELSEN).

Mr. NELSEN. Mr. Chairman, I thank the gentleman. I think our side will agree to the amendments.

Mr. NATCHER. I thank my friend.

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

Mr. NATCHER. Mr. Chairman, at this time I yield to my distinguished friend, the ranking minority member of the Subcommittee on the District of Columbia Budget of the Committee on Appropriations, the gentleman from Indiana (Mr. MYERS).

Mr. MYERS. Mr. Chairman, I thank the gentleman from Kentucky for yielding.

I thank the gentleman for offering his amendments. They are very necessary. I believe the committees on appropriations in the House, as well as in the other body, have been very generous in their consideration of reprograming. I think every Member of this body is certainly interested in retaining the responsibility within the Congress to make these determinations.

When we do make an appropriation, we recognize from time to time throughout the year that it is necessary to make changes, but we do keep control right here.

Mr. Chairman, I think these amendments are very necessary, and I thank the gentleman for offering these much-needed amendments.

Mr. NATCHER. Mr. Chairman, I urge the adoption of the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Kentucky (Mr. NATCHER) to the committee amendment in the nature of a substitute.

The amendments to the committee amendment in the nature of a substitute were agreed to.

AMENDMENTS OFFERED BY MR. KETCHUM TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. KETCHUM. Mr. Chairman, I offer two amendments to the committee amendment in the nature of a substitute, and I ask unanimous consent that they be considered en bloc.

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

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. KETCHUM to the committee amendment in the nature of a substitute: Page 34, line 7, strike out "$25,000" and insert in lieu thereof $2,000".

Page 34, beginning on line 9, strike out "The President's determination thereof shall be final and conclusive, and a signed certificate shall be sufficient voucher for the expenditure of appropriations made pursuant to this section." and insert in lieu thereof "The President shall be personally responsible for the expenditure of appropriations made pursuant to this section, and such expenditures shall be supported by vouchers and shall be audited by the District of Columbia Auditor."

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

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

Mr. DIGGS. Mr. Chairman, I have had an opportunity to review the amendments which have been offered by the gentleman.

The gentleman has served on our committee with distinction. We were sorry to lose his understanding and insight into the problems of the District of Columbia.

Mr. Chairman, I believe that the gentleman is properly motivated here, and we are prepared to accept his amendments on this side.

Mr. KETCHUM. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. KETCHUM) to the committee amendment in the nature of a substitute.

The amendments to the committee amendment in the nature of a substitute were agreed to.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. DIGGS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. ANNUNZIO, 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. 15643) to reorganize public higher education in the District of Columbia, establish a Board of Trustees, authorize and direct the Board of Trustees to consolidate the existing local institutions of public higher education into a single Land-Grant University of the District of Columbia, direct the Board of Trustees to administer the University of the District of Columbia, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

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

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

Mr. LANDGREBE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 351, nays 11, not voting 72, as follows:

[Roll No. 414]

YEAS—351

Abdnor	Denholm	Karth
Abzug	Dennis	Kastenmeier
Adams	Dent	Kazen
Addabbo	Derwinski	Kemp
Anderson, Calif.	Devine	Ketchum
	Dickinson	King
Anderson, Ill.	Diggs	Kluczynski
Andrews, N.C.	Dingell	Koch
Andrews, N. Dak.	Donohue	Kyros
	Downing	Lagomarsino
Annunzio	Drinan	Latta
Archer	Dulski	Lent
Arends	Duncan	Litton
Armstrong	du Pont	Long, La.
Ashley	Eckhardt	Long, Md.
Bafalis	Edwards, Ala.	Lott
Baker	Edwards, Calif.	Lujan
Barrett	Eilberg	Luken
Beard	Erlenborn	McClory
Bell	Esch	McCloskey
Bennett	Eshleman	McCollister
Bergland	Fascell	McCormack
Bevill	Fish	McDade
Biaggi	Fisher	McEwen
Biester	Flood	McFall
Bingham	Flowers	McKinney
Blackburn	Foley	Macdonald
Boggs	Ford	Madden
Boland	Forsythe	Madigan
Bolling	Fountain	Mahon
Brademas	Fraser	Mallary
Bray	Frelinghuysen	Mann
Breaux	Frenzel	Maraziti
Breckinridge	Frey	Martin, Nebr.
Brinkley	Froehlich	Mathias, Calif.
Brooks	Fuqua	Mathis, Ga.
Broomfield	Gaydos	Matsunaga
Brotzman	Giaimo	Mayne
Brown, Calif.	Gibbons	Meeds
Brown, Mich.	Gilman	Mezvinsky
Broyhill, N.C.	Ginn	Michel
Broyhill, Va.	Goldwater	Milford
Buchanan	Gonzalez	Miller
Burke, Fla.	Goodling	Mills
Burke, Mass.	Gray	Minish
Burleson, Tex.	Green, Pa.	Mink
Burlison, Mo.	Grover	Minshall, Ohio
Burton, John	Gubser	Mitchell, Md.
Burton, Phillip	Gude	Mitchell, N.Y.
Butler	Guyer	Mizell
Byron	Haley	Moakley
Camp	Hamilton	Mollohan
Carney, Ohio	Hanley	Montgomery
Casey, Tex.	Hanrahan	Moorhead, Calif.
Cederberg	Harsha	
Chamberlain	Hays	Moorhead, Pa.
Chappell	Hébert	Morgan
Clausen, Don H.	Hechler, W. Va.	Mosher
	Heckler, Mass.	Moss
Clawson, Del	Heinz	Murphy, Ill.
Cleveland	Helstoski	Murtha
Cochran	Henderson	Myers
Cohen	Hicks	Natcher
Collier	Hillis	Nedzi
Collins, Ill.	Hinshaw	Nelsen
Conable	Hogan	Nichols
Conlan	Holt	Nix
Conte	Holtzman	Obey
Conyers	Horton	O'Brien
Corman	Howard	O'Hara
Coughlin	Huber	O'Neill
Cronin	Hudnut	Owens
Daniel, Dan	Hungate	Parris
Daniel, Robert W., Jr.	Hunt	Passman
	Hutchinson	Patman
Daniels, Dominick V.	Ichord	Patten
	Jarman	Pepper
Danielson	Johnson, Calif.	Perkins
Davis, Wis.	Jones, Ala.	Pettis
Delaney	Jones, N.C.	Peyser
Dellenback	Jones, Okla.	Pickle
Dellums	Jordan	Pike
Poage	Scherle	Udall
Podell	Schroeder	Ullman
Powell, Ohio	Sebelius	Van Deerlin
Preyer	Seiberling	Vander Jagt
Price, Ill.	Shipley	Vander Veen
Price, Tex.	Shoup	Vanik
Pritchard	Shriver	Veysey
Quie	Shuster	Vigorito
Railsback	Sikes	Waggonner
Randall	Skubitz	Waldie
Rangel	Slack	Walsh
Regula	Smith, Iowa	Wampler
Reuss	Smith, N.Y.	Ware
Rhodes	Snyder	Whalen
Riegle	Spence	White
Rinaldo	Staggers	Whitehurst
Roberts	Stanton, J. William	Widnall
Robinson, Va.		Wiggins
Rodino	Stanton, James V.	Williams
Roe		Wilson, Charles, Tex.
Rogers	Steelman	
Roncalio, Wyo.	Steiger, Ariz.	Winn
Roncallo, N.Y.	Steiger, Wis.	Wolff
Rooney, Pa.	Stephens	Wright
Rosenthal	Stokes	Wyatt
Rostenkowski	Stratton	Wydler
Roush	Stubblefield	Wylie
Rousselot	Studds	Wyman
Roybal	Sullivan	Yates
Runnels	Symington	Yatron
Ruppe	Taylor, Mo.	Young, Fla.
Ruth	Taylor, N.C.	Young, Ga.
Ryan	Thompson, N.J.	Young, Ill.
St Germain	Thomson, Wis.	Young, S.C.
Sandman	Thone	Young, Tex.
Sarasin	Thornton	Zablocki
Sarbanes	Tiernan	Zion
Satterfield	Traxler	Zwach

NAYS—11

Ashbrook	Collins, Tex.	Landgrebe
Bauman	Crane	Quillen
Brown, Ohio	Flynt	Rees
Clancy	Gross	

NOT VOTING—72

Alexander	Green, Oreg.	Metcalfe
Aspin	Griffiths	Murphy, N.Y.
Badillo	Gunter	Rarick
Blatnik	Hammer-schmidt	Reid
Bowen		Robison, N.Y.
Brasco	Hanna	Rooney, N.Y.
Burgener	Hansen, Idaho	Rose
Burke, Calif.	Hansen, Wash.	Roy
Carey, N.Y.	Harrington	Schneebeli
Carter	Hastings	Sisk
Chisholm	Hawkins	Stark
Clark	Holifield	Steed
Clay	Hosmer	Steele
Cotter	Johnson, Colo.	Stuckey
Culver	Johnson, Pa.	Symms
Davis, Ga.	Jones, Tenn.	Talcott
Davis, S.C.	Kuykendall	Teague
de la Garza	Landrum	Towell, Nev.
Dorn	Leggett	Treen
Evans, Colo.	Lehman	Whitten
Evins, Tenn.	McKay	Wilson, Bob
Findley	McSpadden	Wilson, Charles H., Calif.
Fulton	Martin, N.C.	
Gettys	Mazzoli	
Grasso	Melcher	Young, Alaska

So the bill was passed.

The Clerk announced the following pairs:

Mr. Murphy of New York with Mr. Blatnik.
Mr. Teague with Mr. Reid.
Mr. Carey of New York with Mr. Aspin.
Mr. Rooney of New York with Mr. Gettys.
Mrs. Burke of California with Mr. Dorn.
Mr. Melcher with Mrs. Green of Oregon.
Mr. Hawkins with Mr. Harrington.
Mr. Rarick with Mr. Gunter.
Mr. Badillo with Mr. Landrum.
Mrs. Chisholm with Mr. Culver.
Mr. Stark with Mrs. Hansen of Washington.
Mr. Alexander with Mr. McSpadden.
Mr. Clay with Mr. Hanna.
Mr. Rose with Mrs. Griffiths.
Mr. Holifield with Mr. Carter.
Mr. Brasco with Mr. Metcalfe.
Mr. Cotter with Mr. Johnson of Pennsylvania.
Mrs. Grasso with Mr. Findley.
Mr. Davis of Georgia with Mr. Robison of New York.
Mr. Sisk with Mr. Hansen of Idaho.
Mr. Bowen with Mr. Martin of North Carolina.
Mr. Davis of South Carolina with Mr. Hammerschmidt.
Mr. de la Garza with Mr. Schneebeli.
Mr. Clark with Mr. Kuykendall.
Mr. Jones of Tennessee with Mr. Symms.
Mr. Evans of Colorado with Mr. Towell of Nevada.
Mr. Lehman with Mr. Hastings.
Mr. Evins of Tennessee with Mr. Talcott.
Mr. Steed with Mr. Treen.
Mr. Stuckey with Mr. Hosmer.
Mr. Roy with Mr. Charles H. Wilson of California.
Mr. McKay with Mr. Young of Alaska.
Mr. Whitten with Mr. Bob Wilson.
Mr. Mazzoli with Mr. Steele.
Mr. Fulton with Mr. Leggett.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to reorganize public postsecondary education in the District of Columbia, establish a Board of Trustees, authorize and direct the Board of Trustees to consolidate the existing local institutions of public postsecondary education into a single Land-Grant University of the District of Columbia, direct the Board of Trustees to administer the University of the District of Columbia, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks on the bill just passed.

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

There was no objection.

SALARY INCREASES FOR THE DISTRICT OF COLUMBIA POLICE, FIREMEN AND TEACHERS; ANNUITY INCREASES FOR RETIRED TEACHERS; REAL PROPERTY TAXES AND REVENUE PROPOSALS

Mr. DIGGS. 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. 15842) to increase compensation for the District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to reorganize public higher education in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to provide for additional revenue for the District of Columbia; and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Virginia (Mr. BROYHILL) and myself.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. DIGGS).

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. 15842) with Mr. ECKHARDT 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 unanimous-consent agreement, the gentleman from Michigan (Mr. DIGGS) will be recognized for 30 minutes, and the gentleman from Virginia (Mr. BROYHILL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. DIGGS).

Mr. DIGGS. Mr. Chairman, I yield 12 minutes to the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, members of the Committee, this bill consists of four different bills which were considered in the District of Columbia Committee. The subcommittee which I chair was responsible for two parts of this bill.

The first part is the policemen and firemen pay amendments, and the other is the property tax and other tax measure amendments which are designed to finance the salary increases for policemen, firemen, and teachers in the District of Columbia.

What this bill provides for is a 16-percent across-the-board increase in the salaries of policemen and firemen of the District of Columbia. The Mayor and the Council of the District recommended 10 percent.

The last time the policemen and firemen of the District were given a pay raise was nearly 2½ years ago, in May 1972, and since May 1972, the cost of living has gone up over 18 percent in this metropolitan area. Even the bill as we have it is less than the cost-of-living increase since May 1972, the last year that the policemen and firemen received an increase.

The Mayor and the City Council stated that it did not have any extra money with which to pay an adequate increase for policemen or firemen, but I do not think that is a valid approach. I think we should pay good, qualified people what they deserve. It would certainly be foolish to say we could not pay the public safety forces in the District the salary because the money is not there. I think we have to pay them what they deserve, which is at least a cost-of-living increase, and we have to take the responsibility of raising the money.

What we have in title I, part 1, are salary increases, the 16-percent increase, and the cost of that will be something like $18.2 million. In part 2 of the title we set out a system to look at salaries every year. They do not have a system in the District of Columbia, and this is why the policemen and firemen had to wait nearly 2½ years. They did not have a regular personnel practice of assessing salaries on a yearly basis and then making recommendations to the Mayor and City Council.

What we have here is a salary study committee, appointed by the Mayor and employee representatives, that will make an annual salary survey, and this will be ready by at least June 30 of any given year, and they will look at salaries in comparable jurisdictions around the District of Columbia by looking at such things as cost-of-living increases. This survey will be made public by June 30.

We also have in this legislation a labor/management board which will supervise the negotiations with the affected groups of policemen and firemen for any salaries or any benefits that might be up for consideration that year. If they do not come to an agreement within 60 days and if mediation or fact-finding have not been successful, then either party, labor or management, can ask that there will be binding compulsory arbitration, and if nothing else is done in 10 days there shall be binding compulsory arbitration on a last-best offer package basis, which means that each side submits its last-best offer and the arbitrator must take the entire final offer of one or the other party.

In part 3 of this section of the bill we change the retirement procedure.

Instead of taking the salary on the last day a person works, we average the salary on a 1-year basis.

Just to compare it to Federal service there is a 3-year averaging for Federal service.

We also legislate regarding members who wish to retire under disability. If the Board of Police and Fire Surgeons feels that there is a valid claim, the Board then presents the case to the Police and Firemen Retirement and Relief Board, and when this latter board decides, only then a policeman or a fireman is retired on disability.

What this does in the procedure, really, is to change the burden of proof so that any person who feels that he has been injured in the line of duty can then come in, but he himself must prove that the injury is indeed an injury if the Board of Police and Fire Surgeons do not support his claim. Such persons also must prove that they received the injury in the line of duty.

The next title of the bill is the revenue section, because if we are going to increase the salaries of policemen and firemen, we have to go ahead and figure out how to do it.

We decided, after looking at the total pattern of District of Columbia revenues, that it would be good to look at one of the largest sources of revenue, which is the property tax. Last year, we developed a preliminary rewrite of the Property Tax Law of the District of Columbia. In January of this year we submitted this proposal to the City Council of the District of Columbia, and the City Council had hearings for a month or two. They came back with recommendations, and what we have here in this bill is more or less a balance, really, of our original bill and the recommendations by the City Council, and the City Administration, and the D.C. Assessor.

This legislation is absolutely necessary because the current property tax law in the District of Columbia was taken to court by Mr. Gilbert Hahn, and the court ruled that parts of the present law were unconstitutional, and just this Friday came down with its final ruling as to what the city must do with respect to assessments for this fiscal year.

Prior to the court case, all residential property was assessed at 55 percent, and commercial property was assessed at 65 percent. The court held, and the Mayor in his recommendations in January changed the property tax assessment procedure so that all property had to be assessed equally, and that would be at 55 percent.

What the court decided last Friday also was that the property tax assessment on any given parcel could not be changed more than once every 2 years—that is it created a 2-year assessment cycle.

What this did was to change the burden and change the revenue in the property tax in the District of Columbia.

In fiscal year 1974 the property tax yield was $138 million. Under the actual plan now, where everything is assessed at 55 percent, the income from the property tax base goes down to $132 million.

If the court case had not been brought and if property were assessed as it had been under the old formula, the income this year would be $146 million, so you might say that the court case really caused a loss of income to the District of Columbia of something like $14 million.

This sum would very easily, of course, pay for the increased police and fire and teacher salaries.

What the bill does—and I will go through this very quickly; with a checklist here—is establish a 100 percent assessment of all the property. Taxpayers do not have to worry about ratios. It is right down on the piece of paper, with the market value.

What we do also is to list the tax exempt property. We do not take it, but we would like the taxpayers to know exactly whom they are supporting in terms of tax exempt property in the District of Columbia.

We also have a report which is really to get comparability between property tax rates here in the District and in surrounding jurisdictions.

There must be an assessment every 2 years, and after the year 1978 there must be a reassessment every single year. By March 1 there must be a preliminary assessment roll, and all assessments must be published. They will be published either in the paper or the District of Columbia will publish these assessments of every piece of property in the District. They can be broken down in the neighborhood so that if a person wants to know what the assessments are of property surrounding his own property, in order to see that his property is fairly assessed, all he has to do is contact the city, and for a nominal fee they would give him a neighborhood breakdown. This would allow individuals to compare their assessments with other assessments, and if they think they have not been treated fairly, we have in this bill a Board of Equalization and they can take their complaints concerning their assessments to the Board of Equalization.

Mr. Chairman, the taxpayer has a notice, and on the notice it tells him what his property is worth, what the assessments are, and what the percentage of increase is, and the notice tells him what he can do about it, where he can go to protest and where he can find out all the assessments that are available in the public record.

Mr. Chairman, we have some tax incentive provided. We direct the City Council in the first 6 months of next year

to come up with specific recommendations for tax incentives for the rehabilitation of property and for the development of new construction in some of the areas that need to be rehabilitated in Washington, D.C.

We also give a break for historic property, as long as it is kept for that purpose.

We also have a tax deferral, if it develops the property tax increase is too much in any one year for a taxpayer to carry.

We also have something called a circuit breaker. This is a tax rebate to people who have incomes less than $7,000 and who rent or own in the District. The purpose of this is to try to equalize the burden of property taxes, because the property tax is a very burdensome tax on poor people. It is a very regressive tax.

Mr. Chairman, we also have an urban homestead procedure in the bill.

Then we also delegate to the City Council this year tax collecting powers which we in Congress now have, in case the District wants to go further than just setting a tax rate under this legislation.

We also propose a 5-percent parking tax on all parking, and this is designed to raise a million and a half dollars. We also delete the admissions tax to live performances, and that will constitute a loss of $300,000.

Mr. Chairman, I think all in all we have a very good bill. The City Council will have to act on this. They say that we are trying to dodge our duties, but really the City Council under the present law has the duty to set a property tax rate. And with the bill, the Council will set a rate with an improved property tax system and will be able to set other rates as well.

Mr. BROYHILL of Virginia. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I rise in support of H.R. 15842, a multipurpose bill which will provide salary increases for D.C. policemen, firemen, and teachers, and also increases in the annuities of certain retired D.C. teachers and of their survivors. The bill also will revise the existing D.C. Real Property Tax Act and make certain other changes in the city's tax structure. At the appropriate time, I shall offer an amendment to this latter title of the bill; however, I strongly support the enactment of this proposed legislation as a total entity.

The principal purpose of title I of this bill is to provide a well-deserved increase of 16 percent in the salaries of the officers and members of the Metropolitan Police Force and the Fire Department of the District of Columbia, effective as of July 1, 1974.

The need for this salary increase for D.C. policemen and firemen at this time is most urgent. Their last salary increase took effect on May 1, 1972—and the Consumer Price Index prepared by the U.S. Department of Labor shows that since that date the cost of living in the Washington metropolitan area has increased by approximately 18 percent. During the year of 1973, food prices in the District of Columbia increased by 25 percent, and since November of 1973, the local cost of electricity has gone up 10 percent. And as we all know, the cost of both heating oil and gasoline has soared in the last year.

Also, during the past 2 years all employees of the District of Columbia government, except for the policemen and firemen, have had salary increases which have enabled them to cope with these steadily increasing costs of living. During this period, the city's classified employees have had two raises under the Federal Pay Comparability Act totaling some 10 percent, and the blue-collar workers have also had two pay increases, totaling 11 percent. And in both of these cases, there will be another increase next October, apparently in the neighborhood of 6 percent. Furthermore, the teachers and other professional employees of the D.C. Board of Education have had two salary increases during this same interval of time, totaling 12 percent. Thus, the District's policemen and firemen, alone among the city's employees, have been obliged to struggle through the inflation of the past 2 years on salaries which were scarcely adequate in 1972.

The result has been that increasing numbers of these policemen and firemen have been forced to "moonlight" with second jobs to augment their inadequate salaries. Also, too many members of these forces have resigned in the face of this situation to accept higher paying jobs elsewhere. During 1973, I am informed, 338 members of the Metropolitan Police Force resigned voluntarily, and 114 more resigned during the first 4 months of this year.

It is also true that the salary scales for D.C. policemen and firemen have eroded badly during the past 2 years in the important matter of comparability with the salaries paid to such personnel in the suburban jurisdictions of the Washington Metropolitan area and also in the other large U.S. cities. This causes a serious problem in connection with recruitment and retention of high caliber men for these forces. Police and fire protection are much more difficult and hazardous in the District than in the suburbs, and thus any disadvantage with respect to starting salaries greatly increases the city's recruitment problem with respect to such personnel.

The salary increases provided in H.R. 15842 will alleviate this problem very materially, for the present at least. The minimum salary for privates will be increased from $10,000 to $11,600, and the maximum salary for privates from $14,400 to $16,705 per year. This will raise the comparative rank of the city with respect to minimum salary for police privates from 15th place to 7th place among the 29 large U.S. cities, and from 5th place to 1st place among the local suburban jurisdictions. In the ranking in regard to maximum salary for police privates, the District will rise from 7th to 1st place among the large cities, and from 2d to 1st place locally.

As for firemen's salaries, the District's ranking with regard to minimum salary for fire privates will be raised from 13th place to 7th place among the 29 largest cities, and from 4th place to 1st among the suburban jurisdictions. In the matter of maximum salary for fire privates, the District's ranking among the largest cities will be raised from 7th to 1st place; and locally it will remain in 1st place.

In connection with these comparative figures, I should point out that many cities maintain different salary scales for policemen and for firemen, as do some of the suburban jurisdictions in the Washington area.

I wish to point out that I do not consider this 16-percent increase in salaries for D.C. policemen and firemen truly adequate at this time. When their last salary increase was granted in 1972, there was an excellent case for an effective date of January 1 of that year, and I and some of my colleagues did our best to obtain that amount of retroactivity for that increase. We were not successful, however, and thus the effective date of May 1, 1972, was adopted, creating a financial disadvantage for these officers and members for which they have never been properly compensated. For this reason, I introduced a bill last January to grant these D.C. policemen and firemen a salary increase of 18 percent, retroactive to January 1, 1973.

This represented what I sincerely believe to be fair and equitable treatment for these public servants, whose salary increases have been historically all too infrequent. For example, since 1964 the classified employees of the Federal and District of Columbia Governments have had 10 salary increases, while the D.C. policemen and firemen have had only five. And while the total percentage increases have been nearly the same in both cases, this does not represent equitable treatment by any means, because the relative infrequency of the policemen's and firemen's raises have resulted in their constantly having to face increased costs of living with out-of-date salaries.

For these reasons, I feel strongly that the enactment of this proposed salary increase for these gallant public servants who risk their lives daily in protecting the public, inadequate though it is for truly equitable treatment, is of urgent importance. And it is my hope that the elected D.C. government will act in the future to provide more frequent salary increases even though in smaller amounts, to these policemen and firemen, so that they may no longer face the necessity of always striving to "catch up" with respect to salary.

This title also changes the basis for the computation of annuities for retiring policemen and firemen, which are presently computed as a percentage of the retiree's salary at the time of his retirement. Beginning on July 1, 1975, such annuities will be computed on the basis of the retiring member's average salary during his 12 consecutive months of highest salary. In this connection, I succeeded in getting an amendment incorporated into the bill which will assure any member who has been retired for less than 12 months under this new system when an increase in annuities occurs by reason of a salary increase for the active members—through the "equalization" provision which is a part of the Policemen and Firemen's Retirement and Disability Act as amended in 1925—of

receiving an increase in his annuity in a percentage amount prorated upon the part of a year he has been in retirement. Thus, such a member who has been retired on this 12-month average salary basis for a period of 6 months when a 10-percent salary increase goes into effect for the active members will get a 5-percent increase in his annuity under the equalization clause. This provision will preserve the integrity of the equalization provision for retired members of the D.C. police and fire departments under this new system for computing pensions, in a fair and equitable manner.

I also sponsored an amendment to this title which will prevent a member who retires for disability from being required by the D.C. Commissioner to undergo a medical examination to reaffirm the cause of his disability, after such retiree reaches the age of 50 years.

Title II of H.R. 15842 provides for salary increases for teachers and other professional employees of the District of Columbia Board of Education.

The provision is for a two-stage increase, with 10 percent effective on September 1, 1974, and an additional 3 percent to take effect January 1, 1975.

The effect of this title will be to increase the starting salary for teachers with the bachelor's degree from the present level of $8,770 per year to $9,650 on September 1, and $9,940 next January 1. The maximum salary for such teachers, attainable after 15 years of service, is presently $14,665; this will increase to $16,130 on September 1, and to $16,615 in January.

The starting salary in the most highly paid category of teachers, those with the master's degree plus 60 hours, or the doctor's degree, will be increased from $10,530 per annum to $11,585 in September, and to $11,935 on January 1. The maximum salary for such teachers, now $18,135 per year, will become $19,950 on September 1, and $20,550 next January 1.

The combination of these two stages will effect an overall increase equivalent to some 13.35 percent.

At the present time, the District of Columbia ranks second among the jurisdictions comprising the Washington Metropolitan area in starting salaries paid to teachers with the bachelor's degree, and fifth in the area with respect to maximum salaries paid such teachers. In comparison with the 29 largest U.S. cities, the District ranks fifth in starting salaries and 11th in maximum salaries for teachers with the B.A. degree.

As in the case of salaries for police and fire privates, these comparative rankings, particularly in the minimum range, are of great importance as they affect the recruitment of competent teachers in the District of Columbia, where teaching conditions are more difficult than in the suburban school systems.

Under the provisions of H.R. 15842, the District's ranking in the matter of teachers' salaries, both in the metropolitan area and as compared with the other large cities, will improve materially. Among the seven local jurisdictions, the District will rank first next September 1 in both minimum and maximum salaries for teachers with the B.A. degree; and as compared with the 29 largest cities, the District will rank second in both minimum and maximum salaries for the B.A. teacher, also as of September 1. Then of course, these standings will be further strengthened by the second-phase increase of 3 percent which will take effect on next January 1. It must be remembered, however, that teachers' salaries may be increased in some of these other jurisdictions before next January, and hence this second increase provided for D.C. teachers is important as a means of maintaining these favorable comparative rankings.

The teachers in the District of Columbia public school system last had a modest salary increase of 5 percent in September 1973, which served only to afford them an adequate income under the economic conditions which prevailed at that time.

It is estimated, however, that during the period of 1 year between September 1973 and September 1974, the cost of living index in the Washington Metropolitan area will increase by at least 10 percent. As I have pointed out, the city's classified employees, as well as those of the Federal Government, received an increase from 4.8 percent in November of 1973, and are scheduled for another increase, apparently of at least 6 percent, in October of this year. In view of these facts, certainly the 10 percent increase which this bill will afford the District's teachers in September of this year, plus the small 3 percent further increase to become effective next January 1, are thoroughly justified, in simple equity to these essential personnel upon whom the educational system in our Nation's Capital depends.

This title of H.R. 15842 also authorizes the present District of Columbia Council to increase the rates of any or all of a broad spectrum of city taxes, as may be necessary to meet additional expenditures resulting from the salary increases provided herein for teachers. This same authority is granted the D.C. Council in title IV of this bill for raising additional revenues to meet additional costs incident to the salary increases for policemen and firemen provided in title I. At present, the D.C. Council is empowered to set the rates only for the D.C. tax on real property.

We are advised that the total cost of the salary increases provided in this bill for D.C. policemen, firemen, and teachers will be some $32.2 million, and that the District has $18 million available for this purpose in its budget for the present fiscal year as approved by the House. This leaves an apparent deficit of $14.2 million for this fiscal year, which the city is authorized to obtain through tax increases, to the extent that this amount may not be made available for this purpose through reallocation of funds within the city's present budget structure.

In connection with salary increases and the costs thereof, I believe that my record of 22 years in the House of Representatives shows clearly that I am a stanch and consistent advocate of economy in government. However, I wish to state emphatically that I have never advocated fiscal economy at the expense of equitable and justified salaries for government employees. I stand firmly on the position that such financial justice must be afforded all employees, and that the cost involved must be met on the basis of the highest priority. In the case of the policemen, firemen, and teachers in the District of Columbia, therefore, I maintain that truly adequate and appropriate salaries must always be provided them, and the money for this purpose must be made available—through increased local taxation to the extent that such increases may fairly be levied, through reallocation of existing city revenues where feasible on a basis of proper priorities, or through increased payment to the city from Federal funds to whatever extent may be necessary.

The language of title III of this bill is identical to that in the bill H.R. 13970, which I introduced on April 4 of this year and on which public hearings were held. Thus, I am the sponsor of this title.

The purpose of title III is to provide increased annuities for certain retired D.C. teachers, identical to those which have recently been approved for civil service retirees, designed specifically to improve the annuity structure for those retirees who presently are receiving inadequate annuity incomes.

The first provision of this title will establish a floor, or minimum annuity level, for all retired District of Columbia teachers, equal to the minimum being paid under the social security system. Further, this minimum figure will be increased in the amount of any future increases which may be provided for social security beneficiaries. At present, this minimum level is $93.80 per month.

It is further provided that the monthly rate of annuity payable to a surviving child will also be not less than the minimum benefit paid under social security both now and in the future, or three times that minimum amount divided by the number of surviving children entitled to an annuity, whichever is the lesser.

It is provided, however, that these minimum amounts shall not apply in the case of any retired teacher or survivor who receives, in addition to his annuity under the D.C. Teachers Retirement Act, social security benefits or any other annuity from the United States or the District of Columbia government which, when added to his annuity received under the Teachers Retirement Act, equals or exceeds the minimum amount being paid under the Social Security Act.

I am advised that at present, there are 30 retired D.C. teachers whose annuities are less than $93.80 per month, and who thus would benefit from this provision in H.R. 15842. This assurance of an improved annuity to these 30 retirees is obviously justified, to say the least, in view of the rate of inflation with which the economy of this country is presently beset.

The other principal provision of title III will increase the annuities of all teachers in the District of Columbia public school system who retired prior to October 20, 1969 by $240 per year. Also, the annuity payable to the surviving spouse of a D.C. teacher, if based on a retirement prior to that same date, shall be increased by $132 per year.

The rationale for this additional annuity payment based upon a retirement date prior to October 20, 1969 is that ef-

fective on that date the D.C. Teachers Retirement Act was liberalized considerably, and substantial improvements in benefits were provided for teachers retiring after that date. The major such improvement was a change in the salary figure used as the basis for computation of a teacher's annuity, from the average of the teacher's highest 5 years of salary to the average of his highest 3 years of earning. At about that same time, this same change in computation of annuities was also authorized for retirees under the Civil Service Retirement Act.

As a result of this change, D.C. teachers who retired before October 20, 1969, have been receiving substantially lower annuities than have teachers of comparable salary placement who have retired since that time. Inasmuch as all these retired teachers must face the same spiraling costs of living, for which even the more liberalized annuities are no more than adequate, it is my opinion that this additional $20 per month for the older retired D.C. teachers or $11 per month for their surviving spouses is thoroughly justified. I am informed that some 1,553 annuitants will benefit from these increases.

Historically, the Congress has kept the D.C. teachers retirement system abreast of the civil service retirement system in the matter of retirement benefits. The enactment of title II of H.R. 15842 into law will serve only to maintain this traditional equality, since every benefit provided in this proposed legislation for D.C. teacher retirees has been extended to classified employees retired under the Civil Service Retirement Act in Public Law 93–273, which was approved on April 26, 1974.

It is estimated that the cost of the benefits provided in this title for the present fiscal year will be some $290,000. This estimate is based on the assumption that the provision of this title will become effective as of November 1 of this year, which is approximately true since the effective date of this title is 90 days after its enactment into law. By far the greater part of this cost is involved in the additional annuities provided for the older retirees or their surviving spouses, however, and hence this figure will decrease each year until all these annuitants have passed away.

I feel strongly that these modest additions to the pensions of these annuitants under the D.C. Teachers Retirement Act, provided in title III of this bill, represent only a minimum of fair and equitable treatment for these retirees in view of the economic conditions with which they must cope and also because we have granted these same benefits to retirees under the civil service system.

Title IV of this bill is devoted to several aspects of the tax structure in the District of Columbia.

The first major provision of this title establishes the basis for the assessment of all real property in the District at 100 percent of fair market value. Heretofore, residential real property in the city has been assessed at 50 percent, and commercial real property at 65 percent of fair market value. This difference has been the subject of recent court action, a result of which was a decision by the D.C. Council last January that the assessment rate on private real property would be increased to 55 percent, while that on commercial property would be lowered to that same amount. This decision proved unsatisfactory for two reasons. First, it resulted in a prospective loss of $14 million in revenue to the city for fiscal year 1975. And second, it posed an inequity to the private property owners, who would be obliged to pay a greater share of the real property tax revenues while the commercial property owners would pay substantially less.

This provision of title IV will obviously be more equitable in its application. In order to accrue the same amount of revenues from this source as under the old system of assessed values, the tax rate on real property would be reduced from $3.32 per hundred dollars of assessed value to $1.83 per hundred. The D.C. Council, however, is authorized to set this rate at whatever level they wish.

This title also provides for some real property tax relief for the elderly and for lower income homeowners, as well as some tax incentives to encourage the improvement or rehabilitation of real property in depressed areas of the District. Tax relief is provided also for historic properties in the city, including tax incentives for the rehabilitation and maintenance of such properties.

As I have stated earlier in these remarks, title IV of H.R. 15842 also authorizes the present D.C. Council to increase the rates of any of the city's existing local taxes in order to meet the cost of the pay increase provided in title I for D.C. policemen and firemen.

Section 505 or this title repeals the 5 percent tax on admissions to live productions of the performing arts in the District. It is estimated that this will result in an annual loss of $300,000 of revenue to the city.

With the exception of this section 504, I commend this bill to my colleagues for favorable action.

Mr. DIGGS. Mr. Chairman, I yield 8 minutes to the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, the subcommittee that this gentleman chairs is responsible in large measure for reporting title II and the title III of the bill before the committee this afternoon. I would like to begin on the question of the increased compensation for teachers. At the time the subcommittee began to hold hearings on the question of increased compensation for teachers, it became clear that the city government and the Board of Education and the teachers' union were seriously engaged in the process of collective bargaining, and based on the fact that we were unequivocally in support of the process of collective bargaining we voted to suspend any action on this matter until an agreement should be reached among the various parties involved in the collective bargaining process itself.

As the chairman may know, this is perhaps the last year that we as Members of Congress by law will be required to address ourselves to the issue of increased pay for the teachers. As the chairman of the Subcommittee on Education I was asked by the various parties to participate in the mediation sessions to try to bring about an agreement among the Board of Education and the city government and the teachers' union. We met on several occasions and I met in all the various caucuses which were held on numerous occasions but the collective bargaining process was not able to help come to any resolution on the problem. Unfortunately, we therefore find ourselves today as Members of Congress having to address questions of increased compensation for teachers in the District of Columbia.

The proposal that we advocate in title II of this bill is in effect a compromise between the position established by the city and the School Board and the position established by the teachers' union. It is unfortunate that we have to address ourselves to this problem again, but in view of the fact that the collective bargaining process was not effective and also that we are required by law to act we are making a proposal to this body.

PURPOSES OF THE TITLE

Title II of the bill H.R. 15842 will amend the District of Columbia Teachers' Salary Act of 1955, principally to provide increased salaries thereunder in a two-stage sequence; to provide new revenues sufficient to meet the additional costs which will accrue as a result of the enactment of this title, to suggest dates and procedures to the District of Columbia government for providing a yearly review of compensation rates, and to establish a 5-year renewable certificate for all class 15 employees.

SALARY INCREASES

A two-stage salary increase is provided in this title as follows:

First, the first increase is to become effective September 1, 1974. This provision will increase the effective salary of the Superintendent from $39,500 to $40,000. The salary of the Deputy Superintendent will be raised from $33,000 to $36,000. The salaries of all other professional employees will be increased by 10 percent.

As far as teachers and other employees in salary class 15 are concerned, the starting salary will be increased from $8,350 to $9,650, and such a teacher's maximum salary will increase from $13,965 to $16,130, attainable after 15 years of service. The minimum salary for teachers with a master's degree will increase from $9,190 to $10,615 and the maximum from $16,300 to $18,825, also after 15 years.

A description of the effect these raises will have upon the competitive position of District of Columbia teachers' salaries as compared with those paid teachers in the school systems in the other jurisdictions of the Washington metropolitan area, as well as with those paid in other U.S. cities of comparable size, is presented in the report.

Similar increases are provided also for teachers and administrators serving in the summer schools and the adult education program.

Second, the second increase is to become effective as of January 1, 1974, and shall be an increase of 3 percent computed on a compounded basis. It is the intent of Congress that current salaries

shall be increased by 10 percent on September 1, and on January 1 the September salaries will be further increased by 3 percent. For example, class 15 group A will be increased as follows: Current, $8,770; September, $9,650; January, $9,940.

Except that the salary of the Superintendent may not be increased above $40,000 and the salary of any other position may not be increased above $36,000.

ESTABLISHMENT OF YEARLY REVIEW OF COMPENSATION RATES

Beginning with 1975, the Board of Education shall by March 1 of each year, submit to the Mayor the following:

The percentage rate of the cost-of-living change since the effective date of the last revision of the compensation schedule with respect to the teachers of the District of Columbia school system.

The results of a study comparing compensation of the teachers in the District of Columbia with teachers in cities of comparable size and teachers within jurisdictions in the Washington metropolitan area.

The Mayor shall submit the data submitted to him by the Board to the Council along with his recommendations with respect to compensation—and other related matters—of teachers of the District of Columbia school system.

The principal thrust of this section is to establish a system and procedures consistent with the District of Columbia Self-Government and Governmental Reorganization Act. This will provide all of the parties concerned a better opportunity to control the course of events involving the process of collective bargaining between labor and management in the establishment of the rate of compensation and other related matters. Testimony was received that this is the most desirable system to be instituted in light of the self-determination intent of the home rule legislation.

It is the intent of this section to simply suggest guidelines to the newly elected Council. It is free to use any other factors that it may deem necessary and appropriate.

The committee is fully aware that it is within the jurisdiction of the Board of Education to establish the rate of compensation of substitute teachers. However, the committee is of the opinion that there should be a complete review and an increase in the rate of compensation for this category of teachers. Testimony by Ms. Barbara Sizemore, Superintendent, District of Columbia Public Schools, indicated that the last adjustment in the rate of compensation for substitute teachers was July 1, 1969. The rate was then established at $28 per day.

A survey was conducted by the school system and yielded the following information:

Rate of compensation in Montgomery County is $29.80 per day to be increased to $31.81 in September of 1974.

Rate of compensation in Arlington is $22 per day. Based on this data, the committee urges the D.C. School Board to complete its review and to enact substitute teachers' pay increases so that this category of employees can be adequately compensated.

CHANGES IN DEGREE REQUIREMENTS FOR TEACHERS AND SCHOOL OFFICERS

This bill also amends the Teachers' Salary Act of 1972 in the following manner: First, returns the degree requirement for attendance officers and child labor inspectors; and second, to include in class 15 group B not only those persons possessing a master's degree, but also those who have 30 hours of appropriate course credit beyond the bachelor's degree. The Board is authorized to determine the appropriateness of the course work presented in lieu of a master's degree.

NEED FOR SALARY INCREASES

Salaries for District of Columbia teachers and school officers were last increased in October 1972 (Public Law 82–518) in two stages. The first increase was 7 percent retroactive to September 1, 1972; the second increase was 5 percent effective September 1, 1973. This was a cumulative increase of 12 percent and thereby established a satisfactorily competitive pay scale for District teachers with the bachelor's degree provided in that act ranked in the upper quartile of the 29 largest cities, all with a population in excess of 500,000.

The extent to which this competitive position has deteriorated for school year 1974–75, by reason of substantial increase in teachers' salaries in some of the suburban jurisdictions is shown in the following table, which also reveals the extent to which this disadvantage will be overcome by the 13-percent salary increase for District teachers provided in this title.

Statistics presently available indicate that there has been a continuing increase in the rate of compensation for teachers in most jurisdictions. The trend nationally is roughly a 6-percent yearly increase. Consequently, the strong competitive position enjoyed by the District at the time of the last pay increase in 1972 has eroded.

POSITION OF DISTRICT OF COLUMBIA GOVERNMENT

Salaries for District of Columbia teachers and school officers were last increased in September 1973 by Public Law 92–518. That law increased salary levels in two steps, an average of 12 percent, and thereby established a highly competitive pay scale for District teachers in relation to salaries paid other teachers in Washington metropolitan area.

The District government believes that for the purpose of setting salaries for District teachers and school officers, the following policies should continue to be used as general guides:

First, that the minimum salaries for District of Columbia public school teachers should be significantly higher that minimum salaries paid by school systems in the Washington metropolitan area;

That the maximum salaries for District public school teachers should be close to the highest rates paid in the area; and that salaries for District public school officers should be close to the highest salaries paid by school systems in the Washington metropolitan area. Because suburban areas provide other advantages, such as savings in travel time and fewer socioeconomic problems, large city school systems must be able to offer a competitive salary if they are to attract and retain capable and enlightened teachers and school officers. For the District government to pay the same as that paid by local school jurisdictions would place us at a decided competitive disadvantage since a young teacher would generally prefer to teach in a suburban school system if there was no difference in salary as an attractor.

Second, that salaries of District of Columbia school teachers and officers should be in a very favorable competitive position with those at the Nation's largest cities, particularly those cities which are likely to recruit personnel from the same areas as the District—for example, Philadelphia, Pittsburgh, Baltimore, and New York. The next few years are vital, and there is every likelihood that key administrative personnel will continue to be sought from outside of the District's public school system and certainly key administrative personnel in our own school system will be highly sought by others.

The committee agrees that these policies are important because they establish sound guidelines for salary administration and set a logical basis for providing competitive salaries for our educational employees.

The District feels that a 10-percent increase is adequate to implement these policies. The committee disagrees, and, based on the testimony and the committee's deliberation, concluded that a 13-percent salary increase is the minimum amount necessary to implement these policies.

It is the position of the committee that a 10-percent increase effective January 1, 1975, does not adequately consider all the significant factors that should be considered to adequately compensate District teachers.

During committee deliberation the following factors were considered and adopted in arriving at a 13-percent increase:

First. The rapid inflation that has occurred since the last compensation rate increase. Testimony revealed that this figure is now beyond the 16 percent.

Second. The inordinate high cost of living in the District; and

Third. Further discussion and deliberation revealed the feeling of the committee that teachers are the most underpaid professionals in the United States. As the professionals who, to a large degree are responsible for shaping the minds of America's young, they should be duly compensated, commensurate with the charge of their profession.

On the question of whether a 13-percent increase for teachers will assure a better delivery of educational services to the citizens of the District of Columbia, the committee felt that the assurance is no greater or less than an assurance that a 16-percent increase to firemen and policemen would produce a better delivery of these services. The 13-percent increase, however, is calculated to attract

qualified teachers to the District of Columbia public school system.

Public hearings on this proposed legislation were held by our Subcommittee on Education on May 30 of this year. Testimony was received from spokespersons for the District of Columbia government, the D.C. Board of Education, the District of Columbia public schools administration, the Washington Teachers Union, Council of School Officers, and the D.C. Retired Teachers Association.

It is estimated that the 13-percent increase will cost $13.8 million for fiscal year 1975. The funds necessary to make up the difference between the 10-percent increase recommended by the District government and the 13-percent recommended by this committee will come from the revenues raised by the new taxing authority authorized by this title, and from the property tax revenue bill described elsewhere in this bill.

For the reasons stated above, the committee strongly recommends favorable action on this title.

Title III provides a minimum monthly retirement annuity for the District of Columbia school teachers who retired prior to October 20, 1969, which would be equivalent to the minimum amount the Congress provided for social security recipients, which is presently $93.80.

The present provision, approved August 7, 1946 (D.C. Code tit. 31, section 725) is amended to provide for an adjustment in annuities for approximately 1,553 teacher retirees, many of whom are on fixed incomes and will be unable to keep pace with the current economic conditions.

In 1966 the D.C. government requested that Congress appropriate $60 million to the fund for retired teachers. The District Education Association was opposed to this figure at that time, claiming that it was not only shortsighted, but based on the needs of 1966, instead of considering inflation in years to come.

This legislation, however, was passed by Congress and the D.C. government was appropriated the $60 million it requested.

Congressionally approved pay increases for D.C. teachers and school officers based on District government recommendations have totaled 53.1 percent in the period July 1966 to September 1973 while for the period July 1966, through October 1973, classified pay has increased by 49.1 percent.

Teachers who retired prior to October 20, 1969, are not receiving annuities equivalent to other District of Columbia employees who retired prior to that date. Title III of the reported bill (H.R. 15842) provides the same increases for the District of Columbia school teachers who retired prior to October 20, 1969, that the Congress has provided for classified employees of the District of Columbia and all classified Federal employees. The bill also provides for annuities for surviving children of the annuitant to be the equivalent of the minimum provided for social security beneficiaries.

On May 30, 1974, hearings were held by the Subcommittee on Education. Witnesses included Members of Congress and Representatives of the District of Columbia government, the Washington Teachers Union, and the D.C. Retired Teachers Association.

The District government was opposed to the bill due to cost thereof.

Representatives of the District of Columbia government at the hearing on this legislation estimated its cost to be $292,000 for fiscal year 1975.

Subsequently, the following detailed cost estimates on this title were supplied the committee by the D.C. government, based on actuarial figures provided by the U.S. Treasury.

Mr. BROYHILL of Virginia. Mr. Chairman, I have no further requests for time.

Mr. DIGGS. Mr. Chairman, I yield 7 minutes to the gentleman from Kentucky (Mr. NATCHER).

Mr. NATCHER. Mr. Chairman, first I would like to say to the members of the committee that I dislike finding myself in disagreement with my distinguished friend, the chairman of this committee, the gentleman from Michigan (Mr. DIGGS) and also the distinguisned gentleman from California (Mr. REES).

Mr. Chairman, I say to you quite frankly that I think the chairman of this committee has worked harder on the legislation and the matters before his committee than most any chairman of any committee in the House. He has worked hard on all of these bills. I think he has endeavored at this time to do something for the District of Columbia. I know the distinguished gentleman from California (Mr. REES) is one of the ablest men in the House, and he too is doing everything in his power to bring to this House and to this committee good bills, bills that are in the interest of our Nation's Capital.

Mr. Chairman, I do think, in all fairness to the Members of the House of Representatives and members of this committee, there are several matters I should point out at this time. Mr. Chairman, as you well recall, on June 28 of this year, just a few weeks ago, we brought before this House a District of Columbia budget for fiscal year 1975, and in this budget we set up a reserve of $18 million for salary increases for teachers, firemen and for the city police department. That is in reserve in the overall budget for fiscal year 1975 for the District of Columbia. The Mayor of the city and the City Council, sent to the Congress a budget requesting $18 million for this purpose. This is a 10-percent increase for the policemen, firemen, and teachers.

Mr. Chairman, we brought that bill to this floor and recommended it to the House. The House accepted it. The $18 million is in the budget for fiscal year 1975. I think this committee should keep in mind that in the budget for fiscal year 1975 we have $1,382,938,000 for the District of Columbia.

Here in our Nation's Capital they have about 746,000 people.

Mr. Chairman, in addition to the $18 million in the budget for fiscal year 1975 we have a total of $724,078,500 in Federal funds in that budget. Now, think about it. A little over $700 million.

In the bill before this committee we have one tax provision which my distinguished friend from Virginia (Mr. BROYHILL) says at the proper time he will offer an amendment to take out of the bill. That is the $1,500,000, parking tax. There is only one tax provision in this bill, and that tax provision applies to the parking tax and it will raise in revenue between $1,300,000 and $1,500,000. Not one dime is provided in this bill to take care of the additional 6 percent increase in salary increases for policemen, firemen, and teachers.

This totals $14,200,000. That is in addition to the $18 million that we have in the regular budget for fiscal year 1975.

Mr. Chairman, where is this money coming from?

I want the chairman to know quite frankly, and I think in all fairness to the members of this committee I should say that if any request is brought to our Committee on Appropriations for a one-shot Federal funding of $14,200,000 in addition to the Federal funds for this purpose, Mr. Chairman, we do not intend to recommend it to the House. The Federal payment now, as the chairman knows, is up to $221 million.

Mr. Chairman only $3,200,000 is left out of the authorized Federal payment of $230,000,000.

The Mayor did not ask for this 6-percent increase. The City Council did not ask for this 6-percent increase. I have read articles to the effect that one of the members of the committee on the other side said this additional $14,200,000 will come in a one-shot Federal payment which they will ask the House to appropriate. That is in addition, Mr. Chairman, to the $221 million that we have in the regular bill for fiscal year 1975.

Mr. Chairman, when they sent us the budget for fiscal year 1975, they made no proposal whatsoever for any increase in taxes for any purpose. They asked for an additional Federal payment. They asked for more Federal money, but not 1 dime by way of increase in taxes.

It was strictly a political budget. This is the year that the Council runs, and this is the year that the Mayor runs. They were not willing to increase taxes but they wanted more Federal money.

They do not make any provision whatsoever for the taxes to pay these increases, and on the other side they make the proposal whereby there will be another Federal payment requested of the House and of the Senate of $14,200,000 to pay this additional money.

Mr. Chairman, we do not intend to recommend it.

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

Mr. NATCHER. I yield to my distinguished friend, the gentleman from California.

Mr. REES. Is it not true that traditionally the City Council and the Mayor and members of the police, fire, and teacher groups present a salary proposal that is always way below what is a realistic proposal because Congress now has the decency, if they wish to have a decent government here, to pay relatively equal salaries? Then we also have the duty to come up with a tax bill to pay for that, do we not?

This has been a traditional copout in the District of Columbia. It happens every time there is a proposed salary

increase. They always figure it way low because we come and take the responsibility and grant the increases; is not that true?

Mr. NATCHER. They asked for $18 million, for a 10-percent increase in salaries for police, firemen, and teachers. The House approved it. Nothing was said about any additional increase, and there is not one dime of tax increase in this bill to take care of the increase.

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

Mr. BROYHILL of Virginia. Mr. Chairman, I yield 3 additional minutes to my friend, the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I want to thank my friend for yielding 3 additional minutes to me.

If the city of Washington wants a 16-percent increase in salaries for these people—and I do not say to the gentleman from California (Mr. REES) that it may not be necessary at this time; I do not say that—if they want an additional 6-percent increase over and above the amount that was requested in the budget, let them increase taxes downtown.

They submitted to us a budget with no increase in taxes in the city of Washington of any nature. We want an increase in the Federal payment they said but no increase in taxes.

At this time we have a little over $3 million left in the Federal payment. We save that for emergencies.

Mr. Chairman, it takes $14,200,000 in addition to the $18 million in this bill to fund the 16-percent increase. Why not let it be $18 million? Let it be a 10-percent increase, as is provided in the budget for fiscal year 1975, and downtown if they want another 6-percent increase, I say to my distinguished friend, the gentleman from California, let them provide the money for the increase.

Mr. REES. Mr. Chairman, if the gentleman will yield further, I might say to the gentleman that he said it is an election year, and it is an election year.

Mr. NATCHER. That is correct.

Mr. REES. So this so-called balanced budget is nothing more than a voting copout so they can say, "Look, we did not increase your taxes. It was Congress that increased your taxes."

However, we do not want to take this out of the hides of policemen and firemen, do we? We do not want to tell policemen and firemen, "We are sorry. Inflation is going up at 18 percent, but because it is an election year, you are just going to get a 10-percent increase."

Mr. NATCHER. Mr. Chairman, may I say to the gentleman that I agree with him. This is a perfect copout. There is no question about that. It is a political budget. It is sent up here with no increase in taxes in the city of Washington and all with Federal funding.

Let me say to the gentleman that a 10-percent increase in salaries at this time is pretty good. It is $18 million additional. It is in the budget.

If they will increase taxes downtown to take care of this $14,200,000, I will join with the gentleman.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. NATCHER) has expired.

Mr. BROYHILL of Virginia. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, if I might respond to the question asked by the gentleman from Kentucky, in this bill we rewrite the property tax in the District of Columbia.

Now, the tax rule was just released Friday by the courts, and it is virtually impossible for this body to set a tax rate for the District of Columbia, especially since we have given over to the Council of the District of Columbia the power to set the tax rate.

They are probably going to have to raise the tax rate. If they raise the tax rate to bring in as much money as would be brought in by the District of Columbia property tax as it existed last year, they would be bringing in $146 million, and that would take care of the $14 million total increase in the salaries. That is what they would do if they took the old system and projected it on to the current tax rate.

So this is a self-financing bill. The City Council has to set a tax rate. They do not have a tax rate that is valid now because of the court cases. With the procedures in this bill, they will have to set a tax rate, and they can set the tax rate to pick up whatever is necessary to pay what I think are very necessary salary increases.

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

Mr. REES. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, does the gentleman agree with me that as far as the funding for the increases in salaries in this bill are concerned, we only have $18 million for that purpose.

Mr. REES. Mr. Chairman, we have in this bill whatever the City Council will raise for this purpose.

Mr. NATCHER. Mr. Chairman, will the gentleman yield further on that point?

Mr. REES. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, assuming the City Council does what it has done certainly since January 1 of this year—and that is to do nothing—where is the money coming from for the $14,200,000?

Mr. REES. They will have to set a tax rate or they will not have any money to run the government of the District of Columbia.

Mr. Chairman, I agree with the gentleman when he was talking about the Federal payment and he was discussing the fact that the Senate might try to finance this through Federal payments. I will agree with the gentleman. I will defer to the gentleman as chairman of Subcommittee on the District of Columbia Appropriations, because I think the money has to be raised through the tax system of the District of Columbia and not through the Federal payments. So I agree with the gentleman.

However, even if we do not do anything here, the City Council is going to have to set a tax rate. They have had that duty and that responsibility for years.

Mr. NATCHER. Mr. Chairman, will the gentleman yield further?

Mr. REES. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, is it not true that in H.R. 15842, the bill which we are now considering, there is only a tax increase provided of $1,500,000, and that comes from the parking taxes? Is that not true?

Mr. REES. Mr. Chairman, it is true the actual tax increase in here is $1.5 million. However, we also establish a complete recodification of the property tax, and, therefore, under this bill the City Council will have to set a tax rate. And we also delegate the power to raise other tax rates.

Mr. BROYHILL of Virginia. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I would like to address a question to the gentleman from Kentucky (Mr. NATCHER). I would like to point out first that all of us respect the issue raised by the gentleman from Kentucky in trying to keep down the overall spending as much as possible, and most certainly all of us would like to keep the Federal payment to the Nation's Capital as low as possible.

However, we in the Congress have voted to delegate much, if not all, of the legislative control over the Nation's Capital to the people of the District of Columbia; but that will not take effect until January 1 of next year. In the meantime, we have the responsibility of legislating pay increases to provide for proper salaries to the policemen and firemen of the District of Columbia.

Now, after exhaustive hearings and study, we have learned that it will require at least a 16-percent increase to enable the policemen and firemen in the city to maintain the status quo, or to meet the increased costs of living.

Mr. Chairman, does the gentleman feel that we should have that increase postponed or delayed or denied because we have not met our responsibility in raising revenues to pay for this or, rather, in requiring the city to cut certain other spending and meet this expense by reestablishing their fiscal priorities?

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

Mr. BROYHILL of Virginia. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, is it not true that the Mayor and the City Council sent us a budget for a 10 percent increase, asking for $18 million, which was approved by this House?

Mr. BROYHILL of Virginia. The gentleman is correct.

Mr. NATCHER. Where would we get the $14,200,000 additional for the 6 percent increase in salaries which is not provided for in the budget?

Where is the money coming from?

Mr. BROYHILL of Virginia. From several areas. As the gentleman from California pointed out, the District of Columbia Council has the authority to raise the real property tax. Let me make this observation. The city is limited in the amount they can raise. If they raise revenues of the District of Columbia so that they are not comparable to those in the suburbs on real prop-

erty taxes, income taxes, and sales taxes, then the result will be a loss of returns. So there is a limit to the amount they can raise by taxation. If they cannot raise them, and if they cannot rearrange their priorities, then we will have to enact an increase in the Federal payment.

Mr. NATCHER. Mr. Chairman, if the gentleman will yield further, I would like to ask the gentleman from Virginia if it is not true that the Mayor appeared before the committee on the other side within the last 2 weeks, and said that I will not ask for a salary increase in excess of $18 million that is in the budget. We do not have any money to pay any increases above that. Where is the money coming from? And then is it not true that one of the Members on the other side said he would incorporate in their bill a one-shot $14.2 million additional Federal payment, and ask the Congress to approve it for that additional money.

And then the Mayor said if it was in Federal money he would agree.

Is that not true, I would ask the gentleman from Virginia?

Mr. BROYHILL of Virginia. Mr. Chairman, the gentleman is correct.

But let me say with all the respect that I have for the Mayor of the District of Columbia, that neither the Committee on the District of Columbia nor the gentleman's subcommittee are rubber stamps in this consideration.

Insofar as the suggestion made in the other body is concerned, I will have to agree that we should do all we can to insist that the taxes of the people of the District of Columbia are raised as much as they possibly can be, and that the priorities there are reduced as far as possible, but if more revenue than that is needed for this purpose, as the gentleman has said, then the Congress will have to appropriate it from Federal funds.

We cannot let the Nation's Capital go down the drain insofar as the necessary services to the people are concerned.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROYHILL of Virginia. Mr. Chairman, I yield myself 1 additional minute.

Mr. NATCHER. Mr. Chairman, if the gentleman will yield, I would like to say to my distinguished friend, the gentleman from Virginia, that I will never recommend that the Committee on Appropriations appropriate one additional dollar over the $18 million for this purpose. We gave them every dime that they asked for. And I think in all fairness that I should say to the gentleman from Virginia——

The CHAIRMAN. The time of the gentleman has again expired.

Mr. NATCHER. Will the gentleman obtain additional time?

Mr. BROYHILL of Virginia. Mr. Chairman, let me say to the gentleman from Kentucky that I would like to yield 5 minutes to the gentleman from Indiana (Mr. MYERS).

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

The CHAIRMAN. The Chair will count. Forty 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 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.

The Chair recognizes the gentleman from Indiana.

Mr. MYERS. Mr. Chairman, I thank the gentleman from Virginia for yielding me the 5 minutes.

The issue this afternoon is not whether an increase for the policemen and firemen and the teachers is of merit. The Appropriations Subcommittee for the District of Columbia and the House here recognized that when we provided for the $18 million reserve for such an increase, but the thing that does concern me is the fact that the Mayor, the City Council, the city administration, testified before our subcommittee for a 10-percent increase. That is all they asked for.

Now, I do not understand how this committee came up with the 16-percent increase. Possibly a 16-percent increase may be justified by the cost of living. I am not sure about that; but in any event, why was it that the city only testified for 10 percent before our subcommittee? Did they testify, did the same people come in after they testified in April before our committee, did they come before the other committee and ask for a 16-percent increase in just 3 months? Have things changed that much? I do not understand what has happened here.

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

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

Mr. DELLUMS. I would like to respond briefly to the question of the gentleman about the raise for teachers. The city advanced the proposal for 10 percent just like they did for the police department; but at the same time they were engaged in the process of collective bargaining. It was the position of the city that they would advance 10 percent. The representatives of the teachers were many more percentage points beyond that proposal. The collective bargaining process did not hold to allow that group to bring before us a recommendation that they would unify around.

The problem is that until January 2, 1975, we are required by law to address ourselves to the question of the increased compensation in certain areas.

Now, if we had all the time in the world, I am sure eventually the collective bargaining process would be jelled and I feel reasonably sure that whatever recommendation they would have made to us would have been beyond the 10 percent. We are caught in that position.

I would like to ask this question. If the collective bargaining process which they entered into in the title XXV of the D.C. Code allowing disengagement of collective bargaining, would the gentleman in the absence of an agreement side with the city or side with the union in trying to reach some kind of accommodation in this last official act in this area?

This is what we in the subcommittee attempted to do. This is what we in the full committee attempted to do. This is what we are asking the gentleman to do, to try to reach some reasonable position between that advanced by the city and that advanced by the employees that we are trying to compensate. We are trying to do this in fairness and equity and we arrived at the figure of 10 percent.

Mr. MYERS. Mr. Chairman, to answer the gentleman, it is not the duty, it is not the right of Congress even to interfere in those negotiations in the first place and let the free system work.

Mr. DELLUMS. I agree with the gentleman, if he was speaking on January 3, 1975. He is now speaking in 1974 and we have to make this decision.

Mr. MYERS. I would like to ask, was there any thought given to delaying these increases, give the 10 percent that the city asked for and if the other 6 percent is required or merited, was there any thought given about providing this next year?

Now, there is no question about it, the provision of raising taxes here from real estate or from parking taxes or from any other measure here provided in this law could never raise the money in time to meet this increase It is fine. I think the provision is also good.

I think there are some technical questions about this title that provides for the tax increase, or at least the tax provisions for assessments and evaluations and so forth.

Let me ask this. Was there any thought given to how much is going to be lost from taxation because of the circuit breaker, because of the deferred payment provision? How much revenue is going to be lost from this? Was there anything discussed about the loss of revenue?

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

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

Mr. REES. Of course, the circuit breaker was about $5.5 million.

Mr. MYERS. Loss?

Mr. REES. Yes, loss.

Mr. MYERS. From what we are collecting today, there will be $5 million less collected in revenue to pay the obligations of the District of Columbia because of the circuit-breaker provision.

Mr. REES. Yes, there is about a $15 million loss because of a court decision which shifts the burden of payment of property taxes away from the commercial and onto the residential and the circuit breaker is to take up the slack for those in the lowest income bracket.

Mr. MYERS. I would have no disagreement on a circuit breaker, but I am not at all sure that we have provided the proper mechanism. I have not studied the other States. Did this committee study the other States?

Mr. REES. Of course we studied the other States. I must have studied property taxes in four or five different States

and looked at about five or six circuit breakers.

We put that in the bill. We sent the bill over to City Council. They had 2 months of discussion on this. Of course, we studied other States.

Mr. BROYHILL of Virginia. Mr. Chairman, I have no further requests for time.

Mr. DIGGS. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I just wanted to go on record to assure the gentleman from Kentucky that I share his view that it is unnecessary to increase the Federal payment to cover these proposed salary increases. In my view, current authorizations and administrative controls will produce sufficient money to pay the salaries.

Let me be specific. First, Public Law 93–198, the Home Rule Act, authorized a $230 million Federal payment for fiscal year 1975, $40 million more than was available in 1974. On at least two occasions, the Mayor and city officials testified that Federal payment amounts equivalent to 40 percent of local revenues would be "adequate and sufficient to meet the proper Federal share of all the anticipated financial needs" of the local government. The city budget for this year requested the full Federal payment of $230 million. Yet, because the Mayor moved to reduce real estate tax revenues earlier this year, the $230 million now represents more than 40 percent of the budget—it represents 42 percent. However, the city now claims, despite last year's testimony that it does not have enough funds to cover higher pay costs. The fact is that my committee was instrumental in getting a Federal payment which is higher than the city claimed would ever be needed.

The District appropriation bill which passed this House on June 24 did not appropriate $8.8 million of the authorized Federal payment. If appropriated, this money would cover a major portion of the proposed salary increases.

Second, I would point out that revenue raising provisions are included in H.R. 15842. If title IV of this bill is enacted—the real estate provisions—an additional $6 million will be available from property tax revenues. This is with tax levels staying the same, revenues will be no higher than what would have been collected at the beginning of this year. If the Council takes action to reflect previous assessment levels, an additional $14 million would be available this year, more than enough to cover the extra pay costs. In addition, enactment of a sales tax on parking in title IV, which is similar to that imposed by 33 States and 8 major cities, would yield a net $1.2 million.

Third, I am not convinced that in a $1 billion budget the third largest of a municipality in the Nation, there is absolutely no room to absorb some of these higher pay costs. In the past, the city has been able to reprogram an average of $7 million annually. Because of the 2-month delay in appropriating the budget, new-hire cost savings of $3.3 million will result. An additional $4.4 million in revenues would also be available this year if all ticket fines on D.C. automobiles were collected. Finally, the General Accounting Office has stated in a December 1973 report that nearly one-half million dollars a year could be saved through the assignment of civilian personnel to administrative posts now held by police officers.

The revenue sources discussed above would raise $24.7 million. This compares to the $13.8 million additional moneys which the city believes it will need. Even if the above sources are not tapped, the City Council is clearly authorized in H.R. 15842 to enact changes in tax rates to provide sufficient revenues for police, firemen and teachers' salaries. To argue that the city cannot increase tax revenues in an "election year" is to argue that nothing of a so-called controversial nature can be done when the voters are watching.

This committee has therefore provided a variety of ample alternatives to meet these much-deserved salary increases.

I am amazed that the city is claiming, despite last year's testimony, that it does not have enough funds to cover these higher pay costs. The fact is that our committee was instrumental in getting a Federal payment which was higher than the city claimed would ever be needed.

The District appropriations bill which passed the House on the 24th of June did not appropriate $8.8 million of the authorized Federal payment. That is what the gentleman from Kentucky (Mr. NATCHER) was talking about when he indicated there was flexibility which under certain circumstances he might be prepared to exercise that would cover a major portion of the salary increase without an increase in the authorization.

Second, if title IV of the bill is enacted, the real estate provision, as the gentleman from California (Mr. REES) pointed out, an additional $6 million would be available from property tax revenue. This is with tax levels staying the same, revenues would be no higher than would have been collected in the beginning of this year. If the council takes action to reflect previous assessment levels, an additional $14 million would be available this year, more than enough to cover the extra pay costs. In addition, Mr. Chairman, the enactment of the sales tax on parking that is in this bill will amount to some $1.2 million.

Third, I am convinced, Mr. Chairman, that with a billion dollar budget, the third largest of any municipality in the nation, there is room to absorb a substantial amount if not all of these higher costs.

In the past the city has had enough flexibility to reprogram moneys which amount to some $3 million and this flexibility could go as high as $7 million. The 2-month delay in appropriating the budget, for example, could in connection with new higher costs amount to $3.3 million.

Additionally, Mr. Chairman, $4.4 million in revenue would also be available this year if just all the ticket fines on District of Columbia automobiles were collected.

Finally, the General Accounting Office stated last December that nearly a half million dollars a year could be saved through the assignment of civilian personnel to administrative posts now held by police officers.

So we are talking here, Mr. Chairman, when we add up all of these revenue sources, of $24.7 million, and they only need $13.8 million. Even if the parking tax provision is not passed, there is an adequate amount of money in this bill, and particularly when we consider the authorization of the City Council to work out changes in tax rates or to provide sufficient funds, this would be sufficient. Therefore, to say that the city cannot increase tax revenues in an election year is to argue that nothing of a so-called controversial nature can be done while the voters are watching.

I think, Mr. Chairman that there are a sufficient and a variety of alternatives to meet the extra expense of these much-deserved salary increases.

Mrs. HOLT. Mr. Chairman, when we are evaluating the priorities for Government spending, nothing should rank higher than the need to continue to improve essential public services such as police protection, fire protection, and public education.

There are many other programs on which the Members of this body are in substantial disagreement, but I daresay that there can be no disagreement on providing adequate compensation for the policemen, firemen, and teachers of this Federal city, the District of Columbia.

We have a special obligation here, because Government is the major industry, and indeed, the very reason for this city's existence.

Policemen, firemen, and teachers are among the middle-income citizens of our Nation and this city who have been hardest hit by inflation, and I need not remind this body of the principal cause of inflation. The House has authorized billions of dollars of deficit spending, throwing money at projects and programs far less essential than the vital services embodied in this bill.

This legislation provides a 16-percent pay increase for District policemen and firemen whose pay scales have not been raised for more than 2 years. The proposed increase will hardly even compensate for the rate of inflation. Since I cosponsored this pay increase in November of 1973, inflation has continued to eat into firemen's and policemen's pay—a total of 16.8 percent in the District of Columbia since 1972.

Indeed, we must pass this bill to enable these dedicated public servants to just keep pace with this rate of inflation.

Mr. Chairman, I urge my colleagues to join me in support of this much needed legislation.

Mr. BIAGGI. Mr. Chairman, I rise in support of the bill H.R. 15842 which has as one of its key provisions, the granting of a long overdue pay raise for District firemen, as well as the 7,561 members of the Metropolitan Police Department.

Under title I of this legislation, the base starting salary for a police private would be raised to $11,600 as compared with the present figure of $10,000. Further, the maximum salary for a private would be increased from the present $14,400 to $16,705.

This title will authorize annual reviews and recommendations concerning police and firemen salaries to help insure that they can help keep pace with the rising cost of living. Finally, this title makes important changes in the determination of retirement annuity payments by basing it on average salary accumulated for 12 consecutive months.

The brave men and women who serve the Metro police force are forced to do daily battle with the large criminal element which exists in this city. As if this task were not hard enough, these same individuals have been forced to do battle with an equally devastating foe, inflation. While the police are faring reasonably well in the fight against crime, they are faring dismally in the fight against inflation.

It has now been over 2 years since the police and firemen of this city have received a pay boost. Since that time, the inflationary spiral which has gripped this Nation, has hit particularly hard in this jurisdiction. From the period of May 1972 until July 1974, the Consumer Price Index in Washington has risen by a dramatic 16.8 percent, which in effect has consumed virtually all of the 17-percent increase which police and firemen received in 1972.

During this same period, most other employees of the District government have enjoyed two pay increases totaling nearly 10 percent, and are scheduled to receive still another increase in October. In addition, District police now rank as the lowest paid among the five jurisdictions which make up the Washington metropolitan area.

Police in Washington are forced to deal with responsibilities not faced by other major urban departments. They are serving not only the citizens of Washington, but of the Nation as well, for many hundreds of thousands of Americans a year flock or converge on Washington to visit or exercise their rights of free speech and assembly. It is for these services and other reasons that I am pleased to support this legislation today which will give these brave and dedicated men and women justified and well deserved pay raises.

It is imperative that we begin to provide not only the police in Washington, D.C., but all police, with the kind of economic security, which will effectively preclude them from enduring the anguish of being unable to provide themselves and their families with a decent standard of living. If we hope to maintain the high caliber of police and firemen who currently serve the Nation's Capitol, we must provide them with economic incentives which will permit them to stay and continue to provide the excellent level of services we enjoy today.

As a former police officer for 23 years in New York, I am acutely aware of the serious economic hardships which police in this Nation face today. As a member of the conference committee which drew up the recently enacted Fair Labor Standards Act, I personally worked to insure that police and firemen would be included under the generous overtime provisions of this law. We are now considering another important bill which seeks to relieve the economic plight of the Washington, D.C., policeman.

Policemen, like many other groups in this Nation, are professionals, who have the added factor of having to risk their lives in the performance of their ordinary duties. We have a great opportunity to demonstrate our support of the Washington Police Department, by granting them this long overdue pay raise. Each of us sitting today owes some of our security and well being to the District police. They ably and willingly serve our interests, and we should not hesitate when presented with an opportunity to serve theirs. I urge swift approval of this legislation.

Mr. HOGAN. Mr. Chairman, I rise in strong support of this legislation to provide a much-deserved pay increase for the District of Columbia's police and firemen.

The last pay increase given to the more than 7,500 policemen and 1,400 firemen in the District was in May of 1972—more than 2 years ago. That legislation provided an average increase of 17.4 percent, boosting starting salaries from $8,500 to $10,000.

The cost of living has increased 16.8 percent since 1972, and that increasing cost has been borne unfairly and inequitably by a group of hard-working and courageous men and women who serve their community and serve justice well.

Other civil servants in the Washington area have had the benefit of periodic increases in salaries on a cost-of-living basis, but the police and firemen have been denied such increases.

A 16-percent increase in pay may seem exorbitant at first, but on closer inspection, it can be seen that even this much of an increase is outstripped by the rate of inflation over the last 2 years.

So there is no question in my mind that these public safety officers fully deserve the increase which the District of Columbia Committee has recommended that we adopt.

I think it is always worth reminding my colleagues here and our fellow citizens throughout the Nation that there is no more important, nor less appreciated, work to be done in our society than preserving law and order, and protecting the life and property of the American people.

The law enforcement officers at the local level have a great responsibility, which they perform with consistently high quality. They have a difficult job which they execute with skill and courage.

I have nothing but respect and admiration for them, and I am happy to see that we are at long last catching up to our responsibility to see that these public safety officers in the District of Columbia are given their just rewards for outstanding service.

Mr. NELSEN. Mr. Chairman, my views on titles I and II of this particular piece of legislation are as set forth in my additional views, contained in House Report 93–1203, which accompanied H.R. 15482. At this point, I would like to insert those views in the RECORD:

ADDITIONAL VIEWS OF HON. ANCHER NELSEN

Title I and Title II of this bill increase the salaries of the police and firemen and teacher in the public school system respectively. The amount recommended by the District Government was a 10% increase for the police and firemen to take effect July 1, 1974, and a 10% increase for the teachers in the public school system to take effect on January 1, 1975. The pay increase contained in Title I for the police and firemen is a 16% increase, and the increase contained in Title II to take effect for the teachers in the public school system provides 10% September 1, 1974, and an additional compounded 3% interest on January 1, 1975, the day before the Mayor and the Members of the City Council are sworn into office.

What this means in dollars and cents is basically as follows:

COMMITTEE ACTION

Title I—Police and firemen	$18,300,000
Title II—Public school teachers	13,800,000
Total	32,100,000

DISTRICT GOVERNMENT RECOMMENDATION

Police and firemen	$11,400,000
Public school teachers	6,600,000
Total	18,000,000

This bill, therefore, requires the District Government to come up with $18 million to cover the pay increases voted by the Committee over and beyond those recommended.

Title III of the bill provides an increase in annuities to retired teachers that is similar to increases given social security annuitants. Although this may cost some $250,000, it appears to be a very much deserved increase.

The revenue that is provided for, or lost through repeal of existing law, in this bill, Title IV, for Fiscal Year 1975 is estimated as follows:

Parking Tax (gain)	1.5
Repeal of Performing Arts Tax (loss)	.3
Total	1.2

There are further revenue losses provided for in Title IV, which take effect in Fiscal Year 1976, that allow tax credits ("circuit breakers") to certain residents (landowners and renters), which are estimated at $4,500,000. Additional Tax or revenue losses for incentives for rehabilitation and real estate tax deferrals are estimated to be substantial, but no fixed figure was provided by the District Government. Further, the cost of administering the new real estate tax procedures provided in Title IV will, no doubt, prove to be substantial.

In my opinion, it would have been better to leave these tax incentives, tax repealers, and many other provisions in Title IV to the City Council, which will take office on January 2, 1975. The Congress has recently given the District "home rule," and many of the provisions in Title IV impose laws on the District residents over which they will have no voice. It is no answer to say the new District government may repeal all of this bill. Until they can hold hearings and enact laws, all of these provisions will be in effect. Furthermore, it could be considered as a distrust in the locally elected government to be moving on all these provisions at this time.

As to the nearly $13 million "deficit," which the Committee's action creates in the pay provisions of this bill, this creates a problem for the existing appointed Council *and* the newly elected *Council and Mayor*. Certainly a salary increase was deserved and needed. However, I wonder whether we might not have acted at the level recommended by the District Government in this bill and directed the newly elected City Council to ad-

dress other pay increases beyond this. The fact that broader tax authority to raise revenue until January 2, 1975, is provided in this bill is no answer if the appointed Council takes no action to erase the $13 million deficit created by this bill following the example set by this bill.

In conclusion, there are provisions in Title 4 having to do with real estate taxes, assessments, tax credits, incentives, etc., which I would like to see amended, and I would support and may introduce certain amendments as they relate to these matters.

NEW LABOR-MANAGEMENT RELATIONS LAW FOR THE DISTRICT OF COLUMBIA

Title I of this bill amending the District of Columbia Police and Firemen's Salary Act of 1958 contains in Part 2 what amounts to a Labor-Management Relations law for the District of Columbia.

A Labor-Management Relations Board is established which has the power and authority, among other thing, to:

Resolve negotiation impasses through mediation, fact-finding, or final binding arbitration.

In certain cases *on its own* order, unresolved disputes referred to final binding arbitration, including last best offers.

After requests for binding arbitration from either party, the Board *shall* order (within 10 days after request is filed) "last best offer, total package arbitration of all unresolved issues."

The history of Labor-Management Relations in the District of Columbia (which is based on the Mayors' District Personnel Manual, Chapter 25–A, which is based on the President's Executive Order 11491) is one of which most cities in this country could envy.

As stated in a letter to the Chairman, dated July 16, 1974, from the District Director of Personnel. "The District of Columbia Government is opposed to any legislative provision which mandates upon the city the methods by which it shall establish pay for its employees, and equally as important the manner in which it would establish its labor program."

The position of the District Government (letter of July 16, 1974) on the provisions of Title I, Part 2, concerning a Labor-Management Relations Law is quoted in its entirety below:

GOVERNMENT OF THE DISTRICT
OF COLUMBIA, EXECUTIVE OFFICE,
Washington, D.C., July 16, 1974.

Congressman CHARLES DIGGS,
Chairman, House District Committee, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN DIGGS: Reference is made to the Committee Mark-up of July 15, 1974, concerning among other legislation, the Police and Firemen's Salary Act amendment and the amendments to the Teachers Salary Act of 1955. In the process of the Mark-up session, an amendment was proposed by Mr. McKinney concerning Title II of the Police and Fire Salary Act Amendment. This amendment would establish a Police and Fire Salary Benefit Committee which would be responsible for the conduct of studies of salaries and fringe benefits of these employees locally and nationally. The District of Columbia Government is opposed to any legislative provision which mandates upon the city the methods by which it shall establish pay for its employees, and equally as important the manner in which it would establish its labor program. The "McKinney amendment", however, concerns us more than similar proposals in H.R. 15777 or H.R. 14662. The McKinney amendment entangles the city government in a procedure which swings somewhere between a procedure for setting pay and one which would be established to resolve labor disputes in the city government in an awkward manner. The District of Columbia Government has had a wealth of experience in this area since 1960 and has established one of the most viable labor management regulations in the country. What is of concern is that the District's Board of Labor Relations, composed of two members selected by unions and two members selected by management, with the chairman selected by the four members, has been totally ignored in the debate which has recently centered on the desire of Congress to impose on the District of Columbia Government some form of "compulsory arbitration board" as a substitute for collective bargaining. We would like to stress to the Committee the fact that the District of Columbia Government has never sought to unilaterally impose its desires on the unions which it has recognized, but in fact made the unions a part of the development of the current program. The major concern that we see, not only in the unclear amendment submitted by Mr. McKinney or even the provisions currently existing in the bills now before the Committee, is the apparent lack of understanding of the collective bargaining process and especially as it relates to the public sector.

The McKinney amendment imposes dates for completion of the study as being June 30, 1975 and Council action as being no later than October 1, 1975. It fails to recognize that the collective bargaining process with multi-year contracts may Frontload the salary increase or may allow for other methods of establishing pay. We find a serious flaw in the fact that if the District wanted to enter into a multiple agreement of three years whereby deferred increases were allowed each of those three years, this legislation would preclude such a legitimate provision. Section 202(b) requires that if an impasse in negotiation is reached on or before the expiration date of the existing collective bargaining contract, the parties must notify the Director of the Federal Mediation and Conciliation Service who shall appoint a board of arbitrators (mediation in this case is meaningless where settlement will be imposed by an arbitration board). This board shall then impose a form of compulsory arbitration on the city without true collective bargaining taking place. Problems in the city of Detroit, Philadelphia and the transit strike recently experienced by the Washington Metropolitan Area Transit Authority attests to the problems of compulsory arbitration and supports the argument that where compulsory arbitration is the only vehicle for the settlement of negotiation impasses that meaningful collective bargaining never takes place.

Another factor which concerns the District of Columbia Government is that we have always been ready and willing to negotiate to enter into meaningful collective bargaining; however, the unions who are so intent upon gaining recognition in order to bargain on behalf of employees have devised any means they can to circumvent and to avoid collective bargaining. The proposals that the Congress is now considering interpose an artificial substitute for true collective bargaining. The imposition of the procedures in both the Teachers and the Police and Fire legislation stifles the process of free collective bargaining, ignores the ability to pay and places in the hands of a third party full responsibility for setting pay rates, leaving management only the responsibility to find the money. We do not believe that school programs should be reduced or eliminated to pay for increase that a jurisdiction cannot afford or that are not justified or that require regressive taxes be levied to finance salary increases. We do submit that the parties be allowed constantly to negotiate without artificial constraints of compulsory arbitration or improvised gimmicks to reach a settlement or come sufficiently close to allow a competent mediator to close the gap. We subscribe to Theodore Kheel's statement that arbitration can only be effective when bargaining has framed the issues with precision. The District's current labor program provides the full arsenal for third party resolution of disputes, including mediation and fact-finding. (In the case of the teacher's dispute, such fact-finding was suggested by the Federal mediators and summarily rejected by the Teachers Union). In addition, the Board of Labor Relations already established by the District Government can impose arbitration on the parties, but only after the issues have been "well defined".

The District Government although opposed to the establishment of the labor board in H.R. 15777 on the grounds that it already exists in practice, believes it is infinitely better than that proposed in the McKinney amendment. Therefore, the District of Columbia Government strongly opposes the intent and the thrust of the provisions contained in the McKinney amendment and requests that the Congress consider no statutorily imposed labor legislation on the District Government for police and fire, since they are already covered by such a program. The District Government believes that on the eve of self-government it has made provisions for the mature conduct of labor relations which goes far beyond the patch work provisions contained in current bills. Experience has indicated that this program is workable and impartial and provides for the greatest freedom for both sides to enter into meaningful and valuable collective bargaining.

Sincerely yours,

DONALD H. WEINBERG,
Director of Personnel.

The imposition of a local Labor-Management Relations Law on the District Government as it embarks on "home rule" is improvident and contrary to my understanding of what was intended by the Congress when it passed the District of Columbia Self-Determination Act.

Moreover, if we place the Mayor or any of his agencies or departments in a position where they must accept binding arbitration on pay, allowances, and other fringe benefits—we are in fact, if not in express wording, binding the locally elected City Council and ultimately the Congress. It is no answer to this assertion that the "words of the bill" do not expressly bind the locally elected City Council. In my opinion, as a practical and political matter, it will bind them. Since this is a Congressionally imposed law, can we not expect the locally elected City Council to pass the "binding arbitration package" on to the Appropriations Committees in Congress.

Further, if the House were to permit these provisions to remain in this bill, I am of the opinion that we would be opening the door to a similar proposal for *all* Federal employees. Yet, we all know the Chairman of the Civil Service Commission has testified before the House Post Office and Civil Service Committee that the President's Executive Order (E.O. 11491) "has been conspicuously successful."

In conclusion, I am of the opinion that the labor-management provisions of this bill are unnecessary, are contrary to "home rule" for the District Government since they would largely take effect after January 1975, and may be viewed as a preliminary step to legislate the same provisions for Federal employees.

ANCHER NELSEN.

I indicated to the chairman of the full committee that I was somewhat concerned about our making this bill so large with its four titles, that it might be more than the House could digest at one time. I wish we could deal with all the titles as separate bills, but that was not the position of the committee.

I am particularly concerned with the fact that we have authorized pay in-

creases to the police and firemen and to the public school teachers, which are approximately $14 million in costs above the figure recommended by the District of Columbia and set aside in their budget for fiscal year 1975. This $13 or $14 million "deficit' which the committee's action grants is troublesome to me, because if the city cannot absorb this additional cost in their budget, there is no revenue in this bill to make up the difference. As a result, what we are doing here is "passing the buck" to the locally oppointed—up to January 1, 1975—and elected—January 2 through June 30, 1975—governments to make up the difference in tax increases.

I am informed that the Senate had indicated that they are willing to increase the Federal payment for fiscal year 1975 by some $14 million to make up the difference. Now while that proposition may have some attraction, it seems to me that it also raises some problems. I seem to recall a statement by my colleague from Kentucky (Mr. NATCHER) when he presented the D.C. appropriations bill, H.R. 15581, on the floor, to the effect that he would not appropriate further funds for the District unless there were some additional tax-raising efforts made by the local government. While I can see that some of the Federal payment might be used to take care of the police and firemen's pay raise, inasmuch as at least until January 1975, they will be performing a Federal function that cannot, in my view, be said with respect to the public school teachers. There is nothing much more local than public education and the cost associated therewith, and I believe there would probably be strong opposition to a Federal payment that would have the residents of other States—the Federal taxpayers—paying for salary increases for public school teachers in the District of Columbia.

I am opposed to this particular provision of the bill, inasmuch as I believe it is unnecessary and a matter which the local government itself can consider and resolve one way or the other once they take office January 2, 1975.

The District Director of Personnel states in a letter dated July 16, 1974, that:

The District of Columbia government is opposed to any legislative provision which mandates upon the city the methods by which it shall establish pay for its employees, and equally as important the manner in which it would establish its labor program.

The letter is noted in my additional views contained in House Report 93-1203, pages 93-86.

I see no reason why we should impose this type of labor-management relations law on the District of Columbia at this time. The imposition of such a local labor relations law upon the District government as it embarks on "home rule" is improvident and contrary to my understanding as to what was intended by the Congress when it passed the District of Columbia Self-Government and Government and Governmental Reorganization Act of 1973.

Moreover, although its proponents will say that it is not binding on the local City Council, as a practical matter, that is not so. If binding arbitration is provided in this bill, the last best offer is provided in this bill, there is no locally elected City Council that will be able to stand the pressures that a final determination and binding determination of a local management-labor relations board would oppose. If it is binding on the City Council, ultimately that binding arbitration on pay and other fringe benefits will be binding on the Appropriations Committees in Congress and on this Congress as a whole.

I see this provision in title I of this bill as a forerunner to legislation which would impose similar binding arbitration and collective-bargaining provisions for all Federal employees. That is contrary, as I understand it, to the testimony that has been received by the Post Office and Civil Service Committee as it relates to what is desired for Federal employees. Certainly, I do not wish to see a little National Labor Relations Board established for Federal employees, nor do I wish to see binding arbitration and total last offer packages imposed upon the Federal Government, the Congress, or for that matter, Federal employees.

For the foregoing reasons, I am opposed to this portion of title I of this bill.

Mr. MOAKLEY. Mr. Chairman, I rise in support of H.R. 15842—to increase the salaries of the police and firemen of the District of Columbia.

This bill represents a real commitment on the part of the District and of the Congress to insure that our most important public servants are fairly compensated.

Further—this bill will provide an incentive to municipalities around the country to substantially increase police and firemen's salaries.

With inflation rates spiralling off all available charts—it is high time we recognize the significance of this kind of legislation. Police and firemen put themselves in great danger daily—and only to protect the health and safety of people like you and me.

The police and firemen of the District have not had a pay raise since May of 1972. Since that time—the cost of living has risen an enormous 17.6 percent. This piece of legislation will at least put the pay rates of our "peace officers" in line with this skyrocketing inflation rate. And it will allow them treatment as first class public employees for the first time.

Historically—police in the District of Columbia have had to wait 2 years each time they requested a pay hike. But at the same time—nearly 300,000 other Government employees in the District get a raise every year.

Further—this bill is soundly conceived—in the best interests of both policeman and citizen alike. It provides for an annual review and recommendations for police and firemen's salaries. This will help to eliminate this traditional 2-year wait.

Mr. Ken Lyons of the National Association of Government Employees—one of the many outstanding groups who fought so vigorously on behalf of the "peace officers" of the District—put it very well I thought—when he pointed out in his testimony before the District Committee that this yearly adjustment "based on the Consumer Price Index and police rates of pay in cities of comparable size and crime rates" would equalize police benefits for the District of Columbia police to other cities across the country.

This is where the significance of this bill lies.

I urge favorable consideration of this measure so we can accomplish this equalization.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 15842

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—POLICE AND FIREMEN'S COMPENSATION

PART 1—SALARY ACT AMENDMENTS

SEC. 101. The District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, secs. 4-823—4-837) is amended as follows:

(1) The salary schedule in section 101(a) of that Act (D.C. Code, sec. 4-823(a)) is amended to read as follows:

SALARY SCHEDULE

Salary class and title	Service step— 1	2	3	4	5	6	7	8	9
Class 1: Fire private, police private	$11,600	$11,950	$12,530	$13,110	$14,035	$14,965	$15,545	$16,135	$16,705
Class 2: Fire inspector	13,225	14,035	14,850	15,660	16,470	17,285	18,095		
Class 3: Detective, assistant pilot, assistant marine engineer	14,500	15,225	15,950	16,675	17,400	18,125	18,850		
Class 4: Fire sergeant, police sergeant, detective sergeant	15,755	16,540	17,330	18,120	18,910	19,695			
Class 5: Fire lieutenant, police lieutenant	18,210	19,125	20,035	20,945	21,855				
Class 6: Marine engineer, pilot	19,895	20,885	21,880	22,870					
Class 7: Fire captain, police captain	21,575	22,655	23,735	24,810					
Class 8: Battalion fire chief, police inspector	25,010	26,260	27,515	28,770					
Class 9: Deputy fire chief, deputy chief of police	29,350	31,335	33,325	35,315					
Class 10: Assistant chief of police, assistant fire chief, commanding officer of the Executive Protection Service, commanding officer of the U.S. Park Police	34,800	37,120	39,440						
Class 11: Fire chief, chief of police	40,250	42,690							

(2) The second sentence of section 202 of that Act (D.C. Code, sec. 4–825) is amended to read as follows: "The additional compensation authorized by this section shall be paid to an officer or member in the same manner as he is paid basic compensation to which he is entitled, except that when such an officer or member ceases to be in such an assignment, the loss of such additional compensation shall not constitute an adverse action for the purposes of section 7511 of title 5 of the United States Code.".

(3) Section 301 of that Act (D.C. Code, sec. 3–827) is amended by (A) striking out "All" and inserting in lieu thereof "(a) Except as provided in subsection (b), all", and (B) by adding at the end thereof the following:

"(b) Any officer or member of the Metropolitan Police force, the Fire Department of the District of Columbia, the Executive Protective Service, or the United States Park Police force who separates from that force, department, or service, and who is subsequently reappointed to such force, department, or service within three years after the date of such separation may receive any scheduled rate of basic compensation provided in salary class 1 of the salary schedule in section 101 which does not exceed the scheduled rate of basic compensation being paid at the time of such reappointment for the class and service step he had attained at the time of his separation. For purposes of this subsection, only basic compensation shall be used in determining service step placement.".

(4) Section 302 of that Act (D.C. Code, sec. 4–828) is amended to read as follows: "An officer or member described in paragraph (1)(B) shall receive such compensation until the position of dog handler is determined under section (a) not to be included in salary class 4 as a technician's position or until he no longer performs the duty of dog handler, whichever first occurs.".

(5) Section 302 of that Act (D.C. Code, sec. 4–828) is further amended by adding at the end thereof the following:

"(e) Whenever any officer or member receiving additional compensation authorized by subsection (b) or (c) is no longer entitled to receive such additional compensation, without a change in salary class, he shall receive, irrespective of any subsequent salary schedule or service step adjustment authorized by this Act, basic compension equal to the sum of his existing scheduled rate of basic compensation and the amount of such additional compensation until his schedule rate of basic compensation equals or exceeds such sum.

"(f) The loss of the additional compensation authorized by subsection (b) or (c) shall not constitute an adverse action for the purposes of section 7511 of title 5 of the United States Code.".

(6) Section 401(a)(2) of that Act (D.C. Code, sec. 4–832(a)(2)) is amended to read as follows:

"(2) For purpose of paragraph (1), continuous service as an officer or member includes only those periods of his service determined to have been satisfactory service and any period of his service in the Armed Forces of the United States other than any period of such service (A) determined not to have been satisfactory service, (B) rendered before appointment as an officer or member, or (C) rendered after resignation as an officer or member.".

(7) The second sentence of section 401(c) of that Act (D.C. Code, sec. 4–832(c)) is amended to read as follows: "For purposes of this subsection, in computing a deputy chief's continuous service on the police force or fire department, there shall be included only those periods of his service determined to have been satisfactory service and any period of his service in the Armed Forces of the United States other than any period of such service—

(1) determined not to have been satisfactory service,

(2) rendered before appointment as an officer or member, or

(3) rendered after resignation as an officer or member.".

SEC. 102. The second section of the Act approved October 24, 1951 (D.C. Code, sec. 4–808) is amended by striking out "the 22d day of February", "the 30th day of May", and "the 11th day of November", and inserting in lieu thereof "the third Monday in February", "the last Monday in May", "the second Monday in October", and "the fourth Monday in October".

SEC. 103. (a) Except as provided in subsections (b) and (c), the amendments made by this title shall take effect on and after the first day of the first pay period beginning on or after July 1, 1974.

(b) The amendment made by paragraph (5) of section 101 shall take effect on and after the first day of the first pay period beginning on or after January 1, 1974.

(c) The amendments made by paragraphs (6) and (7) of section 101 shall take effect on and after the first day of the first pay period beginning on or after May 1, 1972.

With the following committee amendment in the nature of a substitute:

Strike out all after the enacting clause and insert:

TITLE I—POLICE AND FIREMEN'S COMPENSATION

PART 1—SALARY ACT AMENDMENTS

SEC. 101 (a) The District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, secs. 4–823—4–837) is amended as follows:

(1) The salary schedule in section 101(a) of that Act (D.C. Code, sec. 4–823(a)) is amended to read as follows:

SALARY SCHEDULE

Salary class and title	Service step— 1	2	3	4	5	6	7	8	9
Class 1: Fire private, police private	$11,600	$11,950	$12,530	$13,110	$14,035	$14,965	$15,545	$16,125	$16,705
Class 2: Fire inspector	13,225	14,035	14,850	15,660	16,470	17,285	18,095	----	----
Class 3: Detective, assistant pilot, assistant marine engineer	14,500	15,225	15,950	16,675	17,400	18,125	18,850	----	----
Class 4: Fire sergeant, police sergeant, detective sergeant	15,755	16,540	17,330	18,120	18,910	19,695	----	----	----
Class 5: Fire lieutenant, police lieutenant	18,210	19,125	20,035	20,945	21,855	----	----	----	----
Class 6: Marine engineer, pilot	19,895	20,885	21,880	22,870	----	----	----	----	----
Class 7: Fire captain, police captain	21,575	22,655	23,735	24,810	----	----	----	----	----
Class 8: Battalion fire chief, police inspector	25,010	26,260	27,515	28,770	----	----	----	----	----
Class 9: Deputy fire chief, deputy chief of police	29,350	31,335	33,325	35,315	----	----	----	----	----
Class 10: Assistant chief of police, assistant fire chief, commandihg officer of the Executive Protective Service, commanding officer of the U.S. Park Police	34,800	37,120	39,440	----	----	----	----	----	----
Class 11: Fire chief of police	40,250	42,690	----	----	----	----	----	----	----

(2) The second sentence of section 202 of that Act (D.C. Code, sec. 4–825) is amended to read as follows: "The additional compensation authorized by this section shall be paid to an officer or member in the same manner as he is paid basic compensation to which he is entitled, except that when such an officer or member ceases to be in such an assignment, the loss of such additional compensation shall not constitute an adverse action for the purposes of section 7511 of title 5 of the United States Code.".

(3) Section 202 of that Act (D.C. Code, sec. 4–825) is further amended by striking out "$2100" and inserting in lieu thereof "2270".

(4) Section 301 of that Act (D.C. Code, sec. 4–827) is amended by (A) striking out "All" and inserting in lieu thereof "(a) Except as provided in subsection (b), all", and (B) by adding at the end thereof the following:

"(b) Any officer or member of the Metropolitan Police force, the Fire Department of the District of Columbia, the Executive Protective Service, or the United States Park Police force who separates from that force, department, or service, and who is subsequently reappointed to such force, department, or service within three years after the date of such separation may receive any scheduled rate of basic compensation provided in salary class 1 of the salary schedule in section 101 which does not exceed the scheduled rate of basic compensation being paid at the time of such reappointment for the class and service step he had attained at the time of his separation. For purposes of this subsection, only basic compensation shall be used in determining service step placement.".

(5) Section 302 of that Act (D.C. Code, sec. 4–828) is amended to read as follows: "An officer or member described in paragraph (1)(B) shall receive such compensation until the position of dog handler is determined under section (a) not to be included in salary class 4 as a technician's position or until he no longer performs the duty of dog handler, whichever first occurs.".

(6) Section 302 of that Act (D.C. Code, sec. 4–828) is further amended by adding at the end thereof the following:

"(e) Whenever any officer or member receiving additional compensation authorized by subsection (b) or (c) is no longer entitled to receive such additional compensation, without a change in salary class, he shall receive, irrespective of any subsequent salary schedule or service step adjustment authorized by this Act, basic compensation equal to the sum of his existing scheduled rate of basic compensation and the amount of such additional compensation until his schedule rate of basic compensation equals or exceeds such sum.

"(f) The loss of the additional compensation authorized by subsection (b) or (c) shall not constitute an adverse action for the purposes of section 7511 of title 5 of the United States Code.".

(7) Section 302 of that Act (D.C. Code, sec. 4–828) is further amended (1) by striking out "$680" in subsection (a) thereof and inserting in lieu thereof "$735"; and (2) by striking out "$500" each time it appears in subsection (c) thereof and inserting in lieu thereof "$540".

(8) Section 401(a)(2) of that Act (D.C. Code, sec. 4–832(a)(2)) is amended to read as follows:

"(2) For purpose of paragraph (1), continuous service as an officer or member in-

cludes only those periods of his service determined to have been satisfactory service and any period of his service in the Armed Forces of the United States other than any period of such service (A) determined not to have been satisfactory service, (B) rendered before appointment as an officer or member, or (C) rendered after resignation as an officer or member.".

(9) The second sentence of section 401(c) of that Act (D.C. Code, sec. 4–832(c)) is amended to read as follows: "For purposes of this subsection, in computing a deputy chief's continuous service on the police force or fire department, there shall be included only those periods of his service determined to have been satisfactory service and any period of his service in the Armed Forces of the United States other than any period of such service—

"(1) determined not to have been satisfactory service,

"(2) rendered before appointment as an officer or member, or

"(3) rendered after resignation as an officer or member.".

(b) Each officer or member who immediately prior to the effective date of the amendment made by paragraph (1) of subsection (a) was assigned to service step 1, service step 2, or service step 3 of salary class 2 shall be placed in and receive basic compensation in service step 4 of salary class 2.

SEC. 102. The second section of the Act approved October 24, 1951 (D.C. Code, sec. 4–808) is amended by striking out "the 22d day of February", "the 30th day of May", and "the 11th day of November", and inserting in lieu thereof "the third Monday in February", "the last Monday in May", "the second Monday in October", and "the fourth Monday in October".

SEC. 103. (a) Except as provided in subsections (b) and (c), the amendments made by this title and subsection (b) of the first section shall take effect on and after the first day of the first pay period beginning on or after July 1, 1974.

(b) The amendment made by paragraph (5) of section 101 shall take effect on and after the first day of the first pay period beginning on or after January 1, 1974.

(c) The amendments made by paragraphs (6) and (7) of section 101 shall take effect on and after the first day of the first pay period beginning on or after May 1, 1972.

PART 2—STUDY OF POLICE AND FIREMEN'S SALARIES AND RECOMMENDATIONS

SEC. 111. (a) The Commissioner of the District of Columbia, and after January 2, 1975, the Mayor of the District of Columbia, shall annually conduct a thorough study of the compensation being paid officers and members of the police and fire departments of other jurisdictions in the Washington metropolitan area and other cities of comparable size. The annual study may include other conditions of employment of police and firemen, such as hours of work, health benefits, retirement benefits, sick pay, and vacation time. The annual study shall also include the current percentage change in the Consumer Price Index for the Washington metropolitan area published by the Bureau of Labor Statistics, Department of Labor, and rates of compensation for Federal and District of Columbia employees having comparable duties and responsibilities.

(b) In order to conduct the annual study specified in subsection (a), the Commissioner, or the Mayor, as the case may be, shall establish a city personnel salary and benefits study committee whose sole function shall be to conduct such annual study. The size of the committee shall be determined by the Commissioner, or the Mayor, as the case may be, who shall appoint the management members of the committee. Each labor organization or other association or group which has been selected to represent the officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia shall select representatives of their respective labor organizations or other association or group to be members of the labor-management committee.

(c) On or before June 30 of each year, the results of the annual study shall be made public and shall be available to the parties involved in negotiations between the District of Columbia and representatives of the officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia under the District of Columbia labor relations program. The results of such annual study shall also form the basis for consideration of adjustments in pay levels for officers of the Metropolitan Police force and the Fire Department of the District of Columbia whose compensation is adjusted in a manner which is outside the scope of the negotiations referred to in the first sentence of this subsection.

SEC. 112. (a) After January 2, 1975, the Mayor of the District of Columbia shall make recommendations to the Council of the District of Columbia with respect to changes in compensation of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia. Such recommendations shall be formulated during the process of collective bargaining between the District of Columbia and the representatives of such officers and members. Such recommendations shall be made for a period that the parties in such collective bargaining agree upon and may include recommendations relating to other related matters as agreed upon. The first such recommendations shall be made no later than October 1, 1975.

(b) The recommendations submitted by the Mayor under this section shall be considered a labor-management issue for the purposes of section 113.

SEC. 113. (a) The Commissioner of the District of Columbia shall establish a labor-management relations board (hereinafter in this section referred to as the "board") for the District of Columbia. Among other duties which may be assigned to the board it shall have that authority specified in subsection (b) with respect to labor-management disputes arising between the District of Columbia and the officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia. The board in addition shall have the membership, specific authority, rules of procedure, and other duties the Commissioner may by regulation provide, so long as the number of members on the board representing the District of Columbia and the labor organizations or other associations or groups selected to represent the employees of the District of Columbia is equal. An additional person, who shall be the Chairman, shall be selected by the Commissioner from a list acceptable to a majority of the other members of the board.

(b) With respect to labor-management issues arising between officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia and the District of Columbia, the board shall—

(1) determine in disputed cases appropriate bargaining units and related issues;

(2) resolve appeals concerning the method of determining majority status and over the conduct of elections, and to certify elections bargaining representatives;

(3) decide whether unfair labor practices have been engaged in and in such cases to issue an appropriate remedial order binding on all parties;

(4) resolve negotiation impasses, including impasses with respect to the recommendations of the Mayor specified in section 112, through mediation, factfinding, or final and binding arbitration;

(5) remand disputes if it believes further negotiations are desirable or if the matter comes under another jurisdiction.

Where formal negotiations have been in progress for at least sixty days and impasses have not been resolved through mediation or factfinding, either party may request the Board to order binding arbitration. Within ten days after such request is filed, the Board shall order last best offer, total package arbitration of all unresolved issues which shall be binding upon the parties to the negotiation. In such arbitration the entire final offer of one of the parties with respect to all unresolved issues shall be selected without change or modification, unless the parties shall otherwise have reached agreement prior to the arbitration award. The cost of arbitration shall be shared equally by the parties.

PART 3—POLICEMEN AND FIREMEN'S RETIREMENT AND DISABILITY ACT

SEC. 121. (a) Subsection (a) of the Policemen and Firemen's Retirement and Disability Act (D.C. Code, sec. 4–521) is amended by adding after paragraph (16) the following new paragraph:

"(17) The term 'average pay' means the highest annual rate resulting from averaging the member's rates of basic salary in effect over any twelve consecutive months of police or fire service, with each rate weighed by the time it was in effect, except that if the member retires under subsection (g) and if on the date of his retirement under the subsection he has not completed twelve consecutive months of police or fire service, such term means his basic salary at the time of his retirement."

(b)(1) Subsections (f), (g), and (h) of that Act (D.C. Code, secs. 4–562—4–528) are each amended by striking out "his basic salary at the time of retirement" each place it occurs and inserting in lieu thereof "his average pay".

(2) Subsections (g)(2) and (h)(1) of that Act are each amended by striking out "his basic salary at the time of his retirement" and inserting in lieu thereof "his average pay".

(3) Subsection (h)(3) of that Act is amended by striking out "the basic salary of such member at the time of retirement" and inserting in lieu thereof "the average pay of such member".

(4) Subsection (k)(2) of that Act (D.C. Code, sec. 4–531) is amended by (1) striking out "basic salary" and inserting in lieu thereof "average pay", and (2) striking out ", subclass (a)," and inserting in lieu thereof "of salary".

(5) Subsection (k)(3) of that Act (D.C. Code, sec. 4–531) is amended by striking out "basic salary" each place it occurs and inserting in lieu thereof "average pay".

(c) Subsection (g) of that Act (D.C. Code, sec. 4–527) is amended by adding at the end thereof the following new paragraph:

"(3) A member shall be retired under this subsection only upon the recommendation of the Board of Police and Fire Surgeons and the concurrence therein by the Commissioner, except that in any case in which a member seeks his own retirement under this subsection, he shall, in the absence of such recommendation, provide the necessary evidence to form the basis for the approval of such retirement by the Commissioner.".

(d) When an officer or member has been retired for a period of less than twelve months and annuities are generally increased according to the provisions of the Policemen and Firemen's Retirement and Disability Act (D.C. Code, secs. 4–521—4–535), the percentage increase in such officer or member's annuity shall be the rate of annual increase applicable to the annuity of such officer or member multiplied by the percentage that the number of days he has been retired is of three hundred and sixty-five.

SEC. 122. (a) In order to carry out his responsibilities under the Policemen and Fire-

men's Retirement and Disability Act (D.C. Code, secs. 4–521 et seq.) with respect to retirement and disability determinations, and related functions, the Commissioner of the District of Columbia shall establish a Police and Firemen's Retirement and Relief Board (hereinafter in this section referred to as the "Board"). The Board shall be composed of—

(1) members and alternates appointed from among persons who are employees of the District of Columbia, one member and alternate each from the District of Columbia Personnel Office, Corporation Counsel, Department of Human Resources, Metropolitan Police Force, and the Fire Department of the District of Columbia; and

(2) two members, one of whom shall be a physician, appointed from among persons who are not officers or employees of the District of Columbia.

The member, and alternate, appointed to the Board from among employees of the Department of Human Resources shall both be medical officers. All appointments shall be made by the Commissioner.

(b) The members appointed under subsection (a)(2) shall be appointed for two years, and shall be entitled to receive compensation for each day they are actually engaged in carrying out duties vested in the Board in the same manner as persons employed intermittently under section 3109 of title 5 of the United States Code. Such members shall be appointed within ninety days after the date of enactment of this Act.

(c) The Commissioner shall establish rules for the Board to assure that the Board functions fairly and equitably. The Commissioner shall provide the staff necessary for the Board.

(d) The members of the Board appointed under subsection (a)(2) shall be appointed within ninety days after the date of enactment of this title.

SEC. 123. Subsection (m)(2) of the Policemen and Firemen's Retirement and Disability Act (D.C. Code, sec. 4–533(2)) is amended by inserting at the end thereof "The Commissioner shall not require the medical examination of such member after he reaches the age of 50.".

SEC. 124. (a) The amendments made by subsections (a), (b), and (d) of section 121 shall apply with respect to any annuity which begins on or after July 1, 1975.

(b) The amendment made by subsection (c) of section 121 shall take effect on the first day of the first pay period beginning more than thirty days after the date of enactment of this title.

(c) Section 122 shall take effect on the date of enactment of this title.

TITLE II—TEACHERS' COMPENSATION

SEC. 201. This title may be cited as the "Teachers' Salary Act Amendments of 1974".

SEC. 202. The District of Columbia Teachers' Salary Act of 1955 (D.C. Code, sec. 31–1501 et seq.) is amended as follows:

(1) Effective on October 1, 1974, the salary schedule contained in section 1 of that Act (D.C. Code, sec. 31–1501) is amended to read as follows:

TEACHERS AND SCHOOL OFFICERS SALARY SCHEDULE

Salary class and group	Service step— 1	2	3	4	5	6	7	8	9	10	11	12	13	Longevity step Y
Class 1A	$45,500													
Class 1B	40,000													
Class 2A	38,000													
Class 2B	36,000													
Class 3	27,390	$28,040	$28,690	$29,340	$29,990	$30,640	$31,290	$31,940	$32,590					
Class 4	24,050	24,620	25,190	25,760	26,330	26,900	27,470	28,040	28,620					
Class 5:														
Group B, master's degree	22,750	23,290	23,830	24,370	24,910	24,450	25,990	26,530	27,070					
Group C, master's degree +30	23,235	23,775	24,315	24,855	25,395	25,935	26,475	27,015	27,555					
Group D, doctor's	23,715	24,255	24,795	25,335	25,875	26,415	26,955	27,495	28,035					
Class 6:														
Group B, master's degree	21,740	22,255	22,770	23,285	23,800	24,315	24,830	25,345	25,860					
Level IV principal	21,740	22,255	22,770	23,285	23,800	24,375	24,830	25,345	25,860					
Level III principal	21,100	21,615	22,130	22,645	23,160	23,675	24,190	24,705	25,220					
Level II principal	20,465	20,980	21,495	22,010	22,525	23,040	23,555	24,070	24,585					
Level I principal	19,830	20,345	20,860	21,375	21,890	22,405	22,920	23,435	23,950					
Group C, master's degree +30	22,160	22,675	23,190	23,705	24,220	24,735	25,250	25,765	26,280					
Level IV principal	22,160	22,675	23,190	23,705	24,220	24,735	25,250	25,765	26,280					
Level III principal	21,520	22,035	22,550	23,065	23,580	24,095	24,610	25,125	25,640					
Level II principal	20,885	21,400	21,915	22,430	22,945	23,460	23,975	24,490	25,005					
Level I principal	20,250	20,765	21,280	21,795	22,310	22,825	23,340	23,855	24,370					
Group D, doctor's degree	22,575	23,090	23,605	24,120	24,635	25,150	25,665	26,180	26,695					
Level IV principal	22,575	23,090	23,605	24,120	24,635	25,150	25,665	26,180	26,695					
Level III principal	21,935	22,450	22,965	23,480	23,995	24,510	25,025	25,540	26,055					
Level II principal	21,300	21,815	22,330	22,845	23,360	23,875	24,390	24,905	25,420					
Level I principal	20,665	21,180	21,695	22,210	22,725	23,240	23,755	24,270	24,785					
Class 7:														
Group B, master's degree	20,000	20,475	20,950	21,425	21,900	22,375	22,850	23,325	23,800					
Group C, master's degree +30	20,485	20,960	21,435	21,910	22,385	22,860	23,335	23,810	24,285					
Group D, doctor's	20,965	21,440	21,915	22,390	22,865	23,340	23,815	24,290	24,765					
Class 8:														
Group B—MA	18,395	18,855	19,315	19,775	20,235	20,695	21,155	21,615	22,075					
Group C—MA +30	18,880	19,340	19,800	20,720	21,180	21,640	22,100	22,560	23,020					
Group D—Doctors	19,360	19,820	20,280	20,740	21,200	21,660	22,120	22,580	23,040					
Class 9:														
Group B, master's degree	17,960	18,410	18,860	19,310	19,760	20,210	20,660	21,110	21,560					
Group C, master's degree +30	18,445	18,895	19,345	19,795	20,245	20,695	21,145	21,595	22,045					
Group D, doctor's	18,925	19,375	19,825	20,275	20,725	21,175	21,625	22,075	22,525					
Class 10:														
Group B, master's degree	17,385	17,820	18,255	18,690	19,125	19,560	19,995	20,430	20,865					
Group C, master's degree +30	17,870	18,305	18,740	19,175	19,610	20,045	20,480	20,915	21,350					
Group D, doctor's	18,350	18,785	19,220	19,655	20,090	20,525	20,960	21,395	21,830					
Class 11:														
Group B, master's degree	16,815	17,234	17,665	18,075	18,495	18,915	19,335	19,755	20,175					
Group C, master's degree +30	17,300	17,720	18,140	18,560	18,980	19,400	19,820	20,240	20,660					
Group D, doctor's	17,780	18,200	18,620	19,040	19,460	19,880	20,300	20,720	21,140					
Class 12:														
Group B, master's degree	16,240	16,645	17,050	17,455	17,860	18,265	18,670	19,075	19,480					
Group C, master's degree +30	16,720	17,125	17,530	17,935	18,340	18,745	19,150	19,555	19,960					
Group D, doctor's	17,205	17,610	18,015	18,420	18,825	19,230	19,635	20,040	20,445					
Class 13:														
Group B, master's degree	14,920	15,405	15,890	16,375	16,860	17,345	17,830	18,315	18,800					
Group C, master's degree +30	15,405	15,890	16,375	16,860	17,345	17,830	18,315	18,800	19,285					
Group D, doctor's	15,885	16,370	16,855	17,340	17,825	18,310	18,795	19,280	19,765					
Class 14:														
Group A, bachelor's degree	11,415	11,920	12,425	12,930	13,435	13,940	14,445	14,950	15,455	$15,960	$16,465	$16,970	$17,475	
Group B, master's degree	12,375	12,880	13,385	13,890	14,395	14,900	15,405	15,910	16,415	16,920	17,425	17,930	18,435	
Group C, master's degree +30	12,865	13,370	13,875	14,380	14,885	15,390	15,895	16,400	16,905	17,410	17,915	18,420	18,925	
Group D, doctor's	13,345	13,850	14,355	14,860	15,365	15,870	16,375	16,880	17,385	17,890	18,395	18,900	19,405	
Class 15:														
Group A, bachelor's degree	9,650	10,035	10,420	10,810	11,195	11,580	12,065	12,550	13,035	13,520	14,005	14,490	14,975	$16,130
Group A–I, bachelor's degree +15	10,130	10,515	10,900	11,290	11,675	12,060	12,550	13,035	13,520	14,005	14,490	14,975	15,460	17,095
Group B, master's degree	10,615	11,100	11,585	12,070	12,555	13,040	13,640	14,240	14,845	15,445	16,045	16,645	17,245	18,825
Group C, master's degree +30	11,100	11,585	12,070	12,555	13,040	13,525	14,125	14,730	15,330	15,930	16,530	17,130	17,730	19,320
Group D, master's degree +60 or doctor's	11,585	12,070	12,555	13,040	13,525	14,010	14,615	15,215	15,815	16,415	17,015	17,615	18,215	19,950

TEACHERS AND SCHOOL OFFICERS SALARY SCHEDULE

Salary class and group	Service step— 1	2	3	4	5	6	7	8	9
Class 1A	$46,865								
Class 1B	41,200								
Class 2A	39,140								
Class 2B	37,080								
Class 3	28,210	$28,880	$29,550	$30,220	$30,890	$31,560	$32,230	$32,900	$33,570
Class 4	24,770	25,355	25,940	26,525	27,110	27,695	28,280	28,865	29,450
Class 5:									
Group B—MA	23,435	23,990	24,545	25,100	25,655	26,210	26,765	27,320	27,875
Group C—MA+30	23,935	24,190	25,045	25,600	26,155	26,710	27,265	27,820	28,375
Group D—Doctors	24,420	24,975	25,530	26,085	26,640	27,195	27,750	28,305	28,860
Class 6:									
Group B—MA	22,390	22,920	23,450	23,980	24,510	25,040	25,570	26,100	26,630
Level IV—Principal	22,390	22,920	23,450	24,980	25,510	25,040	25,570	26,100	26,630
Level III—Principal	21,730	22,260	22,790	23,320	23,850	24,380	24,910	25,440	25,970
Level II—Principal	21,075	21,605	22,135	22,665	23,195	23,725	24,255	24,785	25,315
Level I—Principal	20,420	20,950	21,480	22,010	22,540	23,070	23,600	24,130	24,660
Group C—MA+30	22,890	23,420	23,950	24,480	25,010	24,540	26,070	26,600	27,130
Level IV—Principal	22,890	23,420	23,950	24,480	25,010	25,540	26,070	26,600	27,130
Level III—Principal	22,230	22,760	23,290	23,820	24,350	24,880	25,410	25,940	26,470
Level II—Principal	21,575	22,105	22,635	23,165	23,695	24,225	24,755	25,285	25,815
Level I—Principal	20,720	21,250	21,780	22,310	22,840	23,370	23,900	24,430	24,960
Group D—Doctors	23,375	23,905	24,435	24,965	25,495	26,025	26,555	27,085	27,615
Level IV—Principal	23,375	23,905	24,435	24,965	25,495	26,025	26,555	27,085	27,615
Level III—Principal	22,715	23,245	23,775	24,305	24,835	25,365	25,895	26,425	26,955
Level II—Principal	22,060	22,590	23,120	23,650	24,180	24,710	25,240	25,770	26,300
Level I—Principal	21,405	21,935	22,465	22,995	23,525	24,055	24,585	25,115	25,645
Class 7:									
Group B—MA	20,600	21,090	21,580	22,070	22,560	23,050	23,650	24,030	24,520
Group C—MA+30	21,100	21,590	22,080	22,570	23,060	23,550	24,040	24,530	25,020
Group D—Doctors	21,585	22,073	22,563	23,053	23,543	24,033	24,523	25,013	25,503
Class 8:									
Group B—MA	19,130	19,605	20,080	20,555	21,030	21,505	21,980	22,455	22,930
Group C—MA+30	19,630	20,105	20,580	21,055	21,530	22,005	22,480	22,955	23,430
Group D—Doctors	20,115	20,590	21,065	21,540	22,015	22,490	22,965	23,440	23,915
Class 9:									
Group B—MA	18,500	18,985	19,470	19,955	20,440	20,925	21,410	21,895	22,380
Group C—MA+30	19,000	19,465	19,930	20,395	20,860	21,325	21,790	22,255	22,720
Group D—Doctors	19,485	19,950	20,415	20,880	21,345	21,810	22,275	22,740	23,025
Class 10:									
Group B—MA	17,905	18,355	18,805	19,255	19,705	20,155	20,605	21,055	21,505
Group C—MA+30	18,405	18,855	19,305	19,755	20,205	20,655	21,105	21,555	22,005
Group D—Doctors	18,890	19,340	19,790	20,240	20,690	21,140	21,590	22,040	22,490
Class 11:									
Group B—MA	17,320	17,755	18,190	18,625	19,060	19,495	19,930	20,365	20,800
Group C—MA+30	17,820	18,255	18,690	19,125	19,560	19,995	20,430	20,865	21,300
Group D—Doctors	18,305	18,740	19,175	19,610	20,045	20,480	20,915	21,350	21,785
Class 12:									
Group B—MA	16,725	17,140	17,555	17,970	18,385	18,800	19,215	19,630	20,045
Group C—MA+30	17,225	17,640	18,055	18,470	18,885	19,300	19,715	20,130	20,545
Group D—Doctors	17,710	18,125	18,540	18,955	19,370	19,785	20,200	20,615	21,030
Class 13:									
Group B—MA	15,370	15,870	16,370	16,870	17,370	17,870	18,370	18,870	19,370
Group C—MA+30	15,870	16,370	16,870	17,370	17,870	18,370	18,870	19,370	19,870
Group D—Doctors	16,355	16,855	17,355	17,855	18,355	18,855	19,355	19,855	20,355

Salary class and group	Service step— 1	2	3	4	5	6	7	8	9	10	11	12	13	Longevity Step Y
Class 14:														
Group A—B.A.	$11,750	$12,270	$12,790	$13,310	$13,830	$14,350	$14,870	$15,390	$15,910	$16,430	$16,950	$17,470	$17,990	
Group B—M.A.	12,745	13,265	13,785	14,305	14,825	15,345	15,865	16,385	16,905	17,425	17,945	18,465	18,985	
Group C—M.A. plus 30	13,245	13,765	14,285	14,805	15,325	15,845	16,365	16,885	17,405	17,925	18,445	18,965	19,485	
Group D—Doctors	13,730	14,250	14,740	15,290	15,810	16,330	16,850	17,370	17,890	18,410	18,930	19,450	19,970	
Class 15:														
Group A—B.A.	9,940	10,335	10,730	11,125	11,520	11,915	12,415	12,915	13,415	13,915	14,415	14,915	15,415	$16,615
Group A-1—B.A. plus 15	10,435	10,830	11,225	11,620	12,015	12,410	12,910	13,410	13,910	14,410	14,910	15,410	15,910	17,610
Group B—M.A.	10,935	11,435	11,935	12,435	12,935	13,435	14,055	14,675	15,295	15,915	16,535	17,155	17,775	19,390
Group C—M.A. plus 30	11,435	11,935	12,435	12,935	13,435	13,935	14,555	15,175	15,795	16,415	17,035	17,655	18,275	19,900
Group D—Doctors	11,935	12,435	12,935	13,435	13,935	14,435	15,055	15,675	16,295	16,915	17,535	18,155	18,775	20,550

(3) Effective on October 1, 1974, the schedule of pay rates in section 13(a) of that Act (D.C. Code, sec. 31–1542(a)) is amended to read as follows:

SUMMER SCHOOL TEACHERS AND ADULT EDUCATION SCHOOLS SALARY SCHEDULE

Classification	Per period Step 1	Step 2	Step 3
Summer school (regular):			
Teachers, elementary and secondary schools; counselor, elementary and secondary schools; librarian, elementary and secondary schools; school social worker; speech correctionist, school psychologist	$8.53	$9.67	$10.90
Psychiatric social worker	9.81	11.12	12.54
Veterans' summer school centers:			
Teacher	8.53	9.67	10.90
Adult education schools:			
Teacher	9.38	10.64	11.99
Assistant principal	13.13	14.90	16.79
Principal	14.54	16.49	18.59

(4) Effective on the first day of the first pay period beginning on or after January 1, 1975, that schedule of pay rates is amended to read as follows:

Classification	Per period Step 1	Step 2	Step 3
Summer school (regular):			
Teachers, elementary and secondary schools; counselor, elementary and secondary schools; librarian, elementary and secondary schools; school social worker; speech correctionist; school psychologist	$8.79	$9.97	$11.23
Psychiatric social worker	10.11	11.47	13.11
Veterans' summer school centers:			
Teachers	8.79	9.97	11.23
Adult education schools:			
Teacher	9.67	10.97	12.35
Assistant principal	13.54	15.36	17.29
Principal	14.99	17.00	19.14

SEC. 203. Beginning with the calendar year 1975, the District of Columbia Board of Education shall, by March 1 of each year, submit to the Mayor of the District of Columbia the—

(a) percentage rate of the cost-of-living change since the effective date of the last increase of the compensation schedule for educational personnel in the District of Columbia; and

(b) results of a study comparing compensation of teachers in the District of Columbia with (1) teachers in cities of comparable size, and (2) teachers within jurisdiction of the Washington metropolitan area.

The Mayor shall submit the information submitted to him by the Board under this section to the Counsel of the District of Columbia along with his recommendations with respect to compensation (and other related matters) of educational personnel in the District of Columbia.

SEC. 204. In order to provide for additional revenue to meet additional expenditures re-

sulting from the compensation increase adopted for educational personnel in the District of Columbia, the District of Columbia Counsel, on or after the date of enactment of this Act, is authorized to change the rate of taxes imposed under—

(1) the District of Columbia Income and Franchise Tax Act of 1947;

(2) the District of Columbia Sales Tax Act;

(3) the District of Columbia Use Tax Act;

(4) the District of Columbia Cigarette Tax Act;

(5) the District of Columbia Alcoholic Prevention Control Act;

(6) the Act of April 23, 1924 (relating to motor vehicles fuel tax);

(7) title V of the District of Columbia Revenue Act of 1937; and

(8) any other Act of Congress imposing a tax solely in the District of Columbia.

SEC. 205. (a) Each person receiving basic compensation under class 15 of the salary schedule in section 1 of the District of Columbia Teachers' Salary Act of 1955 (D.C. Code, sec. 31–1501) shall be issued a five-year teaching certificate. Renewals shall be dependent upon application and six or more hours of appropriate credit earned during the preceding five-year period. The District of Columbia Board of Education shall establish appropriate rules, regulations, and requirements to carry out the purposes of this section.

(b) For the purposes of this section, class 15, group B, shall include persons possessing a master's degree of thirty appropriate semester hours beyond the bachelor's degree.

(c) For purposes of implementing this section the Board shall determine the appropriateness of the course work obtained in lieu of the degree.

SEC. 206. (a) Section 2(a) of the District of Columbia Teachers' Salary Act of 1955 (D.C. Code, sec. 31–1511 (a)) is amended by striking out "(D) attendance officer, or (E) child labor inspector," and inserting "or" after "tactics," in paragraph (B).

(b) The employees in the category repealed by the amendment made by subsection (a) shall meet the general requirements of such section 2(a).

(c) The amendment made by subsection (a) shall be effective on and after the date of enactment of this Act.

TITLE III—TEACHERS' RETIREMENT ANNUITIES

SEC. 301. Section 5 of the Act entitled "An Act for the retirement of public school teachers in the District of Columbia", approved August 7, 1946 (D.C. Code, sec. 31–725) is amended by adding at the end thereof the following:

"(e)(1) Notwithstanding any other provision of this Act, other than this subsection the monthly rate of annuity payable under this section shall not be less than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act.

"(2) Notwithstanding any other provision of this Act, other than this subsection, the monthly rate of annuity payable under this section to a surviving child shall not be less than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act, or three times such primary insurance amount divided by the number of surviving children entitled to an annuity, whichever is the lesser.

"(3) The provisions of this subsection shall not apply to an annuitant or to a survivor who is or becomes entitled to receive from the United States, or the District of Columbia, an annuity or retired pay under any other civilian or military retirement system, benefits under title II of the Social Security Act, a pension, veterans' compensation, or any other periodic payment of a similar nature, when the monthly rate thereof is equal to or greater than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act.

"(4) An annuity payable from the teachers' retirement and annuity fund to a former teacher, which is based on a separation occurring prior to October 20, 1969, is increased by $240.

"(5) In lieu of any increase based on an increase under paragraph (4) of this subsection, an annuity payable from the teachers' retirement and annuity fund to the surviving spouse of a teacher or annuitant, which is based on a separation occurring prior to October 20, 1969, shall be increased by $132.

"(6) The monthly rate of an annuity resulting from an increase under paragraph (4) or (5) shall be considered as the monthly rate of annuity payable under subsection (a) for purposes of computing the minimum annuity under subsection (e).".

SEC. 302. This title shall become effective on the date of enactment. Annuity increases under this title shall apply to annuities which commence before, on, or after the date in annuity shall be paid for any period prior to the first day of the first month which of enactment of this title, but no increase begins on or after the ninetieth day after the date of enactment of this title, or the date on which the annuity commences, whichever is later.

TITLE IV—REAL PROPERTY TAX

PART 1—SHORT TITLE, STATEMENT OF PURPOSE, AND DEFINITIONS

SEC. 401. This title may be cited as the "District of Columbia Real Property Tax Revision Act of 1974".

SEC. 402. It is the intent of Congress to revise the real property tax in the District of Columbia to achieve the following objectives:

(1) Equitable sharing of the financial burden of the government of the District of Columbia.

(2) Full public information regarding assessments and appeal procedures.

(3) Promotion of economic activity, diversity of land use, and preservation of the character of the District of Columbia.

(4) Assurance that shifts in the tax burden on individual taxpayers will not be excessive.

(5) Comparability of tax effort between the District of Columbia and surrounding jurisdictions in the metropolitan area and cities of comparable size.

SEC. 403. For the purposes of this title—

(1) The term "real property" means real estate identified by plat on the records of the District of Columbia Surveyor according to lot and square together with improvements thereon.

(2) The term "Commissioner" means the Commissioner of the District of Columbia established under Reorganization Plan Numbered 3 of 1967.

(3) The term "Council" means the District of Columbia Council established under Reorganization Plan Numbered 3 of 1967.

(4) The term "estimated market value" means 100 per centum of the most probable price at which a particular piece of real property, if exposed for sale in the open market with a reasonable time for the seller to find a purchaser, would be expected to transfer under prevailing market conditions between parties who have knowledge of the uses to which the property may be put, both seeking to maximize their gains and neither being in a position to take advantage of the exigencies of the other.

(5) The term "regulation", unless specifically identified as a regulation of the Commissioner, means a regulation of the Council enacted under section 406 of the Reorganization Plan Numbered 3 of 1967, and after January 2, 1975, such term means an act of the Council of the District of Columbia enacted under section 412 (and related sections) of the District of Columbia Self-Government and Governmental Reorganization Act.

(6) The term "tax year" means—

(A) with respect to a real property tax rate proposed by the Mayor or established by the Council after January 1 but before June 30 of any calendar year, the next following fiscal year; and

(B) with respect to a real property tax rate proposed by the Mayor or established by the Council after June 30 in any calendar year, the fiscal year during which the rate was proposed or established.

PART 2—AUTHORITY AND PROCEDURE TO ESTABLISH REAL PROPERTY TAX RATES

SUBPART A—REAL PROPERTY TAX RATE

SEC. 411. Notwithstanding the provisions of the Act of June 2, 1922 (D.C. Code, sec. 47–501), there is hereby levied for each fiscal year a tax on the real property in the District of Columbia at a rate determined according to the provisions of this title. Unless otherwise provided by law, all revenues received from such tax shall be deposited, from time to time, in the Treasury of the United States, to the credit of the District of Columbia.

SEC. 412. The Council, after public hearing, shall establish each year, within thirty days after receipt of the Commissioner's recommendation under section 413, a rate of taxation which, except as provided in section 431, shall be applied, during the tax year, to the assessed value of all real property subject to taxation. The Council may by resolution extend the time for any year for setting such rate of taxation, except that if the Council does make such an extension, it must establish such rate for that tax year. If the Council fails to establish such a rate within such thirty days, and fails to extend the time for establishing such a rate, the rate calculated by the Commissioner, pursuant to section 413, shall be the rate for that tax year.

SEC. 413. (a)(1) Except as provided in paragraph (2), by July 15 of each year, the Commissioner shall calculate and submit to the Council a proposed real property tax rate for the tax year, and inform the Council of his certification of the assessment roll pursuant to section 456(g). The Commissioner may extend the period for submitting such recommendation.

(2) With respect to the real property tax rate for the fiscal year ending June 30, 1975, the Commissioner shall submit his recommendation to the Council within 30 days after the date of enactment of this title.

(b) At the time the Commissioner submits to the Council the proposed real property tax rate under subsection (a), he shall also submit the following:

(1) The total aggregate assessed value of taxable real property for the year preceding the tax year by major class or type of property.

(2) The total aggregate assessed value of taxable real property for the tax year for which the property tax rate recommendation is being made, by major class or type of property, indicating separated for each class or type the estimated value attributable to new construction.

(3) The real property tax rate (rounded to the nearest penny) calculated to yield in the tax year the same amount of revenue (exclusive of the revenue attributable to new construction) as was raised by that tax at

the rate applicable during the year preceding the tax year.

(c) The real property tax rate submitted by the Commissioner pursuant to subsection (a) shall become the real property tax rate applicable during the tax year for which it is submitted unless the Council acts to set a different such rate pursuant to section 512.

(d) On or before February 1 of each year the Commissioner shall estimate as closely as possible the rate to be calculated in subsection (a) and shall so inform the Council.

(e) The real property tax rate applicable in the District for the fiscal year ending June 30, 1975, shall be calculated according to the provisions of this title.

SEC. 414. At the time the Commissioner submits to the Council the proposed real property tax rate under section 413, he shall also submit the following:

(1) The total aggregate assessed value of real property exempt from the real property tax levied in the District for the current fiscal year by major class or type of exempt status and the tax that would have been paid during such fiscal year had such property not been exempt.

(2) The total aggregate assessed value of real property exempt from the real property tax levied in the District by major class or type of exempt status and the tax that would be paid during the fiscal year under the real property tax rate proposed by the Commissioner pursuant to section 413.

SEC. 415. In establishing a real property tax rate the Council shall make a comparison of tax rates and burdens applicable to residential and nonresidential property in the District with those such rates applicable to such property in jurisdictions in the vicinity of the District. The comparison shall include other major taxes in addition to the tax on real property. Without in any way limiting the authortiy of the Council, it is the intention of Congress that tax burdens in the District be reasonably comparable to those in the surrounding jurisdictions of the Washington metropolitan area.

SEC. 416. The Commissioner shall, by June 30 of each year, compile and publish information regarding the relative amount of tax for all major taxes in the District compared with those in surrounding jurisdictions in the Washington metropolitan area and with those in other cities. The information shall include the rate of the property tax levied on residential and nonresidential property, and the effect of major taxes levied on families of different income levels and on businesses.

SUBPART B—ASSESSMENT AND ADMINISTRATION

SEC. 421. (a) The assessed value of all real property shall be listed on the assessment roll for real property taxation purposes annually as provided in this part. The assessed value for all real property shall be the estimated market value of such property as of January 1 of the year preceding the tax year, as determined by the Commissioner. In determining estimated market value for various kinds of real property the Commissioner shall take into account any factor which might have a bearing on the market value of the real property including, but not limited to, sales information on similar types of real property, mortgage, or other financial considerations, reproduction cost less accrued depreciation because of age, condition, and other factors, income earning potential (if any), zoning, and government-imposed restrictions. Assessments shall be based upon the sources of information available to the Commissioner which may include actual view.

(b) All real property shall be assessed no less frequently than once every two years, and as soon as practicable such assessment shall be made annually. The Council may authorize and direct assessments to be made annually for some or all classes of real property, except that for fiscal year 1978, and for each fiscal year thereafter, all real property shall be assessed on an annual basis.

(c) The Council may adopt regulations concerning the assessment and reassessment of real property and matters relating thereto which shall be consistent with the provisions of this title and other applicable provisions of law.

(d) The Council may adopt regulations regarding information to be furnished the Commissioner by owners of real property. Such regulations shall provide, under penalty of law, that all such information with respect to income derived from investment on income-producing real property shall be handled in the same confidential manner as income tax returns and supporting data required to be submitted to the government of the District of Columbia under laws applicable in the District.

(e) The Commissioner shall submit to the Council, within forty-five days after the date of enactment of this title, proposed regulations to be adopted by the Council pursuant to subsection (c).

(f) Consistent with the provisions of this Act and regulations of the Council, the Commissioner shall promulgate necessary regulations and administrative orders. If the Council shall have adopted regulations concerning assessment pursuant to subsection (c) within ninety days after the date of enactment of this title, the Commissioner shall promulgate such regulations.

SEC. 422. (a) The Commissioner shall assess separately all real property, identifying separately the value of land and improvements thereon, and administer and collect the real property tax within the District. The Commissioner shall also notify owners of real property of assessments and of appeal procedures. In addition, he shall maintain adequate records relating to the administration of the real property tax in the District, and provide appropriate public information concerning such tax.

(b) The Commissioner shall appoint assessors competent to determine values of real property to carry out the provisions of this title and other relevant portions of this title. Each person so appointed shall take and subscribe an oath to deligently, faithfully, and impartially assess all real property according to applicable law and regulations and otherwise perform the duties of office.

(c) The Commissioner shall assure that information regarding the characteristics of real property, sales and exchanges of all such property, building permits, land use plans, and any other information pertinent to the assessment process shall be made available to the assessors on a timely basis.

SEC. 423. (a) All real property, except as hereinafter provided, shall be assessed in the name of the owner, or trustee or trustees of the owner thereof. All undivided real property of a deceased person may be assessed in the name of such deceased person until such undivided real property is divided according to law, or has otherwise passed into the possession of some other person; and all real property, the ownership of which is unknown, shall be assessed as owner unknown.

(b) All real property, whether taxable or not, shall be assessed according to the address and the number of the squares and lots thereof, or part of lots, and upon the number of the square or superficial feet in each square or lot or part of a lot.

SEC. 424. (a) The Commissioner shall, on or before March 1 of each year, compile in tabular form and place in a book, known as the preliminary assessment roll, the name of the owner, address, lot and square, amount, description, and value, as of January 1 of that year, of the land and improvements of all real property whether such property is taxable or exempt.

(b) The preliminary assessment roll, together with all maps, field books, sales assessment studies, surveys, and plats, shall be open to public inspection during normal business hours. In addition, any notes and memorandums relating to the assessment of his real property, or a statement clearly indicating the basis upon which his real property has been assessed, shall be open to inspection by the taxpayer or his designated representative during normal business hours. Provision shall be made to furnish copies of all material to any person, upon request, at the lowest charge which covers cost of making such copies.

(c) The Commissioner shall undertake, publish, and otherwise publicize the results of assessment-sales ratio studies for different types of real property for the entire District and for different types of real property within each of the districts utilized in making assessments. If, for a given year, adequate sales data are lacking for particular studies, the Commissioner shall so indicate.

(d) The Commissioner shall, either himself or in a newspaper of general circulation, publish a listing of the assessed value of each property by address, lot, and square, and he shall also make such listing available at the main public library in the District and at such other points as he may determine. Such publication can be by neighborhood areas so long as maps showing the assessment areas are generally available.

SEC. 425. Beginning as soon as possible after January 1, but no later than March 4 of each year, each taxpayer shall be notified of the assessment of his real property for the next fiscal year. The notice, or statement accompanying the notice, shall include—

(1) the address, lot, square, and type of land use by major category of the property;

(2) the assessed value of the land and improvements (shown separately and in total) of the property for the next fiscal year and such amounts for the previous fiscal year;

(3) the amount and percentage of change in assessed value over the previous fiscal year;

(4) an indication of the reason for such change in assessment, such as, but not limited to, improvements to the property, zoning change, changing market values;

(5) statement of appeal procedures pursuant to section 426(i);

(6) the citation to the regulations or orders under which the property was assessed;

(7) the location of the assessment roll, studies, and notes referred to in sections 424 and 426(g) and the hours during which the information is available;

(8) the availability of a listing of the assessed value of property referred to in section 424(c); and

(9) an explanation of all special benefits, incentives, limitations, or credits which relate to real property taxes as a result of this or any other Act.

SEC. 426. (a) There is established a Board of Equalization and Review for the District (hereinafter in this title referred to as the "Board") which shall be composed of fifteen members, a majority of whom shall be residents of the District, appointed by the Commissioner, with the advice and consent of the Council. The Council may authorize a larger size if the caseload so requires. Members of the Board shall be persons having knowledge of the valuation of property, real estate transactions, building costs, accounting, finance, or statistics. The Commissioner shall name one member as Chairman. None of the mem-

bers may be officers of the District of Columbia government. Each member shall serve for a term of five years, except of the members first appointed under this section, the Commissioner shall designate equal numbers for terms of one, two, three, four, and five years. The terms of the members first appointed under this section shall begin on January 1, 1975. Any person appointed to fill a vacancy shall be appointed to serve for the remainder of the term during which the vacancy arose. Each member shall receive compensation at a rate to be determined by the Council unless otherwise prohibited by law, but not to exceed one two-thousandths of the annual salary of the highest step of grade 15 of the General Schedule in section 5332 of title 5 of the United States Code for each hour such member is engaged in the actual performance of duties vested in the Board.

(b) The Commissioner shall provide such other support as is needed for the efficient operation of the Board.

(c) The Board shall convene as business necessitates from the first Monday in January until the Commissioner shall be presented with the real property assessment roll for the fiscal year as provided in subsection (g). The Board shall also convene as business necessitates for a period of thirty days following any special assessment which shall be generally applicable to a class of real property, and as business of the Board otherwise makes necessary.

(d) A majority of the Board shall constitute a quorum for transacting business, except the Board may provide for the establishment of three member panels for hearing and deciding individual appeals. The Board shall adopt and publish necessary rules, and all applicable provisions of the District of Columbia Administrative Procedures Act (D.C. Code, secs. 1–1501—1–1510) shall apply to the rules and procedure of the Board.

(e) On or before April 15 of each year any taxpayer may appeal the amount of his assessment for the following fiscal year.

(f) Pursuant to applicable provisions of law, regulations adopted by the Council, or orders of the Commissioner, the Board shall attempt to assure that all real property is assessed at the estimated market value. Based on the record of complaints or of other information available to or solicited by the Board, the Board shall raise or lower the estimated market value of any real property which it finds to be more than 5 per centum above or below the estimated market value contained in the preliminary assessment roll prepared by the Commissioner according to section 423 and shall revise the assessment roll accordingly.

(g) On or before June 1 the Board shall present the revised assessment roll for the forthcoming fiscal year to the Commissioner. The Commissioner shall make such further revisions to the assessment roll as are required under other applicable provisions of law, and shall approve such assessment roll not later than June 30. Except as otherwise provided by law, the approved assessment roll shall constitute the basis of assessment for the forthcoming fiscal year and until another assessment roll is made according to law.

(h) Neither the Board nor any court shall order the increase of the assessed value of any parcel of real property above its estimated market value, nor the decrease of the assessed value of any parcel of real property below its estimated market value solely on the basis of average ratio studies comparing sales and assessments, unless such studies are the primary basis for the assessment, or reassessment of the concerned property.

(i) Any person aggrieved by any assessment, equalization, or valuation made, may, by October 15 of the calendar year in which such assessment, equalization, or valuation is made, appeal from such assessment, equalization, or valuation in the same manner and to the same extent as provided in sections 3 and 14 of title IX of the Act of August 17, 1937 (D.C. Code, secs. 47–2404, 47–24143), if such person shall have first made his complaint to the Board respecting such assessment as herein provided, except that in any case where no notice in writing of such increase of valuation was given the taxpayer prior to March 15 of the particular year, no such complaint shall be required for appeal.

SEC. 427. Each assessor of the District, and each assistant assessor, in the discharge of any of his duties, or the Board, may administer all necessary oaths or affirmations. The Commissioner or, in his absence, his designated agent, and the Chairman of the Board, shall have power to summon the attendance of any person to be examined under oath touching such matters and things as the Commissioner or the Board may deem advisable in the discharge of their duties; and any member of the Metropolitan Police force of the District of Columbia may serve subpenas in his behalf. Such fees shall be allowed witnesses so examined, to be paid out of funds available to the Commissioner, as are allowed in civil actions before the United States District Court for the District of Columbia. Any person summoned and examined as aforesaid who shall knowingly make false oath or affirmation shall be guilty of perjury, and upon conviction thereof be punished according to the laws in force for the punishment of perjury.

SEC. 428. Within one year after the date of enactment of this title the Superior Court of the District of Columbia shall establish a method which it deems appropriate by which class action cases regarding any matter relating to real and personal property taxes may be brought before the Superior Court.

SEC. 429. Any person who shall refuse or knowingly neglect to perform any duty enjoined on him by law, or who shall consent to or connive at any evasion of the provision of the first section of the Act of March 3, 1881 (D.C. Code, sec. 47–209), or section 2 or 13 of the Act of August 14, 1894 (D.C. Code, secs. 47–604 and 47–606), or any other provision of this title shall, for each offense, be removed from office and fined not more than $10,000, or imprisoned for no longer than one year, or both, in the discretion of the court.

SUBPART C—TAX INCENTIVES FOR REHABILITATION OF PROPERTY AND NEW CONSTRUCTION IN AREAS OF THE CITY AND FOR THE PRESERVATION OF HISTORIC PROPERTY

SEC. 431. (a) The Council shall, within one year after the date of enactment of this title, after public hearing, adopt regulations providing tax incentives for the rehabilitation of existing structures and for new construction, including rehabilitation or construction of commercial property, located in areas of the District as designated by the Council. The Council shall also adopt regulations providing tax incentives for the rehabilitation and maintenance of historic property. Such tax incentives may include, but are not limited to—

(1) establishing different tax rates for land and for improvements thereon; and

(2) providing that any increase in assessed value of improvements resulting from rehabilitation or new construction be ignored for tax purposes for up to five years from the year of such reassessment.

(b) To be eligible for incentive under this section, historic property must be property designated as an historic landmark and conform to the provisions of subpart D.

SUBPART D—TAX RELIEF FOR CERTAIN HISTORIC PROPERTIES

SEC. 441. For certain officially designated historic property in the District, the Commissioner shall, in addition to assessing at full market value, assess land and improvements on the basis of current use and structures of the property, which latter assessment, if it is less than full market value, shall be the basis of tax liability to the District.

SEC. 442. To be eligible for historic property tax relief, real property must be historic property designated by the Joint Commitee on Landmarks of the National Capital Planning Commission and the Commission on Fine Arts, and, in addition, must be approved by the Commissioner under section 443.

SEC. 443. The Council may provide that the owners of properties which have been designated historic landmarks by the Joint Committee on Landmarks of the National Capital Planning Commission and the Commission of Fine Arts may enter into agreements with the government of the District of Columbia for periods of at least twenty years which will assure the continued maintenance of historic properties in return for property tax relief. Such a provision shall, as a condition for tax relief, require reasonable assurance that such property will be used and properly maintained and such other conditions as the Council finds to be necessary to encourage the preservation of historic property. The Council shall also provide for the recovery of back taxes, with interest, which would have been due and payable in the absence of the exemption, if the conditions for such exemption are not fulfilled.

SUBPART E—TAX DEFERRAL

SEC. 451. (a) An eligible taxpayer may defer each year any real property tax owed in excess of 110 per centum of his immediately preceding year's real property tax liability. To be eligible for such deferral the taxpayer must—

(1) have owned for at least five years the residential real property for which deferral is claimed;

(2) certify that the combined household adjusted gross income (for purposes of District income taxes) does not exceed $20,000 in one year;

(3) file a written request for deferral on a form prescribed by the Commissioner;

(4) certify that such residential real property is the principal place of residence of the taxpayer;

(5) certify that the zoning classification of such residential property has not changed in the immediately past fiscal year;

(6) certify that increases in the assessed valuation of such residential real property attributable to improvements which increase the intrinsic value of such residential real property are not included in the calculation of the increase in real property tax payable; and

(7) certify that the assessment of such residential real property for the immediately previous fiscal year was not the result of an obvious arithmetical error.

(b) Taxes deferred under this section shall bear interest compounded annually. The rate of interest which shall be applied in each year shall be the average Treasury bill rate for the preceding twelve months as certified by the Secretary of the Treasury to the Commissioner.

(c) No further deferrals of real property tax shall be granted a taxpayer when his deferred tax plus interest equals more than 10 per centum of the current assessed value of his property.

(d) Taxes deferred under this section, together with all accumulated interest, shall constitute a preferential lien upon the real property which shall be immediately payable by the seller, transferor, or conveyor whenever the real property is sold, transferred, or conveyed in any manner, or when-

ever additional co-owners (other than spouse) are added to the real property.

SEC. 452. (a) Any owner of residential real property whose combined household adjusted gross income is in excess of $20,000, and who meets the qualifications specified in clauses (1), (3), (4), (5), and (6) of subsection (a) of section 451, may defer the amount of real property tax attributable to an increase by more than 25 per centum in any one year over the assessment of the immediately previous fiscal year. For the purposes of this section and section 451, for the fiscal year 1975 the assessed value of all properties assessed at 55 per centum of estimated market value shall be the assessed value of the property divided by 0.55.

(b) Taxes deferred under this section shall bear interest compounded annually. Notwithstanding any other provision of law, the rate of interest which shall be applied in each year is the average Treasury bill rate for the preceding twelve months as certified by the Secretary of the Treasury to the Commissioner.

(c) No further deferrals of real property tax shall be granted a taxpayer when his deferred tax plus interest equals more than 10 per centum of the current assessed value of his property.

(d) Taxes deferred under this section, together with all accumulated interest, shall constitute a preferential lien upon the property which shall be immediately payable by the seller, transferor, or conveyor whenever the property is sold, refinanced, transferred, or conveyed in any manner, or whenever additional co-owners (other than spouse) are added to the property.

(e) The deferral provided in this section shall terminate at the end of fiscal year 1979 unless specifically extended by the Council.

SUBPART F—DISPOSAL OF TAX DELINQUENT PROPERTY TO ENCOURAGE HOMEOWNERSHIP

SEC. 461. Notwithstanding any other provision of law, whenever any real property in the District of Columbia has been, or shall hereafter be, offered for sale for nonpayment of taxes or assessments of any kind whatsoever, and shall have been bid off in the name of the District of Columbia, and two years or more have elapsed since such property was bid off as aforesaid, and the same has not been redeemed as provided by law, the Commissioner of the District may enforce the lien of the District for taxes or other assessments on such real property by ordering that a deed in fee simple to such property be issued by the Commissioner of the District of Columbia to the District of Columbia, and up to the time of the issuance of the deed such property may be redeemed by the owner or other person having an interest therein by the payment of all taxes or assessments due the District of Columbia upon said property, and all legal penalties, interest and costs thereon, together with such other expenses and costs, including costs of publication, as may have been incurred by the District.

SEC. 462. The Council is hereby authorized to establish a program whereby title to properties acquired by tax sale pursuant to section 461 may, for whatever sum it deems appropriate, be transferred to persons meeting criteria which shall be established by the Council, who guarantee to pay taxes on and to live in the property for at least five years, and who give assurance of bringing such property into reasonable compliance with the building code in the District.

PART 3—REAL AND PERSONAL PROPERTY TAX EXEMPTIONS

SEC. 472. (a) On and after July 1, 1975, subsections (a), (b), (c), and (d) of the first section of the Act of December 24, 1942 (D.C. Code, sec. 47–801a (a), (b), (c), and (d)), are amended to read as follows:

"(a) Real and personal property belonging to the United States of America, the District of Columbia, or to foreign governments, as follows and subject to the following provisions:

"(1) Real and personal property owned by the United States of America, except—

"(A) real and personal property owned by the United States which, by Act of Congress or by authorized Federal administrative action, is subject to taxation; and

"(B) real and personal property owned by the United States which, for a period in excess of thirty days, is leased or otherwise made available for use by any person for commercial purposes, in which case, however, no tax shall be assessed against the property of the United States, but the lessee or user of the property shall be subject to tax for the entire period of such use or possession at the same rates and in the same amount and to the same extent as though the lessee or user were the owner of such property, except that real and personal real property owned by the United States and leased or otherwise made available for use by organizations or enterprises qualifying under the Randolph-Sheppard Vending Stand Act (49 Stat. 1559) shall not be taxed.

"(2) Real and personal property owned by the District of Columbia, except real property of the District of Columbia which, for a period in excess of thirty days, is leased or otherwise made available for use by any person for commercial purposes, in which case, however, no tax shall be assessed against the property of the District of Columbia, but the lessee or user of the property shall be subject to a tax for the entire period of such use or possession at the same rates and in the same amount and to the same extent as though the lessee or user were the owner of such property, except that real and personal property owned by the District of Columbia and leased or otherwise made available to organizations or enterprises qualifying under the Randolph-Sheppard Vending Stand Act (49 Stat. 1559) shall not be taxed.

"(3) Real and personal property owned by any instrumentality or independent agency of the United States or of the District of Columbia which, under the laws of the United States, or the District of Columbia is exempt from taxation, except property of any instrumentality or independent agency of the United States or the District of Columbia which, for a period in excess of thirty days, is leased or otherwise made available for use by any person for commercial purposes, in which case, however, no tax shall be assessed against the property of any such instrumentality or agency, but the lessee or user of the property shall be subject to a tax for the entire period of such use or possession at the same rates and in the same amount and to the same extent as though the lessee or user were the owner of such property.

"(4) Real and personal property owned by a foreign government and actually occupied and used exclusively by it for legation or consular purposes. The phrase 'actually occupied and used exclusively for legation purposes' shall not include real property of a foreign government which, for a period in excess of thirty days, is leased or otherwise made available for use by any person for commercial purposes, in which case, however, no tax shall be assessed against the property of the foreign government, but the lessee or user of the property shall be subject to a tax for the entire period of such use or possession at the same rates and at the same amount and to the same extent as though the lessee or user were the owner of such property.

"(5) Whenever any property of the United States, or of any independent agency or instrumentality of the United States, or of the District of Columbia, is, for a period in excess of thirty days, leased or otherwise made available for use by any person for commercial purposes, the Administrator of the General Services Administration of the United States Government, as to property of the United States, and the independent agency or instrumentality, as to its property, shall notify the Commissioner of the District of Columbia in writing within thirty days after such person shall have leased such property or had such property made available for use by him.

"(6) Taxes imposed by this section shall be assessed from the first day of the month in which the lease period or right to use the property commences to the end of the month in which such period terminates. The rate of tax shall be the rate in effect for taxable real or personal property, as the case may be, during each month of the fiscal year during which the property is leased or used. Assessments shall be made on a fiscal year basis, except that, if the period of the lease or use commences during a month other than the first month of the fiscal year, the assessment shall be made for the months of the lease or use remaining in that year. The provisions for the imposition of penalties and interest applicable in the case of assessments of real and personal property taxes shall be applicable to taxes imposed under this section, and such taxes, penalties, and interest, when the same have become due and payable, may be collected in the manner provided by section 1601 of title XVI of the Act of May 18, 1954 (D.C. Code, sec. 47–312), and jeopardy assessments of such taxes may be made as provided in section 1602 of title XVI of such Act (D.C. Code, sec. 47–313). Taxes imposed by this section shall be due and payable within thirty days after notice of the assessment is mailed to the taxpayer."

(b) The first section of such Act (D.C. Code, sec. 47–801(a)) is amended, on and after July 1, 1974, by adding at the end thereof the following:

"(s) Buildings owned by and actually occupied and used for legitimate theater, music, or dance purposes by a corporation which is not organized or operated for commercial purposes or for private gain, while buildings are open to the public, generally, and for admission to which charges may be made to cover the cost of expenses."

SEC. 472. The Commissioner shall publish, by class and by individual property, a listing of all real property exempt from the real property tax in the District. Such listing shall include the address, lot, and square, the name of the owner, the assessed value of the land and improvements of such property, and the amount of the tax exemption in the previous fiscal year.

PART 4—PROPERTY TAX CREDIT FOR DISTRICT OF COLUMBIA RESIDENTS

SEC. 481. Effective January 1, 1975, title VI of the District of Columbia Income and Franchise Act of 1947 is amended by adding at the end thereof the following new section:

"SEC. 7. CREDIT FOR PROPERTY TAXES ACCRUED AND PAYABLE BY DISTRICT OF COLUMBIA RESIDENTS.—(a) (1) For purposes of providing relief to certain District of Columbia residents who own or rent their principal place of abode and who reside in same, a credit shall be allowed to the eligible claimant equal to the amount by which all or a portion of real property taxes the taxpayer pays, or rent paid constituting property taxes, on his principal place of residence for the taxable year, exceeds a percentage (determined under subsection (a)(2)) of his household gross income for that year.

"(2) The percentage required under paragraph (1) of this subsection to be determined under this subsection for taxpayers shall be the percentage specified in the following table:

"If household gross income is:	The percentage of property tax paid on the first $400 of property tax, or rent constituting property tax, which shall constitute credit is:
Under $3,000	80 per centum of tax in excess of 2 per centum of income.
$3,000 to $4,999	70 per centum of tax in excess of 3 per centum of income.
$5,000 to $6,999	60 per centum of tax in excess of 4 per centum of income.

"(b) Definitions.—For purposes of this section:

"(1)(A) The term 'household gross income' means gains, profits, and income derived from salaries, wages, or compensation for personal services of whatever kind and in whatever form paid, including salaries, wages, and compensation paid by the United States to its officers and employees, or income derived from any trade or business or sales or dealings in property, whether real or personal, including capital assets as defined in this article growing out of the ownership or sale of or interest in such property; income from rent, royalties, interest, dividends, securities, or transactions of any trade or business carried on for gain or profit, or gains or profits and income derived from any source whatever, including but not limited to alimony, and separate maintenance payments (including amounts received under separate maintenance agreements), strike benefits, cash public assistance and relief (not including relief or credit granted under this section), sick pay, workmen's compensation, proceeds of life insurance policies, the gross amount of any pension or annuity (including railroad retirement benefits, veterans' disability pensions, or payment received under the Federal Social Security Act, State or District of Columbia unemployment compensation laws, and nontaxable interest received from the United States, a State or any agency or instrumentality thereof. The word 'income' does not include gifts from nongovernmental sources, food stamps, or food or other relief in kind supplied by a governmental agency.

"(B) In determining household gross income the exclusions from gross income as provided by subsection (b) of section 2 of title III of this article shall not apply.

"(2) The term 'household income' shall have the same meaning as the words 'adjusted gross income' are defined in subsection (c) of section 2 of title III of this article. For purposes of determining adjusted gross income within the meaning of this section, gross income shall mean household income as defined in this section.

"(3) The term 'home' means the claimant's dwelling house, whether owned or rented by the claimant, and so much of the land surrounding it as is reasonably necessary for use of the dwelling as a home, and may include a multiunit building or a multipurpose building and a part of the land upon which it is located.

"(4) The term 'claimant' means a person who has filed a claim under this section, was an owner of record of a home in the District, or a lessee, tenant at will or tenant at sufferance paying rent on a home in the District, during the entire calendar year preceding the year in which he files a claim for relief under this section. Only one claimant per home and per household per year shall be entitled to relief under this section.

"(5)(A) The term 'rent constituting property taxes accrued' means 15 per centum of the rent actually paid by a claimant in cash or its equivalent in the calendar year 1975 or any subsequent calendar year solely for the right to occupy his District home in such calendar year, and which rent constitutes the basis in the succeeding calendar year for the claim for relief made by the claimant under this section, exclusive of amounts which are paid as rent or other consideration for the providing by the landlord of furniture or furnishings of any kind, and exclusive of amounts included in the rent for utilities. Whenever the amount of rent includes charges for the providing by the landlord of furniture or furnishings or charges for utilities, and the charges therefor are not separately stated, then there shall be deducted from the rent as the charge for such furniture or furnishings 20 per centum of the rent, and for utilities 10 per centum of the rent, and the balance shall be deemed to be the amount paid by the claimant solely for the right to occupy his District home for the purposes of the credit allowed under this section.

"(c) In the event that any installment of rent for a calendar year for which a claim is filed is paid prior to the beginning of or subsequent to the end of such calendar year, it shall be included as rent for the year for which the claim was made and for no other year, and shall not be included as rent for purposes of this section for the year in which the installment was paid.

"(d) If the Commissioner determines that the rent paid was not the result of an agreement entered into at arm's length between the tenant and his landlord, the Commissioner may adjust the rent to a reasonable amount for the purposes of this section.

"(e)(1) Beginning with the calendar year 1975 and for each succeeding calendar year, if a claimant owns and occupies his home in the District on July 1 of any such year, property taxes accrued' means property taxes (exclusive of special assessments, interest on a delinquency in payment of tax, and any penalties and service charges) assessed and paid to date against such home commencing January 1, 1974, and for succeeding years. If a home is an integral part of a larger unit such as a multipurpose building or a multidwelling building, property taxes accrued shall be that percentage of the total property taxes accrued as the value of the home bears to the total value of the property.

"(2) When a claimant rents two or more different homes in the District in the same calendar year, rent paid by the claimant during that year shall be determined by dividing the rent paid pursuant to the last rental agreement in force during that calendar year by the number of months during that calendar year for which this rent was paid and multiplying the result by twelve.

"(f) The right to file under this section shall be personal to the claimant, but such right may be exercised by his legal guardian or attorney-in-fact. The right to file a claim shall not survive the death of a claimant. If a claimant dies after having filed a claim, any amount refunded as a result thereof shall be disbursed to his estate: Provided, That if no executor or administrator qualifies therein within two years of the filing of the claim, or no petition for distribution of a small estate is filed pursuant to the first section of the Act of September 14, 1965 (D.C. Code, secs. 20–2101 and 20–2102), the claim shall not be allowed.

"(g) Subject to the limitations provided in this section, commencing with the taxable year beginning after December 31, 1974, and for succeeding taxable years, the claimant may claim as a credit against the District income taxes otherwise due on his income, property taxes accrued or rent constituting property taxes accrued for that year. If the allowable amount of such claim exceeds the income taxes otherwise due from the claimant, or other tax liabilities of the claimant to the District, or if there are no District income taxes due from the claimant, the amount of the claim not used as an offset against income taxes or other tax liabilities of the claimant to the District shall be paid or credited to the claimant. No interest shall be allowed on any payment made to a claimant pursuant to this section.

"(h) No claim with respect to property taxes accrued or with respect to rent constituting property taxes accrued shall be allowed unless a District of Columbia individual income tax return or (if the claimant is not required to file such return) a claim for credit under this section is filed with the District on the forms and in such manner and with such information as the Commissioner may prescribe. Any claim for credit shall be filed on or before the time prescribed for the filing of a return of individual income under this article. The Commissioner may grant a reasonable extension of time, not to exceed six months, for the filing of a return or claim for credit under this section whenever in his judgment good cause exists therefor.

"(i) The amount of any claim otherwise payable under this section may be applied by the District against any outstanding tax liability of the claimant to the District.

"(j)(1) In determining eligibility for the credit allowable under this section, and for the purpose of determining outstanding tax liability (if any) of the claimant to the District household income for which the claim is filed and the claimant's outstanding tax liability (if any) shall be determined on the basis of the combined household income of all members present in the household, except there shall be excluded from the computation of gross household income the first $1,000 earned by a dependent.

"(2) In the case of husband and wife, who during the entire calendar year for which a claim is filed under this section, maintain separate homes, for the purpose of determining household income and the claimant's outstanding tax liability (if any), such husband and wife shall be deemed to have been unmarried during the calendar year for which the claim is made.

"(k) No credit shall be allowed under this title for any year during which the person claiming the credit was a dependent, under any State, Federal, or District law levying a tax on income, unless during that year such person is or becomes sixty-five years of age or older.

"(l) In the case of persons whose incomes vary substantially from year to year, the District of Columbia Council shall adopt regulations concerning income averaging for purposes of calculating benefits.

"(m) Each owner of a rental unit or his authorized agent shall, when requested in writing, furnish to the tenant making such written request a statement indicating the amount of rent paid by the tenant during the calendar year solely for the right of occupancy of the leased premises. Requests shall be made under this paragraph only by those persons entitled to file a claim under this section or who at the time of the making of the request deem themselves entitled to file a claim for credit under this section.

"(n)(1) If, on an audit of any claim filed under this section, the Commissioner finds the amount to have been incorrectly computed, he shall determine the correct amount and notify the claimant in accordance with the procedures set forth in section 5 of title XII of this article.

"(2) If it is determined that a claim was filed with fraudulent intent, it shall be disallowed in full. If the claim has been paid or a credit has been allowed against income taxes otherwise payable, the credit shall be canceled and the amount paid shall be assessed against the claimant and recovered in the same manner as provided for the collection of taxes under section 1601 of title XVI of the Act of May 18, 1954 (D.C. Code, sec. 47–312).

"(o) No claim for relief under this section shall be allowed to any person who was not living in a home which was subject to District of Columbia real property taxation during the calendar year for which the claim is filed.

"(p) Notwithstanding any other provision of law to the contrary, any person aggrieved by the denial in whole or in part of a claim for the credit authorized by this section, or an assessment of tax made pursuant to paragraph (1) of this section, may appeal the denial within six months after notice of the denial of the claim or within six months after notice of assessment, to the Board which shall consider such appeal as a contested case under section 10 of the District of Columbia Administrative Procedure Act (D.C. Code, sec. 1–1509). In the case of an assessment of tax, the mailing to the claimant of a statement of taxes due shall be considered notice of assessment with respect to such taxes.

"(q) The Commissioner is authorized to provide a table which will approximate, as closely as feasible, the amount of relief allowable under this section.

"(r) If it is determined by the District that a claimant received title to his home in the District or became legally obligated to pay rent for his home in the District primarily for the purpose of receiving benefits under the provisions of this section, his claim shall be disallowed.

"(s) The District of Columbia Council is empowered to make such changes in the amount of annual relief provided under section 7(a) of this title as it may deem proper.".

PART 5—DELEGATION OF GENERAL TAXING AUTHORITY; AMENDMENTS TO DISTRICT SALES TAX ACT AND MISCELLANEOUS

SEC. 490. In order to provide for additional revenue to meet additional expenditures resulting from a compensation increase adopted for police and firemen, the Council, in accordance with section 406 of Reorganization Plan Numbered 3 of 1967, is authorized to change the rate of the taxes imposed under—

(1) the District of Columbia Income and Franchise Tax Act of 1947,

(2) the District of Columbia Sales Tax Act,

(3) the District of Columbia Use Tax Act,

(4) the District of Columbia Cigarette Tax Act,

(5) the District of Columbia Alcoholic Beverage Control Act,

(6) the Act of April 23, 1924 (relating to motor fuel tax),

(7) title V of the District of Columbia Revenue Act of 1937, and

(8) any other Act of Congress imposing a tax solely in the District of Columbia.

SEC. 491. Section 490 shall take effect on and after the date of enactment of this Act.

SEC. 492. Subsection (a) of section 114 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2601, 14(a)) is amended by adding at the end thereof the following new paragraph:

"(12)(A) The sale of or charges for the service of parking or storage spaces for motor vehicles in parking lots or garages.

"(B) 'Parking lots' shall include any facility used primarily for parking vehicles, whether an outdoor lot or a building. 'Parking lots' shall also include any parking facility provided by the lessor of a building to his lessee if the lessor makes a separate charge for the parking space in addition to the rental charge for other space in the building. 'Parking lots' shall also include any facility used primarily for parking vehicles even if such facility is used seasonally or for even shorter duration, such as providing parking space at the time of a show, fair, carnival, or similar event."

SEC. 493. Section 125 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2602), is amended by adding at the end thereof the following new paragraph:

"(4) The rate of tax shall be 5 per centum of the gross receipts from the sale of or charges for the service of parking or storage spaces for motor vehicles in parking lots or garages."

SEC. 494. Section 114(a)(8) of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2601(a)(8)) is amended to read as follows:

"(8) The sale of or charges for admission to public events, except live performances of ballet, dance, or choral performances, concerts (instrumental and vocal), plays (with and without music), operas and readings and exhibitions of paintings, sculpture, photography, graphic and craft arts, but including movies, circuses, burlesque shows, sporting events, and performances or exhibitions of any other type or nature. *Provided*, That any casual or isolated sale of or charge for admission made by a semipublic institution not regularly engaged in asking such sales or charges shall not be considered a retail sale or sale at retail."

SEC. 495. The following Acts or parts of Acts are repealed:

(a) Title XV of the District of Columbia Public Works Act of 1954 (D.C. Code, sec. 47–501a.).

(b) The fourth and fifth paragraphs under the heading "General Expenses" of the Act of March 3, 1881 (D.C. Code, sec. 47–601).

(c) The fifth paragraph under the paragraph headed "Militia" of the Act of July 7, 1898 (D.C. Code, sec. 47–602).

(d) Section 11 of the Act of June 25, 1938 (D.C. Code, secs. 47–603).

(e) The first paragraph of section 5 (D.C. Code, sec. 47–713), and the second unnumbered paragraph of section 6 (D.C. Code, sec. 47–605), of the Act of July 1, 1902.

(f) The first section, and sections 2, 3, 4, 6, 7, and 8 of the Act of August 14, 1894 (D.C. Code, secs. 47–604, 701, 702, 704, 707).

(g) The first five sentences, and the last two sentences, of section 5(a) of the Act of August 17, 1937 (D.C. Code, secs. 47–708—47–709).

(h) Section 5 of the Act of March 3, 1883 (D.C. Code, sec. 47–703).

SEC. 496. Except as specifically provided in this title, nothing in this title, or any amendments made by this Act, shall be construed so as to affect the authority vested in the Commissioner of the District of Columbia or the authority vested in the District of Columbia Council by Reorganization Plan Numbered 3 of 1967. The performance of any function vested by this title in the Commissioner of the District of Columbia or in any office or agency under his jurisdiction and control, or in the District of Columbia Council, may be delegated by the Commissioner or by the Council, as the case may be, in accordance with the provisions of such plan.

SEC. 497. (a) The repeal or amendment by this title shall not affect any other provision of District law, or any act done or any right accrued or accruing under such law, or any suit or proceeding had or commenced in any civil cause before repeal or amendment of such law, but all rights and liabilities under such law shall continue, and may be enforced in the same manner and to the same extent, as if such repeal or amendment had not been made.

(b) All offenses committed, and all penalties incurred, under any provision of law hereby repealed or amended, may be prosecuted and punished in the same manner and with the same effect as if this title had not been enacted.

SEC. 498. Except as specifically provided in this Act, or in other provisions of law applicable to the District of Columbia, the Council may by regulation establish penalties for violations of any provision of this title, including any regulation issued pursuant to this title. Such penalties may not exceed imprisonment for longer than one year, or a fine not to exceed $10,000, or both, for each offense.

SEC. 499. Except as specifically provided in this title, the provisions of this title shall take effect on and after the date of enactment of this title.

TITLE V—POWERS OF THE COUNCIL

SEC. 501. Notwithstanding any other provision of law, or any rule of law, nothing in this Act shall be construed as limiting the authority of the District of Columbia Council to enact any act, resolution, or regulation, after January 2, 1975, pursuant to the District of Columbia Self-Government and Governmental Reorganization Act with respect to any matter covered by this Act.

Mr. DIGGS. Mr. Chairman, I ask unanimous consent that further reading of the bill and the committee amendment in the nature of a substitute be dispensed with, 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 Michigan?

There was no objection.

AMENDMENT OFFERED BY MR. BROYHILL OF VIRGINIA TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. BROYHILL of Virginia. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL of Virginia to the committee amendment in the nature of a substitute: Page 141, strike out line 18 and all that follows down through and including line 17 on page 142, and renumber the following sections accordingly.

Mr. BROYHILL of Virginia. Mr. Chairman, the purpose of this amendment is to repeal the proposed 5 percent tax for parking here in the District of Columbia.

A tax on commercial parking in the District will be regressive in that it will be most burdensome to the car owners in the lower income brackets. Also, I am convinced that this ill-conceived tax will prove counterproductive from the standpoint of revenues accruing to the city. The proponents of this measure state that the District will realize about $1.5 million per year from this tax on parking. Not only do I disagree with this wishful estimate, but I am convinced that inasmuch as there is no tax on commercial parking in either Virginia or Maryland, the result of such a levy in the District of Columbia will result in fewer people driving into the downtown area of the city to shop, both from the suburbs and from the outlying residential areas of the District itself. This, in turn, will result in decreased retail sales in the District and a consequent decrease in revenues from the city's sales tax as a whole.

We all know that in recent years there has been a constant exodus of retail businesses from the District of Columbia into the suburbs, and that this has had a very depressing effect on the city's economy. In an effort to reverse this disastrous tide, a great deal of planning has been done and a large amount of money has been spent in an effort to rehabilitate downtown Washington so as to attract people into the central city to shop. I have encouraged and assisted these efforts to the utmost of my ability, for I sincerely believe that a fiscally healthy inner city would benefit all parts of the metropolitan area. And now this threat of a commercial parking tax looms, which

can do nothing but counteract these efforts to revitalize the downtown area of the District, and thus to destroy all that has been gained in this direction.

I also wish to express my strongest opposition to the imposition of this parking tax in the same piece of legislation that repeals the 5-percent tax on admissions to the performing arts. I cannot comprehend the logic of repealing this tax on a sheer luxury, at a loss of $300,000 of annual revenues, while imposing a destructive tax on commercial parking in the city, a necessity for thousands of people throughout the metropolitan area, in the hope of raising $1.5 million of additional revenues per year—which I have stated, will never happen.

Further, I protest the imposition of this tax because it will be discriminatory in its application. We all know that many thousands of persons who are employed in the District of Columbia must depend on their cars for transportation, and the off-street parking facilities available for such employees are woefully insufficient, with the result that most of these people must patronize the commercial parking lots and garages. Thus, these employees would be obliged to pay this parking tax, while their more fortunate fellow employees would not.

An excellent example of this would be the effect right here in the U.S. Capitol. I understand that the House of Representatives and the Senate together employ approximately 14,500 people and while some of these employees are not located in Washington the great majority are employed right here on Capitol Hill. Also, there is no doubt that most of them drive their cars to work. Then, of course, there are the 535 Members of the Congress, most of whom also drive daily to the Capitol. I am advised also that the Capitol has only approximately 6,000 off-street parking spaces, including garages and parking lots, to accommodate these Members and employees. This means that several thousand Capitol employees must patronize the commercial parking lots in the vicinity, at prices ranging from 75 cents to $2.50 per day. If this proposed parking tax is enacted into law, then that number of Capitol employees will face the discrimination of having to pay this additional amount for their parking, while the Members of Congress and about 5,500 of the more fortunate employees, whose parking costs them nothing to begin with, will not.

I maintain, therefore, that any parking tax in this city, to be equitable and nondiscriminatory in its provisions, would have to apply to all off-street parking facilities in the city, located in Government and non-Government office buildings, including those here in the U.S. Capitol.

Finally, I wish to point out that the argument that such a commercial parking tax will discourage people from driving their cars and thus contribute to a cleaner environment, is pure hogwash. The people of this country are conditioned to the use of their private automobiles, as a way of life. And if this tax is imposed, the people in the suburbs and the outlying sections of the city will continue to drive their cars, but not into downtown Washington. They will go elsewhere and spend their money, to the serious detriment of the economic well-being of this Nation's Capital City

I urge my colleagues in this body to reject this ill-conceived proposal, by supporting my amendment to strike it from the bill.

Mr. GUDE. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, my colleague, the gentleman from Virginia (Mr. BROYHILL), I think, has probably put his finger on the problem of this tax by using the example of Hill employees and employees generally in the Federal Establishment. Here on the Hill, it is those with the seniority on the staffs who get the parking places, and they are the highest paid employees. Those who are lower on the staffs are the ones who would pay the freight when they have to go out and secure public parking.

In addition, this tax falls far short of meeting the funding requirements of the pay raises involved, which are cited as the reason for inclusion of this tax.

I would say to my colleagues that, someday, we may find it a desirable thing for the city to have some type of disincentives to the use of private automobiles for commuting purposes. Once the bus system, taken over by the Washington Metropolitan Area Transit Authority recently, is fully updated and operational, and once the transit system is running, then we can realistically say to people that viable transportation alternatives exist. Clearly, these alternatives are needed—and steps will be useful to get people to use the public transportation system—in order to help clean up the quality of the air in our Nation's Capital. Obviously, the automobile is one of the primary contributors to our air quality problems. However, for us to attempt to say, by this tax, that people should not drive their cars into town is to be quite unrealistic.

In an editorial recently, the Washington Star-News pointed out that, without viable transportation alternatives, the imposition of a parking tax is a most unfair action for the Congress to take, in terms of the operation of the District of Columbia government under home rule. They argued, with some validity, that the last thing the District of Columbia needs now is a tax which would serve as but another reason to discourage people to come into town to shop, go to dinner, or to the theater.

Mr. Chairman, I do not believe that it is at all essential to the passage of this bill, and I do hope that the House will support the gentleman's amendment.

Mr. REES. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think we are working out a solution on the property tax rate discussion that we were having a few minutes ago. This is the other tax that is in the bill, and it is a sales tax on parking which a great many jurisdictions in this country have.

This proposal is being opposed by my very distinguished colleagues from the Washington suburbs, just as commuter taxes and all other such taxes are opposed by the very able gentlemen from the suburbs.

It is the individuals from the suburbs who use the District, and then they go home at night and that is it. Then the people in the District have to reach into their own pockets and pay the taxes to keep the Government of the District going.

So, every time we talk about any tax that would perhaps cause those who live in the suburbs to pay a greater share, this generally is opposed. It really means that my constitutents in the 26th Congressional District in Los Angeles, through their share of the Federal payment, are picking up a lot of that money that should be paid by many people who live in the suburbs, and who use the District of Columbia, either for work or for enjoyment, or whatever it might be. I think there has to be some spread there.

This is not a discriminatory tax. It does not affect just those who live in the suburbs, it affects those who live in the District of Columbia also. It does not affect just the poor people, because the poor people either walk or they take a bus. But it does affect those who drive, and who hire areas for parking. And I think that they ought to pay 5-percent tax when they come into the District from Maryland and from Virginia. I think it is only right that the District have some ability to assess this type of a tax, because really, the laws of this country are full of prohibitions, put in there by my very able friend, the gentleman from Virginia, against any taxes such as a commuter tax. So there must be some way to equalize, really, the great tax burdens you have in the metropolitan area, and I think it is for the suburbs to do this. This is not very much of an equalization, it is about $1.5 million a year, and I suspect half of it would come from the people who live in the District.

So, Mr. Chairman, I ask the Committee to vote against the amendment.

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

Mr. REES. I yield to the gentleman from Virginia.

Mr. BROYHILL of Virginia. Mr. Chairman, the proposal is not earmarked just for the people who live in the suburbs. It will affect anyone who parks in the Nation's Capital.

Mr. REES. That is correct.

Mr. BROYHILL of Virginia. I submit to the gentleman from California that the people who live in the suburbs and have a tendency to do business in Washington could very well develop a tendency to stay away from the District, and therefore this proposal, so far as revenue return of the scale estimated, could very well be counterproductive.

Mr. REES. Perhaps what the people in the suburbs might do, would be to take buses. This would help to cut down on pollution, and save gasoline, and this might be a very fine thing to have.

Mr. BROYHILL of Virginia. Mr. Chairman, if the gentleman from California will yield further, my response to that is, as I have said prior to this time, that is hogwash.

The CHAIRMAN. The question is on the amendment offered by the gentleman

from Virginia (Mr. BROYHILL) to the committee amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. BROYHILL of Virginia) there were—ayes 12, noes 29.

So the amendment to the committee amendment in the nature of a substitute was rejected.

AMENDMENTS OFFERED BY MR. REES TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. REES. Mr. Chairman, I offer several amendments to the committee amendment in the nature of a substitute, and ask unanimous consent that they may be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. REES to the committee amendment in the nature of a substitute: Page 78, line 6, strike the word "members" and insert in lieu thereof the word "member".

Page 80, line 6, strike the word "schedule" and insert in lieu thereof the word "scheduled".

Page 82, line 10, strike "(5)" and insert in lieu thereof "(6)"; line 13, strike "(6)" and insert in lieu thereof "(8)", and on line 14 strike "(7)" and insert in lieu thereof "(9)".

Page 88, line 25, after the parenthesis strike the comma and insert the phrase "and section 301 of the District of Columbia Police and Firemen's Salary Act of 1953 (D.C. Code 4-518),".

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

There was no objection.

Mr. REES. Mr. Chairman, these are technical amendments and only technical amendments, and they are to the police and fire salary phase of the bill.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. REES) to the committee amendments in the nature of a substitute.

The amendments to the committee amendment in the nature of a substitute were agreed to.

AMENDMENTS OFFERED BY MR. REES TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. REES. Mr. Chairman, I offer several amendments to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendments offered by Mr. REES to the committee amendment in the nature of a substitute: Page 107, line 6, strike the words and the period "this title." and insert in lieu thereof the phrase "sections 411, 412, and 413, which rate shall be applied to the assessment roll for 1975 determined according to provisions of law in effect prior to the effective date of this Act."

Page 110, line 14, strike the word "separately".

Page 112, line 9, strike the words "sales assessment" and insert in lieu thereof the words "assessment-sales ratio".

Page 115, line 18, strike the words "real property".

Page 123, line 5, after the word "sold," insert the word "refinanced,".

Page 130, line 15, strike the word "while" and insert in lieu thereof "which".

Page 145, line 18, strike the period and insert the phrase "except that Part 1 and subparts A through E of Part 2 shall take effect for fiscal year 1976 unless otherwise specifically provided in this title."

Mr. REES. Mr. Chairman, I ask unanimous consent that these amendments be considered en bloc.

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

There was no objection.

Mr. REES. Mr. Chairman, these, again, are technical amendments to the property tax phase of the bill. What necessitated the technical amendments was the fact that the property tax amendments were a separate bill. Then they were amalgamated into this larger bill and we lost a few commas, semicolons, and such. That is all. They are merely technical amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. REES) to the committee amendment in the nature of a substitute.

The amendments to the committee amendment in the nature of a substitute were agreed to.

AMENDMENT OFFERED BY MR. REES TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. REES. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. REES to the committee amendment in the nature of a substitute. Page 119, line 11, insert new subpart C and renumber:

"Modified Homeowner Exemption To Prevent Shift of the Tax Burden to Low and Moderate Income Families Who Rent or Own Single Family Homes

"Sec. 431. (a) In order that the shift to equalized assessment at the same percentage of estimated market value for all properties not result in increases in proportionate tax burden for households of low or moderate income who own or rent property identified on the assessment roll as row dwellings, detached dwellings, or semi-detached dwellings, the Council by regulation is authorized to provide that the amount of up to $3,000 of market value may be deducted from the estimated market value of some or all of such property.

"(b) Subsection (a) will take effect immediately upon enactment for the fiscal year beginning July 1, 1974."

Mr. REES. Mr. Chairman, what has happened in the series of court cases which have affected the District of Columbia property tax law is the court ruled that the District could no longer have a dual-rate system whereby the residential property was assessed at 55 percent and commercial at 65 percent. So, as a result we had a shift of payment from commercial to residential which meant that the residential owners will now be paying more of the total percentage than the commercial will be paying.

What this amendment does is to authorize the City Council between now and home rule, which is January 1, to establish an exemption for single family property of up to $3,000.

For example, if a person's home were worth $25,000 and if he was eligible for this exemption, he would subtract $3,000 from $25,000 and pay his tax on an estimated market value of $22,000. This, along with the circuit breaker, would even the burdens of the tax between the residential and the commercial property as they were before the court case. The court ruled that the way the District did its assessment was unconstitutional, but this definitely would be constitutional because it would be a specific exemption granted to a class of persons.

All this does is authorize the City Council to make this change in the property tax law if they wish to make this change. Having watched the speed of the City Council I have my doubts, but I did want to give the City Council the ability to make this change if they wish between now and the home rule date, the first of January.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. REES) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. REES TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. REES. Mr. Chairman, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. REES to the committee amendment in the nature of a substitute: Page 140 following line 18 add:

"PART 5—DISTRICT OF COLUMBIA PROPERTY TAX RATE

Notwithstanding any other provision of the law the property tax rate for the District of Columbia for fiscal year 1975 shall be set by the Council at such an amount to yield at least $146 million in fiscal year 1975; except that such amount may be reduced by any amount raised by the Council pursuant to delegation of authority contained in Sections 204 or 490 of this Act, or by any revenue obtained pursuant to any other provision of law, or by any amount raised by reprogramming or reallocation of the fiscal year 1975 budget.

The CHAIRMAN. The gentleman from California (Mr. REES) is recognized for 5 minutes in support of his amendment.

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

Mr. REES. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I would like to ask the gentleman if this amendment is accepted which mandates the city government to increase taxes to the extent that the increase proposed for city police and firemen and teachers can be paid that this action must take place or else the difference of $14.2 million for the salary increase will not be paid. I say not be paid and by this no request will be made for additional Federal funds or an additional Federal payment will be requested.

Mr. REES. Mr. Chairman, my position, as the gentleman from Kentucky is aware, is that I definitely will not under any circumstances come to this House and ask for any more Federal payment. This was the purpose of the tax provision, so that the raises would be financed strictly by taxes from the District of Columbia. So under no circumstances would I come back and ask this House for any additional Federal payment when of course my position is that

the money will come from the District tax base.

Mr. NATCHER. Mr. Chairman, if the gentleman will yield further to me, I would like to propound this question to my friend, the gentleman from Michigan, the chairman of the committee. If this bill passes the House today and goes to conference and the committee on the other side places any additional amount in their bill by way of Federal payment or Federal funds, either a one-shot $14.2 million Federal payment or Federal funding from any source for any purpose for payment of the 6-percent increase that is now before the Committee, would the chairman review it and say to the other side he would not approve it and he will not come back to this Committee asking for any additional Federal payment for the 6-percent increase toward the $14.2 million and it will have to be covered in taxes from downtown under the proposal offered by the gentleman from California? That no additional Federal payment will be requested for the $14.2 million for the 6-percent increase.

Mr. DIGGS. Mr. Chairman, if the gentleman will yield and will permit me to reassure the gentleman on the point I made just a few moments ago, I would reiterate that I feel that the Federal payment authorization plus the capacity of the local government is sufficient to cover these increases.

I would be in the same position as the gentleman from California, namely, not coming back to the House and requesting any additional Federal payment authorizations.

Mr. NATCHER. Mr. Chairman, if the gentleman will further yield to me, this provides that the copout that has been taking place downtown now for several months in regard to an increase in taxes will be cured and I think perfectly cured.

Mr. Chairman, I intend to vote for the gentleman's amendment. At any time in the future if any additional amount is requested by way of Federal funding to pay the 6-percent increase, we will not recommend it to the House.

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

Mr. REES. I will yield to the gentleman, but I would like the opportunity to explain the amendment some time this afternoon.

Mr. MYERS. I will withdraw my request.

Mr. REES. What the amendment does is very simple. It says the District of Columbia for the fiscal year 1975 shall set a tax rate to raise at least $146 million, and that will pay for the police, firemen, and teacher's salary increase, except that if they wish to raise another tax, then they would be authorized to raise another tax. Already in the bill we have given the City Council the right to raise taxes between now and home rule.

So I think with this amendment we have a complete bill. We have an adequate salary increase which shall be financed by local taxes.

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

Mr. REES. I will be glad to yield to the gentleman from Indiana.

Mr. MYERS. I plan to support the amendment of the gentleman, but I do not understand how we are going to get the revenue raised in time to take care of this $14 million deficit.

Mr. REES. If the gentleman will yield, I have talked to the Senate. I think we can get some quick time going on this bill; but the assessment roll of the District of Columbia was not released until last Friday by the court, so there is going to be a natural delay, anyway.

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

I yield to the gentleman to finish his statement.

Mr. REES. Mr. Chairman, because of court cases affecting District taxes, the tax roll was just authorized for release this last Friday. I have discussed the legislation with the Senate District Committee and I think we can get some very quick action on this property tax bill.

I would suspect we have several months in here of leeway before there has to be an absolute deadline on the fixing of the tax.

Last year when the whole tax system was under scrutiny by the court, the mayor by Executive order was able to delay the sending out of the actual tax bills, for example, until late October; so there is flexibility in this bill to work with this amendment.

Mr. MYERS. But the gentleman talked with the officials of the District of Columbia, the Mayor and the Council; are they willing to raise the taxes to provide the revenue by the first of January?

Mr. REES. It says they shall—not may—shall, they shall set a tax rate and that tax rate will raise at least $146 million. That is what it says right here. So it is up to them. I do not know what else we can do.

Mr. MYERS. What happens in a hypothetical situation if we do not get this out until October 15? They have already set the rate for this year and we have already increased the salaries by 16 percent and they come back to the Congress and say, "You have no choice, you have to raise the cash contribution and the Federal Government has to pay the higher rate."

Mr. REES. No. 1, all this is in one bill, so the salary rate goes along with the move. No one is going to tell us what to do. The City Council cannot come up and tell us we have to give them some money.

Mr. MYERS. What about the Senate; this is not under our agreement today?

Mr. REES. I suspect in the discussions we have already had with the Senate, we should have fast action there.

Mr. MYERS. How about section 490, is it possible for the city to raise enough revenue in the income taxes, in these taxes provided in section 490, to make up the deficit, and would they do it?

Mr. REES. If they want to do it, they can; but watching the mayor and City Council move is like watching the grass grow; but at least we have made it clear. They shall raise $146 million this fiscal year, 1975. That is what is in the bill. Now it is up to them.

Mr. MYERS. It still concerns me, I must say to the gentleman. It is true that the raise in the tax authority is all in one bill here. If the tax rate is already fixed, how in the world can the city raise the taxes for increased salaries if it already set the rates and sent the statements out to the taxpayers?

Mr. REES. They have not done that because the court would not let them.

Mr. MYERS. We have not passed it, the Senate hs not passed it. We have not enacted it into law yet. They are also going to send the rate out and then we are going to be locked in.

Mr. REES. As I say, we do not have to do what they tell us to.

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

Mr. Chairman, I want to take a minute or two particularly to thank the gentleman from Kentucky (Mr. NATCHER) and the gentleman from Indiana (Mr. MYERS) the chairman and the ranking minority member of the Appropriations Subcommittee on the District of Columbia, for their work here this afternoon in putting the District of Columbia Committee on notice that Federal funds are not going to be available for every purpose.

I am surprised that the District Committee would come forth with a bill asking Congress to again underwrite financing which the District Government ought to provide when it makes commitments for pay increases. This attempt to raid the taxpayers of the entire country would have gone through the House today had it not been for Mr. NATCHER, in particular, and I truly thank him. I wish the chairmen of subcommittees of the Appropriations Committee would take the same position on other legislation. It would be most helpful to the Members of the House. I hope, too, that in the future this will serve as a lesson to the District of Columbia Committee that it cannot come to the House floor and take it for granted that the House is going to agree to every request for funds—that the District of Columbia Committee and the municipal government of the District both have the responsibility of financing the deals they make for spending money.

In this case neither the Mayor nor the City Council requested the additional 6-percent pay increase here proposed. It is up to the taxpayers of the city to provide the additional revenue and the bill when it came to the House floor should have provided for the necessary revenue.

Moreover, the District of Columbia has been given so-called home rule. Now is the time for it to demonstrate that it is capable of self-government.

Again I commend the gentleman from Kentucky (Mr. NATCHER) and the gentleman from Indiana (Mr. MYERS) for saying, in effect, that we made an agreement based on a 10-percent pay increase and we will not open the U.S. Treasury to finance a deal of the nature here proposed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. REES) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. DIGGS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ECKHARDT, 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. 15842) to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to reorganize public higher education in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to provide for additional revenue for the District of Columbia; and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

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

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 284, nays 75, not voting 75, as follows:

[Roll No. 415]

YEAS—284

Abzug	Arends	Bingham
Adams	Ashley	Boggs
Addabbo	Aspin	Boland
Anderson, Calif.	Barrett	Bolling
Anderson, Ill.	Bauman	Brademas
Andrews, N.C.	Bell	Bray
Andrews, N. Dak.	Bennett	Breaux
Annunzio	Bergland	Breckinridge
	Biaggi	Brinkley
	Biester	Brooks
Brotzman	Howard	Regula
Brown, Calif.	Hudnut	Reuss
Brown, Mich.	Hungate	Rhodes
Broyhill, N.C.	Hunt	Riegle
Broyhill, Va.	Ichord	Rinaldo
Buchanan	Johnson, Calif.	Roberts
Burke, Fla.	Johnson, Pa.	Rodino
Burke, Mass.	Jones, Ala.	Roe
Burton, John	Jones, Okla.	Rogers
Burton, Phillip	Jordan	Roncalio, Wyo.
Butler	Karth	Roncallo, N.Y.
Carney, Ohio	Kastenmeier	Rooney, Pa.
Casey, Tex.	Kazen	Rosenthal
Cederberg	King	Rostenkowski
Clancy	Kluczynski	Roush
Clausen, Don H.	Koch	Rousselot
Cleveland	Kyros	Roybal
Cochran	Latta	Ryan
Cohen	Lent	St Germain
Collins, Ill.	Litton	Sarasin
Conte	Long, La.	Sarbanes
Conyers	Long, Md.	Schroeder
Corman	Lott	Seiberling
Coughlin	Luken	Shipley
Cronin	McClory	Shoup
Daniels, Dominick V.	McCloskey	Shriver
Danielson	McCollister	Sikes
Delaney	McCormack	Skubitz
Dellums	McDade	Slack
Denholm	McFall	Smith, Iowa
Dent	McKay	Snyder
Diggs	McKinney	Spence
Dingell	Macdonald	Staggers
Donohue	Madden	Stanton, J. William
Downing	Madigan	Stanton, James V.
Drinan	Mahon	Steelman
Dulski	Mallary	Steiger, Ariz.
du Pont	Mann	Steiger, Wis.
Eckhardt	Maraziti	Stephens
Edwards, Ala.	Martin, Nebr.	Stokes
Edwards, Calif.	Mathias, Calif.	Stratton
Eilberg	Matsunaga	Studds
Esch	Meeds	Sullivan
Eshleman	Melcher	Symington
Evans, Colo.	Mezvinsky	Taylor, Mo.
Fascell	Milford	Taylor, N.C.
Fish	Minish	Thomson, Wis.
Flood	Mink	Thone
Flowers	Mitchell, Md.	Thornton
Foley	Mitchell, N.Y.	Tiernan
Ford	Mizell	Traxler
Forsythe	Moakley	Udall
Fraser	Mollohan	Ullman
Frelinghuysen	Moorhead, Calif.	Van Deerlin
Frenzel	Moorhead, Pa.	Vander Jagt
Frey	Morgan	Vander Veen
Froehlich	Mosher	Vanik
Fuqua	Moss	Vigorito
Gaydos	Murphy, Ill.	Waldie
Giaimo	Murtha	Walsh
Gibbons	Natcher	Wampler
Gilman	Nedzi	Ware
Ginn	Nelsen	Whalen
Goldwater	Nix	White
Gonzalez	Obey	Whitehurst
Gray	O'Brien	Widnall
Green, Pa.	O'Hara	Williams
Grover	O'Neill	Wilson, Charles H., Calif.
Gubser	Owens	Wilson, Charles, Tex.
Gude	Parris	Winn
Guyer	Patten	Wolff
Hamilton	Pepper	Wright
Hanley	Perkins	Wyatt
Hanrahan	Pettis	Wylie
Harsha	Peyser	Wyman
Hays	Pickle	Yates
Hechler, W. Va.	Pike	Yatron
Heinz	Podell	Young, Ga.
Helstoski	Powell, Ohio	Young, Ill.
Henderson	Preyer	Young, Tex.
Hillis	Price, Ill.	Zablocki
Hinshaw	Pritchard	Zion
Hogan	Quie	Zwach
Holt	Railsback	
Holtzman	Randall	
Horton	Rangel	
	Rees	

NAYS—75

Abdnor	Chappell	Duncan
Archer	Clawson, Del	Erlenborn
Armstrong	Collier	Fisher
Ashbrook	Collins, Tex.	Flynt
Bafalis	Conable	Fountain
Baker	Conlan	Goodling
Beard	Crane	Gross
Bevill	Daniel, Dan	Haley
Blackburn	Daniel, Robert W., Jr.	Hicks
Broomfield	Davis, Wis.	Huber
Brown, Ohio	Dellenback	Hutchinson
Burleson, Tex.	Derwinski	Jarman
Burlison, Mo.	Devine	Jones, N.C.
Camp	Dickinson	Kemp
Chamberlain		Ketchum
Lagomarsino	Passman	Shuster
Landgrebe	Poage	Smith, N.Y.
Lujan	Price, Tex.	Stubblefield
McEwen	Quillen	Veysey
Mathis, Ga.	Robinson, Va.	Waggonner
Mayne	Runnels	Wiggins
Michel	Ruppe	Wydler
Miller	Ruth	Young, Fla.
Montgomery	Satterfield	Young, S.C.
Myers	Scherle	
Nichols	Sebelius	

NOT VOTING—75

Alexander	Griffiths	Murphy, N.Y.
Badillo	Gunter	Patman
Blatnik	Hammer-schmidt	Rarick
Bowen	Hanna	Reid
Brasco	Hansen, Idaho	Robison, N.Y.
Burgener	Hansen, Wash.	Rooney, N.Y.
Burke, Calif.	Harrington	Rose
Byron	Hastings	Roy
Carey, N.Y.	Hawkins	Sandman
Carter	Hébert	Schneebeli
Chisholm	Heckler, Mass.	Sisk
Clark	Holifield	Stark
Clay	Hosmer	Steed
Cotter	Johnson, Colo.	Steele
Culver	Jones, Tenn.	Stuckey
Davis, Ga.	Kuykendall	Symms
Davis, S.C.	Landrum	Talcott
de la Garza	Leggett	Teague
Dennis	Lehman	Thompson, N.J.
Dorn	McSpadden	Towell, Nev.
Evins, Tenn.	Martin, N.C.	Treen
Findley	Mazzoli	Whitten
Fulton	Metcalfe	Wilson, Bob
Gettys	Mills	Young, Alaska
Grasso	Minshall, Ohio	
Green, Oreg.		

So the bill was passed.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Blatnik.

Mr. Murphy of New York with Mr. Reid.

Mr. Carey of New York with Mr. Byron.

Mr. Rooney of New York with Mr. Gettys.

Mrs. Burke of California with Mr. Dorn.

Mr. Hébert with Mrs. Green of Oregon.

Mr. Hawkins with Mr. Harrington.

Mr. Rarick with Mr. Gunter.

Mr. Badillo with Mr. Landrum.

Mr. Mazzoli with Mr. Evins of Tennessee.

Mrs. Chisholm with Mr. Culver.

Mr. Stark with Mrs. Hansen of Washington.

Mr. Alexander with Mr. McSpadden.

Mr. Clay with Mr. Hanna.

Mr. Rose with Mrs. Griffiths.

Mr. Holifield with Mr. Findley.

Mr. Brasco with Mr. Metcalfe.

Mr. Cotter with Mr. Carter.

Mrs. Grasso with Mr. Hastings.

Mr. Davis of Georgia with Mr. Hosmer.

Mr. Sisk with Mr. Hammerschmidt.

Mr. Bowen with Mrs. Heckler of Massachussets.

Mr. Davis of South Carolina with Mr. Dennis.

Mr. de la Garza with Mr. Kuykendall.

Mr. Clark with Mr. Mills.

Mr. Jones of Tennessee with Mr. Hansen of Idaho.

Mr. Lehman with Mr. Minshall of Ohio.

Mr. Steed with Mr. Steele.

Mr. Stuckey with Mr. Sandman.

Mr. Roy with Mr. Symms.

Mr. Fulton with Mr. Talcott.

Mr. Whitten with Mr. Schneebeli.

Mr. Leggett with Mr. Treen.

Mr. Patman with Mr. Bob Wilson.

Mr. Teague with Mr. Young of Alaska.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to the provide for additional

revenue for the District of Columbia; and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LIGGS. Mr. Speaker, I ask unanimous consent that all Members be permitted to revise and extend their remarks on the bill just passed.

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

There was no objection.

EXTENSION OF DISTRICT OF COLUMBIA MEDICAL AND MANPOWER ACT OF 1970

Mr. DIGGS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill—H.R. 11108—to extend for 3 years the District of Columbia Medical and Dental Manpower Act of 1970, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

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

There was no objection.

GENERAL LEAVE

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that all Members be permitted to revise and extend their remarks in explanation of the bill H.R. 11108.

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

There was no objection.

The Clerk read the bill as follows:

That (a) section 303(c) of the District of Columbia Medical and Dental Manpower Act of 1970 (D.C. Code, sec. 31–922) is amended by inserting "and for fiscal years 1975, 1976, and 1977" immediately after "1972,"

(b) Section 303(b) of such Act is amended by striking out "section 772 of the Public Health Service Act (42 U.S.C. 295f–2)" and inserting in lieu thereof "section 773 of the Public Health Service Act".

With the following committee amendment.

On page 1 strike out lines 3 through 6 and insert: That (a) section 303(c) of the District of Columbia Medical and Dental Manpower Act of 1970 (D.C. Code, sec. 31–922(c)) is amended to read as follows:

"(c) There are authorized to be appropriated such sums as may be necessary for the fiscal years ending June 30, 1975, and June 30, 1976, to make grants under this section.".

The committee amendment was agreed to.

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

Mr. Speaker, the purpose of H.R. 11108, as amended, as reported—House Report 93–1200—is to extend for 2 years—fiscal 1975 and 1976—the District of Columbia Medical and Manpower Act of 1970 (D.C. Code, Tit. 31, Sec. 921, 922; 84 Stat. 1934.) This would further assist private nonprofit medical and dental schools in the District of Columbia, through Federal grants for these 2 years, in meeting their critical finance needs and operational costs required to maintain quality medical and dental educational programs as a necessary health manpower service to the metropolitan area of the District of Columbia.

Such grants by law are to be in the minimum amounts necessary and may not exceed, in either fiscal year, $5,000 per enrolled medical student, or $3,000 per enrolled dental student.

The intended beneficiaries of this bill are the Georgetown University Schools of Medicine and Dentistry and the George Washington University School of Medicine. Howard University, which operates schools of medicine and dentistry in the District, relies on other channels of Federal support.

LEGISLATIVE BACKGROUND

The D.C. Medical and Dental Manpower Act of 1970—which H.R. 11108 extends for 2 additional years—was originally enacted as title III of the District of Columbia Revenue Act of 1970 (Public Law 91–650, approved Jan. 5, 1971; D.C. Code Tit. 31, Sec. 922; 84 Stat. 1934).

The original subsidy authorization was for the fiscal years 1971 and 1972. No funds were requested by the administration nor appropriated by the Congress pursuant to this authority. Legislation to extend the authorization for 3 years was introduced in the 92d Congress (H.R. 13713), and was referred to the Committee on the District of Columbia. A subcommittee held hearings thereon and ordered it favorably reported, but further action was not taken. The original authorization expired at the end of fiscal year 1972.

NEED FOR THE LEGISLATION

Grants under this legislation are proposed as a substitute for the State funding available to many private medical and dental schools in jurisdictions other than the District of Columbia. Because of the District's interim status with regard to home rule government, no local funds—comparable to State funds—are available for fiscal years 1975 and 1976. The Mayor-Commissioner has indicated his recognition of the financial problems facing the medical and dental schools in Washington and has also indicated his intention to find an effective long-range means of providing adequate funding to alleviate this distress. While the District government is considering the appropriate method for providing such assistance, the committee feels that the interim subsidies authorized by H.R. 11108 are merited.

DISTRICT NEED FOR PHYSICIANS

At least six of the District's nine service areas lack sufficient physician manpower to serve the needs of the individuals in those areas.

The areas east of Rock Creek Park and Anacostia are all severely deficient in physicians; and the far Northeast, as well as the near Northeast, also suffer more critically than the other areas.

GEORGE WASHINGTON AND GEORGETOWN UNIVERSITIES NEED FOR FUNDS

The presidents of George Washington University and Georgetown University state that without the funds to be authorized by the continuation of the legislation these schools cannot continue in operation. There are 14 Washington Metropolitan area hospitals directly dependent on the staffs and programs of these medical and dental schools. There are over 10,000 graduates of these schools in the United States in 50 States and the District of Columbia and over 1,700 students from 46 States and the District of Columbia.

PROVISIONS OF THE BILL

Section (a). The first section authorizes grants during two additional fiscal years—1975 and 1976. It amends section 303(c) of the original act (D.C. Code, Tit. 31, Sec. 922(c)).

Section (b). This section updates the reference to a provision in title VII of the Public Health Service Act which was amended subsequent to passage of the D.C. Medical and Dental Manpower Act in 1970. It acknowledges that schools qualifying for grants under this bill may also be eligible for financial distress grants under section 773 of the Public Health Service Act. The Secretary of Health, Education, and Welfare is directed to consider this in setting amounts of, and determining eligibility for, grants under this act. The section amends section 303(b) of the 1970 act, (D.C. Code, Tit. 31, Sec. 922(b)).

NATIONAL ASPECTS OF GEORGE WASHINGTON AND GEORGETOWN UNIVERSITY

It is certainly the case that private schools draw their students from a wider area than do State-supported schools and to that extent serve the needs of students from other States.

This is borne out by the testimony presented to the committee, showing the widespread distribution of current students, and of graduates in practice, from George Washington University School of Medicine, and Georgetown University Schools of Medicine and Dentistry:

CAPITATION GRANTS AND DISTRESS ASSISTANCE

It is important to note that the Department of Health, Education, and Welfare did not find it necessary to provide special funds to these District schools under the 1970 District of Columbia Medical and Dental Manpower Act, but instead provided basic assistance to them under the generally applicable provisions of the Comprehensive Health Manpower Training Act of 1971. The "capitation grants" awarded under that act have provided increased funds to schools of medicine and dentistry—several times greater than they received under previous formula authorities—and have improved the fiscal stability of these schools. In fiscal year 1973, for example, Georgetown University Medicine School received capitation grant assistance of $1,447,563—as compared with $259,500 under the old program in 1971; George Washington University Medical School, $1,047,290—as compared with $238,000 in 1971; and Georgetown University Dental School, $859,571—as compared with $223,000 in 1971.

The capitation grant program has contributed significantly to alleviating the financial distress of schools of medicine and dentistry. It is still the case,

however, that a number of schools temporarily needed yet additional financial assistance before they could carry out the steps necessary to solve their problems. In recognition of this fact, the Congress—in the Comprehensive Health Manpower Training Act of 1971—included special separate authority, in amounts which declined over 3 fiscal years, for grants to schools of medicine and dentistry, as well as other schools of the health professions, which are in serious financial distress, to meet their costs of operation or to meet accreditation requirements. The act's financial distress authority was designed to provide temporary financial assistance while at the same time identifying the factors that have led to financial difficulties and determining the appropriate means for remedying them.

In fiscal year 1973 the Department's Bureau of Health Resources Development awarded approximately $7.8 million in fiancial distress grants to medical and dental schools in this country. Of this amount approximately $1.4 million was awarded to Georgetown University Medical School; $583,000 was awarded to Georgetown University Dental School; and almost $1.3 million to George Washington University Medical School. In other words, Georgetown and George Washington University Medical School received nearly half of all the financial distress awards to medical schools in this country, and Georgetown University Dental School received slightly over one-quarter of all such aid to dental schools. If one were to add to these amounts the dollars these schools also received under capitation awards and special project grants, the dollars awarded in fiscal year 1973 would total approximately $25 million for George Washington University and almost $5.9 million for Georgetown University.

In addition, legislation recently approved by the Congress (H.R. 7724) contains authority for an additional $5 million in financial distress funding which was included in the Supplemental Appropriations Act of 1974—Public Law 93-245. The committee reports on this legislation make clear the intent that this authority be used to assist the three local institutions named. HEW is presently negotiating with them to provide funding for them under such financial distress program which by the terms of the legislation is available until September 30, 1974.

HEARING

A very thorough and exhaustive hearing on January 24, 1974, and subsequent meetings, were held on this proposed legislation by the Subcommittee on Labor, Social Services, and the International Community. The witnesses, including representatives of the U.S. Department of Health, Education, and Welfare and of the District of Columbia government, were almost unanimous in their agreement as to the need for assistance to the private medical and dental schools in the Nation's Capital and in showing the critical shortage of physicians and dentists here and elsewhere throughout the country.

Testimony or statements in support of H.R. 11108 was presented by or on behalf of Members of Congress; by the Association of American Medical Colleges; the American Association of Dental Schools; the Medical Society of the District of Columbia, and the District of Columbia Dental Society; the Hospital Council of the National Capital Area; the Central Northeast Civic Association of the District of Columbia; the National Association for the Advancement of Colored People; and representatives of George Washington and Georgetown Universities and of their respective schools in question.

HEW and the District government expressed opposition or reservations to H.R. 11108.

The Department of Health, Education, and Welfare recommends strongly against enactment of H.R. 11108. The position of the Department cites the continuing need for so-called "distress" money—first granted in fiscal year 1972—and indicates that deficiencies in administration may be responsible for some of the fiscal problems of the universities.

COST PER STUDENT COMPARISONS

Average national costs of educating students as reported by the National Academy of Sciences, Institute of Medicine, 1974:

Type of student	Average cost	Remarks
Medical student.	$12,650	Minus offset for research and patient care income: $9,700.
Dental student.	9,050	Minus offset for income from research and patient care: $7,400.

COSTS REPORTED BY GEORGETOWN AND GEORGE WASHINGTON

	Georgetown University	George Washington University
MEDICAL STUDENT		
Fiscal year—		
1968	$22,988	$14,900
1969	22,265	18,213
1970	21,904	18,295
1971	23,478	18,444
1972	22,569	18,556
1973	25,691	21,862
1974	24,199	24,062
1975	24,162	24,914
1976	24,263	24,742
DENTAL STUDENT		
Fiscal year—		
1968	4,539	
1969	5,618	
1970	5,685	
1971	7,336	
1972	7,611	
1973	9,848	
1974	9,820	
1975	9,967	
1976	10,540	

COMMITTEE VOTE

The bill, H.R. 11108, was ordered favorably reported to the House on July 1, 1974, by a voice vote of the committee, a quorum being present.

COST

The bill would require that through an HEW appropriation, each private, nonprofit medical and dental school within the District could receive $5,000 for each medical student enrolled and $3,000 for each dental school student enrolled, taking into account section 773 of the Public Health Service Act—the financial distress provision.

A breakdown of the maximum possible assistance, as estimated above, for fiscal year 1975, follows:

Georgetown Medical School: 815 medical students times $5,000 per student	$4,075,000
Georgetown Dental School: 551 students times $3,000	1,653,000
George Washington Medical School: 593 students times $5,000	2,965,000
Total maximum estimates for each year, 1975 and 1976	$8,693,000

While there is no accurate way to assume the number of students who will be enrolled for the fiscal year 1976 period, it can be assumed that the amount of change will be negligible, and accordingly, the amounts listed above for fiscal year 1975 are included for fiscal year 1976.

CONCLUSION

Justification for the enactment of H.R. 11108 has been established to the satisfaction of the committee for the reasons set forth heretofore.

The schools benefited—George Washington University School of Medicine, and Georgetown University Schools of Medicine and Dentistry—have students from every State in the Union, and 10,775 graduates are presently in practice throughout the Nation, 26 percent of them in the District of Columbia, Maryland, and Virginia, and 74 percent of them in the other States.

Further, the location in the District of Columbia of these schools is an extremely important community asset. In addition to operating two high-quality university hospitals, they contribute interns, residents, and faculty members who make up the house staff at D.C. General Hospital and—partially—at many other local hospitals—Children's, Columbia, Fairfax, et cetera.

The presence of "teaching medicine" in the community provides opportunity for private physicians and dentists to keep up to date, take refresher courses, et cetera, and generally improves the quality of dentistry and medicine practiced in the overall community.

The medical schools, through their clinics and experimental health centers and prepaid health plans, deliver a large measure of the health care provided to those citizens who live in poorer neighborhoods which lack practicing physicians.

These private institutions have no separate State legislative body from which to seek additional aid, and hence have recourse only to the Congress speaking as the legislature for the District of Columbia.

AMENDMENT OFFERED BY MR. PODELL

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

The Clerk read as follows:

Amendment offered by Mr. PODELL: Page 2, after line 7, insert the following:

(c) Section 303 of such Act (D.C. Code, sec. 31–922) is further amended by adding at the end thereof the following:

"(d) Notwithstanding any other provision of law, no person shall be admitted as a student at any institution receiving assistance under this Act except those persons who are determined to be qualified solely on the basis of accepted academic criteria, such as previous academic performance (including grades and test scores), technical and scientific aptitudes, requisite for education and certification as a physician or dentist."

Mr. PODELL. Mr. Speaker, it is my intention to vote in support of H.R. 11108. I am fully convinced of the need for the legislation to extend for 3 years the District of Columbia Medical and Dental Manpower Act of 1970. The schools of medicine and dentistry at Georgetown and George Washington Universities in the District of Columbia are in no way responsible for the "distressed" financial situation in which they find themselves.

Both schools, among the finest of their kind in the Nation, serve the needs of all 50 States—yet have no State to turn to for financial aid while the District of Columbia is in the midst of a transition to local self government.

The Nation can ill afford to lose the use of the facilities nor the professional graduates of these schools at this time. To date there are 10,775 graduates of these institutions practicing medicine and dentistry throughout the 50 States. More than 70 percent of their graduates practice outside the States immediately adjoining the District.

At this moment there are 1,723 graduates of these institutions actually practicing medicine or dentistry in New York—and there are an additional 423 New Yorkers currently studying there, or almost 25 percent of the total enrollment.

I dare say that some of my constituents are among them, and that in the future many of the young men and women in my district will seek to enroll at one or the other of these schools. It is for that reason I am concerned that the millions of dollars in "distress" financial support we are voting here today be spent fairly, justly and with the maximum opportunity for all prospective medical or dental students to benefit from it.

And so, Mr. Speaker, I propose an amendment to H.R. 11108 to limit admissions to both schools to applicants qualified solely on established academic standards—on conventional academic criteria such as preparation, school performance, grades, test scores and the technical and scientific aptitudes requisite for education and certification as a doctor of medicine or a doctor of dentistry. I mean by my amendment that no other criteria for admission shall be used, particularly the traditional practice of admitting so many sons of doctors or dentists, so many offspring of alumni, so many from this region or that.

It should not be that thousands of young men and women spend most of their early life preparing themselves intellectually, disciplining themselves morally, for professional educations only to find that they are excluded from a medical or dental education because they do not fit the formula drawn by faceless administrators. They were raised to believe that diligence, hard work, and accomplishment would be rewarded. I still believe that, and will have no part in disillusioning them.

It is not enough to say that education is its own reward. If we are to provide—or at least help to provide—for the education of some, then those selected should be chosen on the basis of merit. No amount of sophistry, no amount of rationalizing, will alter that simple truth.

When I walk the streets of my district I want to be able to look into the eye of every budding doctor or dentist and say that I have helped prepare the way for their dream to come true. I would like to say to all young Americans who have dreams of a professional education, that they can have it if by their efforts they merit it.

It is not the place of Congress to provide public money for the offspring of "old grads", regional or other special interests at the expense of real students. I propose, simply, to limit under this appropriation, admission to those students who meet the academic standards with no reference to other qualifying criteria. Mr. Speaker, I urge my colleagues to join me on behalf of young America. Let us give those who worked the break they deserve.

Mr. BROYHILL of Virginia. Mr. Speaker, I rise in opposition to the amendment. I desired to speak earlier in explanation of the bill, and I will speak later on for that purpose; but in the meantime, I think we should vote down the pending amendment. Even though the language of the amendment may not on the face of it seem too objectionable, because it seems fair that we should admit students to the medical and dental schools on the basis of their competence, of their scores on competitive examinations, and as equitably as possible on their academic background. But I do not think any of us knows what type of problems this type of amendment, this sort of restriction, might impose upon the medical schools themselves.

I understand that there are somewhere between 8,000 and 9,000 qualified applicants every year seeking admission to Georgetown University Medical School alone. But the school has a capacity to admit only 200 students each year. Under these conditions, how can we or the school possibly determine which are the top 200 academically qualified students? Mr. Speaker, I do not know of any complaints that we have ever had about Georgetown University or George Washington University being unfair or discriminatory against those who are applying for admission. Further, Mr. Speaker, I question the constitutionality of this amendment, because we know that in many colleges and universities we are trying to get somewhat of a balanced student body composed of students from various groups and from various geographic areas. Now certainly if this amendment were adopted, this could very well tie the hands of these admission boards in their effort to enroll more students from the District of Columbia in these particular schools.

That is what all of us are trying to do, and that is what the medical and dental schools of those universities have committed themselves to for the years to come. So, I do not think we should attempt here on the floor of the House of Representatives to try to impose admissions standards for a medical college or a dental college, either positively or negatively, in this bill.

Mr. Speaker, I object to the amendment and hope that it is defeated.

The SPEAKER. The question is on the amendment offered by the gentleman from New York (Mr. PODELL).

The amendment was rejected.

Mr. BROYHILL of Virginia. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I wish to express my strong support for the bill H.R. 11108, of which I am a cosponsor, which seeks to extend the District of Columbia Medical and Dental Manpower Act of 1970 for 2 additional years.

The 1970 act, title III of Public Law 91–650, approved January 5, 1971, was designed to assist the private nonprofit medical and dental schools in the District of Columbia, which are the medical school of George Washington University and the medical and dental schools of Georgetown University, in their critical financial needs in meeting the operational costs required to maintain their high quality medical and dental educational programs and to enable them to increase the number of students in those schools as a necessary health manpower service to the D.C. metropolitan area and to the Nation as a whole. To accomplish these purposes, the act of 1970 authorized the Secretary of Health, Education, and Welfare to make grants, through the Commissioner of the District of Columbia, to these medical and dental schools for fiscal year 1971 and 1972, in amounts not to exceed the sum of $5,000 times the number of students enrolled in the medical schools of George Washington and Georgetown Universities and $3,000 times the number of students enrolled in the Georgetown University School of Dentistry.

The act of 1970 also provided for the appropriation of Federal funds sufficient to meet the cost of these grants. However, these appropriations were never actually made, because the Department of Health, Education, and Welfare found enough money in their financial distress fund for medical and dental schools to fund this outlay during the 2 years for which the grants were authorized. Also, sufficient funding from this same source has been granted to these schools for the 2 years since the expiration of this authorization; that is, the 2 academic years ending in June of 1974, to meet this need to the present time.

However, the universities have been advised that this source of funds will not

be available to them for future years, and hence these schools now face the same dilemma which confronted them in 1970, as far as their ability to remain in operation is concerned. For this reason, there is no question whatever of the urgent necessity of renewing the District of Columbia Medical and Dental Manpower Act of 1970 and authorizing the appropriation of Federal funds sufficient to meet the cost of these grants for an additional period of 2 years. The cost will be approximately $5 million per year.

At present there are 45 private medical schools in operation in the United States, including the two here in the District of Columbia. Of the 43 private medical schools located outside of the District, all but 4 are receiving State or regional support, and legislation is now in process in the States in which two of these 4 private medical schools are located, which will afford these schools direct State support. Further, the average State or regional support for these schools is in excess of $5,000 per student per year, the figure which is sought in H.R. 11108 for the 2 private medical schools in the District. State or regional support for private dental schools throughout the country is also general, and it exceeds on the average the $3,000 per student which we seek for the school of dentistry at Georgetown University.

It is entirely proper that in the case of these local schools of medicine and dentistry, the Federal Government should act in the role filled by the State governments in regard to the other private medical and dental schools throughout the country. This is true because these schools at George Washington and Georgetown Universities are actually Federal in character and scope, rather than local. At present, only about 6 percent of the total student body in these three schools are residents of the District of Columbia; and the total enrollment includes students from 48 States and the territory of Puerto Rico. Also, only slightly more than 8 percent of the graduates of these schools presently in practice are so engaged in the District of Columbia, and these alumni are practicing medicine or dentistry in every State in this country and in Puerto Rico.

Incidentally, I am appreciative of the fact that 110 students from my State of Virginia are presently enrolled in these schools and that the health needs of Virginia are being met in considerable part by 729 practicing graduates of the medical and dental schools of George Washington and Georgetown Universities.

Thus, there is not a State in this country which does not benefit from the training offered by these fine schools, and in the aggregate to a degree far in excess of the benefit they provide to the District of Columbia, even though their contribution to the District is critically important to the Nation's Capital also.

In view of these facts, there is every reason for this situation to be met and resolved by the Congress on behalf of the Federal Government, rather than by the government of the District of Columbia.

While all higher education in the Nation is presently confronted with grave financial difficulties because of the price-wage inflationary spiral which has been advancing at the rate of about 6 percent per year, the financial problems incident to medical education have become particularly acute. This is because in recent years medical science has become increasingly complex, and the processes of diagnosis and therapy now encompass a vast array of technical services, powerful drugs, and increasingly complicated techniques. As these changes have added to the cost of medical care, so also have they added to the costs incident to medical education.

Also, medical education now embraces a wide range of responsibilities. Once confined to the limited work of educating the future doctor of medicine, the role of the medical school new encompasses major research programs, graduate education in both the basic and clinical sciences, and a growing responsibility for patient care and community services. As a result of this growth in responsibility, the medical schools have been asked to expand greatly their educational functions and to extend their services throughout the community health scene.

These trends have had their greatest impact upon the private medical schools, because of their crucial dependence upon tuition revenues and endowment income. The repeated deficits which many such schools have faced have forced them, in many instances, to use endowment capital to cover operating costs. This situation has given rise to substantial concern on the part of State governments for the continued existence of the private medical and dental schools within their boundaries, and the State support for such schools which I have referred to has followed in nearly all cases.

Most of these State or regional arrangements for support of private medical and dental schools are in the form of a payment of a certain amount per student to the school to cover annual operating costs incident to his education. In Florida, the legislature provides a payment of $6,500 to $8,500 per year per Florida resident to the private medical schools where he is studying. In Illinois, the payment is $6,000 to $7,000 per student; in Ohio it is approximately $5,400; and the State of Texas pays Baylor College of Medicine up to $17,282 per year for each Texas medical student enrolled. All these grants are in addition, of course, to the Federal funds available to all nonprofit medical schools, including those located in the District of Columbia.

The Georgetown and George Washington Universities have assumed an impressive and essential role in contributing to quality health care throughout the Washington metropolitan area. Georgetown University's faculty, house staff, and students are working in Arlington Hospital, Children's Hospital, the hospital for sick children, and the D.C. General Hospital. In addition, Georgetown's specialty affiliation programs are located in the Washington Veterans' Hospital, Providence, and Sibley Hospitals. The Georgetown University's School of Dentistry has similar involvements throughout the area.

The George Washington University School of Medicine also is making important contributions to the health profession in the area. This university, with its faculty, house staff, and students, has affiliation agreements with Columbia Hospital for Women, Fairfax Hospital, St. Elizabeths Hospital, the Washington Hospital Center, and Children's Hospital.

George Washington has also extended its educational programs and specialty services into the Walter Reed Army Hospital, the Bethesda Naval Hospital, the Armed Forces Institute of Pathology, and the National Institutes of Health.

Both of these universities have received generous support from alumni and friends for capital funds. In addition, they have exercised heroic efforts to obtain operating financial support from private sources in order to remain in existence.

Despite these efforts, however, the financial operating reserves for medical and dental education at both George Washington University and Georgetown University have become depleted to the point of exhaustion in paying for past years' deficits, and both schools have had to use endowment funds for this purpose. Thus, these schools are faced with a widening gap between operating income and operating expenses, and when they came to the Congress in 1970 for Federal assistance, they were in fact faced with the very real prospect of being obliged to close their doors.

The Congress responded to that critical situation by the prompt enactment of Public Law 91-650, and the District of Columbia Medical and Dental Manpower Act contained therein was a very real lifesaver for these fine schools; because even though the Federal funding authorized in that act was never appropriated, the enactment of that legislation was highly instrumental in the necessary funds being granted to the schools by the Department of Health, Education, and Welfare, which served to sustain them to the present time. Now, however, that source of funding has expired, and again grim necessity confronts the medical and dental schools of these universities.

H.R. 11108 will simply extend the provisions of the act of 1970 through fiscal year 1976, which will assure the grants needed to keep these schools in operation through that year. Meanwhile, I understand that the Department of Health, Education, and Welfare is seeking to come to grips with the financial problem facing all medical and dental schools throughout the country, in such a way as to implement a permanent program of financial assistance which will meet the overall situation. If this goal is achieved, then future legislation applicable solely to benefits for the George Washington and Georgetown University Schools of Medicine and Dentistry will not be needed.

Mr. Speaker, as I have pointed out, this is indeed a national problem, and

not a local one, as the fact that nearly 11,000 graduates of these three local schools are now practicing medicine and dentistry in every State in this Union will attest. Regardless of any changes in the powers of the District of Columbia government or its scope of legislative authority, the U.S. Congress will always be responsible for the Federal interest in this Capital City. H.R. 11108 involves this Federal interest in a highly crucial area, and I urge the prompt approval of this proposed legislation.

Mr. NELSEN. I move to strike the last word.

I rise in support of H.R. 11108, the extension of the District of Columbia Medical and Dental Manpower Act of 1970, which provides a special program of assistance for the medical school of George Washington University and the medical and dental schools of Georgetown University.

Heretofore, these schools have been receiving some funding from the Department of Health, Education, and Welfare, as medical and dental institutions that were in financial distress. That financial assistance terminated effective with fiscal year 1974. It was the recommendation of the Secretary of HEW that these two institutions seek support from the District of Columbia as the equivalent of seeking support from a State.

For the first 6 months of fiscal year 1975, there will be no locally elected government in the District of Columbia. Moreover, it will take the local government some time to become organized, and probably some time during the period January and February of 1975 the local District of Columbia budget for fiscal year 1976 will be forwarded to the Congress. Thus it appears that there is need for the Congress, acting in its status as the State legislature for the District of Columbia, to pass this bill to take care of the funding of the medical and dental schools for these institutions during this interim transitional period until the locally elected Council and Mayor are fully operative and can act to assume the obligation of a State, as it relates to medical and dental manpower training in the District of Columbia.

The Department of Health, Education, and Welfare is on record as opposing this interim measure. However, they do not come up with any other solution either. That is no answer to schools that are in financial distress. The testimony in the House District Committee was to the effect that both of these universities are performing a substantial amount of work in the community with their clinics and their inpatient and outpatient care. We cannot take the risk of scrapping these two medical schools and the dental school and letting them go bankrupt until the local government is in a position to address itself to their problems.

Now it may be that perhaps we should have added some language in this bill providing for scholarships to these local medical and dental schools, so that residents from the District of Columbia would be given some priority for admission. However, here again, the testimony indicates that both schools are working toward this end, and the testimony indicated that both schools were doing about as well in this regard as Howard University Medical School, which receives 70 percent of its operating funds from the Federal Government and approximately 100 percent of the capital funds from the Federal Government.

Congressman PAUL G. ROGERS of Florida and I addressed a letter to you last week indicating our mutual support for this bill, based on our extensive experience in the Subcommittee on Public Health and Environment of the Interstate and Foreign Commerce Committee.

Mr. Speaker, I do not believe that more needs to be said, but I will yield to my colleague, the gentleman from Florida (Mr. ROGERS), and he may have a comment at this time.

Mr. ROGERS. Mr. Speaker, I thank the gentleman for yielding. I am equally grateful for his leadership in doing so much for health education.

I do share his feelings that this is a needed bill. Certainly these two great medical universities and the dental school are most deserving of help, and I think this is a most appropriate bill.

I congratulate the chairman of the committee, the committee itself, and the gentleman also.

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

Mr. Speaker, I rise in support of H.R. 11108, to extend and amend the District of Columbia Medical and Dental Manpower Act of 1970.

This bill provides for financial distress funds for private medical and dental schools in the District of Columbia for 2 years while these schools seek more permanent solutions to their financial problems.

Georgetown and George Washington Universities cannot continue to operate their medical and dental schools without help. The amended act would authorize the Secretary of HEW to provide funds to these schools of up to $5,000 per year for each medical student and up to $3,000 for each dental student in accordance with demonstrated financial need.

The original act authorized funds to meet critical operational deficits of the medical and dental schools in the District. Initially, HEW opposed the extension of this act, claiming that the schools should qualify for financial distress grants under the general health manpower programs. However, the advisory councils for those programs ruled Georgetown and George Washington Universities ineligible for grants. In order to keep their medical and dental schools open, a group of Congressmen, myself included, had to ask the Secretary of HEW to use his discretionary authority to reverse the councils.

Passage of this bill will avoid the schools having to ask Members of Congress to intervene with HEW to have them declared eligible for financial distress grants under the general health manpower programs, as has happened the last 2 years.

Mr. Speaker, all but four States provide for financial assistance to private medical schools located within their boundaries. The average State support is in excess of $5,000 per student. The situation is similar for dental schools. Since Congress is still responsible for the major appropriations to the District budget, I think it is only right that medical and dental schools, like Georgetown and George Washington, are given the same opportunities to survive as they would be afforded in 46 of our States.

The District needs these schools. Fourteen area hospitals are directly dependent upon their staffs and programs.

I would also like to remind my colleagues that we all will benefit from the continued operation of these facilities. Almost 11,000 graduates of these schools are practicing in all 50 States, as well as the District. At present, there are over 1,300 enrolled in the District's medical and dental schools, representing 46 States. Most of these represented States directly benefit.

If, instead, those students attended medical or dental school within the States, 46 of those States would make available grants to the school, some in excess of $5,000 per student. For example, there are 136 current students studying medicine or dentistry at Georgetown and George Washington from my home State of Massachusetts. If these students were attending medical or dental school within the State, those schools could be eligible for a grant of $5,000 for each individual. This could mean an expenditure of $680,000 from the Massachusetts treasury. It is true that some States do not have as great a number of their citizens enrolled in the District's medical and dental schools as Massachusetts. In fact, most have less, but there are some with a much higher representation.

However, the number of students representing each State is not the issue. The point is, that if only one of these students were attending medical or dental school within their home State rather than in the District, in 46 of those States there would be a possible State expenditure. Only in Connecticut, Missouri, Nebraska, and New Hampshire would there be no possibility of subsidizing medical or dental schools under this kind of program. No matter how you look at it, it would mean money out of the State treasury. By students attending district schools, individual States are spared this expense as well as making available additional educational facilities for medical and dental education that their own institutions cannot provide.

Mr. Speaker, we all know that the medical and dental schools at Georgetown and George Washington Universities are excellent educational facilities. They have produced great physicians and dentists who have served, not only the District of Columbia, but the entire Nation. These schools are now in financial distress and have come to us for help. They cannot go to a State legislature, like other schools, for assistance. They must come to us. We still hold the purse strings of the city.

I would hate to see this Congress be responsible for the closing of these re-

nowned medical and dental schools, just because we failed to give them short-term financial assistance. I, therefore, urge my colleagues to support this bill which will provide for the continued education of doctors and dentists within the District of Columbia at Georgetown and George Washington Universities.

Thank you, Mr. Speaker.

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

Mr. Speaker, I rise in support of this legislation. As is evidenced here today the bill has strong backing from Congressmen from all across the country who appreciate and are aware of the need.

All the other medical and dental colleges of this country which are located in the 50 States can go to their State legislatures for vitally needed assistance, but these two schools do not have a State government to which they can appeal. In this time of critical need for people trained in the health professions, it would be a grievous mistake to let two outstanding schools be crippled in their mission of delivering quality medical and dental training. The justification for this legislation has been well documented in the report of the committee as well as on the floor of the House this afternoon and I look for a strong favorable vote.

Mr. MAZZOLI. Mr. Speaker, the purpose of the bill before us, H.R. 11108, is to extend for 2 years the District of Columbia Medical and Dental Manpower Act of 1970.

This act authorizes Federal grants, through the Department of HEW, for the assistance of private nonprofit medical and dental schools located in the District of Columbia.

The grants are to help the schools maintain quality medical and dental programs as a necessary health power service to the District of Columbia.

Actually, this legislation does not benefit all private medical and dental schools in the District—only those at Georgetown and George Washington Universities. Howard University receives Federal funds for its medical and dental programs from other sources.

The District of Columbia Medical and Dental Act, which H.R. 11108 extends, was in effect for 1971 and 1972. The act expired June 30, 1972. An effort in the 92d Congress to renew the act was unsuccessful.

Mr. Speaker, 14 of the 21 States in which private medical and dental schools are located provide aid to such schools.

Georgetown and George Washington Universities are not located in a State, of course. So H.R. 11108 can be described as comparable to those financial aid plans maintained by some States for their private medical and dental schools.

The Subcommittee on Labor, Social Services, and the International Community held a hearing on January 24, 1974, on this measure.

The testimony established that no funds were ever appropriated under the District of Columbia Medical and Dental Manpower Act.

However, Georgetown and George Washington have received financial grants and assistance under the Comprehensive Health Manpower Training Act of 1971—Public Law 92-157.

The purpose of the Comprehensive Health Manpower Act is to ease the financial distress of all the medical and dental schools in the United States—not just the plight of a few of these schools.

Nonetheless, in fiscal year 1973, for example, Georgetown and George Washington Universities received nearly half of all the money awarded under this act.

Because the schools have not taken adequate steps to rid themselves of the factors which have led to their financial pinch, distress grants for fiscal year 1974 have been denied.

The schools will, however, receive $5 million in supplemental funds under Public Law 93-348 which was signed into law by the President on July 12, 1974. Thus, their needs for fiscal year 1974 are accommodated.

The Department of Health, Education, and Welfare opposes the passage of H.R. 11108. Secretary Weinberger states that this measure would single out these two schools for preferential treatment over all the deserving medical and dental schools of the Nation.

Secretary Weinberger suggested that financial support for these schools should come from the District of Columbia government—not from the Federal Government.

The subcommittee did indeed consider this form of assistance for the schools. However, it was not feasible at this time in view of the magnitude of the expenditures involved in this authorization.

Using the formula in the bill before us—$5,000 per medical student and $3,000 per dental student—and using the schools' enrollment projections, roughly $9 million is involved in each of the fiscal years 1975 and 1976.

In addition to HEW's opposition, opposition to H.R. 11108 also has been registered by the Office of Management and Budget and by the District of Columbia government.

The District's opposition is based primarily on the fact that it intends to submit its own legislative proposal to provide financial assistance to meet the health manpower needs of the District.

The District feels its proposal—to provide loans and scholarships to residents of the District or to those who agree to practice in an area of the District experiencing a shortage of doctors and dentists—is superior to the proposal contained in H.R. 11108.

At the markup on February 26, 1974, I proposed that the bill be made a 1-year bill rather than the 3-year bill it was initially recommended to be.

One year, in my judgment, is adequate lead time for the District to enact its measure and for these schools to qualify thereunder for inclusion in the District's fiscal year 1976 budget—and all future budgets.

However, a substitute amendment extending H.R. 11108 for 2 years—fiscal year 1975 and 1976—was proposed. And it carried by a 6 to 4 vote.

Thus, despite my personal preference for a 1-year extension, I am constrained to support my committee colleagues—and, thus, support this 2-year bill.

The Committee on the District of Columbia ordered the bill favorably reported to the House on July 1, 1974.

I urge the support of the House for H.R. 11108.

Mr. BOLAND. Mr. Speaker, I rise in support of H.R. 11108. This legislation is sorely needed. The highly renowned medical and dental schools of Georgetown University and the medical school of George Washington University would literally not be able to continue in operation without the assistance that H.R. 11108 will provide. Because of the District's present in-between status, funds which are made available by States to medical and dental schools under medical grants programs are not received by these fine schools. When the District of Columbia begins to function under home rule, recognition by the Government of the District will no doubt be given to the need for quality medical and dental training for the District. In the period between that day and the present, a period estimated to span the next 2 fiscal years, these three schools will depend, as they have in the past, on the Congress for their economic livelihood. H.R. 11108 authorizes amounts necessary to provide $5,000 per enrolled medical student, or $3,000 per enrolled dental student during fiscal year 1975 and fiscal year 1976.

Graduates of these local medical and dental schools now practice in every State of the Union. Yet their contribution in terms of private physicians and dentists to the Nation should not obscure their very real importance to the District and its surrounding area in terms of the many interns, residents, faculty members and senior students who constitute the staffs of so many of the area's hospitals. It is well established, especially in the grateful appreciation of many patients, that teaching hospitals and dental clinics such as are connected to these schools provide experimental and advanced treatment that is just not available in many other institutions.

Mr. Speaker, this legislation—under a different aegis—has been approved by this House before. This bill would only extend capitation aid to these schools for another 2 years. At that point, the District of Columbia, I am certain, will authorize payments similar to those granted by many States to private medical and dental schools. I feel that we have an obligation to the people of the District of Columbia—and to the people all over this Nation like those that are served by products of these outstanding schools—to continue for 2 years what aid they require to stay afloat and provide the excellent graduates they have in the past. I therefore urge the passage of this legislation.

Mr. ROGERS. Mr. Speaker, I rise in support of H.R. 11108 the District of Columbia Medical and Dental Manpower Act extension. This legislation would ex-

tend the existing authority through fiscal 1976.

The bill will provide urgently needed operational funds to the medical school at George Washington University and the medical and dental schools at Georgetown University. Operational grants to these schools may not exceed $5,000 per enrolled medical student or $3,000 per enrolled dental student. The District of Columbia Committee estimates that the maximum cost for these grants would not exceed $8,693,000 per year.

These schools have responded to the national need for an increase in physicians and dentists. They are in process of increasing their student body by nearly 70 percent. To meet their increased costs they need similar financial assistance to that given by most States to private medical and dental schools.

In my own State of Florida, the Florida Legislature gives financial assistance to the public and private nonprofit medical and dental schools similar to that provided in this bill.

These schools presently have 27 students from Florida and have provided Florida with 376 practicing physicians. These schools also produce many fine physicians and dentists for other States in the Nation which helps mitigate health manpower shortages. I therefore urge my colleagues to support the authorizations for these schools so that they may continue to serve both the District of Columbia and other States. I again would like to commend my colleague Mr. NELSEN from Minnesota and the other members of the District of Columbia Committee who have worked so diligently for this legislation.

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

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

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

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 348, nays 11, not voting 75, as follows:

[Roll No. 416]

YEAS—348

Abdnor	Annunzio	Beard
Abzug	Arends	Bell
Adams	Armstrong	Bennett
Addabbo	Ashbrook	Bergland
Anderson, Calif.	Ashley	Bevill
	Aspin	Biaggi
Anderson, Ill.	Bafalis	Biester
Andrews, N.C.	Baker	Bingham
Andrews, N. Dak.	Barrett	Blackburn
	Bauman	Boggs
Boland	Haley	Pepper
Bolling	Hamilton	Perkins
Brademas	Hanrahan	Pettis
Bray	Harsha	Peyser
Breaux	Hays	Pickle
Breckinridge	Hechler, W. Va.	Pike
Brinkley	Heckler, Mass.	Podell
Brooks	Heinz	Powell, Ohio
Brotzman	Helstoski	Preyer
Brown, Calif.	Henderson	Price, Ill.
Brown, Mich.	Hicks	Price, Tex.
Brown, Ohio	Hillis	Pritchard
Broyhill, N.C.	Hinshaw	Quie
Broyhill, Va.	Hogan	Railsback
Buchanan	Holt	Randall
Burke, Fla.	Holtzman	Rangel
Burke, Mass.	Horton	Rees
Burleson, Tex.	Hosmer	Regula
Burton, John	Howard	Reuss
Burton, Phillip	Hudnut	Rhodes
Butler	Hungate	Riegle
Camp	Hunt	Rinaldo
Carney, Ohio	Hutchinson	Roberts
Casey, Tex.	Ichord	Rodino
Cederberg	Jarman	Roe
Chamberlain	Johnson, Calif.	Rogers
Chappell	Johnson, Pa.	Roncalio, Wyo.
Clancy	Jones, N.C.	Rooney, Pa.
Clausen, Don H.	Jones, Okla.	Rosenthal
	Jordan	Rostenkowski
Clawson, Del	Karth	Roush
Cleveland	Kastenmeier	Rousselot
Cochran	Kazen	Roybal
Cohen	Kemp	Runnels
Collier	Ketchum	Ruppe
Collins, Ill.	Kluczynski	Ruth
Conable	Koch	Ryan
Conlan	Kyros	St Germain
Conte	Lagomarsino	Sandman
Conyers	Latta	Sarasin
Corman	Lent	Sarbanes
Coughlin	Litton	Satterfield
Cronin	Long, La.	Scherle
Daniel, Dan	Long, Md.	Schroeder
Daniel, Robert W., Jr.	Lott	Sebelius
	Lujan	Seiberling
Daniels, Dominick V.	Luken	Shipley
	McClory	Shoup
Danielson	McCloskey	Shriver
Delaney	McCollister	Shuster
Dellenback	McCormack	Sikes
Dellums	McDade	Skubitz
Denholm	McEwen	Slack
Dennis	McFall	Smith, Iowa
Dent	McKay	Smith, N.Y.
Derwinski	McKinney	Snyder
Devine	Macdonald	Spence
Dickinson	Madden	Staggers
Diggs	Madigan	Stanton, J. William
Dingell	Mahon	
Donohue	Mallary	Stanton, James V.
Downing	Mann	
Drinan	Maraziti	Steelman
Dulski	Mathias, Calif.	Steiger, Ariz.
Duncan	Mathis, Ga.	Steiger, Wis.
du Pont	Matsunaga	Stephens
Eckhardt	Mayne	Stokes
Edwards, Ala.	Meeds	Stratton
Edwards, Calif.	Melcher	Stubblefield
Eilberg	Mezvinsky	Studds
Erlenborn	Michel	Sullivan
Esch	Milford	Symington
Eshleman	Miller	Taylor, Mo.
Evans, Colo.	Mills	Taylor, N.C.
Fascell	Minish	Thomson, Wis.
Fish	Mink	Thone
Fisher	Mitchell, Md.	Thornton
Flood	Mitchell, N.Y.	Tiernan
Flowers	Mizell	Traxler
Flynt	Moakley	Udall
Foley	Mollohan	Ullman
Ford	Montgomery	Van Deerlin
Forsythe	Moorhead, Calif.	Vander Jagt
Fountain		Vander Veen
Fraser	Moorhead, Pa.	Vanik
Frelinghuysen	Morgan	Veysey
Frenzel	Mosher	Vigorito
Frey	Moss	Waggonner
Froehlich	Murphy, Ill.	Waldie
Fuqua	Murtha	Walsh
Gaydos	Myers	Wampler
Giaimo	Natcher	Ware
Gibbons	Nedzi	Whalen
Gilman	Nelsen	White
Ginn	Nichols	Whitehurst
Goldwater	Nix	Widnall
Gonzalez	Obey	Wiggins
Goodling	O'Brien	Williams
Gray	O'Hara	Wilson, Charles, Tex.
Green, Pa.	O'Neill	
Gross	Owens	Winn
Grover	Parris	Wolff
Gubser	Passman	Wright
Gude	Patman	Wyatt
Guyer	Patten	Wydler
Wylie	Young, Fla.	Young, Tex.
Wyman	Young, Ga.	Zablocki
Yates	Young, Ill.	Zion
Yatron	Young, S.C.	Zwach

NAYS—11

Archer	Davis, Wis.	Poage
Burlison, Mo.	Huber	Quillen
Collins, Tex.	Landgrebe	Robinson, Va.
Crane	Martin, Nebr.	

NOT VOTING—75

Alexander	Griffiths	Murphy, N.Y.
Badillo	Gunter	Rarick
Blatnik	Hammer-schmidt	Reid
Bowen		Robison, N.Y.
Brasco	Hanley	Roncalio, N.Y.
Broomfield	Hanna	Rooney, N.Y.
Burgener	Hansen, Idaho	Rose
Burke, Calif.	Hansen, Wash.	Roy
Byron	Harrington	Schneebeli
Carey, N.Y.	Hastings	Sisk
Carter	Hawkins	Stark
Chisholm	Hébert	Steed
Clark	Holifield	Steele
Clay	Johnson, Colo.	Stuckey
Cotter	Jones, Ala.	Symms
Culver	Jones, Tenn.	Talcott
Davis, Ga.	King	Teague
Davis, S.C.	Kuykendall	Thompson, N.J.
de la Garza	Landrum	Towell, Nev.
Dorn	Leggett	Treen
Evins, Tenn.	Lehman	Whitten
Findley	McSpadden	Wilson, Bob
Fulton	Martin, N.C.	Wilson, Charles H., Calif.
Gettys	Mazzoli	
Grasso	Metcalfe	
Green, Oreg.	Minshall, Ohio	Young, Alaska

So the bill was passed.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Blatnik.

Mr. Teague with Mr. Reid.

Mr. Murphy of New York with Mr. Byron.

Mr. Hébert with Mr. Gettys.

Mr. Rooney of New York with Mr. Dorn.

Mr. Carey of New York with Mr. Harrington.

Mrs. Burke of California with Mr. Gunter.

Mr. Hawkins with Mr. Landrum.

Mr. Rarick with Mr. Evins of Tennessee.

Mr. Badillo with Mrs. Hansen of Washington.

Mr. Mazzoli with Mr. McSpadden.

Mrs. Chisholm with Mr. Hanley.

Mr. Culver with Mr. Hanna.

Mr. Stark with Mrs. Griffiths.

Mr. Alexander with Mr. Carter.

Mr. Clay with Mr. Hastings.

Mr. Rose with Mr. Metcalfe.

Mr. Holifield with Mr. Findley.

Mr. Brasco with Mrs. Green of Oregon.

Mr. Cotter with Mr. Broomfield.

Mrs. Grasso with Mr. Jones of Alabama.

Mr. Davis of Georgia with Mr. King.

Mr. Sisk with Mr. Hammerschmidt.

Mr. Bowen with Mr. Roncallo of New York.

Mr. Davis of South Carolina with Mr. Schneebeli.

Mr. de la Garza with Mr. Kuykendall.

Mr. Clark with Mr. Steele.

Mr. Jones of Tennessee with Mr. Hansen of Idaho.

Mr. Lehman with Mr. Robison of New York.

Mr. Steed with Mr. Minshall of Ohio.

Mr. Stuckey with Mr. Bob Wilson.

Mr. Roy with Mr. Symms.

Mr. Fulton with Mr. Talcott.

Mr. Whitten with Mr. Towell of Nevada.

Mr. Leggett with Mr. Treen.

Mr. Charles H. Wilson of California with Mr. Young of Alaska.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO CORRECT SECTION NUMBERS IN THE ENGROSSMENT OF H.R. 15842

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that the Clerk be author-

ized to correct section numbers in the engrossment of H.R. 15842.

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

There was no objection.

ELECTION OF MEMBERS TO COMMITTEES

Mr. MILLS. Mr. Speaker, I offer a privileged resolution (H. Res. 1272) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1272

Resolved, That the following-named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on Government Operations: John L. Burton, of California;

Committee on House Administration: Lionel Van Deerlin, of California;

Committee on Public Works: Cardiss Collins, of Illinois.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBERS OF HOUSE DELEGATION IN COMMEMORATION OF THE 200TH ANNIVERSARY OF THE FIRST CONTINENTAL CONGRESS

The SPEAKER. Pursuant to the provisions of section 2. Senate Concurrent Resolution 85, 93d Congress, the Chair appoints as members of the House delegation to represent the Congress of the United States at ceremonies in Carpenters' Hall, Philadelphia, on October 14, 1974, in commemoration of the 200th anniversary of the First Continental Congress, the following Members on the part of the House: Mr. DENT, of Pennsylvania; Mrs. BOGGS, of Louisiana; Mr. SCHNEEBELI, of Pennsylvania; and Mr. MCDADE, of Pennsylvania.

PERSONAL EXPLANATION

Mr. LENT. Mr. Speaker, earlier today while being interviewed by a reporter from Newsday, I missed rollcall No. 412, the vote on the conference report on the military procurement authorization bill. Had I been present, I would have voted "yea." I would like the RECORD to so reflect.

DEFENSE SPENDING AND THE ECONOMY

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, our current economic difficulties owe much to a Federal budget which has gotten out of control. The deficits created by our failure to acknowledge and properly finance the high costs of the war in Indochina have continued into the heaviest peacetime deficits in our history. The Federal budget, which reached the $100 billion level for the first time in 1964, passed $200 billion in 1971 and has risen to a proposed $305.4 billion for this fiscal year, with a projected deficit of $11.45 billion.

It is important to remember that there are many other inflationary pressures, some of which are beyond our control, such as a world wide economic boom creating excessive demand, a disastrous year for agricultural production resulting in food shortages, and growing scarcities of other basic materials—all exacerbated and overshadowed by the actions of the OPEC nations which increased the price of oil. It is also important to remember that a large portion of this year's Federal budget—over 50 percent—is not subject to reduction through the appropriation process because it is already committed by law for such uses as revenue sharing, contracts previously obligated, and mandatory benefit programs. In passing the Budget and Impoundment Control Act we have established procedures for bringing the budgetary process, including backdoor spending, under congressional control. Even though these procedures do not become effective until next year, there is nothing except inertia and an unwillingness to make hard decisions that keeps us from exercising them in an informal way now. Although we have already passed on 10 of the regular appropriations bills, we can still let our views be known in the conference process. The three remaining are foreign aid, military construction, and defense, the largest of all.

It is always necessary to prevent unnecessary and wasteful Government spending. In a time of inflation such as today it is essential that such spending be cut, and that Congress, in line with its constitutional responsibilities, determine the priorities necessary for readjusting our appropriations. In considering budgetary cuts we must be selective. Our judgments must be tempered by recognition of our obligation to provide adequate support for badly needed social programs. We cannot, as Treasury Secretary Simon has suggested, cut $9.3 billion from retirement, disability, and social security benefits, a move which would have a ruinous impact on the very people least able to defend themselves against inflation—the aged, the poor, and the handicapped.

President Nixon, in his disappointingly empty economic address last Thursday, continued to exhibit an incredibly callous attitude toward the average American. He offered no relief for those hit hardest by inflation, but had the effrontery to tell them to offer up their "savings" for sacrifice to 13 percent inflation rate by putting them in 7 percent savings accounts.

One positive suggestion the President did make was a proposed $5 billion reduction in Federal spending this year. I would suggest the first place to look for waste is in the defense budget.

It is time for defense spending to be viewed in light of the entire budget. The defense budget consumes about 40 percent of taxpayers' money, it represents 69 percent of total controllable Federal expenditures, and the Department of Defense employs 1,025,000 out of 1,963,100 full-time permanent civilians of the Federal Government. It is difficult to comprehend the size of our defense budget, but comparative examples of other Government expenditures will give an indication of its enormity:

The first Trident submarine—without its missiles—at $780 million costs $59.9 million more than the entire Colorado State budget for this year at $721 million. And the Pentagon wants to buy 10 Tridents.

The CVN–70 nuclear aircraft carrier at $956 million costs $62 million more than the entire State Department budget at $894 million. And this is the Navy's fourth nuclear aircraft carrier.

This year the administration requested $499 million in new budget authority for the development of the B–1 bomber. This is $9.2 million more than the entire Federal cancer research budget at $489.8 million. And the B–1 bomber has been subject to tremendous cost overruns while its performance projections have slipped considerably.

This year the administration presented Congress with the largest peacetime military budget in our history and it is replete with waste. In an analysis made for the Project on Budget Priorities, headed by former Assistant Secretary of Defense Paul C. Warnke, it was recommended that $11 billion could be cut from the defense budget. Furthermore, during testimony in February, Defense Secretary Schlesinger admitted that the defense budget had been padded with reserve funds. Estimates of the amount of such padding range from $1.5 billion in fiscal year 1975 to $6 billion if the impact of the requested fiscal year 1975 authorities on future year spending is considered.

The justification for the padding is economic pump priming to create jobs and ease unemployment. However, studies indicate that different kinds of Government spending have more impact on reducing unemployment than defense spending. For example, a 1972 study by economists at the Massachusetts Institute of Technology shows that every $1 billion in Government spending transferred from defense to civilian programs would create 6,436 more jobs than it eliminated, and a Bureau of Labor Statistics report indicates that, although $1 billion in defense spending generates 75,812 jobs, the same amount spent at State and local levels would create 80,041 jobs if spent on health care and 104,019 if spent on education. In any case, economic pump priming is certainly a nonmilitary reason for additional spending and is bad policy because of the inflationary nature of defense spending. Defense spending produces goods for the military sector, but does little to increase supplies demanded by the consumer market.

Mr. Speaker, the defense budget should not be treated as a sacred cow. There will be at least two cost-saving amendments offered when the defense appropriations bill comes to the floor: an amendment to reduce military aid to South Vietnam and a spending ceiling amendment. The Vietnam amendment will seek to control massive spending in that war-torn country where 46.6 percent of total U.S. aid goes to only 0.8

percent of the world population. The Addabbo ceiling amendment will attempt to apply fiscal restraints to the ballooning defense budget. I urge my colleagues to consider our economy with its runaway inflation and the necessity of budget cuts before they vote on these amendments. I believe economic as well as moral criteria will make it imperative that amendments such as these be passed.

Congress should not go on indefinitely as it has over the last 30 years automatically giving the Pentagon more or less everything it seeks. Even President Eisenhower, a man steeped in military tradition and a cold war President, once said:

> Every addition to defense expenditure does not automatically increase military security. Because security is based upon moral and economic, as well as purely military strength, a point can be reached at which additional funds for arms, far from bolstering security, weaken it.

Our true national security depends on our ability to control the irrational drive for weapons and defense policies which contribute little to our military strength and add fuel to our economic problems. Whether through reform of committee procedures and Pentagon budgetary practices, or through floor amendments, Congress must reassert its fundamental responsibility in defense spending. Our economy and security demand that this be so.

REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974

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

Mr. STEPHENS. Mr. Speaker, we will soon take up H.R. 9989 on real estate settlement costs. In response to supplemental views in the Banking Committee report, I make the following statement. H.R. 9989, the Real Estate Settlement Procedures Act of 1974, was approved on a voice vote by the House Banking Committee on June 25, 1974. The committee report accompanying the bill—House Report No. 93–1177—sets out in some detail the reasons why a majority of the committee voted to repeal section 701 of the Emergency Home Finance Act of 1970. The portion of the committee report discussing the reasons for the repeal of section 701 is attached.

The supplemental views to the committee report discusses the reasons why some members of the committee believe that section 701 ought to remain on the statute books. In view of the fact that the repeal of section 701—contained in section 102(c) of H.R. 9989—appears to be the only controversial provision of the bill, I believe it will be helpful to my colleagues in the House to respond to the major points made in the supplemental views which I believe give a misleading picture of the issues surrounding section 701.

First, the supplemental views charge incorrectly that repeal of section 701 would "erase the only Federal authority in existence to regulate settlement costs."

Repeal of section 701 would in no way affect the authority HUD and the VA presently have to protect FHA and VA assisted mortgage borrowers from unreasonable or excessive charges that may be made in particular transactions.

Under long-standing regulations promulgated by HUD (24 C.F.R. 203.27), HUD presently has the authority to refuse FHA insurance for mortgages where fees have been charged for settlement services that are in excess of the "reasonable and customary" charges for that service in the local area. Similar regulations (83 C.F.R. 36.4312(d), part I) are applicable to VA guaranteed mortgages.

In responding to a question on this point in the House hearings, Sheldon Lubar, the FHA Commissioner, stated—page 74 of the hearings:

> HUD insuring offices are responsible for maintaining and periodically updating lists of reasonable and customary settlement costs in each area. . . . [T]he HUD insuring office has an obligation to review the fees actually charged against its list to determine whether they are reasonable and customary. If they are not reasonable and customary, HUD suggests to the mortgagee that such charges be eliminated or reduced to the home buyer.

Mr. Lubar indicated that under this authority, HUD could refuse to insure specific mortgages if the settlement charges were not reasonable or customary.

The authority for this administrative practice is contained in the section of the National Housing Act (12 U.S.C. 1709(a)) that authorizes HUD to insure eligible mortgages "upon such terms as the Secretary may prescribe." This statutory authority and administrative practice would be unaffected by repeal of section 701 of the Emergency Home Finance Act of 1970. By repealing section 701, we would be removing from the statute books an ambiguous provision that has been misinterpreted as possibly authorizing Federal rate regulation in this area—which few Members of Congress believe desirable—but would leave unaffected HUD and VA authority to protect federally assisted home buyers from exorbitant or excessive charges.

Second, the supplemental views incorrectly assert that section 701 of the Emergency Home Finance Act of 1970 grants HUD the authority "to establish maximum settlement charges for FHA and VA residential mortgage transactions" and its repeal would "shield the very people responsible for widespread, abusive, and fraudulent real estate settlement practices."

To begin with, it has never been found that abusive and fraudulent real estate settlement practices are "widespread" and are resulting in excessive costs in many areas of the country. Indeed, the 1972 HUD–VA Report to the Congress on Mortgage Settlement Costs specifically found that:

> Costs appear to be high in some areas, but unreasonable costs probably occur in fewer areas than may be popularly assumed.

More importantly, neither the language nor the legislative history of section 701 supports the view that section 701 authorized HUD or the VA "to establish maximum settlement charges" in FHA and VA transactions. Indeed, it is the fact that section 701 has been so misconstrued, combined with the near unanimous judgment that rate regulation in this area is undesirable, that led both the Senate and House Banking Committees to conclude that section 701 ought to be repealed.

The language of section 701 clearly did not authorize the Secretary of HUD "to establish maximum settlement charges" in FHA and VA transactions. On the contrary, the section authorized the Secretary only "to prescribe standards governing the amounts of settlement costs" allowable in connection with such transactions. At the time section 701 was adopted, no one in Congress appeared to believe that the authority to "prescribe standards" meant that HUD was being authorized to engage in Federal rate regulation of settlement costs.

When section 701 was first introduced by Senator SPARKMAN in the 91st Congress (S. 3442), he stated on the floor of the Senate that in introducing the bill he was acting to carry out the recommendations of the Commission on Mortgage Interest Rates, a bipartisan commission of Senators, Congressmen, and outside experts that published its report in August 1969. Both the Senate and House Banking Committee reports indicated that section 701 would "implement the recommendations of the Commission on Mortgage Interest Rates with respect to settlement costs on FHA- and VA-assisted housing." The Commission on Mortgage Interest Rates in no way recommended that HUD and the VA be given authority to regulate closing costs or to adopt regulations to reduce these costs across the country. What the Commission did recommend was that HUD and the VA "continue the present administrative practice of reviewing such costs to see that they are consistent with the accepted standard in each local area."

As discussed above, under this administrative practice, which would be unaffected by repeal of section 701, HUD and the VA review FHA and VA settlement sheets to insure that closing costs are in line with the reasonable and customary standard for settlement services in the particular locale. In enacting section 701. Congress was indicating its approval of this administrative practice. Moreover, if in fact it was generally agreed that section 701 was intended to authorize rate regulation, it is inconceivable that there would not have been significant debate in the House and the Senate on the wisdom and practicability of placing so many tens of thousands of attorneys, title companies, surveyors, and other small businessmen under Federal rate regulation. In fact, there was not a single mention of section 701 in the Senate debates and in the House debate there was only a brief colloquy between Chairman WRIGHT PATMAN and Representative BEN BLACKBURN in which Chairman PATMAN concurred that section 701 was simply intended to indicate congressional approval of HUD's administrative practice of reviewing particular settlement sheets to see that the

charges were consistent with the reasonable and customary standards prevailing in the area.

In light of the congressional intent behind section 701, it is impossible to understand how its repeal would shield the very people responsible for widespread, abusive, and fraudulent real estate settlement practices. On the contrary, enactment of the provisions of H.R. 9989 would deal very directly with abusing practices, such as the payment of kickbacks, excessive escrow requirements, and the failure to give adequate advance notice of settlement costs, that have been demonstrated to exist. Moreover, sections 102 (a) and (b) of H.R. 9989 specifically call on the Secretary of HUD to monitor the implementation of the reforms of the bill and, should these provisons not prove effective in dealing with the underlying problems that may be resulting in higher than necessary settlement costs, to make recommendations on what further corrective measures are needed to be taken by the Congress. Thus, far from being a "shield," H.R. 9989 would provide specific remedies now and lay the basis for additional legislation in the future to eliminate any abuses or fraudulent practices that are not dealt with by the bill

Third, the supplemental views are grossly misleading in stating that section 701 "carries the immediate potential of saving FHA and VA residential mortgage borrowers a minimum of $57 million a year."

The $57 million figure is apparently derived by assuming that HUD regulation under section 701 could save the average FHA–VA home buyer $100 and then multiplying this figure by the total number of FHA and VA transactions—568,000—in the United States in 1973. The findings of the March 1972 HUD–VA Report on Mortgage Settlement costs clearly indicate that savings of this magnitude are simply impossible.

The regulations proposed by HUD under section 701 in July of 1972 would have set maximum limits on six items of settlement cost—credit reports, surveys, title examination, title insurance, closing fees, and pest and fungus inspections. An examination of the chart on page 36 of the HUD–VA report reveals that the average charge for each of these services found in the 50,605 transactions examined was as follows:

Credit report	$9
Survey	25
Title examination	46
Title insurance	116
Closing fee	6
Pest and fungus inspection	5
Total	207

Even assuming that such other items as appraisals, preparation of documents, escrow fees, and "other closing costs" were covered by a rate regulatory scheme under section 701, the total would still only amount to $287.

In order to effect average reductions of $100 per transaction, HUD regulation under section 701 would have to require that all those persons and businesses that provide these settlement services reduce their charges by 35 to 50 percent. There is absolutely no basis in the record to believe that a system of regulation that took into account the costs and need for reasonable profits of those who provide settlement services would lead to any lowering of costs, much less a reduction of 35 to 50 percent.

Moreover, the estimated savings cited in the supplemental views fails to take into account the costs that would be involved in Federal regulation of settlement charges. Not only would there be immense costs to HUD, if regulation is to be based—as it must—on an examination of the costs and reasonable profits of the hundreds of thousands of individuals and companies who provide settlement services, but the additional costs incurred by those who would be subject to regulation—for example, in preparing cost and rate justifications, et cetera—must inevitably be passed on to consumers and are likely to exceed any savings to consumers.

Fourth, there is no basis for the statement in the supplemental views that "the existence of HUD's authority to regulate FHA and VA settlement charges, although never used, has served to motivate a growing number of State legislatures to adopt real estate settlement reform measures of their own."

There has been absolutely no evidence presented in any congressional hearings over the last few years to indicate that section 701 has in any way "motivated" State legislatures to adopt settlement reform legislation. While the supplemental views indicate that five States—New York, Massachusetts, Connecticut, Maryland, and North Carolina—have adopted such legislation, they fail to point out that the legislation these States have adopted deals with the payment of interest by lenders on escrow accounts established by mortgagors to insure the payment of real estate taxes and insurance. The establishment of such accounts or the payment of interest on these accounts is an issue that is in no way related to section 701 or the possibility of rate regulation of settlement charges under that section. It is impossible to see how there can be any connection between section 701 and State legislation on escrow accounts.

Moreover, to the extent that section 701 has had any effect on State action, it is likely to have had a negative effect. If State legislatures believe that HUD has and will exercise the authority to regulate charges for settlement services, they are much less likely to take reform measures themselves.

Fifth, the supplemental views incorrectly state that repeal of section 701 will indicate that the Federal Government "is no longer interested" in settlement reform.":

Repeal of section 701 would in no way indicate that the Federal Government is no longer interested in settlement reform. Enactment of H.R. 9989, which contains the most comprehensive package of settlement reform provisions ever seriously considered by Congress, would indicate just the opposite. Moreover, keeping section 701 on the books would in no way constitute a "club in the closet" that would aid in settlement reform. The "threat" posed by section 701 is totally ineffective because of the many legal and constitutional difficulties that would be faced if Federal regulation were to be undertaken pursuant to this statutory authority. This point will be discussed in a moment.

While the possibility that regulation along the lines of the 1972 proposed HUD regulations—which made arbitrary reductions in charges that were totally unrelated to costs or profits—does indeed frighten those who perform settlement services and State and local governments, the "fear" of arbitrary governmental action that it engenders will in no way lead to basic settlement reforms. The continued existence of section 701 on the books serves as a barrier to effective reform, inasmuch as the controversy surrounding its meaning and implementation will continue to absorb the energies of HUD and those involved in the settlement process. These energies should be devoted to solving the real problems that exist. Indeed, consumers should likewise fear the type of regulation proposed by HUD in 1972 under section 701 since it promises to drive virtually all attorneys, title companies and others out of the FHA–VA market if they are forced to arbitrarily reduce their charges even though the reductions are not based on any determination of their costs or profits.

Moreover, enactment of the reforms contained in H.R. 9989 would definitely signal settlement attorneys, title insurance companies, and others that the Federal Government is very seriously interested in curbing excessive settlement charges. With the prospect of HUD reporting to the Congress 3 to 5 years from now on how effective the reforms of H.R. 9989 have been, it is likely that those who provide settlement services will be very wary about increasing their charges unnecessarily. This is particularly true since section 102(a) and (b) of H.R. 9989 directs HUD to report back to us on what further legislative measures are needed, including the possibility of rate regulation or having lenders bear certain settlement costs. In the face of serious Federal consideration of these possibilities, the enactment of H.R. 9989 would be much more effective in curbing excessive settlement charges than keeping an unworkable section 701 on the books.

Sixth, the supplemental views are in error in asserting that "the fact that HUD's authority to regulate maximum settlement charges has never been used reflects political pressure exerted on the administration rather than any invalidity on the part of HUD to act."

There is no doubt that those who would be subject to regulation were extremely concerned when HUD published its proposed regulations under section 710 in July of 1972. But their reaction was totally understandable in view of the fact that the recent House hearings have made it clear that the maximum charges proposed by HUD were developed without any regard to the costs involved in rendering settlement services or the reasonable profits that have to be allowed if these necessary services are to continue to be provided in FHA and VA transactions.

The reasons why HUD has refrained

from implementing these proposed regulations—and indeed has specifically joined with the Federal Home Loan Bank Board in calling for the repeal of section 701—were explained by FHA Commissioner Sheldon Lubar in the House hearings:

Attempting to regulate settlement costs nationwide—in 50 states and over 3,000 counties instead of the fewer than 100 jurisdictions involved in the six metropolitan area proposal—would be virtually impossible in view of the wide variances in settlement practices, especially if due process required verification of the individual costs of all providers of services ranging from one-man law firms to giant title companies. We would need to ascertain—for each of these jurisdictions—actual settlement charges and the costs incurred in the performance of settlement services. Then we would have to determine, again on a jurisdiction-by-jurisdiction basis, what constitutes reasonable charges. Accordingly, *it is apparent that even if it could be concluded that Federal regulation of settlement charges was workable at all, such regulation could be achieved only at a very high administrative cost, widely out of proportion to the benefits that would be received by consumers.* [Italic added.]

The difficulties of regulation under section 701 were also brought to the committee's attention by Prof. Dale Whitman, the author of HUD's proposed regulations who testified as an independent expert at the hearings requested by Mrs. SULLIVAN:

Let me first deal with the potential for successful rate regulation by HUD. I struggled with this matter for a year at HUD, and I can assure you that it is not an easy problem. Prevailing practices, customs and laws vary widely. Many are inefficient, but they cannot be changed instantaneously. A rate which is fair and profitable to one provider may appear confiscatory to another. *In addition, the information needed to set rates intelligently is simply not available to HUD, and is unlikely to become so. HUD has virtually no data whatever on the internal costs of operating a lawyers' office, a title insurance company, or a surveying firm, and it is not easy to see any feasible means of collecting such information. Without it, HUD is essentially shooting in the dark in setting rates* and is almost certain to be attacked in litigation by the less efficient providers. *Moreover, the argument that such rates would be a denial of due process under the Fifth Amendment is not a frivolous one,* and the government might ultimately lose such cases. [Emphasis added.]

The fact is that section 701 is simply too deficient and unworkable a statutory basis for a system of Federal rate regulation of settlement charges. As Professor Whitman points out, there are also serious constitutional objections to the use of section 701. The section fails to provide any guidelines or standards to guide the Secretary's administrative decisions, and it lacks any procedural safeguards or standards for judicial review. In comparison with the other statutes Congress has enacted to regulate other industries, the vaguely worded, single paragraph of section 701 simply cannot stand as the basis for the regulation of the rates and charges of hundreds of thousands of individuals and companies—many of whom are quite small—that provide settlement services across the country.

If the Congress believes that rate regulation in this area is desirable, then the report of the Secretary of HUD called for by section 102 of H.R. 9989 will provide the basis for appropriate legislation. Under that section, the Secretary will be reporting back to the Congress on the implementation of the provisions of the bill and what further legislative measures are needed. Section 102(b) specifically asks for his recommendations on the desirability of Federal rate regulation and, if he believes such regulation is desirable, a description and analysis of the regulatory scheme he believes Congress should adopt. If we are serious about Federal rate regulation in this area, we will have to examine the difficult procedural and substantive problems involved in such regulation that will be pointed up in the Secretary's report.

In summary, in arguing for retention of section 701 of the Emergency Home Finance Act, supporters of such regulation have made a number of erroneous or unsupportable statements that should not go unchallenged:

First, repeal of section 701 would not erase the only Federal authority in existence to deal with unreasonable or exorbitant settlement charges;

Second, section 701 was never intended to give HUD rate regulatory authority for settlement costs in FHA and VA transactions;

Third, section 701 does not offer home buyers any realistic possibility of effecting any savings in settlement costs;

Fourth, the mere existence of section 701 on the statute books has not served to motivate States to adopt settlement reform legislation and has, in fact, had a retarding effect on State reform;

Fifth, repeal of section 701 will in no way indicate that the Federal Government is no longer interested in settlement reform; on the contrary, it is passage of H.R. 9989 that will indicate congressional interest in dealing with the root causes of unnecessarily high settlement charges; and

Sixth, the fact that section 701 has never been implemented by HUD to regulate rates and charges in the real estate settlement area does not reflect political pressure but reflects HUD's realization that such regulation would be unwise, unworkable and "could only be achieved at very high administrative cost, widely out of proportion to the benefits that would be received by consumers."

I hope that all Members of the House will support H.R. 9989, as approved by the committee, and the committee's decision to repeal section 701 of the Emergency Home Finance Act of 1970.

I include the following:

REPEAL OF SECTION 701 OF THE EMERGENCY HOME FINANCE ACT OF 1970

Section 102(c) of H.R. 9989 would repeal section 701 of the Emergency Home Finance Act of 1970. This provision directed the Secretary of Housing and Urban Development and the Administrator of Veterans Affairs to prescribe standards governing the amounts of settlement costs allowable in connection with the financing of FHA and VA insured mortgages. This provision has been the subject of much dispute as to whether or not it authorizes HUD to regulate the rates and charges of settlement services in FHA–VA assisted mortgages. The Committee believes that any attempt to develop a system of rate regulation in this area would be unwise and unworkable.

After attempting to develop such a scheme, Assistant Secretary of HUD Sheldon Lubar testified that HUD's experience had demonstrated that "even if it could be concluded that Federal regulation of settlement costs was workable at all, such regulation could be achieved at only very high administrative cost, widely out of proportion to the benefits that would be received by consumers." He told the Subcommittee on Housing that he believed repeal of Section 701 was "vital" to any legislative package on settlement costs. This same view was expressed by the Chairman of the Federal Home Loan Bank Board Thomas R. Bomar who described Federal rate regulation of settlement costs as "merely symptomatic treatment" that was "likely to create a bureaucratic monstrosity" and lead to "serious distortions and instabilities in the marketplace."

Consumer witnesses who testified in recent hearings concluded that Federal rate regulation was not a desirable approach. For example, Alan Morrison, who represented Ralph Nader's Public Citizen Project, while he did not go so far as to urge repeal of Section 701, did tell the Subcommittee on Housing that "there is no evidence so far that indicates that mandatory price regulation by the Federal government is required."

Federal rate controls are warranted only if there are clear and convincing findings that settlement charges are unreasonably high on a widespread basis throughout the Nation and there is no other more practical way to deal with the problem. Neither of these findings has been made to date. The 1972 HUD-VA Report on Mortgage Settlement Costs found that "unreasonable costs probably occur in fewer areas than may be popularly assumed." Nor did the study specifically conclude that Federal rate regulation was the only means for dealing with the abuses uncovered.

FURTHER PROPOSED CONSIDERATION OF CONFERENCE REPORT ON H.R. 69

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

Mr. PERKINS. Mr. Speaker, H.R. 69 extends and improves the elementary and Secondary Education Act, the impact aid laws, the Bilingual Education Act, the Education of the Handicapped Act, the Adult Education Act, and the Indian Education Act. It also includes several new programs, such as the Reading Improvement Act and the Community Schools Act.

We must adopt the conference report on H.R. 69 on Wednesday if we are to have an appropriation bill for all of these programs this year. If we do not renew the authorizations for these programs, school districts throughout the country will have to continue to receive funds for these programs under the authority of the continuing resolution.

As one example of the ill-effects of living under the continuing resolution, I would like to insert in the RECORD a chart showing how much less the States are receiving for their title I compensatory education programs under the administration's interpretation of the continuing resolution as compared to the amounts they would receive under H.R. 69 as reported from the conference:

	H.R. 69 [1]	Continuing resolution [2]	Difference
Alabama	43,509,013	37,802,143	−5,706,870
Alaska	4,918,257	4,554,764	−363,493
Arizona	17,398,230	15,243,827	−2,154,403
Arkansas	26,097,884	22,888,370	−3,209,514
California	148,317,398	130,117,491	−18,199,907
Colorado	17,604,413	15,479,140	−2,125,273
Connecticut	17,281,415	15,388,280	−1,893,135
Delaware	5,254,828	4,664,058	−590,770
Florida	67,391,836	59,519,759	−7,872,077
Georgia	47,674,302	41,797,790	−5,876,512
Hawaii	5,664,790	4,885,726	−779,064
Idaho	5,141,454	4,585,349	−556,105
Illinois	90,297,820	78,381,164	−11,916,656
Indiana	26,455,157	23,524,326	−2,930,831
Iowa	16,649,934	15,155,319	−1,494,615
Kansas	13,816,614	12,281,660	−1,534,954
Kentucky	33,855,202	30,711,103	−3,144,099
Louisiana	55,071,226	47,351,139	−7,720,087
Maine	7,102,255	6,308,979	−793,276
Maryland	30,882,561	26,616,892	−4,165,669
Massachusetts	33,672,303	29,533,650	−4,138,653
Michigan	77,290,600	67,302,067	−9,988,533
Minnesota	27,958,512	24,498,084	−3,460,428
Mississippi	41,888,253	36,677,791	−5,210,462
Missouri	31,802,845	28,184,388	−3,618,457
Montana	5,999,430	5,340,726	−658,704
Nebraska	9,400,371	8,481,814	−918,557
Nevada	2,523,215	2,211,063	−312,152
New Hampshire	3,439,947	3,018,731	−421,216
New Jersey	56,638,496	53,322,625	−3,315,871
New Mexico	14,329,979	12,446,483	−1,883,496
New York	210,218,014	206,023,815	−4,194,199
North Carolina	54,295,914	50,604,729	−3,691,185
North Dakota	5,824,210	5,272,083	−552,127
Ohio	58,635,735	52,796,450	−5,839,285
Oklahoma	21,295,661	18,644,098	−2,651,563
Oregon	17,400,689	15,342,386	−2,058,303
Pennsylvania	83,343,461	76,451,418	−8,892,043
Rhode Island	6,855,715	5,941,481	−914,234
South Carolina	34,665,912	30,808,468	−3,857,444
South Dakota	6,304,575	5,699,184	−605,391
Tennessee	40,039,613	35,122,381	−4,917,232
Texas	124,882,397	110,769,193	−14,113,204
Utah	6,199,135	5,431,804	−767,331
Vermont	3,954,589	3,507,301	−447,288
Virginia	39,721,223	34,855,843	−4,865,380
Washington	23,128,948	20,267,679	−2,861,269
West Virginia	17,872,066	16,529,448	−1,342,618
Wisconsin	29,910,951	25,921,604	−3,989,347
Wyoming	2,751,743	2,435,299	−316,444
District of Columbia	11,377,176	10,958,330	−418,846

[1] Estimates by the Library of Congress on H.R. 69 as reported from the conference committee. [2] Estimates by HEW on the continuing resolution.

KISSINGER DEFENDS U.S. AID TO SEOUL

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

Mr. MEEDS. Mr. Speaker, the July 25 edition of the New York Times carried two stories on one page, the first of which was a story in which Secretary of State Henry Kissinger in an appearance before the other Members of the other body, said, in effect, that although the Nixon administration did not approve of South Korea's repressive policies it had decided to continue economic and military aid for Asian security reasons.

The second story appeared on the same page. Ironically, it was a story of the Seoul court dooming five more civilians on a plotting charge.

A total of 19 persons have now been sentenced to death this month for anti-Communist activities, but 5 of the sentences had been changed to life imprisonment.

Mr. Speaker, what are some of the types of activities that can gain the death penalty in South Korea? If one is a student and he publicly calls for a restitution or restoration of the constitutional government, he can be sentenced to death. By conservative estimate, there are between 1,100 and 1,200 persons now languishing in South Korean jails for so-called antigovernment activities.

Mr. Speaker, I suggest to Dr. Kissinger and to the Members of the House that Asian security, that American security, and that world security are far more threatened by the repressive tactics of the Park regime than from any other source.

It seems to me, Mr. Speaker, that American aid should not be used in that effort.

I ask unanimous consent to insert the two articles in the RECORD.

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

There was no objection.

[From the New York Times, July 25, 1974]

KISSINGER DEFENDS U.S. AID TO SEOUL—TELLS SENATORS SECURITY FACTORS OVERRIDE ANY DISLIKE OF POLICIES

(By Bernard Gwertzman)

WASHINGTON, JULY 24.—Secretary of State Kissinger said today that although the Nixon Administration did not approve of South Korea's repressive pclicies, it had decided to continue economic and military aid for Asian security reasons.

Testifying before a Senate Appropriations subcommittee on the Administration's foreign aid requests, Mr. Kissenger was asked by Senator Edward W. Brooke, Republican of Massachusetts, how the Administration justified continued aid to countries like South Korea whose police units were "authoritarian."

Mr. Kissinger, aware of moves in the Congress to bar military aid to the Government of President Park Chung Hee because of the widespread arrests and repression of critics, said that after a consideration of South Korea's political and strategic importance in Asia, the Administration decided "to authorize economic and military assistance even when we would not recommend the actions of the Government of South Korea."

JAPAN'S VIEW IS CITED

He said that South Korea's strategic position was "very crucial" to Japan and that "our judgment has been shared by the government of Japan."

"Where we believe the national interest is at stake we proceed even when we don't approve" of a country's policies, Mr. Kissinger said.

In the House, Representative Donald M. Fraser, Democrat of Minnesota, chairman of the Foreign Affairs subcommittee on international organizations, plans a joint hearing next Tuesday with Representative Robert N. C. Nix's subcommittee on Asian and Pacific affairs, to consider proposing a possible cutoff of military aid to Korea because of Mr. Park's policies. Mr. Nix is a Pennsylvania Democrat.

The Administration has requested $161-million in aid and $52-million in low-interest military credit sales to South Korea for the current fiscal year ending next June 30.

Mr. Kissinger's remarks about South Korea were consistent with the Administration's view that security interests take precedence over human rights considerations in aid matters.

Mr. Kissinger also strongly defended the Administration's aid requests for Indochina, which run more than $3-billion, on the ground that such aid was needed to maintain "the achievement of recent years."

He also disclosed that the Administration had submitted a six-year projection "which reflects our expectation of a gradually declining role in Indochina."

Senator Daniel K. Inouye, Democrat of Hawaii, complained that the six-year projection was classified "secret," and therefore the figures could not be debated publicly. Mr. Kissinger promised to declassify much of the report by next week.

MIDEAST AID DEFENDED

Mr. Kissinger defended the bill's requests for more than $1-billion in aid to Middle Eastern countries. He said "the program before you is vital to give substance" to the new improving relations in the area.

"We are witnessing one of the most arduous but also one of the most hopeful developments of the past generation," he said.

Most of the committee members seemed favorably disposed to the aid bill, but Senator John L. McClellan, Democrat of Arkansas, chairman of the full Appropriations Committee, seemed dubious about the program.

[From the New York Times, July 25, 1974]

SEOUL COURT DOOMS FIVE MORE CIVILIANS ON PLOTTING CHARGE

SEOUL, SOUTH KOREA, July 24.—The Seoul district criminal court sentenced five civilians to death today on charges of espionage on behalf of North Korea and of plotting an uprising against President Park Chung Hee.

Three other civilians were sentenced to life imprisonment, and 24 were given terms ranging from one to 15 years.

A total of 19 persons have now been sentenced to death this month for anti-Government activities, but five of the sentences were commuted last Saturday to life imprisonment.

The Government charged today that the defendants were members of a spy ring that had operated in Seoul and other cities since December, 1962. It said the group had received funds equivalent to $150,000 from the Communists.

The court said that members of the ring, in addition to spying, had been assigned to infiltrate political, intellectual and labor organizations to incite unrest and confusion and to prepare them for an uprising against the Goverment at the "decisive moment."

The defendants included two university professors, one of whom was sentenced to

death; a veterinarian, two Protestant clergymen and a bank employe.

SOUTH KOREAN OPPRESSION AND FOREIGN AID

(Mr. FRASER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FRASER. Mr. Speaker, a growing number of our colleagues are finding it difficult to justify propping up the oppressive regime of South Korea's Park Chung Hee with U.S. military assistance. How can we justify military assistance to South Korea while Park rules with the iron hand of martial law, arbitrarily arresting, detaining, and sentencing to death all manner of political opponents? Ostensibly, the United States supports South Korea against potential aggression from North Korea. But 21 years after the Korean war, it is increasingly difficult to determine which Korean government is more reprehensible.

Under its present domestic policies, the Park government is its own worst enemy. How long will the oppressive regime of Kim Il Sung in North Korea be seen as a greater threat to the rights and freedom of the people of South Korea than the oppressive regime of Park Chung Hee?

President Park arbitrarily casts aside the rights of his countrymen by saying, "We can no longer sit idle while wasting our precious national power in imitating the systems of others." Whether he imitates other systems or not, he evidently expects our system to continue supporting him. And the policymakers of our executive branch intend to fulfill his expectations. Only last week Secretary of State Kissinger dismissed a congressional query about aid to Park with this statement: "where our national interest is at stake, we proceed even when we don't approve." I cannot believe that the national interest of the United States is tied to Park Chung Hee's blatant disregard for internationally recognized standards of decency toward his own people. Accordingly, in the Committee on Foreign Affairs, I intend to propose a substantial reduction in the amount requested by the administration for military assistance to South Korea this year. I urge all of our colleagues to support that reduction on the House floor. And this week, the gentleman from Pennsylvania (Mr. NIX) and I will begin joint hearings in our two subcommittees on human rights in South Korea.

Mr. Speaker, I have always been an active supporter of the concept of assisting developing countries in their hard task of nation building. But my support for aid legislation will diminish unless the policies of the executive branch demonstrate a more active concern for internationally recognized human rights. I refer especially to military assistance, since military power is so often an instrument of governmental control over the civilian population.

I urge our colleagues to ask themselves whether the traditional concern of the American people for human rights should be represented by strengthening the oppressive hand of governments such as that of South Korea.

An editorial in the Washington Post on July 27 addresses itself to some of the concerns I have expressed here. I include it in the RECORD at this point:

TROUBLE IN SOUTH KOREA

Late in 1972, President Park of South Korea conducted a virtual coup against his own government, installing martial law and setting himself on a course of arbitrary one-man rule which has steadily intensified since. "We can no longer sit idle while wasting our precious national power in imitating the systems of others." Mr. Park said to those who had hoped that American-introduced democracy would put down roots in Korea. But what apologists call the "Korean style of democracy" has now become so repressive as to raise the question of whether dictatorship flourishes more on the north of the 38th parallel, the dividing line with Communist North Korea, or on the south.

Hundreds if not thousands of political opponents have been arrested, including students (students toppled the Syngman Rhee dictatorship in 1960, every Korean recalls), Christians, intellectuals and every manner of political rival real and imagined. Upwards of a dozen political foes have just been sentenced to death in a trial in which few observers could perceive evidence of due process. Among them is the country's leading poet, Kim Chi Ha, previously arrested and beaten for a poem. The man Mr. Park defeated at the polls in 1971, Kim Dae Jung, who was kidnaped from Japan and brought home last year, faces trial now for alleged campaign violations dating back to 1967. One can now be sentenced to 15 years' imprisonment in South Korea for petitioning peacefully for changes in the martial law constitution under which Mr. Park rules.

Unsurprisingly, President Park regularly invokes the cause of national security, claiming that dangers emanating from North Korea justify his measures at home. And it is so that North-South Korean relations remain tense. Their incipient political dialogue, begun two years ago, is frozen. Military incidents continue. North Korea, few doubt, is itself a rogue regime. But there is nonetheless a hint that Seoul may be manipulating the foreign security threat to help create the proper rationale for domestic repression. North Korea had no cause to sink a South Korean patrol boat in international waters in a well publicized incident a few weeks ago. Yet the boat was sailing a few miles further north, and a bit closer to North Korea's territorial waters, than such boats normally go.

Whether President Park is stifling opposition faster than he is creating it is the central question of Korean politics today. It is a question which must trouble Americans as well as Koreans. For the fact is that the United States is the principal foreign patron of South Korea. Some 40,000 American troops remain there from the Korean War. American aid is extensive—in the $200–$300 million range. The familiar dilemma for Americans is, of course, that not only does American support keep South Korea independent, but American support allows President Park to keep fastening his dictatorship on the land. The administration's answer is simply unacceptable. Asked in Congress on Wednesday about the Korean excesses, Secretary of State Kissinger said that "where we believe the national interest is at stake, we proceed even when we don't approve."

Is there no possibility for a break in this intolerable situation? The continuing American presence in South Korea has been justified in recent years as a source of confidence for Seoul while Seoul worked out a new political relationship with the North. But that relationship is not moving ahead. Military and food aid has been offered on the basis that the South Korean economy needed it. But the South Korean economy is doing well otherwise, all things considered. Seoul insists that the American troops remain vital but its nationalism pushes it tacitly to assert that it does not need an American crutch for all time. We continue to believe that the essential elements of the American presence in South Korea should be altered only by a process that takes into account the need to provide for stability in East Asia as a whole. But a large and growing cause of instability in East Asia now is the police rule of the Park regime.

OBSTRUCTION OF JUSTICE IN FLORIDA

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

Mr. YOUNG of Florida. Mr. Speaker, it is with great reluctance that I rise today on a matter of deep concern to Floridians and potential concern to all Americans. I hesitate to criticize the judicial branch of Government, but late last week the chief justice of Florida took an unprecedented action which can only be characterized as a major obstruction of justice and denial to Florida voters of their right to know the whole truth about candidates for public office.

For some time now, Federal and State investigators have been looking into allegations of misconduct by certain high Florida officials. As a result of their investigations, one cabinet official has already resigned after being indicted. Two other cabinet officials were under investigation by grand juries, and in my own Pinellas County, the very able State attorney was checking into allegations of wrongdoing at the local level.

However, last week Florida Chief Justice James C. Adkins, acting in his capacity as the chief judicial officer of the State of Florida, ordered a postponement of all ongoing investigations of candidates for public office until after the November 5 general election. He asserted that this action would protect the voters of Florida against a "hysterical" atmosphere during the campaign.

I find it absolutely incredible, in light of the current atmosphere of concern over the actions of high government officials, that Florida's chief judicial officer would move to tie the hands of justice and place a lid on important ongoing investigations.

If this order is allowed to stand, how can Florida voters be sure that they are not going to elect a potential felon to high office? How can we deny our citizens the right to be informed about their political candidates? How can we stay the course of justice when actions of similar sort are the cause of the Nation's worst constitutional upheaval in a century?

Chief Justice Adkin's decision is a dark blotch on the record of the State which pioneered "government in the sunshine." If there ever was a coverup in blatant defiance of legal and constitutional principles, this is it.

Mr. Speaker, the chief justice himself admits that he knows of no precedent for his order. If the order is allowed to pass unchallenged, it will itself become a precedent and could be used to justify future obstructions of justice. I sincerely hope that Florida State officials will start the legal machinery to strike down this order, and not let it stand to hinder both present and future grand juries.

Floridians are justifiably proud of their effective prosecutors and grand juries. But when our own chief justice suddenly hobbles them for political reasons, I must join with other outraged Florida voters to speak out against this grave abuse of judicial responsibility and thwarting of an open political process.

MARTIN OF PHILLIPS PETROLEUM

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

Mr. COLLINS of Texas. Mr. Speaker, one man who is solid with commonsense solutions for the petroleum crisis is Bill Martin, chairman and chief executive officer of Phillips Petroleum Co. Here in Washington, it is reassuring to hear this constructive choice of progressive action from Bill Martin down in Bartlesville, Okla. Phillips is aggressively reinvesting its funds in oil development.

Let me tell you of Phillips' great record. When I asked Martin about their capital expenditure program, he told me that between 1969 and 1973, Phillips' earnings and cash income available for capital investments totaled $850 million. During this 5-year period, Phillips invested $1.5 billion which was mainly for oil and gas exploration and production. This means that Phillips had to raise an additional $650 million beyond its earnings and it had to get this from borrowing and the sale of assets and the sale of stock. Continuing their emphasis on meeting the oil shortage, Phillips is now planning to spend $750 million in capital improvements for the year 1974. This more than doubles their capital spending program of last year.

In operations, Phillips continues to have to fight the battle of inflation. For example, the cost of oilfield machinery and oilwell casing rose by 33 percent between 1967 and 1973, while oilfield wages climbed even more, or 44 percent. Bill Martin tells me that Phillips is projecting additional increases. For instance, Phillips is anticipating wage and employee benefits costs up 14½ percent and construction costs up 18 percent in this current 1974 year.

Phillips is a successful and progressive marketer of petroleum. Yet the current financial fact facing the company is that today its capital expenditures greatly exceed its earnings. The farsighted economists in our country could only wish that Phillips was earning even more. Certainly its stockholders wish it was earning more, because Phillips only paid out 22 percent of its first quarter earnings to stockholders in the form of dividends. As my colleagues will recall, from a statement I made last week on the floor, the governments in the form of taxes are getting $8 from oil companies for every $1 that a stockholder gets. Stockholders build the company; invest in the company; guide the company; and yet they only get a dollar, while the hungry governments sit over here and do nothing for its taxes but give poor advice and get $8.

In reviewing some of the followup Phillips' interim reports, one of the most interesting was a chart on the effect of environmental regulations. It took us 400 years to get our country into the present situation, but the environmentalists expect to completely correct everything within 3 years. And this is a major cause of the tremendous oil crisis. Basically, automobile emission controls are the biggest single environmental control. When it takes 10 gallons today to drive the same number of miles that in 1970 it took 6 gallons to cover, you can see how increased gasoline demand has added to the existing energy shortage problem.

One interesting issue that was raised by the Phillips statistics was in regard to the great natural gas demand. Enivronmentalists stress and encourage the utilization of clean natural gas. The Interior Department and our top oil administrators in the Federal Government have recommended that we deregulate the wellhead price of gas. Yet it seems to me these same environmentalists who ask for more gas have been the major obstructionists in achieving the much needed deregulation of gas at the wellhead.

When Bill Martin of Phillips was in college and later when he played on the great Phillips' AAU championship teams, he was recognized as one of the best basketball players in America. He was always a winner because he was a team man, and he made every shot count.

How frustrating today it must be for Bill Martin down there in Phillips Petroleum to see all of the roadblocks Congress continually puts in the way of their progressive program. Phillips is attracting added capital and reinvesting to meet the energy crisis of today. We sit by in Congress with knife in hand considering elimination of the oil depletion allowance, refusing to even hold hearings on deregulation of gas at the wellhead, and attempting to allocate all of the oil supplies within this country on an arbitrary basis.

I can speak objectively about Bill Martin in Bartlesville and the outstanding Phillips Petroleum Co. because they are based in the State of Oklahoma. If they were from Texas I would be bragging. But with the outstanding job Phillips is doing for America, I simply am pointing with pride to the great achievements of my neighbor from Oklahoma.

PUBLIC SERVICE EMPLOYMENT ACT OF 1974

The SPEAKER pro tempore (Mr. RYAN). Under a previous order of the House, the gentleman from Michigan (Mr. VANDER VEEN) is recognized for 20 minutes.

Mr. VANDER VEEN. Mr. Speaker, I rise to introduce legislation which I believe could provide significant congressional initiative and leadership in getting America's economy moving again, help control the fires of inflation, and put 900,000 Americans back to work performing jobs this Nation needs to have done.

I am very pleased to be joined in this effort by 37 of my House colleagues:

MEMBERS COSPONSORING VANDER VEEN PUBLIC SERVICE EMPLOYMENT ACT OF 1974

Ms. Abzug, Mr. Badillo, Mr. Blatnik, Mr. Brown of California, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Diggs, Mr. Dingell, Mr. Drinan, Mr. Dulski, Mr. Edwards of California, Mr. Fauntroy, Mr. Fraser.

Mr. Green of Pennsylvania, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Koch, Mr. Leggett, Mr. Meeds, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Nedzi, Mr. Podell, Mr. Rees, Mr. Reuss.

Mr. Rodino, Mr. Roybal, Mr. Selberling, Mr. James V. Stanton, Mr. Stark, Mr. Stokes, Mr. Tiernan, Mr. Won Pat.

Since this is my first effort at seeking cosponsors for a bill, I am particularly grateful for their support, encouragement, and advice.

In brief, Mr. Speaker, the bill adds a new title VI to the Comprehensive Employment and Training Act, CETA, which authorizes 900,000 public service employment jobs throughout the Nation. The focus of the bill is on areas of severe unemployment—in excess of 7 percent.

The bill, with projections of unemployment put at 6 percent or above by the end of 1975, would permit Congress to reduce unemployment by a full percentage point—down from 6 percent to 5 percent nationally. It would place the jobs and funds where the need is greatest. It would guarantee that no area in the Nation would suffer from unemployment in excess of 7 percent.

The net $2.9 billion cost of the bill is reached by subtracting $1.3 billion in increased tax revenues, and $2.1 billion in decreased unemployment, welfare and other payments, from the gross cost of $6.3 billion. This means that we would be paying approximately $3,100 net for each job.

In addition to the direct creation of 900,000 jobs in the public employment sector, economists estimate that the multiplier effect would spill over and create in excess of 300,000 jobs in private employment. This would serve to reduce further the actual cost of creating these needed public service jobs.

ECONOMIC BACKGROUND FOR LEGISLATION

Mr. Speaker, unemployment nationally stands at 5.2 percent. Five million workers and their families—about 20 million Americans—continue to live lives of bare subsistence. This number does not include the underemployed nor the hundreds of thousands who have left the labor market in disgust and discouragement and are no longer showing up in government unemployment statistics.

The Fifth District in Michigan which I represent has been experiencing high unemployment as a result of decreases in furniture manufacturing and drops in metal parts manufacturing and finishing associated with the automobile industry. The unemployment rate has been running from a high of 9.3 percent to

about 8 percent. The most recent Labor Department computer run for funding allocations under title II of CETA indicates that Kent County, as the consortium average, has an unemployment rate of 8.8 percent. This translates into 25,552 unemployed workers. Unemployment rates are 7.0 percent for Allegan County, 9.3 percent for Grand Rapids, 7.8 percent for Kent County, and 7.8 percent for Wyoming, Mich. Funding under title II for the entire area is $2,127,800, or less than $84 per unemployed.

The national total for payments under CETA is $301,664,800 for total unemployed considered of 3,618,383. This makes clear we are not doing enough to face this challenge head on and help put America back to work. I do not mention these figures to criticize CETA. I understand the budget difficulties and threats of vetos faced by the Labor-HEW Appropriations Subcommittee. Their responsibility is to fund programs at levels which will be signed into law. I am hopeful that sufficient support will be generated in Congress for this type of bill to make the veto threat an exercise in executive futility. I will mention later in my remarks the economic effects of creating jobs via the public employment route.

High unemployment, low production and decreasing productivity, increases in per unit costs of production, actual losses in gross national product, all indicate we have paid a very high price in economic and social terms for 5½ years of economic underachievement.

From 1969 through the first quarter of 1974, the cost in national income or GNP has totaled $512 billion. This is measured specifically in losses in personal consumption of almost $245 billion, in personal income of $365 billion, in wages and salaries of $281 billion, and in family income of $4,000 per family. Private investment forfeitures have been almost $141 billion. Payments for unemployment and welfare average about $20 billion per year in actual expenditures, and projections for fiscal year 1975 total $21.6 billion.

Losses in employment opportunity for the same period total 11 million jobs. Of particular interest and pertinence to the discussion of this public service legislation are the losses in government outlays for good and services. The forfeiture at all levels of government was almost $218 billion. Revenue and expenditure loss from lowered economic activity is the obverse of the public service employment coin.

The ability of governments to provide public services the American people deserve is the measure of just how much we need to create these jobs directly. Governments, at present tax rates, would have had this additional $218 billion to serve their people if the economy were operating the way it should and can operate.

ECONOMIC PROJECTIONS IN UNEMPLOYMENT

Mr. Speaker, reasons for this combination of inflation, stagnation, unemployment, weakened consumer demand and industrial production are numerous and have been cataloged, dissected, analyzed and criticism voiced by economists and politicians of every persuasion. However, I see no need to spend a great deal of time repeating this criticism; nothing constructive could be achieved. The focus of our efforts from now on should be moving ahead on progressive and effective employment and anti-inflationary programs which must have the support of both sides of the aisle. This effort must be congressional and not partisan.

Economic indicators we have been receiving demonstrate that there is a great deal of softness in what is essentially a sound economy—an economy that can and will recover its accustomed pattern of sound and sustainable growth—if we take the proper steps.

However, the most recent economic projections of unemployment and its effects on the general health of the economy indicate the pressing need for exactly the type of bill my colleagues and I are introducing today. Unemployment is expected to reach about 5.6 percent by the end of this year and should reach approximately 6 percent by the end of calendar 1975.

The Wharton Short Term Forecasting Model of May 30, 1974, states:

The economy will turn toward modest growth during the remainder of 1974 and into 1975. Real GNP can be expected to increase by just over 2% during the next four quarter periods. Unemployment will increase to near 6% and capacity utilization will decline as the economy expands at less than its long run potential growth rate of near 4%.

Projections from the Wharton Mark III Quarterly Model indicate the following unemployment rates: 1974, third quarter, 5.48; 1974, fourth quarter, 5.63; 1975, first quarter, 5.75; 1975, second quarter, 5.88; 1975, third quarter, 5.99; 1975, fourth quarter, 6.07; 1976, first quarter, 6.09.

The June 12 and July 9, 1974, Data Resources Forecast indicates much the same picture:

Following the decline in real GNP at 6.3% rate in the first quarter, (of 1974), it is evident that the creation of new employment will be insufficient to maintain the present 5.2% unemployment rate in the months ahead, assuming normal labor force growth.

The unemployment rate has shown surprisingly little movement in the last six months and in June remained at 5.2%. Apparently, the weakness in the economy has not yet fully impacted the labor market.

Leading (employment) indicators deteriorated slightly in June. Initial claims for unemployment insurance increased during the first three weeks in June after showing improvement in April and May. Overtime hours and the average work week declined in June.

Unemployment insurance claims increased in June to 303,000 from 286,000 in May. The average work week dropped from 40.3 to 40.1 hours and average overtime hours in manufacturing dropped from 3.5 to 3.3 during the same period.

While unemployment figures in the May Data Resources forecast indicate peak unemployment by the fourth quarter of 1975 at 5.8 percent, and average throughout this and next year at approximately 0.2 percent below the Wharton forecast, the clear pattern of high and persistently high unemployment is what these econometric experts are warning us about. The Data Resources unemployment forecast closes by saying:

The unemployment rate is forecast to remain at a higher plateau for several quarters into the recovery.

Mr. Speaker, what all these statistics indicate is that unemployment is going to get worse and it is going to stay that way for quite a while. We are going to be faced with increased unemployment and welfare lines, at greater expense, with no direct benefit resulting to the American taxpayer or to the communities in which the unemployed and their families live.

Recent, present, and projected unemployment figures, coupled with continued expected weakness in consumer demand and industrial production indicate that the Government must provide gainful and productive jobs for the many Americans who are out of work through no fault of their own and who are willing and able to work.

NEED FOR JOB CREATION

Mr. Speaker, the Labor Department last week issued statistical data on the allocation of title II funds under the Comprehensive Employment and Training Act—CETA. The figures indicate not only the pervasiveness of substantial and severe unemployment throughout the United States, they also indicate that where you have unemployment above the 6.5 percent eligibility rate for title II funds, you also have unemployment running above 7 percent in the vast majority of the 10 regions covered by the Department's reports. Only one region does not have well over half of its eligible areas with unemployment in excess of 7 percent.

This not only indicates that unemployment tends to feed on itself and become worse, but it also demonstrates that areas of severe unemployment are also areas of severe underemployment and hidden unemployment. It is why the focus of this bill is on those areas suffering severe unemployment. Not only will we provide jobs for the known numbers of unemployed but we will be drawing the underemployed and the hidden unemployed back into the job market and into the statistical ken of the Federal Government.

The tables prepared by the Labor Department run to 56 pages. I shall abstract the States by region, indicate how many of those areas with unemployment at or above 6.5 percent also suffer from unemployment in excess of 7 percent. I shall also indicate the total number of unemployed for the entire region—unemployment at or above 6.5 percent.

REGION 1

Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont: 43 areas out of 63 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—339,728.

REGION 2

New Jersey, New York, Puerto Rico: 52 areas out of 116 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—686,880.

REGION 3

Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia: 116 areas out 133 with unemployment in excess 7%. Total number of unemployed at or above 6.5%—331,564.

REGION 4

Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee: 169 areas out of 182 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—211,690.

REGION 5

Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin: 176 areas out of 258 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—807,130.

REGION 6

Arkansas, Louisiana, New Mexico, Oklahoma, Texas: 85 areas out of 92 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—199,533.

REGION 7

Iowa, Kansas, Missouri, Nebraska: 25 areas out of 71 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—44,891.

REGION 8

Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming: 15 areas out of 20 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—70,917.

REGION 9

Arizona, California, Hawaii, Nevada: 149 areas out of 182 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—683,506.

REGION 10

Alaska, Idaho, Oregon, Washington: 7 areas out of 38 with unemployment in excess of 7%. Total number of unemployed at or above 6.5%—220,294.

Indian Reservations: Average unemployment 30.9%. Total number of unemployed at or above 6.5%—22,250.

U.S. totals: Total number of unemployed at or above 6.5%—3,618,38.

Mr. Speaker, these figures not only speak eloquently to the crying need to create jobs that these Americans can fill productively and with pride, but also reflect the terrible price the American economy is paying and the terrible toll in personal suffering that is being exacted from these fellow citizens, I say it is time to put a stop to it and quit making these Americans pay the continuing and mounting burden of the Administration's economic policies. We can and should put them to work.

Mention should also be made that these figures indicate only the tip of the unemployment and underemployment iceberg. While the areas mentioned above suffer unemployment from 6.5 percent to as high as 30 percent, there are several millions of unemployed in areas with unemployment below 7 percent or 6.5 percent. The fact that unemployment rates are lower in their areas does not provide much of a consolation to the worker who cannot find a job, who cannot support his family in dignity, who cannot live his life with the degree of economic security every American should have as a right.

SPECIFICS OF VANDER VEEN BILL

The legislation I introduce today does not create a new bureaucracy to administer these jobs. Neither is there need for eligible areas or prime sponsors to submit complicated applications or employment plans. Most areas in the Nation which have applied and are receiving funds through emergency employment legislation or title II of the Comprehensive Employment and Training Act, have already done most of what will be necessary to qualify for funds under this proposal.

The bill creates a new title VI within CETA. The operations of title I and title II of CETA are not changed. Definitions of prime sponsors and eligible areas are not changed. Indian tribes remain as prime sponsors. The bill I propose creates 900,000 jobs and authorizes the funds to issue paychecks to those hired. The already established administrative structures and procedures of CETA will allocate and fund these additional jobs. The only differences between title VI and title II jobs is that the trigger for title VI jobs is unemployment in excess of 7 percent, and the funding for each title is authorized and accounted for separately.

Smaller areas with unemployment in excess of 7 percent remain eligible. They can be funded through an appropriate prime sponsor if a viable employment program can be sustained in the area. Areas like Chinatown, Watts, Bedford-Stuyvesant, the 12th Street area in Detroit, Harlem, as in title II of CETA, could have a distinct employment program tailored to the needs of the area and the governmental unit within which they are located. It is estimated that $96 to $97 out of every $100 spent on public employment programs actually goes into the creation of specific jobs. These figures should improve even more under my proposal since there should be no additional administrative structure or procedures needed to fund the additional 900,000 jobs established under title VI of the bill.

In gross terms, it costs roughly $7,000 to fund an average public service employment job. It is estimated, with unemployment rising to and remaining at approximately the 6-percent level for some extended period, that about 900,000 jobs would be needed to bring unemployment in all areas of severe unemployment down to 7 percent. Focusing jobs on these peak areas of unemployment will, as I mentioned earlier in my remarks, help us take the true measure of unemployment in severely afflicted areas.

Funding 900,000 at $7,000 per job would cost, on an annual basis, a total of $6.3 billion. However, not all the expenditure for a public service job is a cost to the taxpayer. There are significant offsetting savings. Much of the money that will be spent on wages will not be spent on unemployment insurance payments, welfare and aid to dependent children, food stamps, medicaid, manpower training, and other assistance programs. Also, a great deal of the expense will be returned to Federal, State, and local governments in the form of income, sales, and excise taxes.

It is difficult to come to any specific measurement of what these aggregate savings would be in any given year. That will depend a great deal on characteristics of the individuals and families participating in the program. However, some educated guesses can be proferred on substantial savings.

Unemployment insurance: About 60 percent of the unemployed are insured under unemployment compensation. We assume the same percentage or ratio for those who receive jobs under this legislation. Since these participants are from areas of severe and prolonged unemployment we can assume a benefit duration of 6 months. The national average unemployment benefit is $250 per month. Sixty percent of 900,000, multiplied by $250, multiplied by 6 provides savings of a little over $800 million.

Welfare: There are about 100,000 families on AFDC–UF, the "unemployed father" program. Assume that 70 percent of them live in eligible areas and that they all enter the program. The average payment is $200 per month and we can assume payments lasting over 3 months. Also, there are 3.1 million other AFDC families. About 20 percent of the mothers are able to work. We assume that half of them live in eligible areas and that half of those participate in the program. The average grant per family is $200 per month over an average 12-month period. The total savings in welfare can be estimated at about $500 million.

Food stamps: If we assume that half the participants are in families eligible for food stamps and the average family grant is about $75 over a 6-month period, we arrive at savings of approximately $200 million.

Other programs: About 150,000 of the participants are not included in any of the above categories. However, they do receive some form of publicly financed assistance from either a manpower or training program. If we assume a monthly benefit of $120 for a period of 6 months we arrive at savings of about $100 million. Another $100 million in savings from lowered medicaid payments brings this total to $200 million.

Turnover: While the program will fund 900,000 job slots, there will be some turnover as persons move into other jobs, leave the area, et cetera. Since savings in the programs mentioned above occur at the beginning of each new job, an assumed 20-percent turnover rate of the above aggregate savings of $1.7 billion, results in total annual savings of $2.1 billion.

Increased tax revenues: Wages will be paid and will thus generate income to the Government in the form of taxes This offsetting income should also be calculated in determining the actual set cost of public service employment.

Social security contributions at the 11.7 percent averaged rate will bring in about $700 million. While this is eventually disbursed in the form of benefit payments, it is a short-term gain for the Federal budget figured on a unified basis.

Federal income taxes: A single person pays $895 on a $7,000 income. The head of a family of four pays $400. Assuming an average tax of $600 per person, receipts would total about $540 million.

State and local taxes: A not unreasonable estimate would be approximately 20 percent of the Federal revenue increase, providing $100 million. Total offsetting revenue increases: $1.3 billion.

Total cost of legislation: $6.3 billion gross cost of bill, minus $1.3 billion increases in Federal, State, and local tax revenues. Minus $2.1 billion decreased payments for welfare, unemployment, food stamps, medicaid, and other benefit and assistance programs. Total $2.9 billion net cost, 900,000 jobs at $3,100 per job.

Mr. Speaker, an additional economic benefit derived from the creation of 900,000 public service jobs is a job spillover into the private economy. This multiplier effect comes from the increased economic activity generated by the circulation of the incomes paid to public service employees. Economists have calculated the generation of private sector jobs at .4 the number of public service jobs created. Thus, creation of 900,000 public service jobs results in over 300,000 private sector jobs. It can fairly be said that the $2.9 billion net investment does result in the direct or indirect generation of in excess of 1,200,000 jobs across the Nation.

Mr. Speaker, I would like to assure my colleagues in both the House and Senate that the jobs envisioned and funded by this bill are jobs that need doing. These are not make-work or leaf-raking jobs. No one is going to be paid for leaning on a shovel. Government leaders in my district have been contracted. They have outlined the kinds of jobs which could be filled by this legislation. These are the same areas which are suffering under the 7, 8, and 9 percent, and above, unemployment rate I discussed earlier in my remarks.

KENTWOOD ADMINISTRATIVE ASSISTANT, TOM CLAYTON

Mr. Clayton indicated that they are in desperate need of at least five more police officers. In addition he stated that he could use more personnel in the following categories: Park employees, 15; public service garage, 2 mechanics helpers; road maintenance crew, about 5; firemen, 4; assessing deptartment, 2 assistants.

KENTWOOD COUNTY CONTROLLER, FRANK EVANS

Mr. Evans felt that personnel were needed in the following areas: Administrative, hospital, police. He could not respond more specifically without knowing more information; that is, the amount of money that might be available.

PRESIDENT OF THE IONIA COUNTY COMMISSION, BURTON STANCEL

He believes that Ionia could use between $200,000 to $300,000 to hire personnel for public service employment. Personnel could be placed in the following areas: County road commission, police department, recreation programs—parks department, general laborers, maintenance personnel in local government and schools.

ROCKFORD CITY MANAGER, JOHN F. VAN PROOYEN

Mr. Van Prooyen feels that he could use people in the administrative staff offices, police administration, and the department of public works. In addition, new positions could be created to provide important public services, for example: building code and inspection enforcement.

Mr. Van Prooyen also feels that there is a great need for youth activities and programs in Rockford. He indicated that this would be a high priority if funds for public service positions were available. This could be combined with recreational activities with the schools, and with providing work for the youth in the area.

CEDAR SPRINGS MAYOR, TOM WATSON

Mr. Watson feels that he could probably use at least four new employees in Cedar Springs. These people would be hired in the following areas, respectively, public works, parks department, cemetery maintenance workers, and street repair.

LOWELL CITY MANAGER, BLAINE E. BACON

Mr. Bacon feels that the city of Lowell could use some help right in the manager's office. Specifically, he would like one administrative assistant, at least one more clerical person, and two people in the public works sector. The jobs in public works would be semiskilled such as truck driver.

GRANDVILLE CITY MANAGER, HOWARD NYENBUIS

Mr. Nyenbuis indicated that Grandville could use people in the following areas: City planning, assistant city manager, clerical personnel in city clerk's office, parks department, recreational program, cemetery maintenance personnel, police department dispatcher, fire department.

GRAND RAPIDS CITY MANAGER, JOSEPH GRASSIE

Mr. Grassie would like to be able to fill positions in the following four areas of the public service sector, although not necessarily in this order:

First. Civilian support personnel for the police department, for example, lab technicians, clerks, et cetera.

Second. Personnel with skills in the urban renewal field. For example, advisers to the public on how they might go about getting the most for their money in making home repairs, obtaining loans, financial advising, et cetera.

Third. Human service programs—replacement of personnel in local agencies that are presently being funded under categorical grants: Kent-CAP, model cities.

Fourth. Rehabilitation programs—expanded probationary programs in connection with the existing services in this area.

In addition, Mr. Grassie mentioned that personnel could be used in the general labor type of work. This would be for those positions where specific skills or expertise would be a requirement for the job. Example: Curb replacement program, recreations programs, parks, et cetera.

WYOMING CITY MANAGER THOMAS E. PUGH

Wyoming is in the process of applying for a CETA grant for approximately $200,000. If this grant comes through, they plan on filling about 20 job slots. He feels positions could be filled in the following areas: Police dispatchers, firemen, utility plant workers, secretaries, and general laborers.

Mr. Pugh also mentions the need for para-professionals in police, fire, and utility work—that is, jobs that could be filled by people who do not necessarily have any experience or skills, but that could learn the work with on-the-job training.

Mr. Speaker, I know the government officials who have reported these figures. I know the areas of their jurisdiction. I know that they do not exaggerate when they say these jobs are needed and needed now—when they say that they could put this number of workers into productive jobs in a very short time.

The more or less "pilot project" public employment programs we have seen the past few years have proven very successful. The only trouble with EEA and CETA is that there have just not been budget requests or appropriations which make an actual dent in the problem.

I mentioned earlier that funding for CETA provides about $84 per unemployed counted under title II. We provide a job for about 1 unemployed out of 70. We just cannot continue to ignore the unemployed. In Great Britain if unemployment gets over 2 percent, the people march on Parliament. Here we are expected to swallow 5 percent and up, and listen to rhetoric telling us that unemployment is good for us. That makes about as much economic or political sense as Dr. Stein telling us we did not insist strenuously enough that the administration raise our taxes—the same administration that promised before the 1972 elections that they would not raise taxes.

The 1974 Economic Report of the Joint Economic Committee of the Congress evaluated public service employment programs in this way:

Coming high unemployment rates dramatize the need for a public service employment program. The Emergency Employment Act of 1971 demonstrated the efficacy of a public service employment program. Public service programs can be activated with reasonable speed (100,000 jobs were filled in the first 5 months of the Emergency Employment Act) and have low administrative costs per job created. The program's success in creating jobs per dollar cannot be matched by any other type of public expenditure. Thus the public service employment program can be an effective countercyclical tool and is essential to any strategy to achieve high employment.

In discussing public service employment, the Brookings Institution analysis and commentary on the 1975 Federal budget, states:

Although a large public employment program will increase consumer incomes and stimulate aggregate demand just like any other government expenditure program, there is one consideration that might make it a better form of expenditure in a period when both unemployment and inflation threaten simultaneously. The present program (CETA) is designed so that funds can be targeted to certain local areas or labor markets which may have been particularly hard hit by the slowdown in production. Since these local labor markets are already very depressed (soft), one would not expect a moderately sized public employment program to generate inflation in the market. This could be an important factor in 1974, given the uneven incidences of declines in employment caused by the energy crisis.

Mr. Speaker, I agree with this point and make the related point that this economic softness in demand and produc-

tion we see across the Nation requires some increase in aggregate demand. The problem with most of the recent price increases is that they have occured in basic market items and commodities: autos, steel, food, energy, and fuels. They are the kinds of increases that spill over into other areas. These increases are to some degree reflections of increased costs of production and delivery; however, particularly in recent years, a substantial part of these increases are hedges against further inflation, thus causing more inflation, and are administered increases—that is, they are a result of a consensus in an industry that prices should be raised. These increases have not been classical examples of supply and demand economics—far from it. Thus, there is a need to increase production, consumer demand, and productivity, and to decrease currently rising unit costs of industrial production. Such a process of lowering prices, increasing demand, jobs, production and productivity is the positive, creative way to work our way out of both unemployment and inflation.

APPEALS TO AUTHORITY

Mr. Speaker, the creation and maintenance of public service employment programs during times of high unemployment have been discussed at length by some of the most prestigious economic experts in the Nation. The distinguished gentleman from Wisconsin, Congressman HENRY REUSS, is one of the congressional leaders in the public employment field. He is also a cosponsor of this bill. In January of 1972, Congressman REUSS invited comments by leading economists on his proposed creation of 500,000 public service jobs—at a time when unemployment nationally was slightly above 5 percent.

The public service employment approach to job creation received the overwhelming support of the following distinguished scholars, teachers, and economic planners: Prof. R. A. Gordon of the University of California at Berkeley; Dr. Sar A. Levitan, director of the Center for Manpower Policy Studies at George Washington University; Prof. Robert M. Solow of MIT; Mr. Robert N. Nathan, internationally renowned economic adviser; Mr. Garth L. Mangum of the Center for Manpower Policy Studies at George Washington University; Mr. V. Lewis Bassie, director of the Bureau of Economic and Business Research at the University of Illinois; Prof. Lester Thurow of MIT; Prof. Otto Eckstein of Harvard, formerly of the CEA; Prof. Robert Eisner of Northwestern University; and Prof. Gardner Ackley of the University of Michigan.

Professor Gordon's words hold as true right now as when he corresponded with Congressman REUSS:

Federal financing of local public service jobs works rapidly to increase employment. Most of these job slots have already been designed by local governments but have been left unfilled due to lack of revenue. As soon as Federal funds are allocated, local governments can immediately begin to hire individuals for these positions.

Time magazine, in its July 29, 1974, essay, states:

A long-term program of holding down demand would mean that for years the nation could not reduce the jobless rate to the 4% "full employment" level; unemployment might well rise beyond the present 5.2%. The unemployed, of course, cannot be callously written off—but heating up the whole economy to the point which employers are eager to hire everyone who turns up, is at present, a sure prescription for accelerating inflation. Instead, the jobless should be helped by higher unemployment benefits, public-service employment programs, massive job-training efforts to give them marketable skills—and the budget should be cut in other places to provide the money.

A July 16, 1974 statement, reporting to the House Democratic leadership by leading economists, declares solid support for a substantial public employment program. These economists: Otto Eckstein, John Galbraith, Walter W. Heller, Leon Keyserling, Robert Lekachman, Arthur M. Okun, Paul A. Samuelson, Charles L. Schultze and James Tobin, declared:

Since inflation makes it difficult to soon achieve our full employment goals, other approaches must be pursued vigorously to cushion the impact on the unemployed. A greatly expanded program of public service employment would maintain incomes and preserve work habits and self-respect while the economy is going through its correction.

The House Democratic Caucus, on July 24, stated the following as official policy regarding public service employment:

Be It Therefore Resolved that the Democratic Caucus of the United States House of Representatives recommends . . . .(3) improved and expanded public employment and unemployment compensation programs to combat the rising tide of joblessness and increased efforts to solve the specific problems of the marginally employable.

CONCLUSION

Mr. Speaker, I have laid out the case for public service employment at some length. I have done this because this program is something I firmly believe in. Putting Americans back to work—changing unemployment and welfare checks into paychecks should be a No. 1 priority in our economic strategy during the next several years.

America in the past, because of our vast wealth, natural resources, and seemingly limitless frontiers of space, time, and national treasure, has been able to expand industrially and absorb the continually growing employment force. However, the recent energy crisis has made clear that there are, indeed, limits to at least the rate of economic growth and technology. We must be somewhat more deliberate in the way we build and expand and increase production.

Unemployment has remained intolerably high during the past 5 years. Several job-training programs, designed to help those receiving assistance, unemployment, or other publicly funded benefits, found out they were being trained for jobs that just did not exist in the private sector of the economy. The private economy, going through this period of still undefined adjustment in fiscal and monetary areas, is not and will not be able in the short term to provide the jobs that are needed to keep Americans at work.

I think it is a disgrace that we can spend in the neighborhood of $30 billion per year to maintain our military forces all around the globe—600,000 troops overseas and uncounted military installations which export our dollars and erode their value. But what do we spend on helping our fellow citizens find and keep jobs with which to support themselves and their families in dignity and provide for their economic security? What kind of national priorities are we following here? We are the wealthiest nation on the face of the earth. But our most serious problem remains the searing poverty we permit to persist—poverty which is only increased and spread by our continued ignoring of the need for work that millions of Americans face continually—poverty which spills over and creates its own economic, social, and even criminal drag on American society. Poverty and unemployment, hand in hand, compound our housing, education, health, welfare, crime, and economic problems.

I believe and know that America can and will do better at providing productive employment opportunities for our fellow Americans. That is the reason I am devoting this, my first major legislative effort, to bringing into being an employment program which will help put America back to work, provide an example of congressional initiative and leadership in the economic field, encourage a strong bipartisan effort to see this bill become law in the near future, and help us all make the guarantees of life, liberty, and the pursuit of happiness more than just rhetoric. A job should be just as much a right of every American as freedom of speech, freedom to seek redress of grievances. I want to make the promise of 1776 a reality as we approach the 200th anniversary of the Nation's birth.

Mr. Speaker, I include at the conclusion of my remarks, the text of the Vander Veen Public Service Employment Act of 1974, and the press statement announcing introduction of the bill:

H.R. 16151

A bill to amend the Comprehensive Employment and Training Act of 1973 to establish a public employment program for areas of severe unemployment

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Public Service Employment Act of 1974".

ESTABLISHMENT OF PROGRAM

SEC. 2. The Comprehensive Employment and Training Act of 1973 (P.L. 93-203; 87 Stat. 839) is amended—

(1) by redesignating title VI, and any reference thereto, as title VII;

(2) by redesignating section 601 through section 615, and any reference thereto, as section 701 through section 715, respectively; and

(3) by inserting immediately after title V the following new title:

"TITLE VI—PUBLIC SERVICE PROGRAMS FOR AREAS OF SEVERE UNEMPLOYMENT

"SEC. 601. It is the purpose of this title to provide employment opportunities to assure that no area in the United States has an unemployment rate in excess of 7 percent.

"ELIGIBLE APPLICANTS

"SEC. 602. (a) Financial assistance under this title may be provided by the Secretary only pursuant to applications submitted by eligible applicants which are—

"(1) prime sponsors qualified under title I; or

"(2) Indian tribes on Federal or State reservations and which include areas of severe unemployment.

"(b)(1) For purposes of this title, the term 'area of severe unemployment' means any area of sufficient size and scope to sustain a public service employment program and which has a rate of unemployment in excess of 7 percent for 3 consecutive months as determined by the Secretary.

"(2) Determinations with respect to the rate of unemployment shall be made by the Secretary at least once each fiscal year.

"PUBLIC SERVICE EMPLOYMENT FUND

"SEC. 603. (a) There is hereby established on the books of the Treasury of the United States a special fund to be known as the 'Public Service Employment Fund' (hereinafter in this Act referred to as the 'fund').

"(b) There shall be available in the fund during each fiscal year an amount equal to the product of—

"(1) the average amount of financial assistance necessary to establish and maintain one public service job under title II (as determined by the Secretary) during the most recent fiscal year; and

"(2) the difference between—

"(A) the total number of unemployed persons in all areas of severe unemployment; and

"(B) the number of unemployed persons in all areas of severe unemployment which is necessary to qualify each such area as an area of severe unemployment.

"(c) Eligible applicants shall be entitled to allotments from the fund in accordance with the excess number of unemployed persons, who were counted for purposes of subsection (b)(2)(B), residing in areas of severe unemployment within the jurisdiction of such applicant compared to the number of such unemployed persons residing in all such areas.

"(d) There are authorized to be appropriated to the fund such sums as may be necessary to carry out the purposes of this title.

"ADMINISTRATION

"SEC. 604. The provisions of sections 203, 205, 206, 207, 208, 209, and 211 shall apply with respect to the administration of this title by the Secretary.

"TRANSITION TO PRIVATE EMPLOYMENT

"SEC. 605. In addition to its functions under section 104, each planning council established by a prime sponsor under section 104 in an area of severe unemployment shall recommend to the prime sponsor procedures to provide assistance, information, and counseling to persons who obtain public service employment under this title, in order to assist such persons in securing subsequent employment in the private sector.".

DEFINITION OF PUBLIC SERVICE

SEC. 3. Section 701(a)(7) of the Comprehensive Employment and Training Act of 1973 (as so redesignated by section 2 of this Act) is amended to read as follows:

"(7) 'Public service' includes, but is not limited to, work in such fields as environmental quality, health care, education, public safety, para-professional medical, nursing, legal, and counseling assistance, crime prevention and control, prison rehabilitation, transportation, recreation, maintenance of parks, streets, and other public facilities, solid waste removal, pollution control, neighborhood improvements, rural development, conservation, beautification, cultural improvement (including the work of artists, artisans, writers, and historians), veterans outreach, and other fields of human betterment and community improvement.".

TECHNICAL AMENDMENTS

SEC. 4. (a) Section 108(b)(2) of the Comprehensive Employment and Training Act of 1973 (P.L. 93–203; 87 Stat. 847) is amended by striking out "603 or 604" and inserting in lieu thereof "703 or 704".

(b) Section 108(d)(1) of such Act (P.L. 93–203; 87 Stat. 848) is amended by striking out "603(1)" and inserting in lieu thereof "703(1)", and by striking out "612(a)" and inserting in lieu thereof "712(a)".

(c) Section 108(d)(3) of such Act (P.L. 93–203; 87 Stat. 848) is amended by striking out "614" and inserting in lieu thereof "714".

(d) Section 419(b) of such Act (P.L. 93–203; 87 Stat. 874) is amended by striking out "603" and inserting in lieu thereof "703".

DR. ARMAND HAMMER INTERVIEWED BY BUSINESS WEEK ON TRADE WITH THE SOVIET UNION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN), is recognized for 10 minutes.

Mr. PATMAN. Mr. Speaker, developing trade with the Soviet Union requires a great deal of ingenuity as well as staying power, as many of our American businessmen have learned over the past year.

However, this developing trade is in the best interest of this Nation and I think the pioneers in this effort will receive a prominent place in history. I am particularly pleased that some of these trade negotiations apparently will lead to an increase in the supply of badly needed fertilizer for U.S. farmers.

One of the principal leaders in these long and difficult efforts to increase U.S. trade has been Dr. Armand Hammer, the chairman of the Occidental Petroleum Corp. He has just completed contracts initiating a $20 billion transaction with the Soviet Union involving the manufacture and sale of fertilizer.

Dr. Hammer was interviewed by Business Week in its July 13 issue and this question and answer session provides an interesting insight on the negotiations which led to the successful completion of these trade arrangements.

Mr. Speaker, I place in the RECORD a copy of this article: "Armand Hammer: On Trade With Russia":

[From Business Week, July 23, 1974]

ARMAND HAMMER: ON TRADE WITH RUSSIA

In July, 1972, Armand Hammer, the ebullient 76-year-old chairman of Occidental Petroleum Corp., announced a giant deal with the Russians involving the manufacture and sale of fertilizer. Since that time, there has been some confusion as to who was to do what in the Occidental deal. Last week, after the final implementing agreements were signed, Hammer explained the complexity of the deal to Business Week and also expounded on how he sees the potential for East-West trade.

Q. Why did the fertilizer deal seem to change from the time it was first announced until it was signed last week?

HAMMER. It's very complex to deal with Russians, different from dealing with anyone else. You have to go through a whole series of steps before you finally make your agreement. At any one of these steps, you might have thought that Occidental was out of it, that somebody else was coming in. We signed the first protocol in July of 1972, and there it was the spring of 1974 and we were still in the talking stages. This is the way you do business with the Russians. One thing about the Russians is they are good businessmen. They will never make a deal without getting competitive bids.

They start with a protocol. That's an important step because unless you sign a protocol, you have no status there. You can't get visas, you can't talk to anybody, you can't implement your deal. When they sign a protocol, they are letting you in so you can move on to the next steps.

Which are?

In our case it was a letter of intent. Then the third step was the global agreements, in which the principal terms of the understanding were set forth and paved the way for the implementing agreements signed last week. It took almost two years, from July of 1972 to the end of June, 1974, to complete this deal. If you have patience, if you stick to it and you are competitive, if your deal makes sense—it has to be a good deal for both sides—the results are rewarding.

PHOSPHATES FOR AMMONIA

What did your deal entail?

The idea behind our deal was to sell phosphates to the Russians in a concentrated form, which we call superphosphoric acid, thus entailing a tremendous saving in freight. Instead of filling four ships with phosphate rock and one ship with sulfur, we can put it all in one tanker. We leave the unusable rock back at the mine in Florida instead of carrying it all over the world. It's a patented process and was challenged in court by Armour [& Co.]. We won the case about a year ago, but if we had lost, we would not have been able to make our Russian deal.

Why was the negotiation so complicated?

If you want to do business with Russians, you have to understand their problems. Russia has phosphates of its own, but they are scattered and not located where they are needed—in the south of Russia, in the Ukraine. They would have to bring them great distances. In addition, Russia exports high-grade phosphate rock from a place called Kola. But the Russians had made long-term contracts to export Kola rock, and they didn't have enough to take care of their export needs and their own demands. So the Russians were logical customers for our rock, but they can't just go and buy rock.

How do they get the money to pay for it? This is the deal we devised. Russia has natural gas in great excess. We said, "We will buy ammonia from you because we have huge demands for ammonia and urea through our Interore [International Ore & Fertilizer Corp.] company, which is an international seller of fertilizer."

Although we have phosphate rock in great surplus in the U.S., we do not have enough gas. The future need of the U.S. for ammonia and urea is going to be very great.

Next, the Russians needed to build ammonia plants to produce the ammonia from the gas, and for this they needed financial credits. We would put together the various ingredients that would make it possible for them to export the ammonia to get the money to pay for the phosphates. That sounds awfully complicated, and most American businessmen would probably throw up their hands and say, "I'm not in the am-

monia plant manufacturing business. I want to sell my phosphates." But we realized what their problem was. There are many ways of selling, and sometimes you have to be resourceful to devise a deal. And that is why this deal looks so complex.

And that's why, all along the line, people said, "Oxy's out. Chemico got the ammonia plants." When Chemico got the plants, I was the happiest man around. I was at the contract signing in Moscow. I was happy because it made my deal possible, just as my deal made it possible for Chemico to sell the plants.

In the implementing agreement you signed, did you end up doing just what you wanted to, bartering phosphates for ammonia and urea?

Exactly. Of course, we are also building two terminals—$100-billion worth of construction—so they can receive the phosphates and ship the ammonia. We took on the contract to build ammonia storage and receiving terminals in the Baltic and Black Seas, and also phosphoric acid storage.

Originally the Russians wanted eight ammonia plants, but the price of ammonia has gone up so much that they can get as much revenue out of four ammonia plants as they could out of eight when we started.

They have temporarily shelved the pipeline because the amount of credits they have with the Export-Import Bank are not sufficient to cover building the ammonia plants, the terminals, and the pipeline. Instead of shipping the ammonia by pipeline, they are going to ship it by railcar. That doesn't mean they have given up the pipeline—they have postponed it. As their trade improves, they will probably take it up again. They may give it to some other country in which they have credits if they can't get them from the U.S. Export-Import Bank. But it doesn't hold up the deal. The deal is now complete.

How will you make money on the fertilizer deal?

First, we make it on our phosphate rock. We will be shipping them a million tons of superphosphoric acid a year, and we will be making our regular markup, which is fantastic today. Each year, the two sides will determine the price for the ensuing year. It will be the world market price. In addition, we have a guaranteed income of 2½% from the sale of ammonia—we don't use the term commission for this—and 3% on urea. On $500-million a year, the value at current prices, the guaranteed income on this part of the deal will be close to $15-million.

What we have done is devise a method for selling phosphates on a 20-year contract that we believe will add a billion dollars a year to our sales.

Will tankers have to be built to carry these products?

Yes, we already have our marine architects designing the special ships to handle both ammonia and phosphoric acid. We figure we will need three. The Russians would like to participate, but we haven't yet decided on what basis. They may build some ships to handle ammonia and potash, not special-purpose ships. There was an agreement in which the shipping of products to Russia was to be done on a 50–50 basis. They have raised this issue, and we will have to work it out.

But under the contract, we control the shipping. We are to deliver the superphosphoric acid and buy the ammonia f.o.b. If we insisted, we could have all the shipping, but we probably will divide it up in an equitable way.

A HUGE CASH FLOW

How did you get involved with the Russians initially?

In 1961, President Kennedy, whom I supported, asked me to go to Russia. He had the same idea Nixon had—to build up détente. But he was ahead of his time. I saw Khrushchev, and one thing I discussed with him was a fertilizer deal similar to the one we finally signed. But the time wasn't right. On my trip, I met [Jermen] Gvishian, who is the son-in-law of Kosygin and deputy chairman of the Committee for Science and Technology of the U.S.S.R. Council of Ministers. After that, I kept up my relationship with Gvishiani.

Right after the summit meeting in May of 1972, Gvishiani sent word that he would like to meet me in Paris. I met him there and had dinner with him. From that came an invitation to go to Russia. In July, I brought over a full team—people from Bechtel, Garrett—and after a week of meetings, they presented me with a draft of a protocol for this deal, which I signed without even showing it to my lawyers.

How will Occidental pay for all of the projects that it has announced?

The key is cash flow. Last year our cash flow [depreciation plus after-tax profit] was $240-million. This year it could exceed $400-million. We expect the Russian fertilizer deal will require $340-million in capital costs over three years—starting in 1976—primarily to expand the mining of phosphate rock and the manufacture of superphosphoric acid in Florida. The tankers could cost $200-million more.

Last year we earned $44-million after taxes in the chemical company. This year it could be $100-million, so the cash flow in the chemical company alone would amount to over $150-million a year. That would more than cover the capital costs for the Russian deal. In addition, we have a standby credit of $100-million for seven years.

The Russians want a piece of the tanker deal, so our costs for them will probably end up being less than $200-million. We may or may not hang that on the credit of the chemical company. Once you have contracts, it is easy to get financing for this kind of thing.

For our other plans, we have tremendous assets that could be sold to raise money. In 1971 we had 45-million tons of our phosphate reserves appraised, less than half our total reserves. With rock selling for $6 a ton, the value put on these reserves was $71-million. Last year, when the price of rock rose to $12 a ton, they were worth $221-million. Today, the price is $60 a ton, so the value could be a billion dollars. And that is less than half our reserves of rock.

We have the same situation in coal. We are mining about 24-million tons a year from our reserves, which total 3½-billion tons. If you have coal, it is easy to get financing from banks or customers who are anxious to buy it. Or you can always carve out a piece of your coal reserves and sell it.

What's the status of the trade center in Moscow?

Our joint venture with Bechtel [Corp.] was successful in getting the contract for the trade center, and that project is going ahead full-force. But the negotiations for the center went through the same steps I described for you in the fertilizer deal. At certain stages you might have thought, "Occidental is losing out because so much time has gone by, and Rothschild is over from France trying to get the trade center."

But Bechtel and the architects and the city architect of Moscow are now at work designing the center. We hope they will have the design finished soon and go on to the construction phase. Meanwhile, the site is being prepared. It's across from the Ukraine Hotel on the Moscow River, approximately 10 acres, and it adjoins a park where various expositions will be held. The money has been provided.

TRADE AND EMIGRATION

Do you think there will be a slowing of East-West trade if the trade bill is not passed with Export-Import Bank credits?

Yes, I do. I'm optimistic that the trade bill will go through. The only thing holding it up is this emigration question, which has become an emotional issue.

I hope as a result of the recent summit meeting that something concrete will happen to ease emigration from Russia. I think one of the things that will take place is full diplomatic recognition of Israel by the Soviets. That will go a long way toward easing the emigration question. Then those Jews who want to emigrate will be able to apply to the Israeli embassy for visas. I think if relations between Israel and Russia are resumed in a normal way, it will help a great deal in convincing members of Congress that Russia intends to continue the policy of allowing emigration from Russia.

I've been told there are about 200,000 Jews who still want to emigrate. And if the rate were raised from 30,000 or 35,000 a year to 40,000 or 45,000 a year, it would be a matter of five years and then there would be no more question. All the Jews who want to leave will have left. This is what I am hopeful is happening right now as a result of the talks between Mr. Nixon and Mr. Brezhnev.

The great majority of Russians are beginning to want the kinds of things we have. I believe they will want more trade with the West, more freedom.

As for credits, we have to compete. The Japanese have an Ex-Im Bank of their own, the French have one, the English have one. Do we want to close up the Ex-Im Bank and be the only country that can't do business because we won't use the ordinary instruments?

Is the lack of Ex-Im financing holding up work on the Yakutsk gas fields?

The Japanese want a second party in there. I think the Yakutsk gas deal is going to take a long time. There has to be a complete change in the atmosphere in Congress. If, as a result of the summit meeting, the emigration question can be settled, then I think the Yakutsk gas deal and the Tenneco-North Star gas deal are both possible. They will be implemented only if they are competitive. The price of the gas delivered to the U.S. has to be competitive with that coming from Algeria and from Canada.

But the delay in getting this $100-million from the Export-Import Bank is going to slow things up. Incidentally, granting this credit doesn't commit the U.S. to the next phase, which might take $2-billion worth of credits. At the expiration of the time required to prove the reserves, which is what this money is for, the Russians are obligated to pay back the $100-million if the reserves are inadequate. And that would be the end of it. If the reserves prove adequate, then the U.S. has the option of going ahead with the next phase, if the price of Russian gas is competitive and there is no backsliding on emigration policy.

Do you think the U.S. needs that Russian gas?

We need gas, whether it is Russian gas, Nigerian, Saudi Arabian, or Venezuelan. We need energy, too. We know we don't have the potential of getting enough gas from our own formations. And Canada is going to slow up deliveries. They are already worrying whether they shouldn't keep it for themselves. We need gas. Where we get it from will depend on competition.

Have the Russians changed their attitude about selling gas and oil since the energy shortage developed?

Yes. They haven't changed it officially, but there is some talk going on right now, wondering if they are doing the right thing in exporting their gas at this time or whether they should hang onto the gas and oil because of their own internal needs. They are building a million cars a year, and they are starting to use a lot of gasoline.

What do you think the Russians will conclude?

I don't think the Russians will export oil. Gas, yes, I think that is why the Japanese are disappointed. In my opinion, the oil deal with the Japanese is off.

THE NICKEL PROBLEM

Do you have a nickel deal with the Soviet Union?

Yes, we still have a deal, but it is not going as well as we had hoped because of lack of most-favored-nation treatment. We are buying nickel from the Russians, and we are selling them nickel-plating equipment and metal-finishing equipment. If we bring the nickel into the U.S., we have to pay a higher duty on it because Russia doesn't enjoy MFN status. So the amount we are bringing in has been reduced, and the last shipments we bought were taken to Canada rather than the U.S. The Russians have been giving us orders for our metal-finishing equipment in exchange for the nickel, so from that point of view, it still a very viable contract for us. The nickel part of it is being held up.

What did you anticipate you would do in this deal?

It was to be $40-million a year worth of equipment for $40-million a year of nickel. This has been reduced to about half of that in equipment, and we are buying less than half of that in nickel. Once Russia gets most-favored-nation treatment, we would expect to double our present volume.

There has been a rumor that you have lost a lot of money on that deal. Is it true?

We haven't lost any money on it. On the contrary, the Russians have been very good and have continued to buy our equipment even though we are not buying an equivalent amount of nickel. We explained to them we cannot buy that nickel and pay the prohibitive duty to bring it into the U.S. They are marking time and hoping MFN status will be forthcoming.

STOP INFLATION

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

Mr. EDWARDS of Alabama. Mr. Speaker, hopefully the message will take hold soon here in these Chambers that rampaging prices and sky-high interest rates are not going away without an all encompassing national effort at restraint. With the cost of living shooting upward at a rate of 12 percent a year, millions are having to make do with less even if they recently received a pay increase. The ends which we all try to make meet at the close of each month seem to grow farther and farther apart.

As individuals are tightening their belts, so should the Federal Government. It is that simple. To stop inflation, the Government has to stop spending more than it takes in and the Government has to exercise restraint. Before citizens can realistically be expected to balance their budgets, the Federal Government should set the example. Rather than just talk about what should be done, though, we must take action now.

The key to curbing Government spending is more cooperation between the Congress and the White House. I believe a good step in the direction of controlling Federal spending and greater cooperation is the budget reform bill which was signed into law recently.

This act puts Congress back into the budgetmaking process, now almost totally controlled by the executive branch and particularly the Office of Management and Budget. The legislation provides a mechanism to help check runaway Government spending by establishing procedures that will allow Congress to set spending priorities more carefully.

For years, the Congress has enjoyed the luxury of blaming Federal budget deficits on the President without accepting any responsibility for excessive spending. The truth is that the Congress does not have to approve all of a President's budget requests and, in fact, the President can not spend one thin dime that Congress does not authorize and appropriate. If Congress would use some restraint on itself, inflation would not be out of hand to the extent it is today.

Well, finally the Congress bowed up its back the other day and passed the budget reform bill that does place some restraints on itself. I have been urging this action for years and I wholeheartedly supported this bill. If the Congress will make this new law work properly, I think we will have gone a long way toward curbing runaway Federal spending.

In addition to holding down Federal spending, many agree that what is generally needed is a decrease in the demand for goods and services while, at the same time, efforts are made to increase supplies. This remedy, however, will be hard to apply because it depends on more than 200 million people understanding the problem, and that is difficult when the economists cannot even get together on the right answer.

The Federal Reserve is keeping a tight rein on the money supply. But complaints are growing about the record borrowing costs that result and about the slump in business. Already the Government has moved to pump more credit into the housing market.

The Federal Reserve's efforts are also complicated by the big Government deficits, $89 billion in a 5-year period which ended June 30. Since early 1970, the U.S. Treasury has had to borrow $49 billion and the Federal Reserve has put up $17 billion of that.

Finally, and I think this is important to remember, inflation is not just a problem in our country. It is virtually worldwide, brought on in great part by the increased cost of fuel and the fact that more of the world's population is becoming more affluent, thus creating a greater worldwide demand for supplies. Inflation observes no national boundaries in an interdependent world.

So, while we are searching for the right answers at home, we must understand that a good part of the answer will be found abroad. As with so many problems, the search for that answer must be joined in by consumers, business, labor, and Government, all working together in a restrained fashion toward the same goal: prosperity without runaway inflation.

DEMOCRATS SCUTTLE CONGRESSIONAL REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 10 minutes.

Mr. CLEVELAND. Mr. Speaker, Richard L. Strout of the Christian Science Monitor has unquestioned liberal credentials. Therefore, it is particularly telling that a recent column of his should so strongly lay responsibility for sidetracking the most important move to reform the committee structure of the House of Representatives in 28 years, squarely on the Democratic majority.

At this time while a Republican administration downtown is under such heavy criticism for abusing power, I think it is worth noting how the Democrats use their power on the Hill:

[From the Christian Science Monitor, June 28, 1974]

DEMOCRATS AX HOUSE REFORM

(By Richard L. Strout)

WASHINGTON.—Responsibility for sidetracking the most important move to reform the committee structure of the House of Representatives in 28 years rests squarely on Democratic members and cannot be ducked. If a Legislature in a rural state in the 1890's had gone through the same cynical performance and then covered it up with a no-record vote the result could not be more glaring.

This is not the responsibility of the Republicans: They had no immediate part in killing the reform proposal. The deed was done in a private caucus of the House Democratic members, and the vote was 111 to 95. How did members line up? We don't know. First they voted 98–81 in a standing (nonrecord) vote not to give their names, and then they defeated the measure. They killed it anonymously, as though ashamed.

A Harris poll not long ago said that only 21 percent of the public thinks Congress is doing a good job. And no wonder, though it is unfair to include Republicans in this particular hatchet job which was purely a Democratic assassination. But all suffer by it along with a loss of confidence in governmental institutions.

There's a good deal of Democratic self-righteousness these days over Watergate, but this bald Democratic coverup stems from the same kind of arrogance and willingness to thwart democracy as the Watergate scandal.

Sixteen months ago Speaker Carl Albert, to his credit, set up a bipartisan committee under outspoken veteran Richard Bolling (D) of Missouri, to try to put the chaotic House committee system in order. Over the years power has drifted about, leaving some committee with little to do, and others with so much to do that they can't do it. The Ways and Means Committee under Rep. Wilbur Mills (D) of Arkansas, is an example of the latter. It has made Mr. Mills, some say, the most powerful man in Congress. It is trying to wrestle with taxes and tax reform, social security, public debt, tariffs, and transportation all at once. "The place is an institutional shambles," Mr. Bolling said.

The 10-man Bolling committee of experienced congressmen worked a year and brought out, mirabile dictu, a unanimous report could have been drawn up, but this one went a long way and at least deserved floor debate. It redistributed committee responsibilities and abolished a couple altogether. It found 14 dispersed committees last year dealt with energy legislation, for example,

and it tried to unify responsibility on the issue.

"Reform of the House committee structure is essential if Congress is to revitalize itself," said Rep. John J. Rhodes (R) of North Carolina, House minority leader.

A variety of special interest groups fought the big shake-up because they are entrenched in special committees and have nursed election of certain congressmen with a parent's interest. A queer coalition opposed the changes; the National Association of Manufacturers joined the AFL–CIO, for example, and a number of environmentalists also opposed.

Backing the proposals besides men like Speaker Albert and Dick Bolling were public interest groups, Common Cause, Americans for Democratic Action, Citizens Committee on Natural Resources, and the like.

In the House, Democrats outnumber Republicans approximately 240 to 192. Democrats met in caucus and unilaterally disposed of the reform. Prior polls indicated an almost certain majority for the bill. (Republicans were expected to vote for it, too, perhaps 3 to 2 if they ever got a chance because Representative Bolling had sweetened the measure by allowing a party minority to control one-third of the staff of all House committees, something Republicans have sought for years.)

Rep. Phillip Burton (D) of California, opponent of the Bolling program, offered a resolution to refer the whole thing to a subcommittee under Rep. Julia Butler Hansen (D) of Washington. Nominally this was to perfect it, but opponents hoped to kill it. Rep. William Clay (D) of Missouri, moved that the referral vote be by secret ballot. This motion won. Then the program was sent to the Hansen committee. Even colleagues couldn't tell how others had voted. Nobody was accountable.

"The name of the game is power," observed veteran majority leader Thomas P. O'Neill (D) of Massachusetts, sadly, "and the boys don't want to give it up."

The Hansen committee could, of course, report back to the caucus in mid-July, but if the same secrecy prevails the result will probably be the same. Public interest groups urge voters to demand from individual House Democrats how they voted. Republicans are inserting caustic editorials in the Congressional Record. It is hard to recall any recent similar example of legislative arrogance by one party: Indeed the Democratic National Committee might itself wisely intervene.

THE EFFECT OF RESTORING THE U.S. BOYCOTT ON THE IMPORTATION OF RHODESIAN CHROME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 10 minutes.

Mr. DERWINSKI. Mr. Speaker, tomorrow the Rules Committee is scheduled to consider a rule for the bill, S. 1868, which would have the effect of restoring the U.S. boycott on the importation of Rhodesian chrome.

It is curious, Mr. Speaker, that so many of us seem to have forgotten that during the period when the United States was enforcing sanctions against Rhodesia the Soviet Union became our principal source of chromite, as it will again, if this bill is passed by the House. During that period the Soviets reduced the quality of the ore they exported to the United States and they increased their prices dramatically.

As a nation, the United States is totally dependent upon imports and our national stockpile for chrome ore. Since 1962 the national stockpile of metallurgical grade chromite has declined over 43 percent and is currently at the lowest level in 15 years. Most of that which remains is of inferior quality.

Mr. Speaker, my opposition to this bill is based upon our national interest. We must not become dependent upon the Soviet Union as our principal source of so vital a commodity. Moreover, why should we hand the Soviet an economic bonus when they have yet to demonstrate a willingness to grant emigration rights to Soviet citizens. That is what the Vanik amendment was all about.

It will be my intention to offer on the floor an amendment which permits the importation of Rhodesian chrome so long as the Soviet Union can export its chrome to the United States, unless the President determines the Soviet Union is granting emigration rights to its citizens. The amendment follows:

AMENDMENT TO S. 1868 OFFERED BY MR. DERWINSKI

On the first page, line 8, immediately after "section" and before the period insert the following: "; except that nothing in this section shall be construed to authorize the President to prohibit or regulate the importation into the United States of Rhodesian chrome so long as chrome is imported into the United States from the Union of Soviet Socialist Republics, unless the President determines that the government of the Union of Soviet Socialist Republics—

"(1) grants its citizens the right or opportunity to emigrate;

"(2) does not impose more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; and

"(3) does not impose more than a nominal tax, levy, fine, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice."

THE CEASE-FIRE IN VIETNAM

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

Mr. CRANE. Mr. Speaker, I wish to draw to the attention of my colleagues a highly significant article which has appeared in the summer 1974 issue of Foreign Policy, and which was printed in shortened form in the Washington Post of June 2, 1974. Even though it presents the most completely researched and minutely detailed account of the negotiations which led to the cease-fire in Vietnam, no one has yet chosen to insert any of it in the RECORD.

I draw attention to the article at this stage because I think it is of the utmost consequence for our policy toward countries in the Middle East. Israel, like Vietnam, has faced for years a continuing threat to its survival. Enemies bent on its destruction as a nation have combined a long campaign of attrition with repeated and systematic attempts at military conquest.

Israel, like Vietnam, has been able to depend upon the support of the United States for its right to exist as a nation. It would be fair to say that in both cases the commitment and assistance of the United States has been a decisive factor in the continued ability of these countries to survive the aggressive forces which have assailed them. Both countries are now subject to cease-fire agreements in the negotiation of which this country took the leading initiative.

The significance for Israel of the article by Tad Szulc to which I refer is that it presents a picture of divergence between the assurances which we have given publicly, and the private understandings which have accompanied such public assurances.

It is a divergence which I know will cause alarm to many of my colleagues. From the story of the detailed Vietnam negotiations emerges the fact that despite all of our pledges to the South Vietnamese Government, we came very close indeed to dealing unilaterally with Hanoi. Attempts were made to force President Thieu to accept a settlement which would have insured the destruction of his country and the enslavement of his people. Threats were made that American support would be withdrawn.

This story cannot bode well for Members like myself who support the right to freedom of both the Vietnamese and the Israeli peoples. It is my sincere hope that supporters of Israel and Vietnam will take due note of the ominous lesson which is conveyed by the two extracts from Tad Szulc's article which I will be presenting. I hope, indeed, that my colleagues will be tempted to read the original article in full.

The story of Vietnam today will be the story of Israel tomorrow. If we can abandon one friend by breaking our pledges, we can abandon another. It is time for supporters of Israel to appreciate that the battles of tomorrow's aid for Israel are being fought on the field of today's commitment to Vietnam. By upholding our honor in the one case, we reinforce it in the other. In inserting the first of two extracts from Tad Szulc's article as it appeared in the June 2, 1974, edition of the Washington Post, I express the earnest hope that its warning will be heeded:

VIETNAM—THE SECRET RECORD

(By Tad Szulc)

PROMISES TO THIEU

After his session with Tho, Kissinger flew directly to Saigon to practice a totally different brand of diplomacy with even greater problems. In talks with Thieu, he took a distinct tack from his approach to the Russians, the Chinese and the North Vietnamese. The emerging problem in Saigon was to prepare Thieu for a settlement.

The Kissinger line was thus to remind Thieu that a presidential election was approaching in the United States, that the administration must be forthcoming in its peace diplomacy, and that it must prevent Sen. McGovern from making it appear that Saigon was blocking the peace. Consequently, he said, the administration must, as a matter of political realities, come forth with seemingly attractive proposals knowing full well that Hanoi would reject them. Political risks had to be reduced before the elections. But the notion of the tripartite electoral commission, offered to the Russians, was not broached to Thieu at this time.

Then, it appears, Kissinger proceeded to make extravagant promises to Thieu. After the elections, he allegedly told him, it would be a "different story." The United States would not hesitate to apply all its power to bring North Vietnam down to its knees. Kissinger recommended that Thieu start planning an invasion of North Vietnam after the elections. Specifically, he suggested ARVN landings in Vinh or Donghoi. Thieu, who appeared nonplused by this idea, finally replied that if an invasion were mounted, Thanhhoa should be the prime objective. Actually, Thieu had been urging an invasion of North Vietnam as early as March, 1971, (during the Laos incursion), but could enlist no American encouragement and eventually dropped the idea. It was first revived by Gen. Haig in June, 1972, when he inquired of the commander of the ARVN First Corps whether an invasion of the North was feasible. When Kissinger reached San Clemente late in July, he told Sir Robert Thompson, the British counterinsurgency expert who was reporting to Mr. Nixon on his latest survey in South Vietnam, that we would not be "bashful" after the elections.

It is, of course, hard to judge whether Kissinger was playing a complicated double game with the two Vietnamese factions, or whether he really believed that a final blow at Hanoi late in the year would leave the South Vietnamese in a strong enough military position to go along with the peace proprosals he had in the works. He could have been deceiving Thieu, but, on the other hand, Kissinger always believed in giving Saigon a "decent interval" after a cease-fire—and this could only be achieved by crippling the North.

There was, to be sure, a certain logic in Kissinger's own evolving approach to the situation. The 1972 Communist spring offensive, if nothing else, had convinced him that the Vietnam war must be ended as soon as possible and the United States finally extricated from it. During the flight from Saigon to California, following his talks with Thieu, Kissinger mused in front of his staff that "we just can't let the Vietnam issue plague us for four more years." The problem, he said, had to be resolved between the November election and the President's anticipated second inaugural the next January.

It thus appeared that as early as July, Kissinger had the time sequence for an agreement firmly set in his own mind. He was optimistic that with quiet Soviet and Chinese support, and the stalling of the North Vietnamese offensive, Hanoi would meet him halfway before long—meaning a decision to wind up the conflict on the basis of the secret concessions Kissinger had just spelled out in Moscow and Peking, and without further North Vietnamese insistence on Thieu's elimination.

As he flew to San Clemente, Kissinger's problem was clearly to convince the President to accept this course of action and, simultaneously, to force Thieu to face reality and endorse the new American diplomatic stance. As for Mr. Nixon, Kissinger, as he put it, wanted to "lock him irrevocably into a decision" before the elections. Thieu was to be given maximum military advantage before the cease-fire. Kissinger told his aides on the plane over the Pacific, "One thing is for sure: we cannot stand another four years of this. . . . So let's finish it brutally once and for all."

GOING WITHOUT THIEU

Pushing his scenario with Hanoi, Kissinger held private talks with Tho in Paris on Aug 1. and again on Aug. 15. Now that peace diplomacy was in high gear, the Kissinger-Tho meetings were being officially announced; but, by common agreement, none of the substance of their talks was revealed.

But Kissinger could go only so far without some form of concurrence from Thieu. After the Aug. 15 session in Paris, the point was reached where South Vietnamese acceptance of the tripartite commission and a quickened American withdrawal were required. Haig was now dispatched to Saigon to try to sell the new American package to Thieu.

Thieu was adamant. He told Haig that inasmuch as he controlled 90 per cent of South Vietnam (a claim the Americans tended to dispute in private), and the Vietcong could not expect to garner more than 10 or 20 per cent of the vote, he could not see why a tripartite commission was needed at all. Thieu, of course, was worried that such a commission would transform itself into a coalition government. Instead, he proposed a referendum in South Vietnam, to determine its political future. Haig reported to Washington that he could not break the deadlock with Thieu. But Kissinger wanted to maintain the momentum of negotiations and he arranged to meet secretly with Tho in Paris on Sept. 15.

First, however, Kissinger made another visit to Moscow. This visit was part of the new consultative process set up at the May summit. The three-day stay in the Soviet capital—Sept. 10 to 13—was devoted to a wide range of matters. Vietnam came up only on the last day, Sept. 13, at a session between Kissinger and his advisers and Brezhnev, Gromyko, Dobrynin and Alexandrov. Two days earlier, the Vietcong delegation in Paris had issued a fairly ambiguous new proposal that could have been read as meaning that, for the first time, a cease-fire would be acceptable without prior removal of Thieu. Kissinger was not certain that this was the breakthrough for which he had been waiting for three years; the Russians told him they thought it was.

Meanwhile, a stark and intense drama was developing behind the scenes. The plan was for Ambassador Ellsworth Bunker, in Saigon, to obtain Thieu's agreement to the tripartite commission, while Kissinger carried out his Moscow talks and prepared to meet Tho in Paris on Sept. 15. Kissinger was determined to present the North Vietnamese with a proposal on the tripartite body—agreed to by both Washington and Saigon—at their forthcoming session. But late at night on Sept. 13, after the talks with the Russians were finished, Kissinger, who was at the Dom Pryoma estate guest house, received a cable from Bunker advising that despite all the efforts in recent days, Thieu had rejected the tripartite commission proposal. An associate recounted later, "Henry blew a gasket." He said that he was perfectly capable of making it clear to Hanoi that there was a difference between a tripartite commission and a coalition government. Walking around the *dacha* at midnight, Kissinger briefly toyed with the idea of rushing to Saigon to try to change Thieu's mind, but concluded that the time had come for the United States to act unilaterally. It was too late in the negotiations to go back to Thieu, Kissinger told his associates. Shortly after midnight, he sent a telegram to Mr. Nixon, requesting permission to meet with Tho as planned and to inform him that Washington would stand firm on the question of the electoral commission regardless of Thieu's views. Kissinger's argument was, among other things, that with the elections at home only seven weeks away, the President could not risk a collapse in the peace negotiations.

Mr. Nixon's reply reached the American party the next morning, Sept. 14, as they prepared to leave for London. It said, in effect, that Kissinger could go ahead and tell Tho the next day that the United States accepted the tripartite commission. But this decision was not wholly popular in the White House: Haig, for example, complained privately to friends that Kissinger was giving away too much.

The Nixon-Kissinger decision was another major turning point in the tortured history of Vietnam negotiations. For the first time, Mr. Nixon was ready to make a major offer to Hanoi without Thieu's concurrence—in the face of his outright opposition.

OPENING STATEMENT OF WAYNE OWENS OF UTAH BEFORE THE JUDICIARY COMMITTEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 15 minutes.

Mr. HOGAN. Mr. Speaker, as the Judiciary Committee's final impeachment debates began last week, my distinguished colleague and friend from Utah, Mr. OWENS, delivered an opening statement that had the qualities of eloquence and incisiveness that have served him—and served our committee—so well in the past several difficult months.

For my colleagues' benefit, I am inserting the text of Mr. OWENS' remarks in the RECORD at this time:

REMARKS OF REPRESENTATIVE WAYNE OWENS OF UTAH DURING GENERAL DEBATE ON ARTICLES OF IMPEACHMENT JULY 25, 1974

Mr. Chairman: Preparation for this inevitable time of judgment has been an exhausting experience for all of us on the Committee, physically, mentally, and emotionally. I have tried very hard, and I suspect unsuccessfully, to find the right proceeding. One of the problems with being 37th of 38 speakers is that one sees his points fall one by one.

I desire, at the outset, to state my complete confidence in the durability of our Constitutional separation of powers and our great institutions of self-government: the Congress, the Judiciary, and the Presidency, which permit the people to unite and move together to solve their common problems. To me and to the people of Utah, the Constitution is a very special document.

Though I faced this onerous task with great reluctance, it has been an honor to serve as a member of this distinguished body of men and women during this historic inquiry. These statements have been extremely impressive, and I am proud of my colleagues. I cannot commend too highly our distinguished chairman who, throughout these long, difficult months, has continually maintained a non-partisan and judicial fairness, who has given wise direction to the course of this inquiry, and for whom I have the greatest respect and admiration. And John Doar, this good man of balance and sensitivity and strength; Bert Jenner, and Sam Garrison—to each of them and to the entire staff, we owe a deep debt of gratitude for their scholarship and complete dedication.

Mr. Chairman, I did not bring the training and the experience of a seasoned trial lawyer to this responsibility. My background is that which the authors of the Constitution foresaw for those who would be asked to judge presidents. I am a politician. And I would be much less than candid if I were not to state for the record that I approached this responsibility as a long-time political adversary of the President.

I am not certain how many people have really believed me over the many months of this inquiry, when I have repeatedly said that I would forget my political background and approach this matter objectively. Having served on the staffs of Senator Robert Kennedy, then Senator Edward Kennedy, the press and others have from the beginning taken my vote almost for granted, which I regret. Recognizing all that, I want now to state, as strongly and as clearly as I can,

because it is important that the public have confidence in our Committee's impartiality, that I believe I have been successful in setting aside the natural inclinations I brought with me to this inquiry. I have honestly sought to learn the truth, as I have had the ability to recognize it and to be guided by nothing else than that truth in my actions. I too recognize that this is the most important vote I will probably ever cast, and I want to face that mirror in later years with the peace which will come from knowledge that I gave my best efforts to this inquiry and voted solely upon the dictates of my conscience.

I have studied the evidence before the Committee very carefully, over many months. I have participated in every single presentation of evidence. I have listened to every single witness. I have read extensively about impeachment, agonized about impeachment, and I have discussed impeachment and its implications for good and bad with many intelligent men and women both in Washington and in Utah. I have now measured the actions of President Richard Nixon by my understanding of his unique constitutional responsibilities.

I believe that impeachment of a president is a grave act, to be undertaken only in the most extreme of circumstances, and only for a violation of a principle of conduct which we are willing to say should be applied to all future presidents and established as a Constitutional precedent.

Each member must determine for himself whether the evidence is sufficient to vote to place the President on trial before the United States Senate, whose constitutional role it is, to be the final judge. I believe that we must vote to impeach if we believe the evidence is so clear and convincing that it would support conviction of the President during a Senate trial.

Our task during these hearings has been made easier because we have had the benefit of the views of the President's attorney on the sufficiency and meaning of the evidence, and we have had a partial proffer of the President's defense in evidence by Mr. St. Clair, and in legal argument both by Mr. St. Clair and by Mr. Garrison, the Acting Minority Counsel to the Committee. This assistance has been very helpful.

However, much of the relevant evidence has been wrongfully and unconstitutionally withheld from this Committee by the President, preventing us from making a judgment on all the facts. To a very great extent, the President has chosen the evidence that we have seen. We thus can assume, for purposes of this decision, that all of the evidence which is favorable to the President is now before us. We can also reasonably infer, as any civil court would instruct its jury, that the additional evidence we have sought has been denied because it is detrimental to the President's case.

Fellow members of this Committee, on the basis of all the evidence before us, I am now persuaded that the President has knowingly engaged in three types of conduct which constitute impeachable offenses under the requirements of the Constitution and that he should now be called to account before the United States Senate.

First, I find the evidence convincing, that the President knowingly and willfully directed and participated in a cover-up of the Watergate break-in. There is clear proof that the President personally agreed to the distribution of funds, the offering of clemency to, and the coaching of persons involved in the Watergate break-in, in an attempt to secure their silence or influence their sworn testimony; that the President knew that perjury had been committed in furtherance of the cover-up; and that the President personally withheld from law enforcement officials, evidence needed to solve crimes all across the spectrum of offenses known broadly as the Watergate affair. When I hear members of the Committee say there is no direct evidence connecting the President with these crimes, I wonder whether we have attended the same evidentiary presentations.

Second, the President has undermined the presidency by seriously abusing the powers of his office for political profit. This includes the President's misuse of the FBI for illegal wiretaps and other acts, the misuse of the Justice Department, the IRS, the CIA, and other federal agencies, as well as permitting the substantive violations by his subordinates of the rights and civil liberties of many individuals.

Third, the President's refusal to respond to our legal subpoenas constitutes an obstruction of the Constitutional impeachment process which, in my view, is an extremely grave offense. The President's refusal to comply with our subpoenas would make a nullity of the impeachment power if we were not to judge this offense impeachable.

One night a month ago, about midnight, after studying the transcripts of some recorded Presidential conversations for a long time and being puzzled, I located one of the Committee's tape technicians at his home, Jeff Bancharo, and asked him to return to the Committee office to replay for me the taped conversations of the morning of March 21, 1973, and that of the following day. I wanted to study the President's intention. I wanted to know what the President intended when he apparently agreed, repeatedly, to the payment of hush money to Howard Hunt. Was he playing the devil's advocate? Or did he intend that the payment be made? I replayed a dozen times that night the section of the March 21st conversation when the President told John Dean to "Get it," in apparent reference to the $120,000 which Hunt was demanding as the price for his continued silence.

And I had been intrigued by the "new plan" to handle Watergate of which the President spoke. I had a clear feeling that late night that I knew what the President intended, when as I replayed the tape time and again, I heard him instruct John Dean to develop a new plan for containment of Watergate. This is the President speaking: "And then once you, once you decide on the plan—John—and you had the right plan, let me say, I have no doubts about the right plan before the election. And you handled it just right. You contained it. Now after the election we've got to have another plan, because we can't have, for four years, we can't have this thing—you're going to be eaten away. We can't do it." And Bob Haldeman's follow-up response to the President, "John's point is exactly right, that the erosion here now is going to you, (meaning the President) and that is the thing we have got to turn off, at whatever the cost. We've got to figure out where to turn it off at the lowest cost we can, but at whatever cost it takes."

And the following morning, further discussing the new plan with John Mitchell, the President instructs: "I want you all to stonewall it. Let them plead the 5th amendment. Cover up or anything else if it will save it, save the plan. That is the whole point." And again his final explanation to John Mitchell: "Up to this point the whole theory has been containment, as you know, John."

The late hour and my fatigue, combined with the realization that this was the President of the United States speaking, created in me a sense of unreality. I could hardly believe what I was hearing on those tapes. But I heard his words, unmistakably from his own mouth. The President's intention was clear, and inescapable.

Awesome as the impeachment and removal of a president can be, the framers of our Constitution provided for this power. They didn't expect us to fear it. We were not to be intimidated by it. The power was to be used, when necessary and proper. They created, after all, a government of laws, not a government of men. And whether we like it or not, impeachment is the only tool the Constitution provides to control a President who refuses to obey the law.

I do not fear that the impeachment of a president, on solid evidence, would do harm to the office of the presidency. Our Nation recently survived the trauma of a presidential assassination, and united behind a new president. Vice President Ford is an honest man of integrity and intelligence. The country would rally to his support if, by action of Congress, he were to become president.

Mr. Chairman, I believe the significance of what we do here will endure for many years to come. If our standard of impeachment is too low or insubstantial, we will seriously weaken the presidency and create a precedent for future use of the impeachment power when charges may be trivial or partisan. But if we set standards of impeachment which are too low or too narrow; if we fail to impeach now, with this evidence before us, we are saying to future presidents: You are not required to obey the law. The implications for wholesale loss of individual freedoms would be staggering. And we would in that circumstance render impotent the impeachment power which the Constitution vested in Congress, as the last resort, to prevent serious abuses of power by all presidents.

I believe that the impeachment of this president, if it resulted in his removal and his replacement by Gerald Ford, would not be to the political advantage of my party. But the totality of the evidence has convinced me that it would be to the public benefit of my country.

It is possible that, in a Senate trial, additional evidence which we have not seen, would be presented in the President's defense. And no one knows, nor should they prejudge, whether the Senate would convict. That would depend upon the evidence presented to them. But the weight of the evidence presented to this Committee now, stands clearly and convincingly for impeachment.

I take no joy and no satisfaction in this decision. I do not take pleasure in pointing an accusing finger—it is a distasteful task. It is a joyless resolution to a heart-breaking problem which will cause great pain and suffering. I do it strictly because of the obligation imposed by my membership on this Committee, and by my judgment that the Constitution requires it of me.

This republic, created by the Constitution, represents the finest attempt in history to establish a government of laws which can assure equal justice for all, and guarantee each individual that dignity to which he is entitled. Today the Nation looks to this Committee to resolve an unprecedented crisis of confidence in that system and its leaders, which left unresolved, could have disastrous implications.

Ours is the responsibility of restoring confidence in our government, by assuring that the President is charged before the Senate—where he will either be convicted or acquitted. With the evidence before us, if we fail to vote for impeachment and a Senate trial, we will have failed the Nation for today and for the future. We will increase public despair and especially disillusion among the young. And we will leave no way to resolve these questions about the President's conduct which a Senate trial will put to rest, one way or another.

If we fail to impeach because of our own political allegiances or fortunes, we will have engaged in conduct as harmful to the Nation as that conduct of the President, the record of which I believe we must now refer to the Senate for their appropriate action.

LETTER FROM COALITION OF BLACK TRADE UNIONISTS

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

Mr. DIGGS. Mr. Speaker, I would like to insert in the RECORD, for the thoughtful attention of my colleagues, a letter which I received from the Coalition of Black Trade Unionists. The letter follows:

Hon. CHARLES C. DIGGS,
Washington, D.C.

DEAR CONGRESSMAN DIGGS: On behalf of the Coalition of Black Unionists, I am writing to indicate our strong support of S. 1868, the bill to restore United States compliance with UN sanctions against Rhodesia.

Rhodesia of today is built on economic and political domination by a 5 per cent minority over the 95 per cent African majority. The purpose of sanctions established by the United Nations in 1968 was to cut off trade with Rhodesia and make the regime more vulnerable to pressures for change from the growing African opposition within the country. Strong sanctions will support the struggle for independence, majority rule and self-determination for Black citizens of Rhodesia. Strong sanctions will hasten the end of the unjust exploitation of Rhodesian workers. African workers in Rhodesia cannot strike or bargain collectively, or join labor unions. The average earnings for Black miners in 1972 were $48 per month compared with $655 for Whites. Gross disparities in wages appear in the statistics of Union Carbide's operations: In 1970 it paid its African workers $46 to $130 per month, while it paid $122.50 to $750 per month to European workers.

The U.S., in permitting trade with Rhodesia is in fact permitting American multinational corporations involvement in Rhodesian industries and contributing to continued racial discrimination in wage scales, working and living conditions.

The United States cannot and should not continue to give support to these racists practices. Our country's prestige, already in jeopardy, should not further be damaged because of extra profits procured on the basis of slave labor conditions.

At this critical time in Rhodesian and U.S. history, we must take the side of the African majority by urging the re-imposing of sanctions against the minority regime.

The Coalition of Black Trade Unionists urges you to support S. 1868 when it comes up before the House for a vote. Your cooperation would be greatly appreciated. A copy of the resolution stating the Coalition's position is attached for your information.

Sincerely,

WILLIAM LUCY,
President, CBTU.

RESOLUTION OF BLACK WORKERS IN SOUTH AFRICA

Whereas, having examined the material on apartheid in the Republic of South Africa and other Southern African states, especially in regard to the limitation of African workers and U.S. companies in Southern Africa, and

Whereas, after studying the United Nations reports on trade union activity in Southern Africa and the report of the International Labor Organization of the United Nations, and

Whereas, there is an urgent need to uplift the trade union rights of African workers in the Southern African countries in order to increase the material condition. Therefore, be it

Resolved, That:

1. We of the CBTU support the International Labor Organization (58th Session of the International Labor Conference, June 1973, in Geneva) for a World Trade Union Conference Against Apartheid;

2. We of the CBTU support the right of black African workers to form trade unions of their choice, to elect their leaders and to bargain collectively with their employers;

3. We of the CBTU support the now-banned South African Congress of Trade Unions (SECTU) the only trade union movement that is recognized by the black South Africans and the United Nations;

4. We of the CBTU encourage all workers to refuse to handle goods for and from South Africa, Rhodesia (Zimbabwe), Mozambique, Angolo and Guinea-Bissau. (The International Longshoremen's Association, AFL–CIO has set a good example in this regard by refusing to unload Rhodesian chrome ships in certain cities of the U.S.)

5. We of the CBTU call upon all workers to organize boycotts against U.S. companies that have investments in South Africa and U.S. companies that are moving to South Africa, until the South African government changes its apartheid policies.

6. We of the CBTU, encouraged all trade unionists to boycott the products of Gulf Oil Company which is supporting oppression in the Portuguese colonies of Mozambique and Angola by paying $50 millions in fees and royalties to the Portuguese government for developing its oil resources.

7. We of the CBTU are against technicians or any skilled manpower going to South Africa.

8. We of the CBTU are opposed to the Byrd Amendment which allows the U.S. to import Rhodesian chrome and other strategic materials, and we totally support the use of sanctions by the United Nations against Rhodesia and South Africa.

(Referred from Plenary Session, Second Annual Convention, Coalition of Black Trade Unions, May 26–27, 1973)

Adopted, Steering Committee, Coalition of Black Trade Unions, June 11, 1973.

NOISE POLLUTION FROM JET PLANES

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

Mr. WOLFF. Mr. Speaker, I am introducing today two major pieces of legislation designed to combat the problem of aircraft noise pollution. Over the weekend, I participated in a jet noise hearing in New Hyde Park at the home of Mr. Michael J. Dyer with representatives from the Federal Aviation Administration and community groups in my district who are wedged between flight paterns from both Kennedy and La Guardia Airports. The concerns raised at this meeting reinforce my belief that the measures I am introducing today are necessary and essential if we are to effectively combat the jet noise menace.

The problem of aircraft noise pollution has grown in the past 20 years in this country to monumental proportions. It is a problem which now affects over 16 million Americans daily and which is expected to worsen through the late 1980's unless meaningful noise control measures are taken now. A Department of Housing and Urban Development policy report stated that:

> Noise is a major source of environmental pollution which represents a threat to the serenity and quality of life in population centers. Noise exposure may be a cause of adverse physiological and psychological effects as well as economic losses.

Aircraft noise not only poses a threat to the safety, health, and well-being of the American people, but is, according to the Aviation Advisory Commission established by the Noise Control Act of 1972, "the most explosive problem" facing the aviation industry itself. Airports and airlines will continue to face expensive lawsuits and litigation until noise is reduced; it is estimated that there is currently over $30 million tied up in court actions. And the American people will continue to find their lives disrupted until this menacing source of pollution is controlled.

Since 1958, the responsibility for controlling aircraft noise pollution has been entrusted to the Federal Aviation Administration. Under the Federal Aviation Act of 1958, the National Environmetal Policy Act and the recent Noise Control Act of 1972, the FAA has been given a broad legislative mandate to tackle the problem of aircraft noise. Yet, the most recent comprehensive report on aircraft noise, issued by the Environmental Protection Agency last July, stated that:

> There is now no comprehensive plan for reducing aircraft noise.

This report confirms the feeling I have had since I have been in Congress attempting to find a solution to the jet noise problems that plague my own constituency. The FAA simply has been dragging its heels and has not used the authority it has been given for implementing and enforcing jet noise abatement measures. This is particularly disturbing in view of the fact that the Federal Government has preempted much of the area of regulation that would allow cities and local governments to control noise impact from aircraft. This was essentially the decision handed down by the Supreme Court in Luther against Burbank.

The FAA's laxity and lack of interest has been brought home to me on several occasions in trying to work with the FAA Administrator on particular problems associated with Kennedy and La Guardia. For instance, at a meeting I held last summer with representatives from the Environmental Protection Agency and Members of Congress, no representative from the FAA bothered to attend, although an invitation had been extended well in advance. Their absence from the meeting lent emphasis to the remark made by the EPA that:

> The spirit of cooperation between the EPA and the FAA (in the area of jet noise abatement) has not filtered through the FAA bureaucracy.

The FAA's unwillingness to take the lead in establishing and enforcing strong noise control measures has led to the current jet noise dilemma we now face.

Mr. Speaker, I believe that if we are ever going to have a comprehensive plan for jet noise control, it will have to

come from the Federal agency that is concerned about the environmental, physiological and psychological dangers inherent in aircraft noise—namely, the Environmental Protection Agency. Consequently, the first bill I am introducing will transfer the responsibility and authority for controlling aircraft noise and sonic boom to the Environmental Protection Agency.

The bill in addition sets up a specific time framework for the issuance and implementation of noise control standards. No later than 1 year after date of enactment of this bill, all aircraft would have to abide by regulations that would be on the books and enforced. The bill gives to the EPA final say over what the standards will be and how they are enforced; that is, no exemption could be granted without the EPA's approval. The bill is an attempt to reorder the Federal Government's sense of priorities in dealing with aircraft noise, so that the health and well-being of the American public stands in the forefront of all considerations.

According to the EPA, the Aviation Advisory Commission and virtually every reliable source on jet noise abatement, one of the most efficient, effective and economical methods for securing immediate relief from aircraft noise is through the installation of noise suppression devices on the older aircraft that fly daily in and over the United States and which will not be ready for retirement until sometime in the late 1980's. Consequently, the second bill I am introducing provides for a program of Federal financial assistance for the installation of noise suppression devices, which is a process known as retrofitting. The bill authorizes $700 million over a 5-year period for assistance to air carriers for installing noise suppression devices on older aircraft. We are talking about approximately 2,000 aircraft which need and can benefit from retrofitting, the princpal offenders being the B707's, 727's, and 737's, the DC–8's and 9's and the BAC111's. I might add that a recent EPA release notes that the major airlines are now heavily relying on these older and noisier aircraft in order to conserve fuel. Estimates prepared for the Aviation Advisory Commission suggest that "noise reduction from retrofitting will be quite substantial, and EPA confirms in their latest report that it should take no longer than 5 years to retrofit the entire fleet of older aircraft at a cost of no more than $700 million total. Under my bill, it would be unlawful for any air carrier to operate a craft that has not been retrofitted at the end of the 5-year period.

I have also reintroduced this Congress my bill to ban foreign SST's from flying into or over the United States until Congress approves findings by the EPA that SST operation will not have a detrimental psychological or physiological effect on persons on the ground and will not have detrimental effects upon the environment. As you know, Congress has refused to subsidize further development of an American SST. It seems to me we apply a double standard if we allow foreign SST's into this country to wreak the possible havoc which we refused our own aircraft to do.

I will be asking for hearings on these proposals, as well as soliciting the support of my colleagues in the House. In particular, it is time for Congress to reassess the role which the Federal Aviation Administration has played, or rather has failed to play, in the area of aircraft noise abatement, and act to transfer the authority for noise control to the agency which will be more likely to respond to the environmental, psychological and safety threats of aircraft noise. If this action were to be taken, or if my retrofitting bill were enacted during this Congress, we could conceivably minimize jet noise impact by 1980. Waiting for the FAA to act and continuing to live with the noise conditions that now exist is an alternative which neither the Congress nor the American people can afford to tolerate.

ADDRESS BY REPRESENTATIVE MORRIS K. UDALL BEFORE NATIONAL PRESS CLUB

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. HENDERSON) is recognized for 15 minutes.

Mr. HENDERSON. Mr. Speaker, at noon today, my good friend MORRIS UDALL, a senior member of the Post Office and Civil Service Committee addressed the National Press Club here in Washington on the subject of the U.S. Postal Service. I ask unanimous consent that his address be printed here in its entirety in that it contains information of considerable import to this body.

I want to associate myself with the statement made and opinions expressed by my colleague, the gentlemen from Arizona. Like him, I labored in the vineyard in support of postal reorganization. Like him, I supported this measure during a Republican administration, taking in good faith assurances given to us that it was the aim and goal of that administration to remove politics completely from the Postal Service.

Some people now suggest that maybe we should put the politics back in. Mr. UDALL does not buy that proposition and neither do I; but I agree with him that without substantial alteration of the present administrative framework, changes can and should be made to improve the Postal Service.

To the extent that legislative action may be required to accomplish these changes, I will work with Mr. UDALL and other like-minded colleagues on the House Post Office and Civil Service Committee to bring such legislation promptly to the House floor.

ADDRESS BY REPRESENTATIVE MORRIS K. UDALL, NATIONAL PRESS CLUB, WASHINGTON, D.C., JULY 29, 1974

Somewhere, I ran across the anguished prayer of an anonymous politician: "Oh, Lord, give us the wisdom to speak gentle and tender words, for tomorrow we may have to eat them."

The subject I will address today is one I approach in sadness, humility and a touch of anger.

Sadness because of a broken dream.

Anger, because a few men have lacked the vision and dedication that might have brought the dream closer to reality.

And humility—because I must admit I was too optimistic.

In just two weeks, we will mark the fourth anniversary of the signing of the Postal Reorganization Act of 1970.

August 12, 1970, was a day of optimism for me. The President's signature on the Act marked the climax of more than two years of intensive work, in which I was an enthusiastic participant. Many persons, inside and outside of Congress and the Post Office Department, private citizens and spokesmen for two Administrations, had contributed to what was a truly bipartisan reform effort. Though we had approached the problem from many different angles, we had converged on a common point that emerged as the Reorganization Act.

Our dream was somewhat like that of Franklin Roosevelt's in proposing the Tennessee Valley Authority: In 1933 he said Congress should create "a corporation clothed with the power of government but possessed of the flexibility and initiative of a private enterprise."

We did not exactly achieve such a plan. But we thought we had come close. We felt we had devised a mechanism that had great potential.

The best minds in the field had faith in what we had done. Postmaster General Winston M. Blount, and most of his living predecessors, were present for the bill-signing. Hopes were high.

Nobody predicted either overnight miracles or long-term perfection. But we did expect measurable improvement within a reasonable period of time.

During debate in the House on August 6, 1970, I told my colleagues, "There are cynics and skeptics who believe this new postal organization will fail. No one can say it will not. But I have high hopes."

I said the main thing was that the old system was not working and we had no choice but to try something else. Then I predicted, "During the coming years, I am sure modifications will be necessary, omissions will be discovered and corrected." But Congress could take care of that when the time came, I said.

Well, the time has come. It was three years ago this month that the United States Postal Service came into being. Three years of the new management team is a long enough trial period. And my disappointment cannot be contained.

During the past three years, I have often kept silent when I felt like speaking out. I have given my support when my doubts were rising. I have felt the sting from colleagues who followed my advice in those days of 1970, and who now feel misled and cheated by a postal service which seems to get ever worse. I have counseled patience when my own patience was nearly exhausted.

I wanted—and still want—to believe in the system we had created. After all, it was the product of one of the most intensive examinations of a government service ever conducted, involving the work of a highly talented Presidential Commission, aided by numerous private consultants, endorsed by nearly every living Postmaster General, and by two Administrations of opposite parties. I was impressed by these people—people like Lawrence O'Brien, who gave the problems of the Post Office Department his greatest effort and dedication, both as Postmaster General and later as co-chairman, with Thruston Morton, of a citizens' committee dedicated to reform.

I believed that the House Post Office and Civil Service Committee had done an outstanding job, and that the final product, hammered out on the floors of the House and Senate, represented the best combina-

tion of the ideal and the possible that the legislative process could produce.

So, I have waited and watched. And now the time has come to speak out.

Four years have gone by and I no longer have much hope. The time has come to say that the system we created isn't working, and it is now painfully clear to me that there are no solid improvements in prospect. This bright new machinery, under this present management, simply isn't flying.

It is as if we had built an engine with eight cylinders, four ran beautifully but the other four blew out, and the operator had never looked at the manual.

We designed politics out of the system, and insofar as we eliminated the political appointment of postmasters and, promotion of upper level supervisors, we largely succeeded. But when it came time to issue the first quarter-million dollars in bonds, I was horrified and felt almost betrayed to discover that the old Wall Street firm of Peter Flanagan, White House business liaison and operator-at-large, got part of the business. And then when they picked the lawyers to handle the lucrative legal work related to the deal, they blatantly picked none other than the old Nixon-Mitchell law firm. And when I complained, they behaved as though they couldn't understand what I was talking about!

This was one of the early jabs of disillusionment I felt, but there were to be more. It was the first clear sign of politics and cronyism, of a far more vicious and destructive sort than the lower-level kind we tried to eliminate, creeping in the back door.

We gave postal workers collective bargaining, and we have avoided much of the widespread employee discontent that plagued the latter days of the old system. But we have yet to see the emergence of the truly well-motivated work force that is essential if we are ever to achieve the kinds of productivity increases that we need so badly.

We have seen some progress in construction of new postal plants and in the introduction of some modern equipment. But there has been a stubborn inability to approach any meaningful level of automated efficiency.

I should add that the merits of some of these construction projects are somewhat dubious. For example, one feature of the bulk-mail program is that the building company headed by former Postmaster-General Wilson Blount is sharing in them to the tune of 90 million dollars, about 10% of the total construction program.

We took rate-setting procedures out of the hands of Congress. But the public still considers postal rates to be too high for the quality of service received.

It seems that for every success there has been at least one failure—and some of the failures have lacked a redeeming success.

So, what are the choices? What do we do? I can see a number of alternatives, but I have to say none of them is very good. We can't turn back the clock. My optimism of 1970 won't rise again.

For one thing, I now have deep doubts that any public service monopoly can function efficiently in a society and an economy as complex and dynamic as ours. The forces of powerful labor unions and the pressures of rapid changes in society's needs and demands may be too great.

The Postal Service and all its troubles aren't, after all, unique. Those who've tried to get a plumber or have had a TV or washer repaired know that even in straight private enterprise fields service is lousy. And a casual look at the other more-or-less monopolistic public or quasi-public service industries that serve us—or which we wish would serve us—tell the same doleful tale.

The nation's railroad system; public education; law enforcement; sanitation; urban bus and taxi systems; some of the privately owned utility monopolies; even fire departments and the mundane agencies of urban government—each has shown a tendency in recent years to become balky, inefficient, heavy bureaucratic, unresponsive, even rebellious. Why? I doubt that anyone has all the answers—if they have, why have they not come forward with the solutions?

But I see some common denominators here that may help explain some of the basic causes of trouble. One is that these are all monopolies. And, true to all our capitalistic phobias about monopolies, they tend to do as they please when they discover they have no real competition—and this is compounded, the bigger and more vital they get.

A second common-denominator I see is that these public service monopolies tend to be highly labor-intensive. When we say the public service agencies and utilities are monopolies, what we are saying in large part is that the workers in those fields have a monopoly. They know, on one hand, that they can put tremendous pressure on public executives and legislators when they want to, usually when they want their way in a dispute over a labor contract. At the same time, given the lack of competition, they have no really effective source of outside pressure to make them perform in the most responsive manner for the public. The only way they can be brought to act responsively and responsibly is by making them feel motivated to do so. And the necessary motivations and inventives have too seldom been provided.

So, one possibility is to chuck the whole thing overboard and go back tdo the old system. There are those among my colleagues who would like to go this route. Some of them, in nostalgia, think those were really the good, old days when a presidential patronage system and its corresponding party in Congress substantially controlled and managed such a major enterprise.

But we have been down that road already. And the results were disastrous. No evidence can persuade me that a 535 headed Congress can exert effective control and make the system work now, when congressional control failed so miserably before.

Back in the "good, old days," we had severe and repeated labor discontent. We had politics intruding in all sorts of places where it didn't belong. We had annual rate battles and bottom-of-the-barrel financing of postal construction and improvement projects.

One of the men who had the burden of trying to run the system. Larry O'Brien, said during those days that the Post Office was "in a race with catastrophe." He was right, and despite reorganization, the system still is not winning the race.

Think of the problems we would have today if we had not changed.

We would have continued to have all the problems I just mentioned, and on top of that, the present Administration (or a Humphrey Administration, had 1968 gone differently) would have had time to load the system with 12,000 patronage postmasters!

There is a commonly made assumption that is never challenged and should be. That is, that if we had kept the bankrupt old system, it would somehow be giving us good or at least better service than we're now seeing. The critics of the new system simply forget how bad things were deteriorating when we tried to change them. We knew the old system was wrong, and it would have been wrong to keep it. The critics seem to imply that two wrongs would have made a right.

I think we can agree that things would not have been better if we had left things as they were—my guess is they might well have gotten worse. The problem is that they have not gotten enough better—quickly enough.

So, if the old way is not the solution, what about the other extreme? We have gone part-way to independence, creating a special agency of the Federal Government, not cut loose from government apron-strings, but on a longer tether. Why not follow the advice of the free-enterprisers and completely sever most of those strings?

Take the suggestion of Congressman Crane, for instance, and invite competition and free enterprise. After all, some private carriers are doing quite well, despite (or perhaps because of) the presence of the near-monopoly of government in this field.

In some areas of mail service, private enterprise probably could do a better job. But at what price? The rural areas where customers are far-flung would suffer immense cost increases. Many publications and non-profit organizations, which the present system subsidizes, would also suffer dearly. I see these as serious arguments against putting postal services entirely in the hands of private enterprise.

Yet, if what we had in the past didn't work, and what we have now isn't doing any better, we should not rule out any other alternative without at least giving it a full and fair hearing. We have come to a point where we must keep an open mind, reevaluate all the old assumptions, and make room for some new approaches. I won't accept private enterprise right now as a solution; but I won't entirely rule it out as an eventual option, either.

There is also a third choice; it isn't very promising either. It is to take this new, malfunctioning machine that we built four years ago and remodel it—redesign some of it, give it some new working parts.

And, one more very important change—give it a new pilot and flight crew, a new management team that understands, better than the present one, what we are trying to accomplish and how to operate it.

A central reason for the failure of the new postal system to rise to our expectations has been, I am convinced, the failure of those who were placed in charge of it to fully understand how it was to function and what would make it go. Its managers never really grasped the concept we had.

Neither the present Postmaster General nor his predecessor, with both of whom I had good personal relations, demonstrated the range and depth of vision that I believe was called for, to translate the blueprints we drew in Congress into a fully and efficiently operating system.

The managers who were put in charge of it were mostly good capable men with commendable records as managers of private industry. They were honest, decent men; but, they never fully understood what we were trying to do. They never were able to shift gears, and make the change, from running a business to running a public service.

They and the board of directors that were brought in with them suffered from terribly narrow conceptions of the postal system. They were unable to grasp the central fact that they were running a highly labor-intensive industry. Labor accounts for something like 85 per cent of the dollar cost of the Postal Service. This they have failed to understand. Under these circumstances, the central, most vital single job of management is to devise methods of bolstering employee morale, incentive and productivity.

Yet, who has been in charge, attempting to lead this army of nearly three-quarters of a million people? The present Board of Governors includes a rancher, the head of a refining company, a former university president, a dentist and real estate developer, the head of a cosmetics company, a retired telephone company director, a banker and financier, and an oil company executive, plus the Postmaster General, the retired head of a container manufacturing firm. The experi-

ence value of these backgrounds appears to be of little relevance to trying to run the Postal Service.

These are men who have experience of essentially two kinds: they either come from highly mechanized industries, or from the financial world. They know how to manage machines and money, but not enough about managing men.

Their backgrounds seem to have hindered more than helped.

Most of these people are beyond their most active and productive years. They had given their best efforts to their private pursuits before coming to the Postal Service.

They come from the same narrow world of the big corporation. At the top of an organization that counts heavily on blacks and females as employees, there is not one female and the one black member is hardly representative of the rank-and-file blacks who handle the mail every day and who make up 40 per cent of the postal work force.

Such a lack of breadth and depth at the top is a severe handicap. But narrowness and shallowness are not the greatest handicaps that have hobbled the Postal Service's leadership. The last couple of appointments to the Board of Governors have carried the unmistakable taint of political influence. It is well known that powerful Members of Congress have in effect nominated, and the White House, through its ability to pull the strings and control appointments, has confirmed selections of members of the board.

So, what are the rewards of this kind of manipulation and political cronyism? For one thing, we get a leadership that totally lacks the ability to try new methods and explore new approaches to the difficult tasks that confront the Postal Service. The leaders of this sluggish army fail even to consider methods that others have tried and have found to work.

Consider, for example, the business management techniques lately being employed in other industries and in other countries. To cite just one example that has captured attention not only in business circles but in the popular media, the Japanese have developed management techniques that might potentially be highly effective in the Postal Service, but which to the average American corporate executive turns everything upside-down. It goes against the very grain and current of American management practice to give the initiative to people at the bottom of the management ladder, yet that is exactly what Japanese managers do, and at least one recent study has shown their methods significantly superior to ours.

Newsweek magazine recently published a report on the differences between the two systems and the successes the Japanese have had, even when using their methods in the United States, with American workers. To quote one management specialist named in the article, "The Japanese simply outmanage us when it comes to people. We've done very well coping with the inanimate elements of management. But a shocking number of American managers are really inept in dealing with people."

I don't know that the methods of the Japanese, or of other countries or industries that could be examined, would bring big, immediate improvements in the performance of our postal system. But, it reveals a basic narrow-mindedness that the managers of the system have failed even to give the thought some serious consideration, and perhaps a field trial or two.

Another glaring deficiency, which indicates to me how the present management has failed to recognize the dominance of the human side of the Postal Service, is the lack of emphasis on having a good staff, or a director or two, who fully understand public service labor unions and how they work.

No matter how many billions of dollars are spent on machines and buildings, they won't do the job without also dealing with the human side that is 85 per cent of the system.

Besides being too homogeneous, too lacking in the kinds of background, experience and perspective that were called for, the board of directors has fallen down in fulfilling what should be one of its main functions: to stand up to the management of the system, to challenge its judgments, to stimulate new thinking, and to continually press for creative and appropriate solutions.

One reason for this is that the board of governors has been, in effect, hand-picked by the White House and management—with the unfortunate help of some congressional stringpullers. As a result, it has served as a rubberstamp, a tool of the management it instead should be prodding and challenging.

I doubt that any of these men have ever been out in the work room when the mail rush is on, or has known a postal worker as a friend.

The board of governors should be part gadfly, part guiding light. Part coach and part umpire. It should include men who understand managing a system such as this; but it also should include spokesmen for the interests the system is there to serve and with whom it must deal—mail users, citizens, postal workers.

But the Board of Governors can not carry the load alone. They must have top managers who also understand what we are seeking and know how to achieve it. There have been some excellent appointments among the top managers to date—but these have been the exception rather than the rule. Too many of the senior managers, both past and present, do not seem to understand the mission of the public service, which is precisely: to serve the public with efficient, reliable mail service. The Postmaster General and his main aides must understand that this isn't American Can Company, but a public service arm of government. An agency that is not here to turn a profit, but which hopefully can break even, and which has as its chief task to deliver the best possible service.

There have been lesser problems which also have contributed to the overall difficulties.

One has been an extremely high turnover rate among management personnel. We all have experienced the effect when there is a new letter carrier on our route—it slows down the mail for a few days. When there is constant change in personnel at the top, it has a similar effect, but with far wider ramifications.

Finally, we have seen some cases of extremely bad judgment on the part of top-level management. If the reports that have become public in recent weeks about cronyism and favoritism in the sales of bonds, the buying of equipment, the letting of contracts, are true, then it is a double tragedy.

It is a tragedy because it is yet another rip in the lately tattered moral fabric of our government. And it is a tragedy because men who were entrusted with a job that is vital to the commerce and communications of their country placed self-interest above that trust and thereby held it in contempt. Had they been dedicated to getting the job done the best possible way, they would have acted otherwise.

But hand-wringing and mourning the failures of the Postal Service will not correct its problems. We need strong practical measures.

Many men have worked hard and with great dedication to try to reform this postal system, to create the new agency and start it down the road. Men like Chairman Dulski and Congressmen Jim Hanley and Charles Wilson of the Post Office Committee, and Tom Steed and Howard Robison of the Appropriations Subcommittee on the Post Office, who supported passage of the bill, wished it well and worked hard to give it the financial tools to work with in its infancy.

In the Postal Service itself, we have had the full support and dedication of some fine and able men as well. General Counsel Lou Cox, Senior Assistant Postmasters General Ralph Nicholson and Edward Dorsey, Assistant Postmaster General Norman Halliday—these men and others have struggled against great handicaps to try to make the new Postal Service fulfill the hopes and intentions of its authors and supporters.

These men deserve every effort we can put forth, in recognition of what they have given, to try to correct the flaws that have become evident over the past four years, to try to make right what they believed in.

I for one feel a strong obligation to make what suggestions I have, if only because of my share of the responsibility for shaping the Reorganization Act.

Here are some steps I believe might improve upon the present structure and functioning of the Postal Service:

First, I have never been satisfied with the composition of the Board of Governors. We should keep it at its present size—nine members plus the Postmaster General and his Deputy. But I believe we should diversify the backgrounds of those members. We should consider including representatives of labor, mail users, perhaps Congress. While I have pointed out the Postal Service's heavy dependence upon human labor, it is important further to recognize that a large portion of that work force has been traditionally black. We should consider this, too, in choosing members of the Board of Governors.

In connection with this reform, I believe the independence of the board is essential to a healthy spirit of creativity and open-mindedness. Giving the board its own small independent staff would be a step toward this objective.

Second, we must clarify and tighten up the rules for recruiting, hiring and compensating high-level management personnel. Though local postmasters are now recruited from the ranks of the work force, too few career postal workers have been placed in top management positions at the headquarters level.

Congress should specify the number of employees that are permitted in the $36,000-and-up salary ranges and require more strict justification for placement of personnel at those levels, and for outside recruitment.

Third, there should be Congressional action mandating that the Postal Service follow the contract-letting procedures required of other federal agencies under present law. When we wrote the Postal Reorganization Act, we deliberately exempted the Postal Service from these requirements. For the most part, I am told they are followed anyway, and I assume they are.

But the past four years or so have brought to American government some of the most discouraging examples of cronyism in a long, long time. We have learned of case after case in which public officials apparently just didn't understand that a public servant doesn't give government business to a favorite friend, just because he is a friend. Sadly, the Postal Service has not escaped these subversions of the public trust.

I have already mentioned how Peter Flanagan and the old Nixon-Mitchell law firm got a piece of the action when that first quarter million dollar bond issue was sold. The buddy system was at work with a vengence. James Hargrove, at the time a senior postal official, admitted that he and Flanagan were pals.

But I wouldn't want to leave out the fact that William Simon, who has risen from Nixon fund-raiser to manager of the public purse as Treasury Secretary, was previously connected with another firm that was favored with a chunk of the business.

There have been lesser examples; instances of contracts being let to firms that either

previously or subsequently employed Postal Service officials.

In recent weeks we have seen a stream of news articles alleging a variety of questionable acts by high officials. These charges and revelations only serve to send employee morale plumetting lower while heightening the public's sense that it isn't service that counts after all, but promotion of personal gain.

When Congress exempted the Postal Service from the usual contracting and procurement restraints, it was done in the hope that this would provide a flexibility that would promote faster improvement in service. We gave freedom, but we did not intend free wheeling and dealing. It is time to pull in the reins.

Even if we could be assured that only the highest principles would govern future business transactions by the Postal Service, we must show the public and the postal work force that Congress won't stand for any more favoritism. Giving your pals the contracts may be the way private businesses operate—it may even be alright in the private sector. But public agencies can not be allowed to run that way.

It is disturbing that we turned to business to provide the management and leadership, and business has let us down. The reason may be that the Postal Service is a hybrid, only part business and the rest government bureaucracy, existing chiefly as a public service institution. This is a far more difficult kind of institution to manage than a private corporation. Being confined by requirements such as competitive bidding doesn't make it any easier.

But this only demonstrates and underscores the need for top-flight management that possesses a rare combination of know-how in both business and government, that understands politics, and has the knack—so critical in a labor-intensive organization—of managing and motivating people.

Fourth, Congress should adopt the rate-setting safeguards contained in the House version of the Reorganization Act, but modified in conference with the Senate. The Congress, under this provision, would retain veto-power over rate increases. This is one of the most emotional aspects of postal operations, and one in which I feel the public wants its elected representatives to have a final say.

Fifth, I believe the time has come for the American people to decide whether they want total freedom of variety in the form of the mail they send or whether they are willing to sacrifice some of this freedom—which seems to verge at times on anarchy—in exchange for greater efficiency.

We should carefully explore the feasibility of creating a new type of First Class Mail, which would be sent in standardized envelopes, possibly containing pre-printed Zip Code spaces that a machine could find and read. This would be strictly a private-letter class of mail.

This is not a new idea. Great Britain uses a standardized mail system somewhat of this sort. It is optional, but it goes at a reduced rate. We already follow a plan somewhat like this in the International Postal Union's letter system, with the dimensions of letters required to fall within a standardized range.

What logic is there in having hundreds of possible sizes and shapes of envelopes, and then wondering why we can not have automation? Variety may keep life interesting, but it keeps the life of the postal worker confusing and frustrating. Americans should decide whether they want good service or every size and shape of envelope the human mind can devise.

Please note that I am not even suggesting that all mail should be standardized. I am only talking about what is sometimes referred to as "Aunt Minnie Mail," personal letters. Yet, this accounts for fully one-fifth of all 1st class mail—about 10 billion letters a year. It would seem that finding a way to automate its handling would not only speed its delivery, but ease the burden of handling the other four-fifths.

While investigating this proposal, we should also consider freezing the postal rate for this kind of mail at the present 10 cent rate, for a fixed period of time, to avoid further increases in the cost of writing to Aunt Minnie.

Sixth, I believe we should seek the support of the postal workers in trying out, on a limited, pilot-test basis, a variety of incentive plans. These could range from piecework incentives (extra pay or benefits for handling or delivering more than some reasonable average number of pieces) to off-the-job benefits such as family recreation programs, group vacation plans and other ideas that would serve as fringe-benefits while building esprit de corps.

The Postal Service is not designed to make a profit—Heaven knows, we wish it would break even—so it would be difficult to attempt a profit-sharing incentive plan. But perhaps there are ways we could tie some employee benefits to improvements in efficiency and reduction of costs. This, too, should be at least explored.

Seventh, I believe both the Postal Service and the public deserve to know where Congress stands on the question of postal service standards. Congress should adopt a clear-cut statement on the levels of service it expects, both in speed of mail delivery in the various classes and in the services delivered at the Post Office window and to customers along the route.

True, writing this down in the book won't guarantee that these service levels will be met. But they will provide a guideline and a yardstick that should help the Postal Service in its attempts to raise its levels of performance, and help the public measure its success.

Eighth, finally, the general public is doubly frustrated in attempting to cope with the problems it perceives in the Postal Service.

Besides being frustrated when the system doesn't perform as well as the public thinks it should, citizens are frustrated when they attempt to express their frustration.

They complain to the local letter carrier and the hometown postmaster, who say they are doing the best they can, but policy is set in Washington. So the citizen writes his Congressman, and is told that Congress doesn't run the Post Office anymore. There was good reason for getting Congress out of the everyday operations of the postal system. But the Citizen still deserves to have a voice in the system.

To achieve this, I would suggest creating local citizen mail-users' councils, to meet regularly and discuss the operations of the system, to have a say in changes in policy and procedures before they are put into effect—in short, put to a productive use the public's desire to have a say in the system.

We already do this to improve business mail service. The ordinary citizen deserves at last equal treatment.

Besides bringing the public into the picture in an orderly and constructive fashion, these councils would give postal officials a chance to express their frustrations and explain their problems. The result at a minimum would be greater understanding on both sides, and at best could bring some real improvements in service.

I also raise a suggestion that I approach with regret and reluctance. It deals with Postmaster-General Klassen, the man where the bucks stops.

I know Ted Klassen and I like him. His life story is one of struggle and success. I consider him a friend who would welcome forthright advice. He undertook a trying, difficult, second career when he could have the luxury of a leisurely retirement. With bluntness and courage, he has stood up to political pressures, including a good number from the White House. His stewardship at the Postal Service is not without successes. I firmly believe him when he explains that the recent disclosures about a consulting fee he received in the interim between his two tours of duty in high Postal Service posts were in good faith—though I do fault him for a mistake in judgment and for not seeing how the transaction would appear to the public.

And so, not in rancor, but in friendship and with reluctance, I call on him to pick an appropriate time in the next six months when his pending projects are in order—and then to step aside. Not under fire . . . but with gratitude for giving his best, and in the best interest of the things he has worked for. I ask him to go at a time of his choosing—not in failure . . . but in recognition of the limitations of what he can hope to do.

For I am convinced that if the Postal Service is to surmount the unique challenges, it needs a new leader who can see things in a fresh perspective. If the United States Postal Service is to succeed it will take new concepts, attitudes, vigor, fresh thinking, and enthusiasm which he cannot be expected to provide.

The resignation of the present Postmaster General could open the way for an intensive search for an executive of proven talent and experience in a field which may have provided the kind of background needed in this extremely difficult position. We could search for someone with the peak of his—or her—career still ahead. Someone who could bring fresh ideas and vigorous leadership to the task. Someone capable of dealing with the needs of a highly labor-intensive industry that cries out for innovative thinking, new technology, new methods. Surely, somewhere in America, there is a man or woman in their 30's or 40's who can bring a sense of excitement, innovation, newness, change, enthusiasm to this troubled and extremely vital public service. Someone ready to give the best ten years of his or her life to the task, and to show us that we are wrong—to demonstrate that public service monopolies can find new ways to overcome their own handicaps and weaknesses, and can give us efficiency and service.

I am convinced that the choice of the person at the controls is among the most important factors in determining how the machine functions.

So, those are my modest suggestions:

A newly constituted Board of Governors, with wider diversity and viewpoint, greater independence and influence;

Tightened rules for recruiting, hiring and paying top management personnel, with more stress on drawing on career employees of the Service;

Tougher control over the contracting and procurement procedures;

Congressional veto-power over postal rates;

A new, optional, standardized class of mail for personal letters, with automation as a major goal;

Experiments with employee incentive plans;

Congressionally mandated standards of service;

A system of local private citizen mail-users' councils; and

A new, vigorous, innovative Postmaster General.

I am sure others also have ideas, and I would hope that Congress, in the coming months, would give full, open-minded consideration to all of them. I am pleased that the House Committee hearings are now underway and we must not leave any possible solutions outside our investigations. We must not accept any of the old assumptions without challenging them. We have replaced one system that didn't work with a new sys-

tem, and found it doesn't work much better. We can't afford strike three.

As long as men write laws, laws will be imperfect. If that weren't true, we would have legislated ourselves out of business long ago.

We can only do our best, and then try to improve on it. We did our best with our postal reorganization plan. Now it is time to do better.

FOREIGN ASSISTANCE AND FOREIGN MILITARY SALES ACT

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

Mr. HARRINGTON. Mr. Speaker, in the coming few weeks, the Foreign Affairs Committee will be meeting to amend the Foreign Assistance Act and the Foreign Military Sales Act. I anticipate offering a series of amendments to this legislation designed to fulfill two purposes. One group of amendments will deal with our policy toward Latin America—a policy which I believe to be in need of substantial change. The other group is designed to improve Congressional control over expenditures of foreign aid and military assistance moneys.

On May 7, I introduced legislation to repeal the provisions existing in our foreign aid laws prohibiting trade with Cuba. Similar legislation has been introduced by my colleague from Ohio (Mr. WHALEN). I expect to offer this bill as an amendment to the Foreign Assistance Act when the Foreign Affairs Committee considers it. I would like to take this opportunity to discuss the reasons our policy toward Cuba should be changed.

In recent years the United States has committed itself to creating an "era of negotiations" and has engaged in broad efforts to attain détente with the People's Republic of China and the Soviet Union—the leading Communist superpowers. While the United States has courted relations with the Communist giants, our attitude toward Cuba remains one of hostile neglect. I believe we should bring our policy toward Cuba up to date and in line with the general policy of this administration, that of international pluralism. The trade embargo of Cuba and nonrecognition of Castro's regime may have been reasonable and perhaps justifiable in the context of the last three decades, but as the ideological and political tensions of the cold war have given way to an atmosphere of global exchange and international cooperation, resumption of relations with Cuba should be viewed, it seems to me, as a diplomatic imperative.

The maintenance of a trade embargo is no longer justifiable. The embargo has failed in its original objective of coercing Castro by attempting to create economic chaos in Cuba and international isolation of the Castro regime. The embargo has also proven to be a liability in attempts to reach hemispheric unity as it is a constant source of conflict among OAS nations. Finally, this narrow-minded policy has presented economic and cultural exchanges between Latin American nations and Cuba—exchanges which traditionally have been beneficial to all concerned. The embargo has cost us the friendship of the Cuban people and we have lost access to the potentially valuable Cuban markets.

Some observers interpret the continued presence of Soviet military forces in Cuba as an indication of malevolence on the part of the Castro regime toward the United States. But it seems to me that the Russian presence has been forced upon the Cuban people by the insensitivity and hostility of the United States toward that nation. The Soviet military presence can be viewed as an understandable reaction on the part of the Castro government to what might be viewed as a potential threat from the United States. The abundance of Russian aid to the island economy has been made necessary because the United States has closed off traditional avenues of trade with Cuba and has restrained assistance from other nations. But the time is right for change. Both the Soviets and the Cubans appear to be tired of the economic dependency of Cuba on the Soviet Union. Thus, repeal of the embargo would ease international tensions between both the United States and Russia and the United States and Cuba. The repeal would be a welcome relief to the Soviets, to the Castro regime, and especially to the Cuban people.

The Cuban people are not our enemies. Regardless of Castro's politics and the ideological differences between governments, the peoples of the United States and Cuba have been traditionally friendly. It is time to renew this friendship. Instead of fulfilling its purpose to weaken Castro's domestic and international standing, the trade embargo has served only to inconvenience and harm the Cuban people through continued shortages of consumer goods, rationing of all essentials, the poor availability of necessary medical supplies. Moreover, we must acknowledge the fact that Castro appears to have the strong support of the majority of the citizenry of Cuba. Just as we have accepted the legitimacy of other Communist regimes, we must accept that we can no longer justify a policy toward Cuba which is indirectly at least founded on the premise of ending the Castro regime. Hence we must forsake the unproductive policy of long-term economic reprisal, and we must face the fact that the embargo instead of overthrowing Castro, may have strengthened him by enhancing popular support for his regime against the external threat posed by the policies of the United States. Resuming United States-Cuban trade would normalize the Cuban economy and ease the burden of development upon the Cuban people, hopefully earning their goodwill toward the United States and improving the whole of hemispheric relations.

It seems to me as the years pass that only the United States will remain isolated through a continuation of our current trade embargo. Seven Latin American nations have already ignored the OAS resolutions to end diplomatic and economic relations with Cuba. President Luis Echeverria of Mexico is currently traveling throughout Latin America to gain more support for a change of the OAS policy. Even Venezuela, which called for the sanctions against Cuba in 1964 when it felt threatened by the Cuban support of insurgents within its borders, has called for a reconsideration of the 1964 resolution. Other nations, such as Germany, Canada, Great Britain, Japan, Spain, and France, already enjoy the benefits of trade with the island nation. It is now time for the United States to abandon outdated hostilities and tensions and work for better relations among all nations.

CUBA MOVES TOWARD RECONCILIATION

The new Cuban attitude of acceptance of nonviolent social change is summarized in the recent Cuban-Soviet statement, signed by Castro and Soviet Communist Party chief Leonid Brezhnev on February 2, 1974, which states:

> Cuba and the Soviet Union declare themselves in favor of the full validity of the principles of equality, respect for sovereignty and territorial integrity and the renouncing of the use of force and the threat of using it in relations among the nations of Latin America, as well as in the other nations of the world.

Other recent actions of the Cuban Government have indicated that a new responsiveness on the part of Castro to an improvement and possible resumption of relations with the United States. Castro has cut his prerequisites for talks from four to one. Previously he had demanded the following four points be met before any type of negotiations could be considered:

First. The withdrawal of the United States from the Guantanamo Naval Base;

Second. The cessation of what they considered to be subversive U.S. activities in Cuba and Latin America;

Third. The cessation of the role of the United States as hemispheric policeman; and

Fourth. The cessation of U.S. aggression in Vietnam.

Now, the only demand Castro makes—and it is not unreasonable—is that the embargo of Cuba be lifted before talks can be initiated.

Cuban foreign ministrty officials have even expressed a "willingness to negotiate" their position concerning Guantanamo. Moreover, the U.S. volleyball team was invited to Cuba; a delegation from the U.S. Department of Commerce attended an oceanographic conference held in Cuba sponsored by the United Nation's Intergovernmental Oceanographic Commission; the Cuban baseball team played in Puerto Rico for the pre-Olympian trials; and a Cuban delegation attended the International Sugar Conference in New Orleans in October 1971.

The reduction of demands and the informal thawing of relations indicates the increased receptiveness on the part of the Cuban Government toward reconciliation between the two nations.

SOVIET MILITARY AND ECONOMIC PRESENCE IN CUBA

As suggested earlier, United States and OAS policies of enforced isolation have contributed significantly to the Cuban military and economic dependency on the Soviet Union.

Militarily, the early attitude toward Cuba, as indicated by the Bay of Pigs disaster, gave the Cuban Government

sufficient cause to seek military assistance for defense. The Soviet military forces on Cuba pose no significant threat to the national security interests of the United States. While the United States complains that the Soviet presence 90 miles from our shores allegedly poses a grave threat to our national security, we should not neglect the appreciable potential threat to Cuban security created by the United States military base on Cuban soil at Guantanamo. I believe that it would be possible to solve, through negotiations with the Soviet Union, legitimate objections to the maintenance of a Soviet military presence in Cuba, especially since the Soviet Union has indicated that it would welcome a warming of relations between Cuba and the United States. Until an improvement of relations occurs, it is difficult to imagine that the Cuban Government will forsake Soviet military aid it views as essential to Cuban security.

Economically, the Soviets are increasingly concerned with the inefficient use Castro makes of the substantial economic aid they provide. The Cubans have burdened the Soviet Union with an annual assistance tab of $500 million. Rescinding the embargo would open international markets to Cuban products, thereby easing the Soviet burden of having to support the island economy and freeing the Cubans from exclusive dependency on Soviet subsidies.

UNSETTLED PROPERTY CLAIMS

One argument that has been traditionally used against lifting the embargo on trade with Cuba are the unsettled property claims which remain outstanding from the expropriations which followed the advent of the Castro regime. I do not think these unsettled property claims remain a significant obstacle to resumption of relations between Cuba and the United States. The larger losses sustained by American corporations were long ago written off as tax losses. What remains are principally relatively small, individual claims, in the range of $20,000 to $50,000. It seems to me that these claims can be negotiated to the satisfaction of all parties, as is evidenced by the agreements Cuba signed with France and Switzerland in 1967 for the settlement of compensation claims of those countries.

THE ARGENTINE SITUATION

Last year the Government of Argentina extended $12 million in credits to Cuba. Included in this package agreement was a deal for 44,000 automotive vehicles produced by General Motors, Ford, and Chrysler subsidiaries in Argentina. The Argentine Government stipulated that if the Argentine subsidiaries of America's big three auto companies did not supply the vehicles, then those firms would lose access to the Argentine market. This pressure caused the State Department to make an "exception" to the trade embargo, allowing the $150 million deal to go through.

In consequence, the president of the United Auto Workers Union, Leonard Woodcock, has deplored the consequences of the U.S. trade embargo, particularly upon auto workers. In a statement printed by the New York Times, Woodcock said:

If American model cars are going to Cuba anyway, isn't it about time for our government to amend the embargo so that Cuba can buy motor vehicles produced in this country?

BENEFITS OF RESUMING RELATIONS WITH CUBA

The claim has been made that the United States would derive no benefits from improved relations with Cuba. The simplest response to this argument is that the current underlying policy toward Cuba has provided no benefits; and indeed has proven a costly failure. Our attempts to isolate Cuba and transform Castro's politics have served only to further alienate him and to strengthen support for his regime. This policy of isolation has become a source of increasing tension and divisiveness among our allies in the hemisphere. The potential benefits of renewed trade have been sacrificed to an ineffective and outdated foreign policy. We need a new and creative attitude toward relations with Cuba—an attitude to ease international tensions and promote international understanding.

Normalizing relations with Cuba would be entirely consistent with the "détente" strategy pursued by the Nixon administration with other Communist powers. What is more, the economic benefits of improved relations are obvious. Many of our closest allies have maintained trade with Cuba all along, ignoring U.S. attempts to isolate that nation from international commerce. In 1958 the United States exported $546.9 million worth of goods to Cuba, importing $527.8 million, for a net trade surplus of $19 million. There is no reason to believe that the same kinds of economic advantages would not accrue to the United States in the course of improved relations and as a result of the repeal of the trade embargo.

The purpose of the amendment I intend to offer in the Foreign Affairs Committee is simple. It would repeal those existent provisions in the Foreign Assistance Act which constitute undesirable restraints upon normalizing relations with Cuba. The text of the proposed amendment follows:

AMENDMENT TO H.R. — OFFERED BY MR. HARRINGTON

Page 7, after line 7, insert the following new section:

ASSISTANCE TO CUBA

SEC. 10. (a) Section 301(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2221(b)) is amended by striking out the second sentence.

(b) Section 620 of the Foreign Assistance Act of 1961 (22 U.S.C. 2370) is amended—

(1) by inserting "military" before "assistance" the first and third times it occurs in paragraph (1) of subsection (a);

(2) by striking out the last sentence in paragraph (1) of subsection (a);

(3) by striking out paragraph (2) of subsection (a);

(4) by redesignating paragraph (3) of subsection (a) as paragraph (2) and by amending such paragraph to read as follows:

"(2) No funds authorized to be made available under this Act (except under section 214) shall be used to furnish assistance to any country which fails to take appropriate steps to prevent ships or aircraft under its registry from transporting to Cuba (other than to United States installations in Cuba) any items which are, for the purposes of title I of the Mutual Defense Assistance Control Act of 1951, arms ammunition, implements of war, atomic energy materials, or items of primary strategic significance used in the production of arms, ammunition, or implements of war."; and

(5) by adding before the period in subsection (b) the following: "; except that only military assistance shall not be furnished to Cuba if the President determines that Cuba is dominated or controlled by the international Communist movement".

Renumber the following sections accordingly.

REQUEST FOR MODIFIED OPEN RULE FOR H.R. 16090, FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

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

Mr. HAYS. Mr. Speaker, I wish to advise my Democratic colleagues in the House that the Committee on House Administration has ordered favorably reported H.R. 16090, the Federal Election Campaign Act Amendments of 1974 and that I have been authorized and directed by the committee to request a modified open rule for consideration of the bill on the floor of the House of Representatives. We will file our committee report on the bill no later than midnight Tuesday, July 30, which, of course, will make it available early Thursday morning. I am making this announcement particularly directed to my Democratic colleagues in order to comply with rule 17 of the Democratic Caucus.

Mr. Speaker, I intend to request a rule which would permit committee amendments and germane amendments regarding campaign expenditure limits, the composition of the Board of Supervisory Officers, definition of terms, public financing of Federal elections, and the consideration of bank loan endorsers as contributors. I will also ask the Rules Committee to require that all amendments which Members may wish to offer to the bill be printed in the RECORD 24 hours prior to their being considered.

CAPTIVE NATIONS WEEK

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

Mr. STRATTON. Mr. Speaker, 15 years ago I had the honor of joining with other Members of this body in approving legislation designating the third week of July as Captive Nations Week, a week in which we seek to remind ourselves of the fate of 100 million east and central Europeans now living under Communist domination, as well as millions of Asians.

Events in international affairs have to

some extent thawed the cold war in these intervening years and now we have entered a period of so-called détente with the Soviet Union.

But "détente" is a somewhat misleading word. As far as it means a hesitation to resort to armed conflict, of course, we support it. But it certainly does not and should not imply that the ideological differences between our two systems are no longer taken seriously.

I am especially disturbed by efforts now under way at the 35-nation Conference on Security and Cooperation in Europe, which is being held in Geneva. One objective of this conference, in the view of the Soviets, who long pushed for it, is the formal recognition by the United States and the other nations of the Western World, of the territorial acquisitions which the Soviet Union made in Eastern Europe following the end of World War II, the lands behind the Iron Curtain, in other words.

Mr. Speaker, I believe it would be a serious mistake for us to acquiesce in these territorial grabs. As we move toward the Bicentennial celebration of our own independence in 1976 we should be especially conscious of the case of those peoples who are still being held captive today under Communist domination. The spark of freedom which exploded into American independence in 1776 still burns strongly today in the hearts of the peoples of Albania, Hungary, Bulgaria, Lithuania, Poland, Czechoslovakia, Estonia, Latvia, Romania, and East Germany. To turn our back on them and spurn their hope and dream of freedom simply because we wish to be flattering to the Soviet leaders would be unfaithful to our proud heritage of liberty and freedom.

Mr. Speaker, we must not renounce the inalienable right of these people to freedom, independence, and self-determination merely to perpetrate détente. What good is détente if thereby we sell out our basic faith in liberty?

THE URBAN MASS TRANSPORTATION ASSISTANCE ACT OF 1974

(Mr. MOORHEAD of Pennsylvania asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I am introducing today the Urban Mass Transportation Assistance Act of 1974. By now it is obvious to anyone who has lived through the energy shortage that there is an urgent need for substantially increased Federal assistance to urban transportation systems and services. This country can no longer afford the imbalance in transportation expenditures which has allowed highways and the private automobile to prosper, while our public transportation systems have languished. During a period in which the country has been laced with highways, public transportation has suffered from declining ridership, soaring deficits, and a deteriorating level of service. Yet, since Federal assistance to public transportation was initiated in 1964, the Federal Government has provided a paltry $300 million a year. By contrast, the U.S. Conference of Mayors and the American Public Transportation Association both estimate that a multiyear program averaging $3.5 billion a year, is required.

The justifications for developing more balanced urban transportation services certainly are manifold. Most recently, we have become aware of the enormous amounts of energy which can be saved through greater dependence on mass transportation services. Similarly, damage to air quality and time consuming traffic congestion are minimized by shifting automobile drivers to public transportation services. Finally, we cannot ignore the obligation which our society has to provide transportation services to the poor, the aged, and the handicapped who cannot transport themselves.

However, at the same time that we need expanded mass transportation programs and increased dollar commitments, we must insure improved program performance. Urban mass transportation legislation and programs have been characterized by insufficient legislative direction and consequently, by inadequate program implementation. Clear and concise program objectives have not been delineated in the legislation, causing frequent shifts in policy. In the future we must avoid the inconsistencies which caused the Honorable Maynard Jackson, mayor of Atlanta, to characterize the effect of Federal policy shifts as "somewhat consonant with the idea of our being on the limb and the Federal Government being behind us sawing it off." We could certainly increase the effectiveness of our urban transportation expenditures by incorporating into the legislation our overall objective of attracting more automobile drivers to public transportation and then providing a stable and consistent source of funds to meet this objective.

Clearly delineated program objectives will facilitate far more effective program evaluation and measurement of performance. The Urban Mass Transportation Administration has been in existence for approximately 10 years. Yet Mr. Frank Herringer, Administrator of UMTA, testified:

> Efforts to develop specific quantified measures of urban transportation performance and to set up a reporting system for the collection and analysis of the appropriate data are not advanced enough to enable us to evaluate the impact of the specific capital grants or to rigorously assess the overall performance and effectiveness of UMTA's programs.

This, in my opinion, is most unfortunate. We must develop the data and information necessary to ascertain when expenditures are successful in attracting new riders. However, only if specific objectives are incorporated into the urban transportation legislation can precise and accurate measures of program performance be developed.

Similarly, urban transportation has never included incentives for effective program performance. Without these incentives, it will be very difficult to improve the effectiveness of our urban transportation programs. Increases in assistance should be available to urbanized areas which successfully attract a larger percentage of total trips to public transportation services. In addition, those urbanized areas which provide transportation services most efficiently and cost-effectively, should be provided Federal assistance for their efforts. By incorporating strong incentives for effective program performance the Federal Government and the American taxpayers are assured of getting the most transportation service for each dollar spent.

The bill I am introducing today provides $18 billion of Federal assistance over 5 years, $15 billion of which is new money. The sum of $2.5 billion will be available for expenditure in the first year, with the amount available increasing annually to $4.1 billion by the fifth year of the program. The level of expenditure is scaled upward so that the inflationary impact of the program in the first 2 years is minimized. Phasing in the program also encourages an orderly expansion of transportation services as the need increases, insuring that quality as well as quantity is obtained.

Approximately 60 percent of the money will be allocated by a formula incorporating population and work trips by public transportation. The population and work trips information is already available from the U.S. Bureau of the Census. This formula insures an equitable distribution of funds, responding to immediate and pressing needs of those cities already providing public transportation services and allocating sufficient funds for other urbanized areas to begin providing these services. The formula allocation has the additional advantage of providing a guarantee to recipients that there will be a stable and consistent source of funds.

The formula grants will be available for both capital and operating assistance, with each urbanized area selecting the mix of capital and operating expenditures which provides the most effective transportation service in its area. The provision for local discretion recognizes that each city has unique capital and operating needs, making it impossible to mandate at the Federal level an ideal mix of capital and operating expenditures. Local discretion also avoids the administrative nightmare that would be created by forcing the Federal Government to differentiate between capital and operating expenditures.

Within 2 years of the enactment of the Urban Mass Transportation Assistance Act, the work trips portion of the formula will be replaced by a market share formula reflecting the percentage of total trips carried by public transportation in any urbanized area. This formula will provide clear incentives for attracting drivers from their private automobiles and onto public transportation, for the first time incorporating this important objective into urban transportation legislation.

Supplemental to the formula assistance, $1 billion will be made available annually, at the Secretary's discretion, for assistance in capital projects. This capital assistance is available to those urbanized areas whose unique capital needs cannot be financed through the formula assistance alone. It will also assist those urbanized areas which are committed, or will be committed, to major capital-intensive transportation systems.

In addition, this bill establishes for the first time a mass transportation performance incentive fund. This fund will be distributed to those urbanized areas whose transportation system operating costs and efficiencies compare favorably with the national averages for operating cost and efficiency. The money will be distributed by the Secretary in a manner as to encourage efficient and cost-effective transit operations. Thus, urban transportation legislation will incorporate specific incentives to guarantee that the American taxpayer gets the greatest benefit for each Federal dollar spent on transportation services.

In order to insure the institution of the market share formula and the implementation of the mass transportation performance incentive fund, the bill requires the Secretary to prescribe a uniform data and financial reporting system. This system will provide the information which is essential to insure satisfactory program performance. For the first time accurate and comparable information will be available to measure the effectiveness and efficiency of urban transportation expenditures, thus directing this multi-billion effort toward expenditures which will have the greatest impact on urban mobility.

Finally, the bill provides money for demonstration grants to test the feasibility and advisability of providing fare-free transportation coupons for the poor, elderly, and handicapped. Transportation stamps would make mass transportation services financially accessible for those groups in the population who are dependent on public transportation. Coupled with other programs that the bill requires the Secretary to develop, this provision will insure that greater consideration is given to the transportation needs of these disadvantaged groups.

In summary, this bill incorporates those provisions which are essential to initial efforts to develop an urban transportation policy, including: First, clear delineation of program objectives; second, strong incentives for achieving these objectives; third, financial incentives for efficient and cost-effective program performance; fourth, equitable distribution of available funds, recognizing the uniqueness of each city's transportation problems; fifth, sufficient data and information for effective measurement and evaluation of program performance; and sixth, guarantees that the transportation needs of the poor, elderly, and handicapped are met.

At this point, I include in the RECORD a fact sheet detailing the principal points in the bill.

URBAN MASS TRANSPORTATION ASSISTANCE ACT OF 1974

SUMMARY OF KEY PROVISIONS

A. Funding: a total of $18 billion over 5 years, $15 billion of which is new authorization.

B. Apportionment and use of funds:

1. Mass transportation assistance allocations:

a. Funds distributed to all "urbanized areas over 50,000 population." (See p. 8)

b. Upon approval by the Secretary of applicant's programs or projects apportioned funds can be used for both capital and operating expenditures.

c. A local matching share of 30 percent of the total cost from funds other than Federal funds is required for all projects.

d. A total of $10.5 billion to be allocated by formula over 5 years is allocated each fiscal year as follows, in order to minimize inflationary impact and to increase the monies available as the scope of the transit programs increase.

FY 1975, $1.5 billion.
FY 1976, $1.8 billion.
FY 1977, $2.1 billion.
FY 1978, $2.4 billion.
FY 1979, $2.7 billion.

e. The apportionment formula provides for one-half of the funds to be distributed by the ratio of urbanized area population in a specific urbanized area to the urbanized population in all urbanized areas in the U.S. One-half of the funds would be distributed according to the ratio of total work trips on public transportaton in an urbanized area to total work trips on public transportation in all urbanized areas. (See p. 8)

f. Within two years of the enactment of this legislation, "market share" would replace work trips in the formula for apportioning half of the funds. (See p. 9)

2. Capital grant authorizations:

a. A total of $5 billion for five years, $1 billion each year. (See p. 7)

b. These funds would be granted at the Secretary's discretion on a project-by-project basis as in existing legislation.

c. The Federal share of each project would not exceed 70 percent of the net project cost. (See p. 7)

3. Mass transportation performance incentive fund: (See p. 17)

a. A total of $1.2 billion authorized at $400 million a year for three years beginning in FY 1977.

b. These monies would be allocated in a manner to be prescribed by the Secretary to those urbanized areas whose transportation system operating characteristics compare favorably with the national average and in such a way as to encourage operating efficiency in mass transportation systems and services.

c. The Secretary shall identify and define criteria for measuring operating efficiency.

d. Capital and operating expenses are eligible for assistance.

e. The Federal share shall not exceed 70 percent of the cost of the project.

4. Rural mass transportation assistance: (See p. 19)

a. A total of $500 million is authorized for five years, $100 for each year.

b. These funds would be allocated to States by a formula based on the ratio of non-urbanized population in each State to the total non-urbanized population in all States.

C. Other provisions:

1. Comprehensive transportation planning with State and local review and participation is required for all programs and projects.

2. Designated recipients of funds are decided by the Governor and responsible local public bodies in each urbanized area with concurrence of the Secretary. Designated recipients may be the Governor or a State agency or local public body.

3. Fare-free mass transportation coupon demonstrations: (See p. 28)

a. Demonstration grants for fare-free transportation coupons for the poor, elderly and handicapped are provided.

b. A total of $30 million for use over two years is authorized.

4. Operating and financial data reporting: (See p. 22)

a. The Secretary shall devise, test, and prescribe a uniform data and financial reporting system to be used by all recipients of funds within one year of the enactment of this legislation.

b. Noncompliance with reporting requirements would render designated recipients ineligible for further mass transportation assistance.

5. A new section is provided requiring the investigation of safety hazards in urban mass transportation systems.

SOVIET UNION VIOLATES CONSULAR CONVENTION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, 2 months ago, the New York Times published an article entitled "Harassment Reported at U.S. Embassy in Moscow." The article reported that Soviet policemen have tightened their controls restricting access to the U.S. Embassy in Moscow. Although I was distressed when I read the article, I was not surprised. I visited Moscow in 1971 and saw that condition firsthand then.

Today, however, the denial of free access to Soviet citizens, Americans, and incredibly even diplomats who wish to visit our Embassy in Moscow constitutes an especially grievous affront to the United States. The United States and the Soviet Union are ostensibly engaged in a process of détente—but the Soviet Union tightened its controls on our Embassy in Moscow only weeks before President Nixon visited there.

Moreover, the blocking of access to the Embassy has become increasingly vicious. In June an American seaman who went to Russia in 1962 and was allegedly forced to take out a Soviet passport as a condition of visiting his elderly mother was detained and interrogated for about 15 minutes before he was allowed to enter the Embassy. Only 2 weeks earlier, Dean C. Hoxsey, who claims American citizenship, was dragged away from the Embassy shouting, "Help me! Help me! I am an American!"

After learning that the Soviet Union had tightened its controls around our Embassy in Moscow, I addressed a letter to Secretary of State Kissinger asking him that concrete measures the United States could take to combat this practice. It was my understanding that the denial of access to people wishing to visit our Embassy constitutes a violation of the U.S.-U.S.S.R. Consular Convention. I received a reply from the State Department which states that the convention, while not specifically obligating the Soviets to admit all Soviet citizens to our consulates in the U.S.S.R., does prohibit

the restriction of access on the part of American nationals.

Because the U.S.-U.S.S.R. Consular Convention includes no provisions for dealing with violations—other than the general provision that the Convention can be nullified by either party after 6-months' notice—the United States has only raised the question of Embassy access with Soviet officials. I believe that some more forceful and effective actions might yet be taken in order to insure free access to our Embassy. I have addressed a second letter to the State Department suggesting that steps be taken to develop an arbitration procedure to deal with violations of the Consular Convention. I have also suggested that all the Western nations whose Embassies' business has been interfered with by Soviet actions undertake a joint effort to protest and rectify the situation. For not only have foreign diplomats, such as the scientific counselor of the West German Embassy and a Rumanian diplomat, been intercepted as they attempted to enter our Embassy; access to their Embassies is being controlled as well.

According to the New York Times:

The Soviet authorities have evidently felt unrestrained in handling the issue with tight, round-the-clock police surveillance and checks at the Embassy because neither the White House, Secretary of State Kissinger, nor Congress has shown much interest in this issue.

In light of this assessment, I request that Secretary of State Kissinger continue his efforts to stop harassment at our Embassy in Moscow. I urge that the United States undertake a joint protest with other Western countries in order to rectify this condition, and that the United States and other countries work with the Soviet Union to develop an arbitration procedure to deal with such violations in the future. I also want to alert my colleagues to this unconscionable situation, and encourage them to voice their concern about its continuance.

My correspondence with our State Department follows:

JUNE 27, 1974.

HENRY KISSINGER,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: As you undoubtedly know Soviet militia minutemen have been blocking the access of Soviet citizens to the United States Embassy in Moscow. That condition existed in 1971 when I was there and apparently continues unabated. It is my understanding that it is a clear violation of our treaty with the U.S.S.R., which requires unimpeded access to our respective consulates. What, if anything, can we do other than simply denouncing the practice? Does the treaty have provisions for dealing with such violations, and if so, what are they and have they been employed?

Sincerely,

EDWARD I. KOCH.

DEPARTMENT OF STATE,
Washington, D.C., July 23, 1974.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: Thank you for your letter of June 27, in which you ask about the problem of access to our Embassy in Moscow.

While the US–USSR Consular Convention, which entered into force in July 1968, does not specifically obligate the Soviets to admit all Soviet citizens to our consular establishments in the USSR, the Soviet militiamen posted in front of the Embassy have on occasion attempted to detain Soviet citizens with legitimate consular business as well as foreign diplomats and even American citizens. The Consular Convention does specify that "the receiving state shall in no way restrict the access of nationals of the sending state to its consular establishments."

The Convention includes no provisions for dealing with violations, other than the general provision that the Convention can be nullified by either party, six months after the other party is informed of a desire to terminate the Convention's validity. While we have not felt it appropriate to take this step, we have raised the question of Embassy access officially with Soviet authorities in Moscow as well as in Washington. I assure you that we fully share your concern about the situation and will continue to seek its rectification.

I hope you will call on me if you feel we can be of further assistance.

Cordially,

LINWOOD HOLTON,
Assistant Secretary for Congressional Relations.

WASHINGTON, D.C., *July 26, 1974.*

Hon. HENRY A. KISSINGER,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: Thank you for the letter of July 23, 1974 in which Assistant Secretary Holton discusses the problem of access to our Embassy in Moscow. Although I recognize that it may not be appropriate at this time to undertake actions to terminate the US–USSR Consular Convention, I wonder whether other steps might be taken in order to rectify the situation. The Soviets control the access not only to our embassy in Moscow, but to the embassies of all the Western countries. The Western countries whose nationals and other consular visitors are being intercepted at their embassies in Moscow might undertake a joint effort to protest and rectify this condition. Such an action would be more forceful than a protest by the United States alone. Second, it is unfortunate that the US–USSR Consular Convention includes no provisions for dealing with violations other than the nullification of the Convention following six months notice. Steps might be taken to develop with the Soviet Union and other countries an arbitration procedure to deal with violations of the Convention similar to the ones that we are presently experiencing. If the Soviet Union were then to defy the decisions of the arbitrating body, the Soviet Union would incur the censure of world public opinion. The response of the international community would exert pressure on the Soviet Union to conform to the specifications of the Convention.

I would appreciate your comments on my suggestions. Thank you in advance for your cooperation.

Sincerely,

EDWARD I. KOCH.

VFW POST 2859 OF WOOD RIVER, ILL., NAMED FIRST IN NATION FOR LOYALTY DAY PROGRAM

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, on April 27 I was honored to participate in the loyalty parade and program sponsored by VFW Post 2859 of Wood River, Ill.

I was very impressed with the quality of the program at the time, and I was apparently justified in that opinion because the VFW National Headquarters has informed Wood River Post Commander Rance Oglesby that the program has been declared first in the Nation. This is the second consecutive year that post 2859 has been so designated. A trophy will be awarded to post 2859 during the national convention of the VFW in Chicago, August 19–23.

I ask my colleagues to join with me in congratulating the members of post 2859 on such a noteworthy display of patriotism.

I would also like to include the following resolution recently passed by the Illinois General Assembly congratulating post 2859 on its first-in-the-Nation designation:

HOUSE RESOLUTION

Whereas, The Veterans of Foreign Wars of the United States bands together those who have defended their Country and the free peoples of the world into a National Brotherhood dedicated to the promotion of Americanism and patriotism among the People of the United States and of the State of Illinois; and

Whereas, V.F.W. Post 2859 of Wood River, Illinois and its Ladies Auxiliary have to this end sponsored a Loyalty Parade and Program in that community for the past 7 years and, in 1973, was judged to be First in the Nation for its Parade and Program; and

Whereas, The Veterans of Foreign Wars National Headquarters has informed Post Commander Rance Oglesby that their 1974 Loyalty Parade and Program has been declared to be First in the Nation, based upon a Record Book prepared by the Post and presented to National Headquarters for the Competition; and

Whereas, The efforts of the members of the Wood River Post and the Ladies Auxiliary have, for the second straight year, been rewarded by the National V.F.W. by being named First in the Nation among all of the Posts of the National Organization; and

Whereas, The Loyalty Parade and Program Chairmen, Mr. Earl McGinnis of Post 2859 and Mrs. James England of the Ladies Auxiliary, were charged with the coordination of the finest celebration in the history of the Post, and prepared the Record Book, which was contained in a 12-inch by 16-inch leather book which displayed on its cover a map of the United States in hand-sewn sequins of red, white and blue and displayed the information on the Parade and Program mounted on linen sheets; and

Whereas, The excellent work on the part of the chairmen, the committee and all of the members of V.F.W. Post 2859 and its Ladies Auxiliary was recognized by the judgment that for the second year, they had produced a program which was First in the Nation, and their outstanding efforts on behalf of the cause of patriotism are worthy of recognition and praise; therefore, be it

Resolved, by the House of Representatives of the Seventy-Eighth General Assembly of the State of Illinois, that we commend and congratulate Post 2859, Veterans of Foreign Wars of Wood River and the Ladies Auxiliary upon their selection as First in the Nation for their Loyalty Parade and Program, as exemplified to the National Headquarters

of the V.F.W. in the Record Book; and, be it further

Resolved, That we extend to the chairmen and committee our thanks for their fine work, which has made them for the second year in a row "First in the Nation" among all of the Posts and Auxiliaries of the Veterans of Foreign Wars; and, be it further

Resolved, That we congratulate all of the participants in the Parade and Program for their enthusiastic support, and that we wish for each and every person who took part the best of fortune in future programs and in all of their endeavors on the part of Americanism; and, be it further

Resolved, That a suitable copy of this preamble and resolution be presented to Commander Rance Oglesby and to Ladies Auxiliary President Gladys Lumsden for acceptance on behalf of the officers and members of Post 2859, Veterans of Foreign Wars, and of its Ladies Auxiliary.

THE EDUCATION AMENDMENTS OF 1974

(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, H.R. 69, the Education Amendments of 1974, is a long and complicated bill. The Education and Labor Committee, members, and staff, have been working for a full year and a half with thousands of hours of hearings and committee markup sessions, followed most recently by a lengthy period of conference with our Senate counterparts in order to reach agreement on a bill we felt we could live with.

The bill has a great many parts which we feel respond to special needs in the area of education. I feel it is important to point this out, lest this be lost sight of in the more controversial aspects of provisions relating to the busing of students.

I wish to speak particularly of the steps taken by H.R. 69 to make quality education more available to Indian children in a form which takes into account their special language and cultural diversity, and the continuation and improvement of adult education programs.

INDIANS AND BILINGUAL EDUCATION

Indian students have a long unrecognized need for bilingual education. According to a recent Bureau of Indian Affairs survey, three-quarters of the 54,000 students in BIA schools need bilingual education. Past practice has been to throw these youngsters cold turkey into a Dick-and-Jane school setting. The language problem is compounded by the fact that Indian children have two cultures to learn about, in addition to sharing the educational disadvantages common to children from an impoverished, rural background.

The BIA, in schools run by the agency and in so-called contract schools, is already moving toward bilingual education in the early grades. The bilingual education provisions in H.R. 69 should provide impetus and funds to push ahead in this direction.

TEACHER TRAINING

A major problem with providing education that will meet the bilingual, bicultural needs of Indian children is the lack of trained personnel. Both the bilingual education amendments and the amendments to the Indian Education Act provide for education and training programs for teachers, in the first instance for bilingual teachers, and in the second instance for teachers trained to meet the special educational needs of Indian children.

PROFESSIONAL AND GRADUATE FELLOWSHIPS

The Indian Education Act amendments also provide a vehicle for encouraging young Indian students to seek professional graduate training in such fields as medicine, law, engineering, business, and related fields. Too often we find white experts telling Indians how to run their business and their lives. This modest program provides for a maximum of 200 fellowships for Indian professional and graduate students.

INDIANS AND IMPACT AID

Finally, the bill provides that all children living on Indian lands shall be counted as "'A" children for the purposes of Public Law 874 and 815 payments, whether or not the parent or parents hold jobs off the Indian land. Under present law, a school district gets "A" payments for Indian children whose parents are unemployed, but "B" payments—about one-half of 'A" payments—if the parent takes a job off the reservation. I feel this change eliminates an obvious inequity.

ADULT EDUCATION—A SECOND CHANCE

When I introduced the adult education amendments in the House, I spoke of the need to continue and expand our commitment to provide for that second chance for the illiterate, the poorly educated, the adult with yesterday's training for today's jobs. These amendments were included by both the House and the Senate in the omnibus educational bill, and I believe the final agreement worked out in conference moves toward meeting that need.

Briefly, the adult education sections:

Eliminate the Commissioner's 20 percent set-aside but requires that the States use 15 percent of their allotments for teacher training and innovative programs;

Require coordination with manpower and occupational education programs;

Specify the inclusion of institutionalized adults in the target population;

Provide that no more than 20 percent of funds may be used for high school equivalency programs for adults so as to insure a concentration of effort on those with the greatest need;

Lower the authorization to bring it within realistic reach of the appropriation history. The conferees emphasized in their report that this should in no way suggest a diminishment of commitment, quite the reverse, but is an attempt to close the very substantial gap between authorization and past appropriations for these programs.

I believe there is very little controversy on the need for adult education programs. From a purely practical point of view we cannot afford to ignore the educational needs of nearly one-third of the adults in the United States with less than a high school education. The question of providing this second chance for underequipped adults has changed from whether it should be done to how best to do it.

In my judgment, the adult education amendments as worked out by the conferees on H.R. 69, provide a substantial argument for support of this legislation.

In summary, while I have chosen to mention specifically those parts of H.R. 69 dealing with Indian and adult education, I believe that the bill provides new and important directions for making quality public education available to all Americans.

THE PRESIDENT'S ECONOMIC MESSAGE NO SURPRISE

(Mr. DENT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DENT. Mr. Speaker, the only real surprise in the President's economic message to the Nation on Thursday evening was that there were no surprises forthcoming.

It is distressing that there were not any. I am no great admirer of the Nixon economic line of policies, but I expect at least an attempt where an attempt is called for.

I do not claim to be an economic expert. I leave that to some of my more knowledgeable colleagues, some of whom Mr. Nixon might do well to listen to. But I do know a crisis when I see one. And I see one. Several other forces have as well, including the Financial Post, a Canadian publication, and the Wall Street Journal. I commend their comments to your attention:

[From the Financial Post, July 24, 1974]

IT COULD BE OVERKILL AGAIN

Respected economic advisers to President Nixon—and some very influential figures outside the administration—are propounding policies for the U.S. that will fill responsible people with dismay. As reported on this page, they are pushing for really hefty budget cuts and still-stricter monetary policies in an attempt to combat the demon of the moment—inflation.

This is the sort of panicky thinking that spreads like a devastating prairie fire. Balance-the-budget and banks-are-overextended are phrases resurrected from yesteryear which fail to take today's circumstances into account. It is dangerous rhetoric.

Look back. In 1971 and 1972, the industrial countries stimulated economic growth excessively and triggered the inflationary outburst that we are all up against today. Crop failures and a quadrupling of oil prices didn't help. A complete turnabout to excessively restrictive policies—one extreme to another—might stop inflation but it would plunge the world into unemployment and recession. Are the nations that inflated together heilbent on deflating together?

York University Professor Seymour Friedland makes the pertinent point: "The probability is high that anti-inflationary monetary policy will become excessive, reflecting the cumulative effects of most countries following what, individually, appear to be reasonable or even mild anti-inflationary policies."

The killer approach now gaining steam in the U.S. in wrong-headed. In the U.S., as in Europe, first-half economic activity was

down. In Canada, growth has slowed. Also, since all economic data take time to come in, U.S. economists don't know whether their economy is moving up again. In Canada, economists don't know to what extent our economy is slowing.

Haggling over domestic policies is leaving precious little time to deal with the real threat to everyone's well-being. As economists at Dominion Securities Harris ominously put it: "Regrettably, the task of the central bankers may be made less onerous if the political leaders of the major Western economies cannot come to grips with the admittedly very difficult problem of coping with flows of Arab money. The resultant major recession would take care of the current inflation, but with serious consequences."

[From the Wall Street Journal, July 29, 1974]

MR. NIXON'S ECONOMIC MESSAGE

It isn't hard to understand why President Nixon's television address on the economy was so weak and aimless. He's between chief economic advisers. He's really still in between Treasury Secretaries, with Mr. Simon globetrotting these past weeks. He's been listening to his budget people talk politics instead of economics. And he's been distracted by events in the House Judiciary Committee that have a bearing on his future.

So with no commanding voice driving the President into a determined anti-inflation posture, the arguments before him seem to have cancelled each other out. What we have is immobility dressed up as a "steady as she goes" policy. Taxes won't go up and they won't go down. Money growth won't be loosened or tightened. There will be no credit crunch, no wage and price controls. There will be no budget cut of $20 billion, as Mr. Simon proposed. There will be no cut of $10 billion as Arthur Burns and Wilbur Mills urge. There is only "determination" to cut the $305 billion budget toward a "goal" of $300 billion.

While it is certainly delightful to hear reaffirmation that wage and price controls are not live options, Mr. Nixon did not need prime time to tell us that. Instead of telling the American people what he's not going to do to make life uncomfortable for them, he threw away an opportunity to tell them what they surely would accept as valid—that the government has been trying to do too much, too fast, and it is time for belt-tightening all around. How can the public take seriously his plea that it save more and spend less when the government continues to spend more and save nothing?

He could have and should have announced that he would veto, rather than sign as he did the next day, the bill guaranteeing up to $2 billion in loans to the beef industry. He could have announced he will veto the $20 billion mass-transit bill that Congress is working on. He should have withdrawn earlier White House approval of an increase in the omnibus housing bill, to $2.5 billion, and cut that figure at least back to $2 billion. He should have announced withdrawal of his support for any national health insurance proposal. He should have asked Congress to postpone for six months the next increase in Social Security benefits.

Of course there would have been bloodcurdling screams from congressional liberals if Mr. Nixon had done so. But most Americans would understand that the President was not proposing these obviously unpopular actions to win friends and influence impeachers. Presidential timidity in dealing with inflation when only hard, aggressive decisions are in order suggest that sound policy may finally be falling victim to impeachment pressures. The suspicion is strengthened by the President's vague promise to get tough with the budget he presents next January.

Next January might be too late. It will be nice if the current budget outlays can be held to $300 billion, but unless the ax is swung repeatedly and painfully, chances are it will not even be held to $305 billion. And if, as seems likely, corporate profits fall and unemployment increases, the budget deficit could be horrendous. There is no concern in the administration that this is where we're headed. But the concern was not reflected in the President's message.

AMERICAN DAIRY INDUSTRY IN DIRE STRAITS

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, on June 10, 1974, I addressed my colleagues in the House with regard to the very grave problems confronting the Nation's cattlemen. It is gratifying that so many Members recognized the plight of livestock producers and responded by approving an emergency credit program for livestock producers and by requesting that the administration take other appropriate means to alleviate the problem. Today, I report on a related, and equally serious situation. The dairymen in the United States are faced with imminent bankruptcy because of the expanding foreign imports of milk products, the decline in domestic milk prices, and the rising costs of materials and feed grains needed in dairy production. It is estimated that one-half of domestic milk production goes into products such as dried milk, cheese, and butter that are being imported in great quantities. The result is economic disaster for the American dairyman.

PECULIARITIES OF THE DAIRY INDUSTRY

The dairy industry is highly specialized and offers few opportunities for diversified alternative production to offset declines in prices or demand for the primary product. Dairy cattle are bred and raised to produce milk. The farmer cannot put a cow in mothballs or halt a production line to cut costs. Cattle continue to require feed and care. The only option is to sell the cattle and related equipment and go out of business. We cannot afford to allow our dairy industry to collapse in that manner. The energy crisis and especially the Arab oil boycott have brought home to us the point that we must maintain our domestic capability in essential products.

ACTION REQUIRED

This situation requires immediate attention. Imports of powdered milk, cheese, and butter must be stopped because our responsibility is to the American people, both as producers and consumers. If our dairy industry fails, the consumer will in the long run be hurt through higher prices and shortages. Our dairy producers cannot compete with foreign dairies operating under less stringent standards and supported by major foreign government subsidies. Additionally, the President should sign the Emergency Livestock Credit Act of 1974, which will provide Government guarantees for loans to dairymen as well as beef producers and help them survive the crisis. To provide an insight into the plight of dairy producers, I enter the following telegram from dairymen in Gilmer, Tex., in the RECORD. These ranchers give direct witness that the need for action is immediate and desperate.

I sincerely hope that the Congress and the administration will again respond in a positive manner to this request for assistance.

The telegram follows:

GILMER, TEX., *July 24, 1974.*

REPRESENTATIVE WRIGHT PATMAN: We, as dairy farmers are in a critical situation and at this time face the immediate possibility of losing our dairy farms. This situation has been brought about by the importing of millions of pounds of powdered milk, cheese, and butter. This has lowered the price of milk sold by the dairy farmer to the point that we cannot operate.

Forty-nine percent of the milk produced in this area goes into by-products such as powdered milk, cheese, and butter. These are going into the market now in competition with these imports, thus drastically lowering the prices received by the American dairy farmer. Our milk prices have been reduced to 69 cents less per hundred pounds, and we have been informed that prices will take an even larger drop in the month of August. The estimated drop of $1.00 per hundred pounds will thus create a $1.69 decrease per hundred pounds in two months.

An additional problem facing the dairy farmer is the beef calves raised to help supplement income through the lean months. These also must be sold at a big loss.

We feel helpless, with grain prices and fertilizers skyrocketing, interest rates rising, and milk and beef prices declining constantly. The American farmer cannot compete with the European government subsidy of these imports.

We urge each of you to realize the responsibility you have to the American people. If dairies go under, as many big producers have in the recent past, there will be no possible way to produce foods to feed the masses of people in our country. Our farmer must survive—we cannot depend on foreign imports to feed our people. Over a year ago when grain doubled in price and milk prices stayed at a low ebb, small dairy operations all over the nation were forced out of business. As a result, there is now less milk produced than a year ago. If the government continues to let these imports in, forcing more dairies out of business, milk will become scarce and will raise prices to the consumer.

If these imports do not stop at once, there will not be enough dairies left to produce the milk necessary for our people. Those of you who are not familiar with farming operations may not realize that you cannot produce milk or beef on a thirty day or sixty day order. The dairy industry would take at least six months to produce milk on an average scale and this would only be possible if the farmer could borrow $100,000 and own his own land, thus owning an average herd of ninety dairy heifers.

We humbly pray that you will each realize your responsibility to the people of this nation. The success of the American dairy farmer is necessary for the well-being of our country. If this situation continues, it will be a crisis for all of us. Running the American farmer out of business, as has been done in the beef industry, by importing agricultural commodities, will only create a shortage of food and thus eventually raise

the price of food even higher to the consumer.

We cannot depend on foreign countries to meet the food supply of our nation. We feel a case in point would be the Arabian oil situation.

If something is not done within the next thirty to sixty days, many dairymen will be ruined for life, and liable for debts they cannot pay. We pray you will realize the urgency of this matter and act accordingly.

Written by the following dairy farmers:

Charles Tefteller, Emmons Bryant, Ernest Bowers, John Wade, A. L. McCool, James Green, Ronny South, Ronny Denton, Roy Snow, S. L. Davis, Troy Snow, Jack Hollis, Johnny Green, Tommy Smith, William Denton, Z. Z. Gage, Michael Green.

Richard Tefteller, C. R. McCollum, J. B. Carrington, Jim Murphy, Azell Chevalier, James Denton, Russell Green, Fowler Larsson, Travis Schipp, Leo Trimbel, Billy Gray, Joe Jack Lyles, W. E. Emberlin, Roger Irons, Tom Duffey, Jack Brumley, James Tefteller.

Jerry Dixon, Steve Tefteller, Wilburn Tefteller, Wilburn Tefteller, Jr., J. Flake, Carl Wrenn, Tommy H. Smith, Dr. Bob Glaze, Ben Glaze, Don Butts, Henry McQueen, W. Henry Holt, Clifford Clark, Bill Varnado, Hollie McClain, E. C. Hamberlin, Maroni Hamberlin.

INTRODUCTION OF LEGISLATION TO SAVE CLASS ACTIONS

(Mr. VANIK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. VANIK. Mr. Speaker, in several recent decisions, the Supreme Court has crippled the Federal class action suit as a remedy for damages to groups of individuals. I am today introducing legislation to restore the effectiveness of the class action remedy.

In 1938, the Congress codified new Federal Rules of Civil Procedure to replace antiquated and cumbersome common law procedures. The 1938 act specifically made the class action suit a remedy in the Federal courts. Yet, the Supreme Court, in its recent decisions, has shackled the Federal class action with needless technical requirements which have made its availability prohibitive to those who need it most.

The class action has traditionally been used as a device to permit recovery of losses to large numbers of people who have each been damaged to some degree—but not damaged enough to warrant the expense of an individual lawsuit. In effect, it has been a remedy for environmentalists, consumers, taxpayers, and any large group of people trying to protect their rights or interests. Judge Weinstein, an early proponent of the class action device, made a strong argument for the accessibility of this remedy:

> When the organization of a modern society such as ours, affords the possibility of illegal behavior accompanied by widespread, diffuse consequences, some procedural means must exist to remedy—or at least deter—that conduct.

The class suit enables individuals with small claims to band together in a more potent suit—and thereby promotes judicial efficiency by consolidating otherwise separate and repetitious actions.

THE EISEN DECISION

Recently, the Supreme Court held that the Federal Rules of Civil Procedure—including rule No. 23's requirement that notice be given to all known members of the class by mail—must be adhered to in class actions. According to the Court in the recent decision of Eisen against Carlisle and Jacquelin, a class action which fails to meet the requirements of proper and full notice, violates due process. In this case, a class action was brought by an individual on behalf of 6.5 million others who had lost an estimated $120 million because of alleged illegal charges in the sale and purchase of odd-lot stock.

In its decision, the Court required that notice of the suit be mailed to all identifiable members of the class. In the Eisen case, the mailing costs alone would have been $270,000. Obviously, this amount would be prohibitive to anyone whose total individual recovery, if he won his suit, would be about $70.

The Eisen decision will severely limit class actions, where the names and addresses of each class member are available. The decision also washes out any deterrent effect that may exist from the fear of a class suit being brought against a law breaker. This unreasonably strict notice requirement virtually gives a green light to monopolies, which deal in items sold in volume, to violate the antitrust laws. The Eisen decision in effect tells polluters, "Go ahead, contaminate the whole water supply of a city. You are safe from class actions because there is no one who can bankroll the mailing of a class action notice to all the people in the city phone book."

Mr. Speaker, the class action must remain as a viable and effective tool for the use of consumers, environmentalists, and the public at large. The barriers to the class actions created by the Eisen decision must be corrected through legislation. In the Eisen case at the appellate court level, the court recognized the need and propriety of congressional action to save the class action. The second circuit court of appeals stated in its decision on Eisen:

> It should be possible for Congress to create some public body to do justice in the matter of consumer claims in such a fashion as to afford relief to the injured consumer.

AN AMENDMENT TO INCREASE THE AVAILABILITY OF THE CLASS ACTION MECHANISM IN FEDERAL CASES

Justice Douglas, in his dissent from the Eisen decision, stresses the overwhelming necessity for the class action as a remedy to widespread breaking of the law. In his opinion, Justice Douglas describes alternatives to the class action management and notice problems which would comply with constitutional requirements. Justice Douglas quotes language from Federal rule 23(c)(4)(B):

> A class may be divided into subclasses and each subclass treated as a class, and the provisions of this rule shall then be construed and applied accordingly.

The breakdown into subclasses can solve the problems of both notice to each member of the class and the distribution of judgments. Douglas said:

> Class members would be more readily identifiable with more accessible transaction records and individually provable damages.

The breakdown into subclasses can be done in a variety of ways, depending on the subject of the suit. In an Eisen situation, for example, the class can be broken down geographically.

All the oddlot purchasers from the New York City area could be a subclass. In addition, when this breakdown is done on a geographic basis, the argument for notice by publication in local newspapers or by advertisements on radio and television are more compelling.

The Douglas dissent also cites the appellate dissent in the Eisen decision:

> The plaintiff class might, for example, be divided into much smaller subclassess . . . of odd-lot buyers for particular periods, and one subclass treated as a test case, with the other subclasses held in abeyance. Individual notice could then be given to all members of the particular small subclass who can easily be identified.

As Douglas states:

> The purpose of Rule 23 is to provide flexibility in the management of class actions, with the trial court taking an active role in the conduct of the litigation.

The Eisen decision is wholly inconsistent with the flexible and equitable spirit of rule 23 of the Federal Rules of Civil Procedure. Therefore, I am today introducing legislation to permit the court to create manageable subclasses to avoid the constitutional problems of inadequate notice described in Eisen. The legislation I propose today would strengthen the legislative purpose of rule 23. The trial court will be permitted to use its discretion and create a subclass before it dismisses a class suit as being unmanageable.

If this amendment is adopted, I hope and trust that the courts will use the device of subclasses to maintain the life and flexibility of the class action remedy. In our increasingly complex society, the class action remedy is the only remedy for thousands and millions of small meritorious claims.

A SECOND BAR TO CLASS ACTIONS: THE $10,000 INDIVIDUAL JURISDICTIONAL LIMITATION

Another adverse Supreme Court decision on class action also involves an area appropriate for congressional action. The Supreme Court has recently ruled that each member of the class must have $10,000 in damages to fulfill the jurisdictional requirements of the Federal courts. This shocking and weakly supported decision of the Court has the effect of destroying the Federal class action as a remedy to, and a deterrence from, widespread and diffuse violations of a large number of people's rights.

Coupled with the Eisen decision, which I have described above, this action by the Supreme Court completes the destruction of the class action remedy. Most consumer and environmental lawyers now feel that, for all practical purposes, the class action remedy no longer exists.

Yet just as the Eisen decision can be remedied by Congress, I believe the $10,-

000 jurisdictional problem can be solved by legislation.

THE HISTORY OF THE JURISDICTIONAL REQUIREMENT

Title 28 of the United States Code, section 1332(a) states:

The District Courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum of $10,000.

Of course, nothing in the Constitution requires that any particular amount be in controversy to invoke the jurisdiction of the Federal courts. In fact, the seventh amendment of the Bill of Rights even guaranteed the right of a jury trial in cases involving more than $20.

In the language of the 1789 Judiciary Act, however, the Congress required that $500 be in controversy before a Federal court could hear a case. From the original $500, the amount has expanded over the years and with inflation to $10,000. The congressional enactment of the dollar requirement has been a means to exercise some control over what cases the Federal courts could hear. Its primary design is to limit Federal courts to important litigation.

Despite the establishment of an apparently simple, exact dollar figure, there has been extensive litigation to determine when the amount has been met in cases involving multiple plaintiffs. The Congress has stayed out of this controversy, leaving it to the Judiciary to handle the court's own mechanical rules of administration. A great body of case law has grown around the controversy of when a damage claim can be aggregated to meet the jurisdictional amount required.

The congressional intention to stay out of the controversy about when the jurisdictional amount was satisfied, was demonstrated by the 1958 amendments to title 28 U.S.C. 1332 (a), when Congress raised the dollar amount to $10,000. The entire time the 1958 amendments were before the House, there was not one word in the committee reports or House debates about the whole complex body of rules by which the courts determine when the jurisdictional amount is met in multiple and aggregate claim cases.

In order to give the Federal courts greater discretion as to the types of claims which could be joined in litigation, rule 23 of the Rules of Federal Civil Procedure was amended in 1966 to eliminate rigid conceptualizations and provide a pragmatic definition of when class actions could be maintained. It should be noted that the 1966 amendments also avoided any mention of the issue of aggregating claims to meet the $10,000 jurisdictional requirement.

Prior to 1966, a class action had to be considered as true, hybrid, or spurious before a decision as to whether damages could be aggregated was made. Only in the case of true class actions where the rights involved were "joint and common" was aggregation permitted. These technical and unworkable distinctions were discarded in the amended rule of 1966. The new rule provided that the entire class is to be bound by the Court's judgment. It seems only logical that if the result cannot vary from one number of the class to another, the amount of damages sought is sought on behalf of the whole class. Obviously, to permit aggregation of claims in these circumstances would be in keeping with the rationale of the $10,000 jurisdictional requirement. There is $10,000 of damages, so the Court is not frittering away its time with the trial of a petty controversy.

The first decision concerning aggregation, after the 1966 amendment was enacted, took the flexible approach and permitted aggregation as the Congress intended. Yet the Supreme Court rejected that reasoning when the Snyder against Harris case came before it in 1967. The Snyder case involved a stockholders derivative action against the management of the corporation. The Court in the Snyder case reinstated the clumsy technicalities the 1966 amendment had sought to discard. The Court ruled that Snyder was not a "true" class action because it did not involve "joint and common" claims. The Court therefore barred aggregation to meet the jurisdictional requirement. This decision ignored the whole purpose of the 1966 amendment and ruled as if it had never been enacted. The Snyder decision clearly contravenes the flexibility the legislative framers of the 1966 amendments intended. If consideration of economy, time, effort, and expense all call for the remedy of the class action, then the denial of that remedy because of an arbitrary $10,000 jurisdictional limit per member of the class subverts the original congressional intent of creating the class action procedure.

The courts have continued picking the meat off the bones of the class action. In the decision of Zahn against International Paper Co.—1973—the Supreme Court dealt a near death blow to the already wounded class remedy. In the Zahn case, owners of lakefront property brought an action against a paper mill whose discharge polluted the lake's water. This pollution injured the value and utility of the surrounding property. The action was dismissed as a class action because only the main plaintiffs met the $10,000 requirement while most of the members of the class had damages of less than $10,000 per individual. Snyder was not even controlling here because in Snyder no member of the class met the $10,000 requirement. But in Zahn, the four leaders of the class met the jurisdictional amount required. Zahn was an extension of the question Snyder left unanswered: What if some, but not all members of the class meet the jurisdictional amount required? The answer was than even principal plaintiffs—who had standing to sue—could not bring a class action on behalf of others who had less than $10,000 in damages.

There is no justification for the Zahn decision. If the named members are eligible for the Federal court's jurisdiction, common claims of the class would be decided and there seems to be no justification for dismissing those class members not suffering the minimum $10,000 damage. The Federal case load arguments of Snyder are inapplicable because the Federal court had jurisdiction over the four named plaintiffs in Zahn and will have to adjudicate their claims anyway. Judicial economy is blatantly thwarted by requiring the common claims to be tried separately. Zahn will also needlessly overburden the State courts with the smaller claims.

The Zahn decision also damages the judicial theory of ancillary jurisdiction. Ancillary jurisdiction provides that if a court has subject matter jurisdiction over the case before it, the Federal court may decide ancillary matters regardless of the amount in controversy or the State citizenship of the parties—conditions which are normally the controlling factors in determining court jurisdiction. Under this theory, once one plaintiff has established the required amount, the court may take ancillary jurisdiction over the other members of the class. The purpose is to provide judicial economy, prevent piecemeal litigation of connected claims and to provide more convenience and equitable justice to the litigants. Zahn results in an increase in Federal and State caseloads by forcing the plaintiffs to bring separate actions in Federal and State courts rather than uniting in one suit in one Federal court.

AMENDMENT TO PERMIT THE AGGREGATION OF DAMAGES

Class actions were born of necessity, with the only limited alternative being redundant litigation of the common issues or a joinder of causes of action. A joinder is the uniting of two or more claims or causes of action into one suit; it generally does not involve enough claims to be called a class action. By using a joinder device, the plaintiffs may risk a motion by the defendants for separate trials. The joinder remedy is also limited by the number of feasible joinders.

The cost of litigants, procedural traps, and the drain on the judiciary make both alternatives intolerable remedies.

The class action is less than perfect. Yet just because the class action remedy is imperfect does not mean we should abandon all remedies. It is true that permission to bring class actions may increase court workload in some instances. This inconvenience, however, does not compare with the alternative—that unless class actions are permitted, a small claimant may be unable to obtain a determination on the alleged violation of his rights.

The legislation I propose would allow class actions to serve their dual purpose of giving the resource-weak individual his day in court and of promoting judicial efficiency, as intended by the 1966 amendments to Federal rule 23. The bill I am introducing today would amend 28 U.S.C.A. 1332(a) to provide that in any case permitted to be maintained as a class action under the Federal Rules of Civil Procedure, the aggregate claims for or against all members of the class shall be regarded as the amount in controversy.

CONCLUSION

Judge Weinstein, an early class action proponent, indicates that—

There are those who will not ignore the irony of the courts ready to imprison a man who steals some goods in interstate com-

merce while unwilling to grant a civil remedy against a corporation which has benefited to the extent of many millions of dollars from collusive illegal pricing of its goods to the public.

The legislation I have introduced today is aimed at restoring the vigor of the class action. Its passage will insure that technical judicial requirements will not bar an individual from having his opportunity to be heard and to seek redress in the courts of law. The Congress has a duty to maintain the vitality of the class action remedy for the American people. At this time in our history, when so many lie vulnerable to the immense economic power of so few, it is unconscionable to remove this one deterrent to abuse of the public. The class action mechanism may be cumbersome, but the absence of the class action will result in no justice at all.

CHILD PRODIGY STILL GOING STRONG

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, a child prodigy, now the holder of an honorary doctor's degree in music from the University of Miami, the composer of 1,100 published songs, for seven decades or more a world renowned composer and concert pianist, is still a very lovely lady, remarkably active and dynamic, living on Miami Beach, Madam Mana-Zucca. When she was 8 years old Madam Mana-Zucca played with the New York Philharmonic in Carnegie Hall. When she was 9½ she played the Chopin Concerto with the Kaltenborn Symphony in New York. Not only has she been a star on Broadway but she has performed all over America. In more recent years, since retiring from the public stage, Madam Mana-Zucca has held many concerts in her lovely home for students of local music teachers, encouraging, and assisting talented young people in the field of music. She can be found supporting every worthy cause in the greater Miami community and she is loved by innumerable admiring friends. A wonderful mother, a charming lady, a musical genius, a woman of great compassion and concern for people. This elegant lady continues to inspire all who know her. She has been my wife's and my friend for decades and we cherish her friendship. All who read the story of Madam Mana-Zucca will be inspired. I ask, therefore, Mr. Speaker, that a recent article in the Sun-Reporter of Miami Beach, Fla., of July 7, 1974, written under the caption, "Hannah's Profile," appear in the RECORD following my remarks:

MANA-ZUCCA: CHILD PRODIGY STILL GOING STRONG

"Young people nowadays are growing up to like bad music. That's all they hear. They don't hear people sing correctly. They hear them shout and yell unintelligible lyrics. The words to a modern song can be 'My hand, my hand, my hand, give me my hand . . .'. Is that a lyric? That's not singing. If they hear a good voice they don't like it because they're used to hearing poor voices from people who don't know notes, they just improvise. They get a double bass to play boomp, boomp, boomp . . . that's their idea of music. All they want is rhythm."

That is Madame Mana-Zucca's definition, dean of piano teachers, a tremendously gifted dynamic little lady with 1100 pulished songs to her credit, recently honored by the University of Miami with a doctorate in music; for seven decades or more world-renowned and respected as a composer and concert pianist. She preaches on key from her personal soap box by Steinway with authority and enthusiasm which could wilt the young folk she is trying to reach with her musical wisdom and erudition.

Not long ago a young musician came to see Man -Zacca and she played one of her newest compositions for him. He said, "Mana, you shouldn't write so melodiously—it isn't being done any more." This sharp little dynamo of the ivories said to the young man, "I have some ultra-modern pieces. Do you want to hear one?" He said, "I'd love to". Mana-Zucca sat down at her concert grand (she has two in her salon) and as she described it: "I played the ugliest dissonances you ever heard". The young man said, "That's magnificent. I didn't know you could write like that". Mana said, "Did you really like it?" He said, "Wonderful". She said, "I just made it up this minute, and I think it is horrible".

Mana-Zucca loves beauty and melody and poetry. She thinks these comprise music. "Maybe I'm old-fashioned", she says, "Just as I don't like to see a face with a nose where the ear should be, with the ear where the mouth is, I don't appreciate what passes for music today."

There has been little dissonance in Mana's life so her sound of music is understandably melodious. She started to play public concerts when she was four years old and when she got an ovation and was asked to play an encore the youngster said, "I'll play a piece by my ear", not even knowing that was composing. "I used to improvise right on the stage", she reminisces. When she was "much older", eight years old to be exact, she played with the New York Philharmonic in Carnegie Hall.

When she was 9½ she played the Chopin Concerto with the Kaltenborn Symphony in New York, and afterwards a distinguished-looking gentleman came over and said, "That was the loveliest playing I ever heard". The little prodigy said, "No, I made a mistake." He said, "I didn't hear a mistake." With the purity of a child's mind she insisted on pointing out her mistake. Finally he said, "You're incorrigible, it's no use. Here's my card and when you grow up maybe you will realize that you only have to say 'thank you'." The name on the man's card was Charles Dana Gibson. While she hasn't forgotten the incident, chances are she still admits to her mistakes. She's that kind of direct, overt personality.

Mana-Zucca's musical genius was recognized, appreciated and cultivated from the time she was three years old. She grew up in an international theatrical fairyland coddled on the laps of notables and prominent personalities of the century while she performed to ecstatic audiences beguiled by this kewpie-doll prodigy.

When it was time for Mana to choose a husband, he was a dashing young merchant prince already an owner of a department store (now Richards). Her gallant groom built a lavish castle for his bride (on what is now the Jordan Marsh parking lot) with a living-room so vast it held two concert grands on a raised platform and still left enough room to seat 300 guests for Mana's Tuesday afternoon musicals. She hosted 525 of these and they became a Miami musical tradition.

In the meantime back in the jungle of Broadway, Sol Hurok, who was Mana-Zucca's manager, had engaged her for a cross-country tour of 60 concerts. Mana had not told him she married Irwin Cassel. Her husband didn't want his love child beating the bushes, barnstorming the wilds of our land for mere money. If she wanted to give concerts he provided a private, luxurious, antique furnished salon with staff. So Mana met Sol Hurok for lunch one day in the Russian Tea Room in New York City and told him to cancel her concerts because she "planned" to be married. Sol Hurok was livid with fury. "How dare she." He stomped out of the tea room and never spoke to Mana-Zucca again almost until the end of his life, and when they met anywhere he pretended he did not know her.

In more recent years, for the last seventeen, Mana-Zucca has held concerts in her home for students of local music teachers. She does this to enable young students to perform for her families and friends. In most instances such programs would not come about since the cost of renting a hall would be prohibitive for them. Mana is not unaware that these children get to know and play her music. It is almost impossible to take a piano lesson without playing a Mana-Zucca piece. Her famous "The Big Brown Bear" and hundreds of other Mana-Zucca compositions are standards in beginners' books.

She is quite matter-of-fact about her prolific production and boasts that while she has 1100 published songs, sonatas, concertos, chamber music pieces, etudes written for piano, violin, flute, recorder, cello, saxophone, ballets and orchestral works, she is holding back 1000 others. "I don't want to crowd myself", she says. "People are doing things I wrote when I was 10, 11, 12, 13, 14, 15 years old.

It is not that she is afraid of running dry. Mana is still knocking them out. This month alone she wrote 4 new songs, 3 piano pieces, and one piece for flute. "I write very quickly", she explains, "unless it's a big work. I took 6 months to write my sonata but 'I Love Life' my best known piece took 25 minutes to compose and ironically is the only one of my songs which was originally turned down by my publisher."

She seems mildly distressed that some people only know her "I Love Life". Maybe it's because there were so many recordings of it. John Charles Thomas made it a hit, and Nelson Eddy, Lawrence Tibbett, Rose Ponselle all made it part of their repertoire.

She ran into a woman at a concert one day who asked her, "Aren't you Mana-Zucca who wrote 'I Love Life'?" Mana said, "Yes, I am". The woman said, "Didn't you ever write anything else?" Mana said "No", unavoidably piqued. "Why don't you?" asked the limited fan. Mana looked her straight in the eye and said, "That's an idea . . . I think I will".

There are others who know her only for "Rachem" which has enjoyed a rebirth in popularity. Mana heard a recording of it recently by the Boston Symphony. She wrote her publisher, "How is it you had 'Rachem' recorded and never told me? It's my composition". The publisher told her they didn't know it had been recorded. They wrote RCA who wrote back saying they thought "Rachem" was in the public domain and that it had been written about the same time as the flip side tune "Eli Eli", in the 15th or 16th century. Mana assured them she is not 400 years old and they graciously paid the royalties.

She comforts herself by remembering that many composers are known by one piece. Rubenstein wrote lovely things, but most people only know his "Melody in F". When she was a little girl she played on the same program with Paderewski and he told her, "People think I've only written the 'Minuet.'" And Rachmaninoff told her he didn't like his "Prelude". He said he would never play it if he didn't have to because he sold it outright and got almost nothing for it.

Sometimes Mana goes to a concert and hears a piece she likes being played and then finds out later that she wrote it. She recalls going to an all-operatic concert by Elda Vittori and liking one of her selections especially. Afterwards when she went backstage to congratulate the artist she asked Miss Vittori "What's the name of the encore you sang? I know I heard it before." Miss Vittori said, "Mana is trying to be funny". It was inconceivable to her that Mana really didn't know it was her own composition, "East and the Glowing West".

Mana's beloved husband has passed on now and she misses him terribly. He wrote the lyrics for her songs, brought breakfast to her bed, was general handyman in the house. "He was an electrician, carpenter, businessman and a specialist in stock investments", Mana recalls longingly. "I can't do anything. He did everything for me. He was a very modest man but he played beautifully the piano and the organ".

Irwin Cassel never ceased being his wife's constant "Stage Door Johnny". It appeared he never got over the excitement of being in the presence of a "star", adored her and served her needs with an awe and reverence. Indeed she misses him very much.

But Mana-Zucca continues her role as the Grande Dame of Music. Her baby blue eyes still twinkling, her cherub smile flashing a perfect set of tiny, pearly, God-made teeth defying what on most people are the ravages of time. She is dainty and fragile-looking and still runs back and forth to her giant Steinway to pound out a musical point, promiscuous with her vitality which like her compositions bounces out like bubbles from a newly-popped bottle of champagne. The little lady is a big talent. She is also an optical illusion. The whipped cream and pleated organdie are laced on a steel spine, with boundless energy and eyesight that can read the Dow-Jones at 50 paces. Her vast productive output plays a melodious refrain on her cash register and she enjoys the sound, a source of satisfaction and achievement, not of economic necessity. And she keeps working.

Mana doesn't choose to waste time going to luncheons. She explains "I don't eat lunch (a pattern she developed to keep her figure the trim, adorable thing it is) and every time I go to a luncheon I say 'I could have written a number instead' ".

When I asked her which of the 110 compositions is her favorite she said "My son, Marwin Cassel. He is one of the most successful attorneys in Miami. He is my best composition". Mana also has three teen-age grandsons and typically she thinks they are the greatest, the best looking and the smartest, but they don't agree with Grandma. When it comes to music, they like Rock 'n Roll.

SPEECH BY DR. MANOLO REYES

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, previously I have put in the RECORD, addresses by the most knowledgable man I know of in respect to Cuban affairs, the Honorable Manolo Reyes, distinguished news reporter on Channel 4, the CBS outlet in Miami. On July 20, Dr. Reyes delivered another one of his able addresses on the situation in Cuba and its relationship to the security of the United States before the Miami Council of the Navy League of the United States. I commend Dr. Reyes' outstanding address to my colleagues and ask that it be inserted in the RECORD following my remarks:

SPEECH BY DR. MANOLO REYES

When the Vietnam War finished the powerful resources of the International Communist machinery propaganda, it moved to another part of the world. This time to the heart of the American Continent: Cuba. And the cry now is: Let us restore diplomatic relations with the Fidel Castro regime.

Why: Because Castro owes to the Soviet Union some five billion dollars and Cuba is mortgaged until the year 2010. Each day Cuba costs almost two million dollars to the Russians. Cuba today is the Vietnam of the Soviet Union and Moscow wished that other nations of the Western World could absorb part of this economic burden—and at the same time for Castro to remain in power to continue their Cuban connection. And we are going to prove tonight that Cuban connection always means aggression.

The aggression produced by the Cuban connection has three aspects: Political, paramilitary and military.

In the first aspect, politically, it is a proven fact that the Cuban connection functions through the group representatives or missions or delegations that the Red regime of Havana can send to another country of the American Continent due to diplomatic relations or the possibility of it.

This will produce exchange of nationals between the two countries. The Castro Regime has trained a number of other nationals and has sent them to their countries to produce agitation, riots, terrorism, etc. The ultimate goal is to take the government of those nations. I have reports that in April of last year an important meeting to organize future guerrilla activities in Africa was held in the old colonial city of Ceiba del Agua, southwest of Havana. The meeting was attended by African guerrillas and U.S. leftists who made up the sixth contingent of the Venceremos Brigade. They arrived in Cuba on March 23 by way of Mexico. There were about 70 Africans finishing their training in Ceiba del Agua.

On July a new military alert was sounded on Portuguese Guinea, a northwestern frontier with Senegal as Army Intelligence reports published in Lisbon pin-pointed fresh concentrations of guerrillas and Cuban advisers at key attack bases.

In the second aspect or para-military, it has been proved particularly in this decade that the Cuban connection has been functioning at full speed to get new nations under the group of International Commission.

The Broadcast of Radio Havana is a constant source of unrest for Latin America and even for the U.S.

When the Juan Jose Torres regime in Bolivia and the Salvador Allende government in Chile were deposed, the Castro regime officially offered their moral and material support to the leftist forces fighting against the new governments.

Hundreds of common criminals and political prisoners have flown to Cuba after being exchanged for the release of diplomats and prominent personalities. Castro sheltered them and has granted protection to hundreds of hijackers and has not returned or prosecuted them. The most recent example happened here in Miami when a commercial plane of a small airline was hijacked and the hijackers demanded millions of dollars. Two million dollars in cash were given to them. They flew to Cuba—Castro pledged he would prosecute them, and the money would be returned.

As far as we know this never happened.

The Cuban connection has been and is still functioning in this kind of aggressions in the urban and rural guerrilla throughout the Western Hemisphere.

The worst and most dangerous of the threats presented by the Cuban connection is the one related with the Soviet Military presence in the Western Hemisphere.

There is no doubt that through his betrayal of the Cuban people, Castro has opened the doors not only of Cuba but of the American Continent to the Soviet Military Invasion.

In 1974 the Soviet Union began flying military reconnaissance missions from the West African nation of Guinea to monitor ships movements on the southern part of the Atlantic. The northern part of the Atlantic is routinely covered by flights from the Russian naval base of Murmansk.

But they need to cover the entire Atlantic because they have parts of the north and south—but the vital center part was not covered. Then they used the Cuban connection. In September 12, 1972 the Russians made the first try from Cuba—they spied on NATO—naval maneuvers—and nothing happened afterwards. So—now they use the Cuban connection to cover all the Atlantic.

Even Red China—apparently encouraged by all of these, is building a naval base at a cost of 20 million dollars in a place called Novakchott—capital of the newly formed state of Mauritania.

Incidentally the new Government of Chile denounced recently that Red China has issued 10 billion dollars in false money, and we have been informed that sources close to the Castro regime know that there is a Cuban connection in this counterfeit money operation. Our reports indicated that Castro has counterfeited one billion dollars and Cuban pesos.

Also—some authorities believe that hard drugs like heroin is brought to the United States from Red China through the Cuban connection.

Going back to the Soviet Military presence, let us say that from July 26, 1969 on, 12 naval squadrons from the Soviet Union have visited Cuba. 1 in 1969, 3 in 1970, 3 in 1971, 2 in 1972, 2 in 1973, and 1 in February of this year with the longest stay of all being almost 4 months.

These Soviet Naval squadrons have brought nuclear submarines with 750 mile range nuclear missiles.

Three quarters of Cienfuegos Bay has been closed to the civil navigation because the Russians have established a naval facility or naval base inside that area.

The Bay of Cienfuegos has been channeled from the entrance to the east side up to a place named O'Bourke and now very heavy ships can enter there. Key Loco in 1974 has become a marine yard. The head is a Soviet commander. Alcatraz Key in Cienfuegos Bay is like a club for the so-called friendly encounters between Russian sailors and soldiers and young Cuban student girls some 16 years of age. The organizer of such encounters is a woman by the name of Dr. Palomo. The Cuban girls are not allowed to go there with relatives. Sisters are not permitted to go together to the encounters.

In Cienfuegos—when Russian ships come with cargo for an assembly plant at Manicaragua—the town ran out of electricity. It was a total blackout. After the cargo is unloaded it goes out on trucks covered by canvas.

The town called Roquito has been connected to a landing field. All the neighbors were taken out of the area. The tunnels for the Russian planes go as far as the Caonao River.

In the Escambray mountains a farm dedicated to Ernesto Guevara—alias el Che—is now a guerrilla training camp. In Nicaro, Oriente, 567 farmers were taken away from Sierra Cristal. Russian ships have been unloading materials carried at a later time to the base of Sierra Cristal. Big boxes covered by canvas were unloaded at night. The only Cuban who has been seen there is Raul Castro in a jeep driven by a Russian soldier with a green fatigue uniform.

No fishing is allowed at the Bays of Nipe or Cienfuegos.

There are evidences that Soviet soldiers in full uniforms are making military maneuvers like landing or repelling landing forces on Cuban coasts. There are eye-witnesses to this among the Cuban exiles.

Finally the most dangerous of the threats posed by the Cuban connection is the alleged presence of Soviet atomic missiles in Cuba.

We the Cubans—and I dare to say that many Americans—believe that the Soviet Union never took away all the missiles in the 1962 crisis. In fact, many believe also that the Russians have placed new ICBM's in Cuba.

We do not have material evidence of this. But we have the moral connection that the missiles are there.

Lately we have received new evidence about it.

We have known that frog-men of the Castro regime have hidden atomic missiles—15 to 20 feet long—in special places. Some of them have been hidden on the northern coast of Oriente.

To accomplish this the frog-men entered at the bottom of the cliffs in underwater channels. When they come out they are in a natural lake from 100 to 500 meters wide.

The ceiling was the mountain itself. A group of those frog-men put an undisclosed number of those missiles with special devices—floating in that lake.

This is the Cuban connection. This is the way the Cuban connection functions as a powerful stronghold for communism in the Western Hemisphere. It has opened the door for communism in the American Continent and is maintaining it.

The Cuban connection in the political aspect is subversive.

The Cuban connection in the para-military aspect is seditious.

The Cuban connection in the military aspect is surreptitious.

And as a whole—the Cuban connection always means aggression. So . . . the only way to end this threat to the peace and security of the Hemisphere is to cut off the umbilical cord in the Americas: called the Cuban Connection.

CONSERVING ENERGY

(Mr. MILLER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILLER. Mr. Speaker, as the temperature and humidity levels hit the 90-percent mark in many areas of the Nation, the long lines at gas stations and the lowered thermostats of last winter seem a distant memory. Nevertheless, our energy problems are no less real today than they were in February.

With this in mind, each citizen should continue to do his utmost to conserve energy. The 55-mile-per-hour speed limit on our superhighways has proven to be a great saver of gasoline. An added bonus has been a very significant drop in the number of lives lost on the highways. But I am sure that anyone who has ventured out on the interstates of late has noticed that once again the heavy foot on the accelerator is becoming prevalent. I would hope that the American public would once again begin to exercise the tremendous voluntary restraint that was shown last winter. By so doing, we will be saving vital energy.

While the public is doing its part to conserve energy, Congress must continue to work on developing new sources of power. To some extent the Congress has already begun on this project. The groundwork has been laid for expansion into the fields of solar and geothermal energy on a serious basis. The value of our underexploited energy sources such as coal is also now well known. It remains to be seen if Congress can provide the leadership to coordinate and develop these diverse but crucial sources of energy.

As we continue to work together on solutions to our energy problems, we must be wary of jumping at what appear to be instant answers to these problems. A case in point is the hastily passed Daylight Saving Act of last December. In retrospect, it can be seen that this was an ill-conceived piece of legislation.

Those Members who voted in favor of it did so because it was necessary to "do something" about our energy problems. In fact, statistics have shown that there has been no appreciable savings. However, as we all know, the change in the arrival of daylight on winter mornings has been a legitimate cause of great concern to all parents of schoolchildren.

Now, in the heat of the summer with children out of school, would be the opportune time to act to repeal this ill-conceived legislation rather than waiting until December when emotions once again will be stirred. This is a point well worth considering as Congress and the public move forward together on achieving a greater level of self-sufficiency in energy for the country.

PERSONAL ANNOUNCEMENT

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I insert at this point in the RECORD a statement regarding two recorded votes I missed on July 15, 1974, and an indication of how I would have voted had I been present.

I refer to the following two recorded votes:

Rollcall No. 379, a motion to suspend the rules and pass H.R. 14494, to amend the Federal Property and Administrative Services Act of 1949, and other statutes to increase to $10,000 the maximum amount eligible for use of simplified procedures in procurement of property and services by the Government. The motion was carried 316 to 0, and the bill was passed. I was paired for this motion and had I been present, would have voted in favor of it.

Rollcall No. 380, a motion to suspend the rules and agree to the Senate amendment to House Concurrent Resolution 559, to provide additional copies of hearings and the final report of the Judiciary Committee on the impeachment inquiry. The motion was rejected 197 to 169, and the resolution failed to pass. I was paired for this motion and had I been present, would have voted in favor of it.

Mr. Speaker, I also insert in the RECORD a statement regarding one recorded vote I missed on July 22, 1974, and an indication of how I would have voted had I been present.

Rollcall No. 397, a motion to limit to 20 minutes the remaining debate on the Hosmer substitute and the Mink substitute and all perfecting amendments to section 201 of the strip mining control bill, setting forth interim regulatory procedures for the control of the environmental impact of surface mining. The motion was rejected 150 to 233. Had I been present, I would have voted "no."

EMPLOYERS CAN CURB RUDENESS IN MEDIA

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, I feel that the column written by Mrs. Virginia Weldon Kelly, which appeared on the op-ed page of the Long Beach, Calif., newspapers, The Independent and Press-Telegram, of July 8, 1974, merits the attention of my colleagues.

Throughout the 28 years Mrs. Kelly has been a respected Washington correspondent, she has been a student of the processes of Congress and the other branches of Government, the Constitution, American history, and the free enterprise system, especially in reference to the economy and monetary matters. She believes strongly in the great freedoms guaranteed under the Constitution, and she is aware that these freedoms carry equally grave responsibilities, not only for the media, but for every citizen. She has respect for human dignity and the worth of each individual which our Founding Fathers set forth for us, and which are basic to the American way of life.

Virginia Kelly was born on a great river, the Tennessee, and her family homes were at Paris Landing and Paris, Tenn. The circumstances of her life have taken her to many places in this country and abroad since she married Rear Adm. Thomas J. Kelly, USN, retired. The Kellys have many friends among distinguished persons at home and abroad, but Virginia's deepest devotion is reserved for Americans, especially the poor and handicapped of all races, the aged, widows, and orphans.

Her article follows:

[From the Long Beach (Calif.) Independent and Press-Telegram, July 8, 1974]

EMPLOYERS CAN CURB RUDENESS IN MEDIA

(By Virginia Kelly)

Many thoughtful Americans complain to reporters of the rudeness of some members of the media at televised press conferences with President Nixon, Secretary of State Kissinger, and others in government.

Reporters as asked—as if they had the wisdom of Solomon—why some of the Washington based media are this way, how the situation has arisen, and what can be done about it. News leaks are also frequently discussed.

The persons who ask these questions of friends in the press are only a small percentage of angry citizens who are bombarding the TV networks, ABC, CBS, and NBC, with red-hot letters. Although all networks have received letters of commendation, NBC and CBS have kept comparative records. Their mail shows that on nearly a 2-1 ratio, the networks are accused of pro-liberal bias. Nielsen ratings show that news viewers in one

year have declined by one million. The network officials are worried.

The late Speaker of the House Sam Rayburn of Texas said, "Television is responsible for much rudeness. Some reporters, anxious to become nationally known, cease to be reporters and become performers."

It is obvious that employers can curb repeated rudeness by setting standards of conduct. If this is not done, the public will assume that the employer approves of the tactics of the reporter. In the final analysis, the public is the arbiter and can show its displeasure by ceasing to listen to disliked programs or by writing to newspapers to protest editorial policies or the vitriolic of some columnists. People seldom complain about straight news reporting.

Direct rudeness in addressing the President and others in government has intensified with the television era. But in their reporting, newspapers today are paragons of courtesy compared to the press treatment given Presidents Washington, Jefferson, Jackson, Lincoln and others in the early days of our Republic.

In defense of the many hundreds of dignified members of the media in Washington, the public should remember that there are all shapes, sizes, ages, levels of intelligence and background of reporters who work for every type of newspaper, magazine, radio, or television program and the networks.

Shakespeare expressed the situation when he asked, "Upon what meat doth this our Caesar feed, that he has grown so great?" For more than a hundred years, and more so than in any other national capital or any other city, media members in Washington have enjoyed greater prestige and privilege than any journalists. They hobnob with members of Congress, they have access to the press conferences of the President and other governmental notables. If they are television commentators, they are frequently courted and cosseted by the famous.

President Theodore Roosevelt was the first to order a White House room set aside for reporters. President Woodrow Wilson believed in press conferences. Soon after he was inaugurated, he said, "A large part of the success of public affairs depends on the newspapermen . . . because the news is the atmosphere of public affairs." Austere and remote, he could not adjust to press conferences and had increasingly bad relations with the press.

President Harding (who had been a newspaperman) was unable to cope with spoken questions. He decreed that questions be written and submitted in advance.

President Coolidge was available for press conferences, and was moderately articulate, but reporters said his remarks lacked substance. They ridiculed his readiness to wear anything for press photographs, including an Indian chief's war bonnet and a 10-gallon hat.

There have been leaks to members of the media throughout the history of this country. Several Presidents, including Franklin D. Roosevelt, directed their aides to pass along information to friends in the media.

Herbert H. Hoover was secretary of Commerce from 1921–1928 in the Harding and Coolidge Administrations. He had great rapport with the press and often leaked interesting events to help gain support for his innovative ideas.

Some of the consummate artists of leaks have been secretaries of state and defense, ranking military men, many in presidential administrations, and in Congress.

In a CBS commentary, Eric Severeid said Secretary of State Kissinger has "selectively leaked confidential documents to trusted journalists."

Reporters get "tips" or leaks, as they are now called, from all kinds of people—members of Congress, their staffs, committee staffs, and people on every level high and low in government, and out of it. Reporters usually start probing and digging to corroborate the information or to get further information. Good investigative reporters are in the Sherlock Holmes class. One piece of information leads to another until a jigsaw puzzle is assembled. It is routine for the subject of a leak to be given the chance to set the record straight before publication.

In many instances, those who give these tips or leaks are sincerely motivated. They believe actions are being taken harmful to the national welfare. In some cases, the leaker has a grudge against his or her employer. Sometimes, officials want to help favored reporters.

The House Judiciary Committee has a secrecy rule in its proceedings on impeachment, but it is not enforceable and there have been leaks.

In the case of grand jury proceedings, grand juors and attorneys can be held accountable by law if they reveal information.

In his first inaugural address, Jefferson said freedom of religion, freedom of persons under habeas corpus, trial by jury, and freedom of the press "form the bright constellation which has gone before us, and guided our steps through an age of revolution and reformation."

It is serious if, in our own era, a large segment of the public is becoming disillusioned by some of the media.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CARTER (at the request of Mr. NATCHER), for the week of July 29, on account of illness in the family.

Mrs. CHISHOLM (at the request of Mr. O'NEILL), for this week, on account of illness.

Mr. GUYER (at the request of Mr. RHODES), for tomorrow, July 30, on account of official business.

Mrs. HANSEN of Washington (at the request of Mr. O'NEILL), for this week, on account of official business.

Mr. YOUNG of Alaska (at the request of Mr. RHODES), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 10 minutes, today; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. HINSHAW) to revise and extend their remarks and include extraneous material:)

Mr. EDWARDS of Alabama, for 5 minutes, today.

Mr. COLLINS of Texas, for 15 minutes, today.

Mr. CLEVELAND, for 10 minutes, today.

Mr. WHALEN, for 15 minutes, July 30, 1974.

Mr. DERWINSKI, for 10 minutes, today.

Mr. CRANE, for 5 minutes, today.

Mr. HOGAN, for 15 minutes, today.

(The following Members (at the request of Mrs. SCHROEDER) to revise and extend their remarks, and to include extraneous matter:)

Mr. DIGGS, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. WOLFF, for 5 minutes, today.

Mr. HENDERSON, for 15 minutes, today.

Mr. HARRINGTON, for 5 minutes, today.

Mr. HAYS, for 5 minutes, today.

Mr. O'NEILL, for 5 minutes, today.

Mr. STRATTON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PRICE of Illinois, and to include extraneous matter, on the conference report on H.R. 14592.

Mr. GUDE to extend his remarks on H.R. 15643 and include extraneous matter.

(The following Members (at the request of Mr. HINSHAW) and to include extraneous matter:)

Mr. HANRAHAN in two instances.

Mr. BIESTER.

Mr. PEYSER in five instances.

Mr. SHUSTER.

Mr. WYMAN in two instances.

Mr. BELL in two instances.

Mr. DENNIS.

Mr. QUIE.

Mr. LANDGREBE.

Mr. FORSYTHE in two instances.

Mr. BROYHILL of Virginia.

Mr. WALSH.

Mr. DERWINSKI in two instances.

Mr. MIZELL in five instances.

Mr. ARMSTRONG.

Mr. GILMAN.

Mr. CRANE in five instances.

Mr. BAKER in two instances.

Mr. MICHEL in five instances.

Mr. PRICE of Texas.

(The following Members (at the request of Mrs. SCHROEDER) and to include extraneous material:)

Mr. CAREY of New York.

Mr. YATRON.

Mr. GONZALEZ in three instances.

Mr. ASPIN in 10 instance.

Ms. HOLTZMAN in 10 instances.

Mr. PASSMAN.

Mr. RARICK in three instances.

Mr. ANNUNZIO in six instances.

Mr. ANDERSON of California in two instances.

Mr. DULSKI in five instances.

Mrs. MINK in two instances.

Mr. JONES of Oklahoma in two instances.

Mr. MOSS.

Mr. MCSPADDEN.

Mr. ICHORD.

Mr. ROSENTHAL in five instances.

Mr. RANGEL in 15 instances.

Mr. VANIK in two instances.

Mr. BENNETT.

Mr. MILFORD in five instances.

Mr. LEHMAN in 10 instances.

Mr. ROGERS.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 754. An act to give effect to the sixth amendment right to a speedy trial for persons charged with criminal offenses and to reduce the danger of recidivism by strengthening the supervision over persons released pending trial, and for other purposes; to the Committee and the Judiciary.

ADJOURNMENT

Mrs. SCHROEDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock p.m.), the House adjourned until tomorrow, Tuesday, July 30, 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:

2595. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend section 6082 of title 10, United States Code, to provide for the use of margarine as part of the Navy ration; to the Committee on Armed Services.

2596. A letter from the Commissioner of the District of Columbia, transmitting a draft of proposed legislation to amend the act entitled "An Act to establish a District of Columbia Armory Board, and for other purposes," and the District of Columbia Stadium Act of 1957; to the Committee on the District of Columbia.

2597. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 74–23 releasing Israel from its repayment obligations under the Emergency Security Assistance Act of 1973; to the Committee on Foreign Affairs.

2598. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 74–26 authorizing the provision of security supporting assistance to Egypt in fiscal year 1975; to the Committee on Foreign Affairs.

2599. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket Nos. 146, *Citizen Band of Potawatomi Indians*, et al., Nos. 15–M, *the Prairie Band of the Potawatomi Tribe of Indians*, et al., and No. 29–K, *Hannahville Indian Community*, et al., and the *Potawatomi Indians of Indiana and Michigan, Inc.*, et al. (Intervenors in docket No. 29–K), plaintiffs, v. *the United States of America*, defendant, pursuant to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

2600. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket No. 221–B, *Chippewa Cree Tribe of the Rocky Boy's Reservation, Mont., Joe Corcoran, on behalf of the Chippewa Cree Tribe Blanche Patenaude, Joseph Richard, Joseph Gooselain, John B. Slayter, Wm. John Delorme, William Trottier, on behalf of the Little Shell Band of Indians and the Chippewa Cree Tribe*, plaintiffs, v. *the United States of America*, defendant, pursuant to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

2601. A letter from the Chairman, Federal Power Commission, transmitting a copy of volume IV of the National Gas Survey, entitled "Distribution Task Force Reports"; to the Committee on Interstate and Foreign Commerce.

2602. A letter from the Chairman, National Transportation Safety Board, transmitting the 1973d annual report of the Board, pursuant to the Department of Transportation Act of 1966 (49 U.S.C. 1954(g)); to the Committee on Interstate and Foreign Commerce.

2603. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a determination of the Acting Secretary of State that it is in the national interest not to transfer to the account established in the Treasury pursuant to section 7(c) of the Fishermen's Protective Act of 1967, as amended, funds from the Foreign Assistance Act of 1961 programed for Panama, equal to the amount paid to the owner of the U.S. flag fishing vessel *Raffaello* seized by Panama on April 17, 1974, pursuant to 22 U.S.C. 1975(b); to the Committee on Merchant Marine and Fisheries.

2604. A letter from the Acting Secretary of the Army, transmitting a progress report on the national program of inspection of dams authorized by Public Law 92–367, pursuant to section 5 of the act; to the Committee on Public Works.

2605. A letter from the Acting Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, submitting a report on west Texas and eastern New Mexico water import project; to the Committee on Public Works.

RECEIVED FROM THE COMPTROLLER GENERAL

2606. A letter from the Comptroller General of the United States, transmitting a report on effectiveness and administration of military retention incentives; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 566. Concurrent resolution to provide additional copies of hearings and the final report of the Judiciary Committee on the impeachment inquiry. (Rept. No. 93–1228). Referred to the House Calendar.

Mr. TEAGUE. Committee on Veterans' Affairs. H.R. 10212. A bill to designate the Veterans' Administration hospital in Columbia, Mo., as the "Harry S Truman Memorial Veterans' Hospital", and for other purposes. (Rept. No. 93–1229). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Veterans' Affairs. H.R. 12367. A bill to amend title 38 of the United States Code to correct an inequity in the law relating to the provision of adaptive equipment for automobiles used by disabled veterans and servicemen. (Rept. No. 93–1230). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Veterans' Affairs. H.R. 13377. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II. (Rept. No. 93–1231). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Veterans' Affairs. H.R. 15912. A bill to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans, and for other purposes; with amendment (Rept. No. 93–1232). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 16142. A bill to provide for the acquisition, investigation, and preservation of lands to commemorate America's more than 200 years of colonial history by constituting the Colonial Frontiers National Memorial and to preserve ecologically important areas included therein; to the Committee on Interior and Insular Affairs.

By Mr. BROWN of California:

H.R. 16143. A bill to authorize bank protection works on the Santa Ana River at Norco, Calif.; to the Committee on Public Works.

By Mr. BURKE of Massachusetts:

H.R. 16144. A bill to amend title XVI of the Social Security Act to provide for an exclusion from resources of an amount deposited as prepayment of funeral and burial expenses; to the Committee on Ways and Means.

By Mr. FREY (for himself and Mr. ASPIN):

H.R. 16145. A bill to provide for a uniform application of safety standards for mobile homes and recreational vehicles in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FULTON (for himself and Mr. DUNCAN):

H.R. 16146. A bill to exempt from Federal income taxation certain nonprofit corporations all of whose members are tax-exempt credit unions; to the Committee on Ways and Means.

By Mr. MOORHEAD of Pennsylvania:

H.R. 16147. A bill to amend the Urban Mass Transportation Act of 1964 to encourage urban transportation planning, to authorize additional funds for grants and other assistance to urban mass transportation, and for other purposes; to the Committee on Banking and Currency.

By Mr. PATMAN (for himself, Mr. BREAUX, Mr. COUGHLIN, Mr. HUNGATE, Mr. MILLS, Mrs. MINK, Mr. PRICE of Illinois, Mr. SCHERLE, and Mr. STEELMAN):

H.R. 16148. 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. STEPHENS (for himself and Mr. BRINKLEY):

H.R. 16149. A bill to authorize and direct the Secretary of the Army to convey to the Board of Regents of the University System of Georgia certain lands of the United States in Augusta, Ga.; to the Committee on Armed Services.

By Mr. VANDER VEEN (for himself, Ms. ABZUG, Mr. BADILLO, Mr. BLATNIK, Mr. BROWN of California, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. DELLUMS, Mr. DIGGS, Mr. DINGELL, Mr. DRINAN, Mr. DULSKI, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FRASER, Mr. GREEN of Pennsylvania, Mr. HARRINGTON, Mr. HAWKINS, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. HICKS, Mr. KOCH, Mr. LEGGETT, Mr. MEEDS, and Mr. MITCHELL of Maryland):

H.R. 16150. A bill to amend the Comprehensive Employment and Training Act of 1973 to establish a public employment program for areas of severe unemployment; to the Committee on Education and Labor.

By Mr. VANDER VEEN (for himself, Mr. MOAKLEY, Mr. NEDZI, Mr. PODELL, Mr. REES, Mr. REUSS, Mr. RODINO, Mr. ROYBAL, Mr. SEIBERLING, Mr. JAMES V. STANTON, Mr. STARK, Mr. STOKES, Mr. TIERNAN, and Mr. WON PAT):

H.R. 16151. A bill to amend the Comprehensive Employment and Training Act of 1973 to establish a public employment program for areas of severe unemployment; to the Committee on Education and Labor.

By Mr. VANIK:

H.R. 16152. A bill to amend title 28 of the United States Code to permit the cumulation of amounts in controversy as between members of a class for the purposes of United States district court jurisdiction in class actions; to the Committee on the Judiciary.

H.R. 16153. A bill to amend title 28 of the United States Code to increase the availability of the class action mechanism in Federal cases by permitting the creation of manageable subclasses; to the Committee on the Judiciary.

By Mr. WOLFF:

H.R. 16154. A bill to amend the Noise Control Act of 1972 and the Federal Aviation Act of 1958 to provide that the Administrator of the Environmental Protection Agency shall prescribe standards for the control and abatement of aircraft noise and sonic boom; to the Committee on Interstate and Foreign Commerce.

By Mr. ARMSTRONG (for himself and Mr. MONTGOMERY):

H.R. 16155. A bill to amend section 615 (a) of title 10, United States Code, relating to required service of members of the Armed Forces; to the Committee on Armed Services.

By Mr. CONTE (for himself, Mr. BOLAND, Ms. ABZUG, Mr. HARRINGTON, and Mr. COLLINS of Illinois):

H.R. 16156. A bill to obtain adequate information essential to the decisions of the Congress; to the Joint Committee on Atomic Energy.

By Mr. GILMAN:

H.R. 16157. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. LUKEN:

H.R. 16158. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

H.R. 16159. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

By Mr. MITCHELL of Maryland (for himself, Mr. BADILLO, Mr. TIERNAN, Mr. KEMP, Mr. HAWKINS, Mr. DELLUMS, Mr. HELSTOSKI, Mr. LONG of Maryland, Mr. MOAKLEY, Mr. STARK, Mr. YOUNG of Georgia, Mr. CONYERS, Mr. FAUNTROY, Mr. RANGEL, Mrs. COLLINS of Illinois, Ms. ABZUG, and Mr. STOKES):

H.R. 16160. A bill to limit the use of prison inmates in medical research; to the Committee on the Judiciary.

By Mr. PRICE of Texas:

H.R. 16161. A bill to provide tax incentives to encourage physicians, dentists, and optometrists to practice in physician shortage areas; to the Committee on Ways and Means.

By Mr. CLEVELAND:

H.J. Res. 1100. Joint resolution proposing an amendment to the Constitution of the United States relating to the ratification of treaties; to the Committee on the Judiciary.

By Mr. CRONIN (for himself, Mr. BAFALIS, Mr. YATRON, Mr. GILMAN, and Mr. KYROS):

H.J. Res 1101. Joint resolution congratulating the Greek democracy on its efforts to achieve domestic peace and unity; to the Committee on Foreign Affairs.

By Mr. ANDERSON of California:

H. Res. 1273. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on Foreign Affairs.

By Mr. ANDERSON of Illinois (for himself and Mr. STEIGER of Wisconsin):

H. Res. 1274. Resolution providing for radio and television broadcast coverage of proceedings in the Chamber of the House of Representatives on any resolution to impeach the President of the United States during the 93d Congress; to the Committee on Rules.

By Mr. CRONIN:

H. Res. 1275. Resolution calling for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy; to the Committee on Banking and Currency.

By Mr. GUDE (for himself, Mr. FRASER, Mr. BADILLO, Mr. ADDABBO, Mr. WALDIE, Mr. HELSTOSKI, Mr. BOLAND, Mr. CORMAN, Mr. ROSENTHAL, Mr. MOAKLEY, Mr. LEHMAN, Mr. FAUNTROY, Mr. WON PAT, Mr. ANDERSON OF Illinois, Mrs. COLLINS of Illinois, and Mr. RIEGLE):

H. Res. 1276. Resolution expressing the sense of the House that the U.S. Government should seek agreement with other members of the United Nations on prohibition of weather modification activity as a weapon of war; to the Committee on Foreign Affairs.

By Mr. HALEY:

H. Res. 1277. Resolution calling for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy; to the Committee on Banking and Currency.

By Mr. SHOUP:

H. Res. 1278. Resolution to create a Select Committee on Aging; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. CONTE introduced a bill (H.R. 16162) for the relief of Smith College, Northhampton, Mass., which was referred to the Committee on Ways and Means.

PETITIONS, ETC.

Under clause 1 of rule XXII,

464. The SPEAKER presented a petition of the Western Conference of the Council on State Governments, Salem, Oreg., relative to Federal-aid highways, which was referred to the Committee on Public Works.

EXTENSIONS OF REMARKS

JAMES A. FARLEY

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1974

Mr. CAREY of New York. Mr. Speaker, last week's issue of the Irish Echo offered its readers an interesting article regarding a special friend of mine—James A. Farley.

James Farley's life, as many of you know, has been a most rewarding one and certainly one which has brought much joy into the lives of those fortunate enough to call him a friend. He is always there with a kind word, a joke, and his tremendous insight into people and problems.

In light of the special qualities of James A. Farley, I would like to take this opportunity to include for the benefit of my colleagues the article which recently appeared in the Irish Echo—another fine tribute to a man who deserves special praise.

The article follows:

JAMES A. FARLEY: ELDER STATESMAN

(By Joe Murphy)

One of the nicer tints brightening the political spectrum during recent years is the universal admiration and affection exhibited toward James A. Farley, a professional who has been to the wars without losing his integrity or his self respect. Although he scrupulously shuns donning the toga of an Elder Statesman, audiences, especially those of a Democratic Party tinge, seem intent on communicating their vast esteem for him at every opportunity. He is still much too vigorous to hold still for the wise man role, but people seem dedicated to placing him in a niche removed from the less seemly facets of public life.

James Aloysius Farley was born in Grassy Point, New York, in 1888. Jim recalls that when he went to visit his father's people, in a town called Verplanck's Point, only a few miles away, he couldn't understand why all the Irish there were Republicans. He said: "I couldn't understand how an Irishman could be a Republican because in the community where I was born and raised all the Catholics were Democrats. As a matter of fact, in Grassy Point we had difficulty finding enough Republicans to man the election boards."

Jim says he eventually learned that a Peekskill politician was helping the Irish get jobs in the local brickyard and enrolling them in the Republican Party. As Jim says, the Irish largely voted as a bloc in the interests of self protection, but they also sought the protective coloration of the dominant party. "In Boston," Jim says, "they became Democrats because there were Democrats in Boston. But in Philadelphia politics was dominated by the Republicans, and in a large measure they became Republicans."

CAREER BEGINNINGS

Jim began his political career by getting himself elected district committeeman. Then, he was elected chairman, secretary and treasurer of the town committee, all three positions at once, when the other two members of the committee were at odds and couldn't agree, he recalls. "So I started from there and I was elected town clerk and served eight years. Finally, supervisor. Went to the New York State Assembly one year, and now you know the rest of it."

"The rest of it" is one of America's great success stories: Jim became head of the New York State Democratic Committee in 1930, and two years later successfully pushed the presidential nomination of Franklin Delano Roosevelt. Becoming chairman of the National Committee, Farley managed F.D.R.'s presidential campaign with equal success and landed up in the cabinet as Postmaster General. He dropped out to mastermind Roosevelt's 1936 campaign after which he stepped back into his old cabinet job. By