

with approval of the majority leader—that on Saturday, immediately following the recognition of the two leaders under the standing order, the Senate proceed to the consideration of the bill making appropriations for public works, H.R. 10090, and under the same conditions as were stipulated with respect to the agreement on H.R. 10061 as to cloture or other pending business—the time for debate on the bill and amendments thereto already having been agreed to under a previous order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement reads as follows:

Ordered, That effective on Friday, July 30, 1971, at 11 a.m., whether or not cloture has been invoked on S. 2308, or whether there is any other business pending before the Senate, it shall be put aside and the Senate proceed to the consideration of H.R. 10061, Labor, HEW Appropriations Bill, with time for debate on the bill to be limited to 3 hours to be equally divided and controlled by the Majority and Minority Leaders or their designees and that debate on any amendment to the bill, except committee amendments which shall come out of the time on the bill, be limited to 1 hour to be equally divided and controlled by the mover of the amendment and the manager of the bill.

Provided further, That time for debate of the bill may be yielded by the persons in control of the time on any pending amendment, motion or appeal, except a motion to lay on the table.

Ordered further, That, effective on Saturday, July 31, 1971, after the recognition of the two leaders, and under the same conditions stipulated above under the agreement on H.R. 10061, as to cloture or other pending business, the Senate proceed to the consideration of H.R. 10090, Public Works Appropriation Bill, with the time for debate on the bill to be limited to 1 hour to be equally divided and controlled by the Senator from Mississippi (Mr. STENNIS) and the Senator from North Dakota (Mr. YOUNG).

Provided, That debate on any amendment, except committee amendments on which time from the bill may be yielded, be limited

to 30 minutes to be equally divided and controlled by the mover of the amendment and the manager of the bill (Mr. STENNIS).

PROGRAM

Mr. BYRD of West Virginia. Mr. President, the program for tomorrow is as follows, as well as I can state it at this point:

The Senate will convene at 9:30 a.m. Immediately following the recognition of the two leaders under the standing order, the distinguished junior Senator from Texas (Mr. BENTSEN) will be recognized for not to exceed 15 minutes, following which the distinguished junior Senator from Missouri (Mr. EAGLETON) will be recognized for not to exceed 15 minutes, upon the conclusion of which the Senate will resume its consideration of the pending business. The pending question at that time will be the Stevenson amendment, No. 317, to S. 2308. Debate on that amendment will be limited, under the agreement, to 30 minutes, to be equally divided, following which there will be a yeas-and-nays vote on the amendment, the yeas and nays already having been ordered. That vote will occur at about 10:30 a.m.

Upon the disposition of the Stevenson amendment, the Senate will proceed to the consideration of the amendment No. 334 by the distinguished junior Senator from Indiana (Mr. BAYH), the final disposition of which will not occur until sometime later in the day.

At 11 a.m. tomorrow, time under rule XXII will begin running on the motion to invoke cloture. That time will be limited under the rule to 1 hour, at the close of which the Senate will proceed to an automatic quorum call.

Upon the establishment of a quorum, the Senate will proceed to a mandatory rollcall vote on the motion to invoke cloture. That vote will come about 12:15 p.m.

Under the order previously entered, following the vote on the cloture mo-

tion, S. 2308 will be laid aside temporarily and the Senate will proceed to debate the amendment to be offered by the distinguished Senator from Massachusetts (Mr. KENNEDY) and the distinguished Senator from Oklahoma (Mr. HARRIS) to the sugar quota bill. There will be one half hour on that amendment, to be equally divided, following which there will be a vote.

Mr. President, it is my understanding, with respect to the discussion that was had, that the vote will come on the amendment, that a tabling motion will be in order, and that following the disposition of the amendment, there will be a vote on final passage of the sugar quota bill.

After the sugar quota bill is disposed of, the Senate will resume consideration of the Bayh amendment to S. 2308.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. BYRD of West Virginia. When the Senate completes its business on tomorrow, it will stand in adjournment until 9 a.m. on Thursday.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and (at 9 o'clock and 55 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, July 28, 1971, at 9:30 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate July 27—legislative day of July 26, 1971:

DEPARTMENT OF THE INTERIOR

John W. Larson, of California, to be an Assistant Secretary of the Interior.

EXTENSIONS OF REMARKS

SUPPORT FOR THE FUNCTIONING OF THE EMPLOYMENT GUIDANCE CENTER, JUNEAU, ALASKA

HON. NICK BEGICH

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BEGICH. Mr. Speaker, I recently received a copy of a resolution passed by the city and borough of Juneau, Alaska, requesting continuing support for the functioning of the Employment Guidance Center.

This issue is of particular importance to the people of southeast Alaska and the Juneau area because of the high unemployment problem. This center was organized to have a direct and lasting impact on hard-core unemployment of this area. Since there are no services of this type in Juneau, this center is most important. Last year this center did, in fact, reach a major portion of the area's poorer citizens, and it would be a devas-

tating blow to the city and borough of Juneau if it did not receive continuing support.

As you can well understand, Mr. Speaker, continued support is urgently needed and I am including into the RECORD a copy of the resolution for your consideration:

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA, SERIAL No. 59

A resolution requesting cooperation from the United States Department of Labor and the Alaska State Department of Labor in the functioning of the Employment Guidance Center

Whereas, under the First Year Action Program of Model Cities an Employment Guidance Center was developed; and

Whereas, such Center was organized to have a direct impact on hard core unemployment through use of an employability team located in a satellite center with outreach capacity; and

Whereas, such Center also provided personalized follow-up service with employers and employees after placement to maintain acceptable employment; and

Whereas, a major goal of the Center is crea-

tion of institutional changes by working within existing frameworks to demonstrate that such an approach does in fact work, thus leading to incorporation of this approach within the official agencies charged with responsibilities for employment; and

Whereas, such services are not provided by existing agencies; and

Whereas, cooperation, both financial and administrative, with the State and Federal Departments of Labor is necessary to reach these goals; and

Whereas, during the First Action Year financial contributions were received both from the United States Department of Labor and the Alaska State Department of Labor together with the cooperation of such Departments in the program; and

Whereas, no commitments to continuing support of this project have been received from either the Alaska State Department of Labor or the United States Department of Labor.

Now, therefore, be it resolved that the Assembly of the City and borough of Juneau, Alaska urgently requests support from the United States Department of Labor and the Alaska State Department of Labor for this program which is intended to reach, and has in fact reached, a major element of continued poverty.

RECONFIRMATION OF FEDERAL
JUDGES

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 27, 1971

Mr. BYRD of Virginia. Mr. President, the Alabama Legislature, by joint resolution, Senate Joint Resolution 42, has endorsed legislation which I have introduced that would require reconfirmation of Federal judges every 8 years. Now, they are appointed for life and are accountable to no one.

The text of the resolution makes many excellent points concerning the usurpation of power by the Federal judiciary, and the need for making Federal judges more responsive to the people.

I ask unanimous consent that the text of the resolution adopted by the Alabama Legislature be printed in the Extensions of Remarks.

I ask unanimous consent, too, that the distinguished Senator from Alabama (Mr. ALLEN) be listed as a cosponsor of Senate Joint Resolution 106, an amendment to the U.S. Constitution requiring reconfirmation of Federal judges.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution of the Alabama Legislature, ordered to be printed in the RECORD, is as follows:

SENATE JOINT RESOLUTION 42, ENDORSING THE
PROPOSAL OF SENATOR HARRY F. BYRD, JR.
TO REQUIRE THE RECONFIRMATION OF FEDERAL
JUDGES AT REGULAR INTERVALS

Whereas Senator Harry F. Byrd, Jr., of Virginia has introduced in the Congress of the United States a proposal to amend the United States Constitution to require all Federal judges to be reconfirmed by the United States Senate every eight years; and

Whereas when our Founding Fathers created our Government, they provided separate legislative, executive and judicial branches in order to establish a system of checks and balances and to prevent the domination of governmental affairs by any one single branch; and

Whereas, because it was thought that the judicial branch of government would be the weakest of the three branches, provision was made for justices of the Supreme Court of the United States and the judges of its inferior courts to serve for life to provide protection from political pressure and the vacillations of ephemeral public opinion; and

Whereas the Constitution of the United States provided for and established a representative republican form of government to insure the rights and privileges of the citizens of the component States; by its letter and spirit, the Constitution provided for each individual State to retain and reserve unto itself all its power and sovereignty except that part delegated, granted, and given to effect the union of the States; and by its express language, the Constitution safeguarded each individual State and its people from unauthorized interference in domestic affairs by a strong central government and from tyranny and suppression wrought by such a strong central government; and

Whereas in recent decades the Federal courts have taken unto themselves more and more additional powers under the assumption that the law of the land is whatever the

court says it is; they have not only usurped the powers reserved to the States and assumed powers of the legislative and executive branches of government in the process of self-anointed omnipotence, but they have mistaken themselves for God; and

Whereas under the incessant demands of a powerful combination of subversive and minority interests, the courts have fallen into a slough of fallacious reasoning, and in attempting to extricate themselves have resorted to strangely conceived social concepts and idealistic pap in which they insist upon wallowing; and

Whereas the courts, by their arrogant, wilful and wanton use of judicial fiat and self-anointed omnipotence, but they have forced their tragically ridiculous interpretations of the Constitution and of state and federal statutes on the people of a once proud, powerful and self-reliant nation to such extent that many property rights have been destroyed; voting rights have been diluted and restricted; the legislative and congressional districts of many states have been arbitrarily reapportioned without regard to similarity of interests, economic condition or consideration of desires of any groups within the states; orderly systems of public education are impossible; riots are frequent occurrences on college and university campuses; transportation is often halted; welfare cases have risen to astronomical heights; crime in the streets is uncontrolled, and fear and chaos are rife throughout the land; and

Whereas a return to a sane, strong responsible government which is supported by the vast majority of people who work for a living, pay their debts, educate their children, and, with confidence in themselves and faith in the Lord, contribute something to the communities they live in, can be achieved in large part by making federal judges responsive to the will of these people; now therefore,

Be it resolved by the legislature of Alabama, both Houses thereof concurring, That this body and the people of Alabama heartily endorse Senator Byrd's proposal to require the reconfirmation of federal judges by the Senate of the United States at intervals of eight years.

Be it further resolved, That we regard this proposal as an admirable step in the right direction and would recommend that United States Supreme Court Justices be included therein and that the intervals for reconfirmation be reduced to six years.

Be it further resolved, That copies of this resolution be sent to Senator Harry F. Byrd, Jr., to the President and Vice President of the United States, to the Speaker of the House of the United States Congress, to the Chief Justice and each Associate Justice of the United States Supreme Court and to each member of Alabama's Congressional Delegation.

STATE REPRESENTATIVE STEPHEN
BURNS' REPORT OF JOINT INTERIM
COMMITTEE ON FEDERAL
FUNDING

HON. DURWARD G. HALL

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. HALL. Mr. Speaker, a friend of mine, and a member of the Missouri State Legislature, Mr. Stephen Burns, has devoted much time and study to the financing of State and local govern-

ments. He has also devoted much of this study to the role of the Federal Government in the financing of many of the State and local government programs. In this regard, he authored a report in the latest session of the Missouri General Assembly, which is entitled "Report of Joint Interim Committee on Federal Funding."

I think this report and the views contained within it, as enunciated by Mr. Burns, certainly merits the attention of the Congress.

The article follows:

REPORT OF JOINT INTERIM COMMITTEE ON
FEDERAL FUNDING

During the course of the past year and a half the committee has been studying the amount of federal funds received by the various state agencies, the purpose for which they are used and the affect they have upon the general revenue of the state of Missouri.

The committee corresponded with and visited with fiscal officials, legislative and executive leaders in other states as well as with officials of the federal government.

One of the major overall conclusions of the committee is that if the state legislative branch is to maintain proper control of the purse strings of the state, the manner in which federal funds are received and expended must be brought, to a greater extent, under the control of the legislature. The present procedures for controlling federal funds has created a situation, not just in Missouri but in other states as well, where federal bureaucrats and state appointed officials use federal laws and federal money to exert undue pressure on the representatives of the people of the state to provide funds for programs never approved by anyone other than nonelected officials.

This situation has become so critical in some states, Missouri included, that the federal government presently has a grant, offered by the Department of Housing and Urban Development, to the legislatures to study the process of federal funding. Mr. Claude Gurley, Office of Economic Opportunity, Information Exchange Division, explained that in addition to the grant, the federal government was making a concerted effort to require more participation by state legislatures in the granting process.

After an investigation by the committee to determine the exact amount of federal funds received by all Missouri's state agencies, an investigation of isolated agencies and numerous studies of other states as well as this state the committee arrived at the following conclusions:

1. There is no accurate, centralized accounting system for the receipt and expenditure of federal funds.

Both the Committee on Fiscal Affairs and this committee sent out identical questionnaires to all state agencies requesting each one to submit the exact amount of federal dollars received in fiscal year 1968-69. Except for a very small, less than six, number of agencies no agency submitted the same amount on both questionnaires. It was not until the third time a questionnaire was submitted and the figures verified and corrected in the State Treasurer's office that a relatively close estimate of the dollar amount of federal funds for that year could be made.

When these figures were checked against the Annual Report issued by the Department of Revenue and the figures shown in the budget document it was discovered that in a great majority of cases all three figures for the same agency in the same year differed.

2. Federal funds, contrary to much popular opinion, have and will, under present conditions, continue to be very expensive to the general revenue of the state of Missouri.

In numerous instances federal grants are issued on a 90-10 matching basis for the first year. Additional employees are hired, office space is acquired and the initial stages of a program are complete. In ensuing years the federal government reduces their portion of the match and state revenues begin to bear the burden of numerous additional employees and expenses. When the federal grants are eliminated the treasury of the state is burdened with a program that was worthwhile only as long as the state was required to pay only ten percent of the cost.

When capital improvements are involved the consequences can be even more costly. The federal government may promise sufficient funds to construct certain facilities. When the facilities are half completed and the federal government decides to eliminate that particular program the state treasury will bear the burden of completing the project, and to maintain it indefinitely. Oftentimes the maintenance costs will exceed construction costs within eight to ten years.

Once a facility is constructed or a program is initiated it is virtually impossible for the legislature to stop the flow of state funds.

3. The legislative branch in Missouri is, for all practical purposes, unaware of the cost, extent or purposes of federal grants in this state.

The reasons for this are interrelated. First of all a great amount of federal funds are used for purposes of administration.

Persons involved therefore are comparatively high salaried employees who have a vested interest in "selling" a new or expanded federal program.

Secondly, the only information received by the legislature comes from those persons. There is no staff in the legislature that is equipped to keep track of the number of grants, their amount, their purpose or their effect. If there were such a staff there is no guarantee that the results would vary to any great degree because there is no state agency, uncovered by any committee investigation, that has an operating procedures manual that would allow an investigator to determine what the agency goals were. No state agency lists in any way but the vaguest of terms what that agency hopes to achieve in a given year and how many employees will be required to obtain these goals. Federal programs administered on the state level appear to expand to expend the money it is possible to obtain.

The members of the legislature must accept information from only one source: agencies with deeply vested interests. Although there is a state agency which ostensibly provides the function of a clearinghouse they have been unable to provide adequate detailed information concerning federal grants or even to prevent duplication among agencies receiving federal grants which are two of their primary functions.

4. The manner in which federal funds are appropriated is inconsistent with sound accounting or performance auditing principles.

In past years the legislature has appropriated federal funds on an open ended basis without any guarantee that such funds will be spent in the best interests of the state. This type of appropriation allows agency directors to deal directly with federal bureaucrats to obtain funds and initiate programs without any approval from the legislative branch. This is an authorization for nonelected officials to establish the priorities of the state.

The argument in favor of such open ended appropriations has been that if federal monies become available while the legislature is not in session the state will lose the free money. This argument is based on biennial sessions on the premise that federal

funds are free: an argument not necessarily true. Beginning this year the legislature is guaranteed to meet every year and the longest period of absence will be eight months.

Open ended appropriations, as generally discussed previously, authorize agencies to initiate programs that the general revenues of the state oftentimes will be expected to continue. This is contradictory to the idea that the appropriating branch of a government is entitled to say how much money will be spent for a period of a fiscal year.

In order to bring the process under some sort of control the committee submits the following recommendations, along with the necessary enabling legislation to the members of the Seventy-sixth General Assembly of the state of Missouri as directed in House Concurrent Resolution Number 12 of the Seventy-fifth General Assembly:

1. Require all agencies to receive the prior approval of the Committee on State Fiscal Affairs to expand present programs or to initiate new ones when the general assembly is not in session.

This will keep agencies from initiating programs not desired by the legislature and will keep the legislature informed on new programs during the interim period.

2. Require that continued federal programs be approved at the end of each fiscal year.

This should make the legislature aware of federal matching programs where the state share increases and the federal share decreases.

3. Establish a trust fund for the Committee on State Fiscal Affairs and authorize withdrawal from such a fund by a majority vote of the members appointed to and serving on the committee for the purpose of assisting state agencies to receive matching federal grants made available when the general assembly is not in session.

4. Require all plans for federally funded programs, including capital improvements, to be submitted to the chairman of the House and Senate Appropriations Committees and to Fiscal Affairs. Require each such plan to include at least the following:

- (1) Amount of federal funds required;
- (2) Amount of state funds required either directly or indirectly;
- (3) The federal program number and its expected duration;
- (4) The number of new employees required, their salaries and how paid;
- (5) Schedule, both chronological and fiscal, of expenditures of state-federal funds;
- (6) Highly detailed objectives of programs;
- (7) The forecasted completion date of the program;
- (8) A detailed performance report every three months on each program.

This will allow investigative personnel of the legislature to make some determinations as to the efficiency, success or failure of the programs.

5. Require the Committee on Fiscal Affairs to publish a compendium of federal programs.

This is a record keeping function which will point out trends in federal expenditures and the effects on state revenue.

6. Create an adjunct to or expand the present staff of Fiscal Affairs to include a section whose sole duty will be to account for federal programs and advise members of the legislature in that area.

7. Initiate an interim committee to prepare a proposal for conversion to a program budget vis-a-vis a line item budget.

Many states have already converted to this method. The object is, and it has been successful in most states, to halt numerically exploding bureaucracies and to weed out inefficient programs. Presently the general as-

sembly can only reduce departmental appropriations without any assurance that duplicated programs or unwanted programs will be eliminated.

8. Prohibit the expenditure of state funds for joint state-federal capital improvements until all necessary federal funds have been received.

9. Close end all federal fund appropriations.

A fiscal affairs receiving fund and annual sessions should be sufficient to cover any emergency and this will allow the state, both the executive and legislative branches, to pinpoint exactly how much money will be spent this fiscal year. Also if an agency director plans programs and expenditures for a year in advance there should be relatively little need for additional federal funds. When large amounts of federal funds are received without a great deal of prior detailed planning there is a strong tendency to utilize most of the funds for administrative and experimental purposes.

10. Require agencies to include detailed planned expenditures for federal funds in all budget requests and to use the actual amount of federal funds received to date and for the past fiscal year instead of estimates as is presently being done.

The estimates and actual expenditures of federal funds appearing in the budget document do not offer an accurate picture of the amounts of federal funds received or expended.

11. The General Assembly should give full consideration to the proposal to convert to the so-called Auditor General Plan. The Committee is in agreement on the desirability of making the changes in Missouri law which will permit the adoption of an audit system comparable to the systems that are presently in effect in the states of Michigan and Colorado and supports and recommends needed changes in the law to accomplish such a goal.

In 1945 the executive branch had approximately eighteen thousand employees while the legislature had approximately four hundred including secretaries and custodians. The only professional staff was in legislative research. Today the executive branch employs approximately thirty-eight thousand persons while the legislature has added four persons to the fiscal affairs committee staff. The executive branch has almost as many department heads as the legislature has professional staff. This creates an unbalanced flow of information between the two branches.

In Michigan, each member of the Michigan legislature is given a seven hundred and fifty page detailed report on the operations of the various departments. The information is important not simply because of its bulk but because it constitutes an independent source of information to the legislature.

Over twenty-eight states have adopted this idea and in the states contacted the program has given the legislative branch a great deal more independence. Included in the bill is a uniform statewide accounting system that should improve the accuracy of all fiscal information.

This report and the recommendations contained therein were drafted by the committee secretary under the direction of the committee and the report is hereby approved by the following members:

REPRESENTATIVES

Donald J. Gralike, Chairman; Stephen Burns, Robert J. Jasper, Henry Ross, Stan Thomas.

SENATORS

John J. Johnson, Jasper M. Brancato, Raymond Howard, A. Clifford Jones, Lem T. Jones.

INDUSTRY, SCOUTS ATTACKING WASTE PROBLEMS IN WIERTON, W. VA.

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 27, 1971

Mr. RANDOLPH. Mr. President, hardly a day passes that I do not see additional evidence of the concern of the American people for the environment in which they live. I have frequently expressed my belief that our citizens not only want a clean, healthful environment, but are willing to devote their energies to creating and maintaining such a world.

I am, therefore, gratified by each instance of a community, individual, or organization showing its dedication to this cause.

As part of our efforts to improve the environment, it is essential to find and institute methods of recycling our natural resources rather than discarding materials after only limited use. Earlier this year, I participated in the beginning of an operation by the Weirton Steel Division of National Steel Corp. to recycle steel cans at its plant in Weirton, W. Va. This was a big step forward in reclamation, and I hope it will be emulated elsewhere.

The current issue of the Weirton Steel Employees Bulletin contains an article on the beginning of this new program. It also includes an article about a Boy Scout organization in the Weirton area which has responded positively to public concern by conducting a successful can collection drive.

I ask unanimous consent that both of these articles be printed in the RECORD.

There being no objection, the material was ordered printed in the RECORD, as follows:

A LESSON ON LITTERING

The Boy Scouts gave us a lesson, now it's up to us to prove that we learned from them.

On June 5, some 1,300 Scouts and over 300 adults of the Fort Steuben Area Council participated in Scouting's Keep America Beautiful Day by cleaning up sections of Hancock and Brooke Counties in West Virginia and Jefferson County in Ohio. They collected over 45 tons of unsightly litter strewn by careless individuals along 200 miles of area highways and streams and 27 acres of parks and public lots.

The anti-litter campaign was a joint endeavor of the Scouts, the U.S. Army Reserve which supplied trucks and personnel, area governmental and law enforcement bodies, and local business and industry, including Weirton Steel.

A total of 30,000 metal cans collected on Keep America Beautiful Day was recycled in Weirton Steel's basic oxygen furnaces and the other litter picked up was taken to community landfill disposal sites.

It was, indeed, a joint effort led by the Boy Scouts as part of their 1971 Project SOAR (Save Our American Resources), but it is now our obligation and responsibility not to litter the areas they worked hard to clean.

Solid waste is as much of a problem as water and air pollution but some of us never think about litter pollution while walking or riding in a car. How easy it is to toss a piece of paper to the ground or dispose of it by flipping it out the car window. How easy

it is to flip a cigarette butt out the window instead of putting it in the car's ash tray. How easy it is to toss out an empty pop or beer can instead of saving it for a waste receptacle. How easy it is to litter!

It costs American taxpayers \$500 million yearly to clean up litter in public areas, but this doesn't have to be. With a little forethought and effort on everyone's part, the battle against litter can be won.

Millions upon millions of words have been written about litter, but two slogans are worth remembering about this environmental problem: "If it doesn't move and it isn't growing, pick it up;" and those words once uttered by the cartoon character Pogo, "We have met the enemy and they is us!"

The Boy Scouts gave us an anti-litter lesson by cleaning up many areas as part of conservation Project SOAR. Now, it's up to us to prove that we have learned what they were trying to teach us—that people litter and people can control litter.

CANS ARE RETURNABLE; RECYCLING PROGRAM FIGHTS LITTER, CONSERVES RESOURCES, BENEFITS YOUTH ORGANIZATIONS

Nearly thirty years ago, in the bleak days of World War II, Weirton housewives saved empty cans routinely to assist in national defense.

Now, they are saving them again, only this time the enemy is—Litter!

Scrap can recycling began in Weirton in April as part of an environmental improvement effort of the Carbonated Beverage Container Manufacturers Association and Weirton Steel.

The objective is to return empty cans to the industrial flow, thereby conserving metal that would otherwise be wasted, and to reduce the amount of solid waste normally handled by community waste disposal systems.

The program also figures to reduce the quantity of metal cans that become litter. Many cans come to a bad end and are discarded along highways, beaches and in parks. Recycling now offers users—and misusers—a constructive alternative.

Details of the can recycling program for Weirton—first in West Virginia—were announced at a press conference by CBCMA and company officials.

There is nothing complex about the program.

Two collection centers are open in Weirton. Housewives and local groups are invited to deposit empty cans which are later compacted and re-introduced into the steelmaking process to be made into primary steel.

And money realized from the recycling program will be donated to the Boy Scouts, Girl Scouts and Camp Fire Girls in Weirton.

When can recycling began in Weirton, CBCMA already had similar programs under way in a number of states.

The question was, "Will the Weirton public recognize this opportunity to help reduce litter and conserve raw materials?"

Recycling has been welcomed in a big way in Weirton, based on the public response to this time.

Both can collection stations in the city have been busy areas. The big metal bins used for can deposits have been emptied several times.

Housewives find little inconvenience in supporting the recycling program. It is not necessary for cans to be crushed or flattened, but paper labels are to be removed, and the cans rinsed to avoid problems in sanitation at the collection stations.

The empty cans are compacted into large, cube-shaped bundles at Gilbert Iron and Metal Co. in Steubenville, with the bundles then shipped to Weirton Steel for recycling into primary steel in the Basic Oxygen Furnace shop.

All types of cans are accepted for recycling,

including those used for food, soup, beer, soft drinks, oil, pet food, paint and other materials.

Principal supporters of CBCMA are American Can Co., Continental Can Co., and National Can Corp., the world's largest producers of metal cans.

These companies have been joined by Weirton Steel in supporting the local can recycling program.

The company established one can collection station on Main Street, and the second was opened by Continental Can Co. at its plant in the Half Moon Industrial Areas of the city.

U.S. Senator Jennings Randolph of West Virginia attended the press conference to express his support of the action program of the canmakers and the steel industry.

"Man created environmental pollution and man can end it. To do this we must stop thinking of ourselves as consumers of products which we use and then discard to pollute the environment. Rather, we must view ourselves as users of materials, most of which can be passed along for processing and continued use instead of discard," Senator Randolph declared.

"We, as individual citizens, must act to insure that this recycling program is successful. I join you in pledging not only our words, but our best energies, to this effort for a cleaner America," he added.

J. G. Redline, President of Weirton Steel, pointed to the opportunity the public has to reduce litter through recycling.

"We are working toward solutions, and the program of recycling is aimed at helping to solve one of the major environment problems—litter," he said.

"We are giving everyone who shares our concern about this problem the opportunity to help do something about it," Mr. Redline told the press conference.

Employee interest in recycling has been encouraging. And among the strongest boosters of the program are youth groups of Weirton, which collect and deposit cans regularly to express interest in ecology.

Cans are used by nearly everyone, but litter is an example of how they are misused by thoughtless people.

A survey by the Highway Research Board in 29 states disclosed that cans contribute 16% of roadside litter. While that suggests that 84% of highway litter is not cans, litter is ugly, regardless of the composition.

With can recycling programs, the empty can can be returned easily for practical use.

Now, cans no longer have to come to a bad ending. No longer is there such a thing as a non-returnable can. Weirton Steel and the canmaking companies have joined resources to change all that.

CONGRESSMAN JOHN BRADEMÁS REPORTS ON THE RESULTS OF 1971 QUESTIONNAIRE TO CITIZENS OF THE THIRD CONGRESSIONAL DISTRICT OF INDIANA

HON. JOHN BRADEMÁS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BRADEMÁS. Mr. Speaker, like many of my colleagues in Congress, I have periodically mailed to my constituents a questionnaire asking their views on various issues confronting the Nation.

As Representative in Congress of the Third District of Indiana, I have always believed their responses to be most helpful in my own consideration of these issues.

In recent years, Mr. Speaker, the responses to these questionnaires from my own Indiana constituents demonstrates a strong desire for new national priorities in Federal spending.

A tabulation of the returns from my 1971 poll indicates that a high percentage of the people of the Third District of Indiana continue to favor increased funds for crime prevention, pollution control, health services, and education. On the other hand, the responses from these citizens also show that they want to cut back spending for the Vietnam war as well as for other Defense Department programs.

CHANGE WANTED

Mr. Speaker, I also conclude from the 1971 questionnaire returns that the respondents in the district I represent favor:

The establishment of a public service employment program such as the one passed by Congress and signed into law by President Nixon on July 12.

An increase in the Federal minimum wage.

Wage-price controls to fight inflation.

A strong role by the Federal Government to protect the consumer.

Strengthened programs to conserve our farmland.

And changes to make the Federal tax structure more equitable.

Opinion was more closely divided, Mr. Speaker, on such questions as ending the draft, establishing a national health insurance plan, and reforming welfare programs. That there has already been a great deal of thoughtful dialog in the country on different sides of these issues is reflected in the mixed response over the best ways to try to cope with our problems in these areas.

MESSAGE IS CLEAR

But, Mr. Speaker, there seems to be a clear mandate from the 7,200 citizens of the Third District of Indiana who responded to my questionnaire. They want to give top priority to programs designed to meet our many human needs and to spend fewer billions of our limited tax dollars on military weapons.

Mr. Speaker, I count it a high honor and a privilege to serve as Representative in Congress of the people of St. Joseph, Elkhart, Kosciusko, and Marshall counties in Indiana. These are citizens who give a great deal of thought to the important issues facing our country. Their answers to my questions will, I reiterate, prove most helpful to me during the remainder of the 92d Congress.

Because I believe this response is a significant indication of public opinion in the Third Congressional District of Indiana, I include a tabulation of the results in the CONGRESSIONAL RECORD, and I am sending them to President Nixon as well.

QUESTIONED ON PRIORITIES

Mr. Speaker, my district questionnaire was divided into two sections. The first, dealing with national priorities, listed 11 key areas of Federal spending. The respondents were asked, with respect to each category, to mark whether they felt Government spending should be increased, decreased, or held at present levels.

The results, by percentage, were:

	Increased	Decreased	Held at present
The Vietnam war.....	5.1	75.3	19.6
Other defense spending.....	10.7	64.3	35.0
Welfare programs.....	19.8	50.2	30.0
Space programs.....	13.8	49.9	36.3
Pollution control.....	77.5	5.7	16.8
Farm programs.....	22.9	36.3	40.8
Aid to education.....	53.7	14.3	32.0
Programs for the poor.....	41.4	21.1	37.5
Aid to cities.....	36.3	24.2	39.5
Crime prevention and control.....	81.9	3.8	14.3
Health programs.....	60.3	9.4	30.3

THE MAJOR ISSUES

The second section of the poll sought the constituents' views, through multiple choice, on 10 major issues before Congress. The respondents were asked to mark the answer which most closely represented their opinion.

The results, again broken down by percentage, were:

VIETNAM

The U.S. should:

Withdraw our forces only as fast as the South Vietnamese can assume the burden of the war.....	44.2
Withdraw all our forces by December 31, 1971.....	25.5
Withdraw all our forces immediately.....	18.7
Increase military operations to secure victory.....	11.6

ECONOMY

In order to curb the inflationary spiral there should be:

Wage-price controls.....	50.7
Cuts in military spending.....	31.9
Cuts in domestic spending.....	10.4
No government regulation.....	7.0

JOBS

Unemployment nation-wide is approximately 6 percent of the labor force. The Federal government should:

Provide public service employment opportunities.....	51.2
Expand job training programs.....	26.9
Assume no further responsibility.....	17.0
Increase unemployment compensation benefits.....	4.9

MINIMUM WAGE

The Federal minimum wage is currently \$1.60 an hour. At this rate an individual working a 40-hour week would earn \$3,328 a year. The minimum wage should:

Be increased to \$2 an hour.....	39.8
Be increased to \$1.80 an hour.....	27.0
Remain the same or be reduced.....	33.2

THE DRAFT

To provide manpower for our military services, Congress should:

Require all young men to give at least two years of national service in either military or public programs such as Teacher Corps, Peace Corps, Public Health Service.....	49.1
Create a volunteer army.....	36.1
Continue present draft laws.....	13.8

HEALTH INSURANCE

Congress should:

Set up comprehensive health insurance for all Americans, to be administered by the Federal government.....	44.7
Continue to depend on private insurance companies to provide coverage.....	38.7
Establish a Federal health insurance program to cover only the poor.....	16.6

AGRICULTURE

Indiana's farmers could best be helped by:

Strengthened programs to conserve the land.....	62.7
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Additional programs to extend utilities to rural areas.....	12.8
Continued farm subsidies for certain crops.....	14.5

CONSUMER PROTECTION

On behalf of consumers, the Federal government should:

Conduct tests on products and issue public reports.....	65.0
Create a special agency to handle consumer complaints.....	25.4
Do nothing under the philosophy of "let the buyer beware".....	7.8

WELFARE

With respect to welfare programs, I would favor:

Setting minimum Federal standards for all states.....	37.6
Abolishing the welfare program.....	26.6
A minimum family income plan.....	24.5
Retaining programs as they are at present.....	11.3

TAXES

I believe:

Loopholes should be closed on tax exemptions for large businesses.....	48.8
The personal income tax exemption should be raised to \$1,000 for each dependent.....	33.3
Federal tax credits should be given for paying increased state and local taxes.....	13.8
Our present tax structure should not be changed.....	4.1

Mr. Speaker, in addition to the two key sections of my questionnaire, I invited comment on these or other issues in additional space allotted for this purpose. As a result, I received a large number of instructive comments from my constituents on a wide variety of issues.

Mr. Speaker, I wish to take this opportunity to express my appreciation to the many citizens of the Third District of Indiana who participated in my 1971 questionnaire. Their responses will, I am confident, be of real value to me in seeking to represent their best interests here in Washington.

REVENUE SHARING

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES
Tuesday, July 27, 1971

Mr. BYRD of Virginia. Mr. President, the July 7 edition of the Jackson, Miss., Clarion-Ledger included an excellent editorial on the subject of revenue sharing.

I ask unanimous consent that the text of the editorial, "Revenue Sharing Needs Budget Balancing As a Prerequisite," be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

REVENUE SHARING NEEDS BUDGET BALANCING AS A PREREQUISITE

A hassle has been going on between the executive and legislative branches in Washington as to whether there should be "revenue sharing" with the states by Uncle Sam, as President Nixon proposes.

On this burning issue, Senator Harry F. Byrd Jr., of Virginia, who like his late senatorial father has become known as a watchdog of the Treasury, has raised the question: "Where is the revenue to share?"

The painful truth is that the fiscal year which ended June 30th found the federal government with a deficit of \$25 billion. By the administration's own calculations the deficit for this fiscal year which began July 1 will be \$23 billion.

Pointing out these financial facts of life, Senator Byrd has reminded Congress, the White House and the American people that the federal deficit for this two-year period will be at least \$48 billion.

Nor is this the worst of the matter. These deficits go back many years and it is the accumulated federal debt that plays havoc with the government's financial situation. This federal debt is now approaching \$400 billion.

Taxpayers are paying \$21 billion per year in interest on this national debt alone, with no provision at all for its systematic retirement. And if this debt cannot be reduced in times of peak prosperity, it certainly cannot be reduced in hard times which can come from prolonged red ink spending.

Accumulated deficits year after year are the major cause of inflation which we are experiencing today. Government cannot go on spending as it has done and not expect the dollar to be weakened further. And when the dollar is weakened more, there is more inflation—a vicious circle.

Sooner or later, the government must put its financial house in order, reduce unnecessary spending and make provision for debt retirement. It sounds great but does not seem too logical to talk about "revenue sharing" when government is running up more deficits.

FAIR HOUSING FOR ALL AMERICANS

HON. WILLIAM F. RYAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. RYAN. Mr. Speaker, on June 11, 1971, the President issued a statement concerning Federal policies relative to equal housing opportunity. Three days later, the Department of Housing and Urban Development, together with the Department of Justice and the General Services Administration, supplemented this statement by announcing several new steps in the implementation of the fair housing law.

I previously discussed the President's statement on June 30, during consideration of the bill appropriating funds for fiscal year 1972 for the Department of Housing and Urban Development. I believe my observation then still pertains:

Affirmative action is mandated by the law. That is not what the President's housing policy statement prescribes. What it does prescribe is acquiescence to economic segregation. And in this Nation, in this day, economic segregation means racial segregation. The vast majority of blacks and Puerto Ricans and Mexican Americans and American Indians fall within the groupings of low-income and moderate-income families. It is they who need the ability to obtain decent, affordable housing in the suburbs, where living conditions are amenable and where so many jobs have migrated. The President's policy does not answer this need. It rejects it.

Since the issuance of the June 11 statement, and the subsequent actions by the Federal agencies, a major analysis of these events has been articulated by a

coalition of public interest groups. This document, entitled "Response by Public Interest Groups to Administration Pronouncement on Equal Housing Opportunity," has been issued by the Leadership Conference on Civil Rights, the Center for National Policy Review, the Housing Opportunities Council, the Lawyers Committee for Civil Rights Under Law, the NAACP Legal Defense and Education Fund, Inc., the National Committee Against Discrimination in Housing, the National Urban Coalition, the Nonprofit Housing Center, Inc., the Potomac Institute, and Suburban Action, Inc.

This analysis makes four major points. The gist of all of them is the conclusion that the administration has demonstrated that fair housing is not an issue of priority, as it should be, and that the administration is not prepared to really pursue open housing for all Americans.

First, the analysis points out that:

The Administration makes no commitment to overcome the obstacles to secure decent housing outside the ghetto for people who are poor and members of minority groups.

Second, the analysis notes that:

While taking a few steps forward in prohibiting discrimination by housing developers, the Administration still has not utilized the authority it possesses to assure that developers, lending institutions and real estate brokers carry out their obligations under Title VIII of the Civil Rights Act of 1968.

Third, the analysis concludes that:

Even with respect to the rules and guidelines it has adopted, the Administration still has not demonstrated a will to enforce the law vigorously, e.g., by initiating its own investigations rather than awaiting complaints.

And fourth, the analysis details the concern of the groups which prepared it—a concern I share—that:

The Administration fails to recognize that, particularly on an issue as controversial as housing opportunity for people who are poor and members of minority groups, the major responsibility for political and moral leadership rests with the President of the United States.

I commend this analysis, which at this point I am including in the CONGRESSIONAL RECORD, to my colleagues. It very pointedly and cogently details the continuing failure of the Federal Government to assure equal housing opportunity for all Americans—a failure which morally cannot be condoned, and legally need not be allowed:

RESPONSE BY PUBLIC INTEREST GROUPS TO ADMINISTRATION PRONOUNCEMENTS ON EQUAL HOUSING OPPORTUNITY

On June 11, 1971, President Nixon issued a statement on Federal Policies Relative to Equal Housing Opportunity—which candidly recognized the consequences of ill-housing and racial segregation. On June 14, 1971, the Department of Housing and Urban Development, together with the Department of Justice and the General Services Administration, supplemented this statement by announcing several new steps in the implementation of the fair housing law, action not less welcome for the fact that they were long overdue.

We respond to the President's statement and the initiatives announced by HUD, the Justice Department and GSA in order to

place these recent actions in perspective so that we may determine what they might accomplish if vigorously enforced, and to identify steps that remain to be taken if significant progress is to be made.

Our major concerns, spelled out in detail later in the statement, are as follows:

(1) the Administration makes no commitment to overcome the obstacles to securing decent housing outside the ghetto for people who are poor and members of minority groups. By creating artificial distinctions between "racial" and "economic" discrimination, the Administration has handcuffed itself in efforts to overcome the principal barrier to progress—exclusionary land use policies which are ostensibly economic in purpose but which have a racial impact.

(2) while taking a few steps forward in prohibiting discrimination by housing developers, the Administration still has not utilized the authority it possesses to assure that developers, lending institutions and real estate brokers carry out their obligations under Title VIII of the Civil Rights Act of 1968.

(3) even with respect to the rules and guidelines it has adopted, the Administration still has not demonstrated a will to enforce the law vigorously, e.g., by initiating its own investigations rather than awaiting complaints.

(4) the Administration's statement fails to recognize that, particularly on an issue as controversial as housing opportunity for people who are poor and members of minority groups, the major responsibility for political and moral leadership rests with the President of the United States. We are particularly troubled by the denials of Federal leverage and responsibility and by the failure to deal forthrightly with the prejudices of affluent white citizens.

THE EXTENT OF DEPRIVATION AND DISCRIMINATION

We share with the President the conviction that the continued denial to the poor and racial minorities of access to decent housing in an open market is the nation's most serious domestic problem. As the President's statement recognizes, the continued confinement of racial minorities to ghetto areas is not simply a denial of decent housing. It also denies them access to jobs, to good schools, to public services and a healthy environment. It results in "wasted human potential and stunted human lives." It "engenders unwarranted mistrust, hostility and fear."

The 1970 Census figures show a dramatic increase in racially segregated housing patterns—statistics which the President calls compelling.

Growing racial isolation is evident in the 66 largest metropolitan areas which account for more than half the U.S. population. As the President cites: "the central city white population declined . . . about 2 million (5%)—while the black population increased about 3 million (35%)." These statistics reflect decades of denial and restrictions in freedom of housing choice to minorities. They represent "a history of hardship" in which the Federal government played a substantial role—through FHA sanctioned restrictive covenants; urban renewal projects which "cleared out but did not replace housing which, although substandard, was the only housing available to minorities"; and officially sanctioned segregation of public housing.

After long years of helping to establish and entrench patterns of residential segregation, the Federal government reversed course. With President Kennedy's Executive Order in 1962, the Civil Rights Act of 1964 and 1968 and the Supreme Court's decision in *Jones v. Mayer*, the law was clarified and new tools given to the Federal government to prevent discrimination.

But progress under these new laws has been infinitesimal, as the census figures on continued racial separation confirm. The Department of Housing and Urban Development, the agency chiefly responsible for implementing the laws, has been weak and lethargic in fulfilling its duties. It failed to initiate its own investigations, relying almost exclusively upon complaints of discrimination, and thereby placing the burden on individual victims. It did not set down clear standards to give content to the fair housing law. It did not require affirmative action by the housing industry to undo the effects of past discrimination. It had to be called to account by Federal Courts in several cases for failing to adopt or implement rules to avoid racial concentration in subsidized housing.

Perhaps most tragic, the patterns of racial isolation established in old programs have been carried over to new programs. New housing built for low and moderate income families in the suburbs has been occupied for the most part by whites. Black citizens, offered the hope of home membership for the first time, have often found themselves relegated to old houses in the inner city. Some of the transactions for this housing have been tainted with fraud in which the FHA has been implicated and minority citizens have been the victims. While the President speaks of "dramatic progress in increasing the supply of housing," there is increasing evidence of the creation of new ghettos and instant slums.

It is in this context that the President's statement was issued and new steps taken. In the light of this history it is imperative that the most careful scrutiny be given to what these measures are likely to accomplish. Will they "correct the effects of past discrimination" as the President desires? Will they reverse the trends of racial separation? Will there be an end to "wasted human potential and stunted human lives?"

ACTION TAKEN TO ELIMINATE DISCRIMINATORY PRACTICES BY THE HOUSING INDUSTRY

First, with respect to removing barriers traceable to industry practices, the President states: "Racial discrimination in housing is illegal, and will not be tolerated." Further, Federal policy "must be aimed at correcting the effects of past discrimination." "And it must be results-oriented so its progress toward the overall goal of increasing housing opportunities can be evaluated." Two of the chief components of the program are the "development of information programs" and "policies relating to housing marketing practices."

On June 14, Secretary Romney, Attorney General Mitchell and General Services Administrator Kunzig released announcements to amplify these general policy statements. Those pertaining to industry practices are the proposed affirmative marketing guidelines and site selection criteria for Federally subsidized housing.

The affirmative marketing guidelines seek to give content to the concept of "fair housing" by setting forth specific steps for developers to take to assure that minority homeseekers will know of and have access to housing opportunities. Although the new guidelines are a step forward, their shortcomings are substantial. One major defect is that transactions on existing housing are not covered. Thus, out of a housing inventory in excess of 60 million units, fewer than one million new FHA assisted starts will be covered each year. In addition, it is not at all clear that these projects will be monitored to insure compliance by developers or whether FHA will continue to rely almost totally on the receipt of complaints.

Furthermore, real estate brokers who play a major role in the sale and leasing of housing are not subject to the requirements of affirmative marketing criteria. If these new

criteria are to have any effect in eliminating the dual market, coverage must be extended to include a far greater proportion of housing and to bring brokers within its provisions.

In addition, HUD should condition Federal assistance on satisfactory assurances from developers and brokers that they are not discriminating in any business transactions whether or not federally assisted.

To carry out the promise to develop information programs the affirmative marketing guidelines direct local FHA insuring offices to make available upon request lists of projects or subdivisions on which FHA commitments have been issued during the preceding 30 days. Although billed as a new program, this procedure was established under E.O. 11063 and is not an innovation. (In fact, these lists included repossessed housing, FHA insured multi-family housing and were not limited to projects of 25 or more units.) What is plainly needed is an information program along the lines recommended by the Civil Rights Commission in its report on the "235" housing program. Merely making this information available in local FHA insuring offices is totally unrealistic in the area of low and moderate income housing. As the Commission emphasizes, "one of the serious impediments to the successful operation of federally assisted programs that serve lower-income families has been the lack of information . . ." The Commission recommends the establishment of local offices where the people whom the program is designed to serve can be assisted and counseled. This step is essential.

While the adoption of site selection procedures is welcome, it should be recognized that there are limitations on what those procedures can achieve. The fundamental weakness is that they cannot compel the building of low and moderate income housing where exclusionary land use policies prevent it. Stronger measures are needed to make sites available, measures that are discussed in the next section.

Site selection policies can only assure that where developers do have sites available, HUD will give preference to those which provide the best opportunity for achieving racial and economic integration. But under the rating system established by HUD it is not at all clear that such sites will be favored. Whereas a superior rating is awarded for a site promoting racial and economic integration under the category "nondiscriminatory location" the same site may be at a disadvantage under criteria for "neighborhood environment" and "employment and utilization of employees and business in project areas." Thus it will still be possible to continue assisting housing constructed in a manner to perpetuate and exacerbate racial concentration.

Site selection is only a part of the process. Tenant and owner selection is of equal significance. Under the present system the private developer or sponsor determines who shall buy or rent a unit. He certifies their eligibility and applies his own standards for acceptance. The Commission on Civil Rights in its report on the 235 program found segregated patterns were attributable in part to the brokers and developers. No program comparable to public housing tenant selection procedures has been proposed to ensure equal opportunity to eligible families desirous of participating in the 235 and 236 programs.

It is also discouraging that no other specific measures directed at the housing and home finance industry were set forth or proposed. For example, although the President's statement refers to the responsibilities of Federal agencies that regulate lending institutions, neither President Nixon nor Secretary Romney stated that these agencies would be expected to develop an effective program, backed by sanctions, to prevent

lending discrimination. Nor have these agencies made any commitment to promulgate such a program. Whether or not law suits are brought by the Department of Justice to restrain discriminatory lending practices (and none have been brought to date), it is imperative that the Federal regulatory agencies act to establish a system for collecting the necessary racial data and enforce the fair housing law with respect to their member banks and savings and loan associations.

In short, the Federal Government has not yet provided effective guarantees that minority citizens will be treated fairly at the hands of builders, brokers, and lending institutions. Even with respect to Federally subsidized housing we cannot be sure that the disgraceful pattern found by the Civil Rights Commission—blacks going into existing housing in ghetto areas, whites into new housing in the suburbs—will be terminated. The policies adopted are a small step forward, but there is much yet to be done.

EXCLUSIONARY PRACTICES OF LOCAL COMMUNITIES

While the President's statement and the new policies promulgated by Secretary Romney promise some improvement in the implementation of civil rights laws against discriminatory industry practices, one of the most formidable barriers to equal housing opportunity is that posed by the exclusionary practices of local communities, particularly zoning ordinances. It is here that the Administration's statement is most ambiguous and its policies most deficient. Federal agencies followed the President's statement with two policy steps: (1) entry into housing litigation involving *Black Jack, Missouri* and (2) the announcement of new housing criteria to be taken into account in awarding water and sewer grants to local governments (with the indication that such criteria may also be applied to other "community development" grants). These steps fall far short of what is required to make any real contribution to solving the problems of housing deprivation and racial concentration that the President so eloquently described.

In *Black Jack*, the Department of Justice, after almost seven months of study and the public declaration by a member of the President's cabinet that the situation involved a "flagrant violation of the Constitution," decided to institute a law suit. *Black Jack* is a case where neighbors of a proposed moderate income project incorporated themselves and passed a zoning ordinance for the specific purpose of preventing the construction of integrated housing. In short, the basis for Federal action was clear and powerful evidence that the exclusionary action of the newly created local government was *racially motivated*. Since it is rare to find such overwhelming evidence of racial motive (in most cases zoning ordinances existed long before efforts to construct low income housing), the question remains: what legal action will the Administration take in situations where the effect of zoning ordinances or other exclusionary action is racial, although there may not be available legal proof that the purpose was racial?

In this respect, the President's message is most discouraging, for it seeks to drive a wedge between race and poverty and to maintain an artificial distinction between "economic" and "racial" discrimination. It is true, as the President says, that "the term 'poor' and 'black' are not interchangeable" and that there are "far more poor whites in America than there are poor blacks."

But these statements, while true, are irrelevant if the issue is meeting the housing needs of people who live in the major metropolitan areas of the Nation. In these metropolitan areas, substantially more than half of the poor who are confined to the inner city poverty areas are members of minority groups. Seventy-four per cent of poor white families do not live in poverty areas.

This is not to say that many white poor do not have housing needs. But it is clear that in major metropolitan areas the major impact of exclusionary zoning ordinances is upon black, Puerto Rican, and Mexican American citizens. (Indeed, in its affirmative marketing guidelines, the Administration's position is that every subsidized housing project will be open to minority citizens. It follows that every exclusion by a suburban community of subsidized housing has a racial impact and should be opposed by prompt and vigorous Federal action.)

At one point in his statement, the President frames a proper legal test:

"If the effect of the [purportedly economic] action is to exclude Americans from equal housing opportunity on the basis of their race, religion or ethnic background, we will vigorously oppose it by whatever means are most appropriate—regardless of the rationale which may have cloaked the discriminatory act" (emphasis added).

In short, the appropriate legal test is racial effect, not racial purpose. If the government were prepared to follow the logic of its legal position, it would now be investigating many cases for the purpose of establishing the racial effect of exclusionary local actions and we would be highly encouraged. Instead the Administration continues to maintain the fiction that poverty and race are separate problems—a position which, except for a few unusual situations—will lead to continued racial concentration.

The President's statement in this connection should be compared with his statement on the same problem a little over one year ago, in his Second Annual Housing Goals Report to the Congress. In that message he pointedly stated: "Community opposition to low- and moderate-income housing involves both racial and economic discrimination . . . (I)t is difficult, if not impossible, in many communities to find sites for low- and moderate-income housing because the occupants will be poor, or will be members of a racial minority, or both. The consequence is that either no low- or moderate-income housing is built or that it is built only in the inner city, thus heightening the tendency for racial polarization in our society." The President, in that report, also requested legislation "which would prohibit states and local public bodies from discriminating against housing subsidized by the federal government, whether through legislative or administrative action."

It is quite apparent that these statements were motivated by concern that the lack of good sites for subsidized housing would severely cripple HUD's efforts to attract more highly capitalized entrepreneurs who might utilize industrialized methods of construction in the federal programs. This problem may, indeed, be the Achilles Heel of "Operation Breakthrough," widely heralded as a major administration initiative in this direction in 1969, or any other program to increase the production of housing.

The second Administration initiative is essentially a reaffirmation of existing policy, that "to qualify for Federal assistance, the law requires a local housing or community development project to be part of a plan that expands the supply of low- and moderate-income housing in a radically non-discriminatory way." The defects of this policy are (1) that the guidelines issued for water and sewer grants are inadequate to assure that an application will be funded only if there is a pledge to provide low- and moderate-income housing and (2) that the policy will be applied only to a few programs, not those which would provide real inducements to communities to meet the housing needs of the poor and racial minorities.

The first deficiency is exposed by the guidelines that Secretary Romney has issued governing water and sewer grants. These make clear that the provision of low- and moderate-income housing is only one of a

great many criteria to be considered in determining whether a community will receive a grant. In fact, a locality whose application is otherwise in order many qualify for funds even if it makes no commitment to meeting housing needs. We do not find, for example, anything in the criteria which would bar such grants to *Black Jack, Missouri*.

Even if the standards are strengthened and made mandatory, however, Federal policy cannot be made effective until responsibility for meeting the housing needs of the poor and minorities is made a condition of all Federal assistance, not just community development projects such as urban renewal, water and sewer and open space grants.

Under present policy, communities which exclude minorities and the poor may select among the various Federal programs to meet their community's needs irrespective of the conditions and needs of surrounding communities. They seek financial assistance for transportation services and highway construction to encourage the introduction of industry and commercial enterprises to increase their tax base. Federal money also flows for programs of economic development, health, education and environmental protection. It is only because of these substantial kinds of assistance that such communities are able to maintain and even improve their standard of living while at the same time maintaining racial and economic exclusivity. The continuation of such Federal assistance unaccompanied by civil rights standards subverts our major national housing goal—to provide a decent home in a suitable living environment for all American citizens.

In addition, industry and Federal installations are much sought after sources of revenue for many suburban communities. Why, for example, would the Federal government continue to make large contracts with, or give favorable tax treatment to, employers which locate in communities that exclude poor and black people? Suburban communities are often very anxious to attract such employers; the property taxes they pay make it possible for the community to provide adequate public services without unduly burdening their own citizens. Yet, the location of employers in restrictive suburbs frequently makes a sham of equal employment requirements. Minority workers cannot live in the community, nor do they have adequate access to the jobs. A reasonable—indeed a necessary—condition of a government contract if equal employment laws are to be meaningful is that minorities and lower income employees must be able to live in the communities in which the jobs are located.

Until 1969, availability of housing for low- and moderate-income employees was not a consideration in relocating or establishing a Federal installation. In 1969, by internal regulation and later in 1970 by Executive Order, GSA was required to consider the housing element in determination to relocate. This order was silent on nondiscrimination. The memorandum of understanding between GSA and HUD on June 14th strengthens the government's policy. It is not absolutely clear, however, that GSA is prohibited from locating in communities which housing is not available to all.

Similar requirements should be applied to all government contractors. Further, the Equal Employment Opportunity Commission should include availability of housing as a factor in determining equal employment opportunity.

On these, as on other crucial matters, the President's Housing statement is either silent or negative. It has diagnosed a cancer and prescribed aspirin as the remedy.

EXECUTIVE LEADERSHIP

Perhaps the most discouraging aspect of President Nixon's statement is its limited view of the responsibility the President and

the Federal government must accept for correcting conditions which are admittedly very serious.

No one can dispute the fact that providing housing for the poor and for minorities is one of the most politically sensitive issues of our time. Mr. Nixon has recited the fears that exist in suburban communities—that poor people would "lower property values," that they would "contribute less in taxes than they consume in services," that their entry would "bring a contagion of crime, violence, drugs." But the responsibility of the President is not simply that of a good reporter (to describe prejudices that are held "rightly or wrongly") or even that of a good lawyer—but that of a political and moral leader. It is his duty to counter prejudices and fears, to make clear that the remedies are not to impose a quarantine or to reinforce the ghetto conditions that bred them in the first place; to place before the American people the hard alternatives they face in the cities; to offer programs responsive to legitimate concerns.

Nor can the Administration seek to avoid responsibility by pleading that the Federal government lacks "leverage" in the field of housing. As the statement itself acknowledges, the Federal government has been at minimum a willing partner in the development of ghettos and segregated suburbs. It is simply unacceptable for the Administration to suggest that the government, with all of the enormous resources it has at its disposal and with the detailed regulation it has employed in fields such as taxation, is powerless to correct a fundamental injustice which it has helped to create. It is particularly ironic that this Administration, so concerned with the power and influence of the U.S. abroad, seems content to assume the role of a "pitiful, helpless giant" at home, unwilling to assure equality to its own citizens.

The answer, it should be clear, is not a choice between Federal and local action, but a wise combination of both. Certainly there are "infinitely varied individual questions that arise as our thousands of local governments hammer out their individual local land use policies." No one has suggested that the Federal government impose a strict pattern of conformity on every community in the Nation. But, if the Federal government does not set down as a fundamental ground rule that the local governments in each metropolitan area must meet the needs of the poor and minorities in that area for decent housing, few localities will act on their own. Once the basic rule of equal housing opportunity is established, there can be great scope for diversity in the way that each locality fulfills its obligation.

As to the allocation of responsibility within the Federal government itself, we believe, as we have stated, that the Executive branch now possesses all of the authority necessary to surmount the barriers to providing housing for the poor and minorities throughout the metropolitan areas. If, however, the Administration determines that additional authority or assistance from the legislative branch would be useful, the President should present such legislation to the Congress promptly. It will not do for Secretary Romney to tell the mayors that they should seek legislation. The mayors will be regarded as special pleaders; the President speaks for all the people.

Further, the President's leadership is needed not only to create support and understanding among citizens but to mobilize the Federal bureaucracy itself. Time and again during the last decade, excellent policy statements on equal housing opportunity have been subverted by the unwillingness of the Federal housing officials to take vigorous action to implement them. Even the limited initiatives taken by this Administration will fall unless officials of the FHA and the other housing agencies are made to understand that they will have no higher responsibility

than to carry out policies designed to meet the housing needs of the poor and minorities.

Finally, while we have focused principally upon the preeminent responsibilities of the President, it must be recognized that others also have an obligation to provide national leadership. It is somewhat discouraging that, on an issue as vital and controversial as this one, few political leaders have articulated a clear position. We call upon national leaders of both political parties, not simply to react to the President's statement, but to spell out their own affirmative programs for securing decent, non-segregated housing for poor and minority citizens.

CONCLUSION

While we are greatly disturbed by the negative aspects of the President's statement and the failure of the Administration to take firm steps to assure equal housing opportunity, we are not bereft of hope. The Administration has recognized for the first time the seriousness of the problem and has taken the first halting steps toward solutions. Much will depend upon its ability to enforce the policies that have been adopted and its willingness to reconsider self-imposed limitations upon the adoption of policies that would promise genuine relief.

The President has asked in this field as in others that his Administration be judged by the results it achieves. That is precisely what we shall do.

RAIL STRIKES

HON. ALAN CRANSTON

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 27, 1971

Mr. CRANSTON. Mr. President, the United Transportation Union struck the Southern Pacific Railroad—and Norfolk & Western—on July 24 in the second of a series of "selective" strikes. On July 30, the UTU says it will halt six more railroads, including the Santa Fe.

If the July 30 strike prevails it will bring the total railroads struck to 11, halting rail shipping in 40 States and affecting 80 percent of the Nation. Thirty-seven percent of the Nation's railworkers will be idled. Twenty-seven percent of America's track mileage will be closed.

We are faced with more than a series of random, isolated work stoppages. We have a rail strike of national proportions.

The strike against Southern Pacific has already dealt a serious blow to California's economy as well as to the Nation's produce shippers and consumers. The harvest of California's deciduous tree fruit, berries, cantaloupes, and other crops is at its peak. Right now, temperatures in California's Imperial and San Joaquin Valleys average in the 100's. A shipping halt of any kind spells disaster for California growers, shippers, and the thousands of farm workers who rely on the harvesting of crops for their livelihood.

The harvest of California crops continues throughout the summer. In 1970, 257,000 carloads of fresh, perishable California produce were shipped to over 40 major-market cities across the United States. Forty-one percent of shippage

was by rail. Most trucking of produce occurred west of the Rockies.

In terms of dollar amounts, the crisis is easily demonstrated. For 1969, total cash receipts from farm marketing amounted to \$4,371,260,000, shared between crop production and livestock production. About 37 percent of California land is in farms. About 25 percent of the total farmland is in crops of various kinds. Some 263,000 people are engaged in California agriculture, more than 5.5 percent of the Nation's agricultural work force, and more than any other State in the Nation.

A second, more specific case points up the peril of a continued strike. Before the rail work stoppage, more than 22 tons per day of sugar beets alone were being shipped to markets across the country. Since the strike began, some 50 to 60 thousand tons of sugar beets, at a value to the farmers of over \$1 million, are imperiled and may have been lost. A continued strike could cost the California sugar beet industry alone up to \$3 million.

The national implications are clear: Last year, California exported 14,000 railcars of produce to Chicago, with only 8 percent of the carriage being by truck. To New York City, California supplied 29,000 carloads of produce by rail and less than 10 percent was shipped by truck. At harvest apex, during June and July, California ships 25,000 to 26,000 carloads. Other months drop to an average 7,000 carloads.

Mr. President, I recognize that "selective" strikes have been proposed by many as a suitable pressure-valve for the prevention of a nationwide rail tieup. But a selective strike becomes nonselective when it hits workers, management, and consumers in markets over 3,000 miles from the strike locale, becoming one in a chain of countrywide strikes. I believe we clearly have a national crisis.

Mediations by the Department of Labor are reported to have been so far unsuccessful and have adjourned without sign of resolution.

In a time of grave economic peril, neither California nor the Nation can wait. Therefore, I call on the Department of Labor—the governmental body mostly closely in touch with all facets of this dispute—to send emergency legislation to the Congress so that we may act to break this deadlock.

Mr. President, no one branch of the Government holds exclusive blame for this crisis, nor can either management or labor be identified as single culprits. The history of this and other rail conflicts is far too complicated for self-righteous fingerpointing.

The administration must demonstrate leadership in seeking emergency legislation to end this crippling strike. Congress must act wisely in developing a solution which is fair to both management and labor and which best serves the needs of the general public. The railroads and the unions must reconcile their differences in a manner compatible with sound economic railroad management and with job security and reasonable wages for the workers.

And these solutions must be found now—before more of our Nation's crops rot in the fields.

OMB RELEASES \$70 MILLION FOR PUBLIC WORKS PROJECTS FOLLOWING CONGRESSIONAL PROTESTS AGAINST POLICY OF IMPOUNDING APPROPRIATIONS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. EVINS of Tennessee. Mr. Speaker, as you know, the Office of Management and Budget adopted an arbitrary policy last fiscal year of freezing, withholding, and impounding funds appropriated by Congress.

The OMB impounded funds for every project initiated by the Subcommittee on Public Works Appropriations and approved by the Congress and the President.

Mr. Speaker, I was pleased to join with you and other colleagues in protesting this excessive impoundment of funds for needed and necessary public works projects, and I have recently been advised that the OMB is releasing \$70 million for planning and construction of many projects throughout the Nation.

In this connection, on June 28 last, Mr. Casper Weinberger, Deputy Director of the Office of Management and Budget, appeared before our subcommittee at my request to explain the action by OMB in singling out appropriations for public works projects by the blanket impoundment of all funds for such projects initiated by the Congress.

During this hearing I was joined by other Members in explaining to Mr. Weinberger the committee's criteria for funding needed projects, and we expressed grave concern over actions by OMB which in effect negated the work of our committee and of Congress in this vital area.

Following these hearings OMB announced the release of \$70 million in funds withheld in the last fiscal year from the Corps of Engineers, the Bureau of Reclamation, Tennessee Valley Authority, the Atomic Energy Commission, and other public works agencies.

The OMB has also released \$16.1 million to the Atomic Energy Commission for the Cascade improvement program to expand production of nuclear fuel needed to provide electric power.

In this connection I place in the RECORD herewith excerpts from this hearing on impoundments because of the interest of my colleagues and the American people in this subject. The excerpts follow:

PUBLIC WORKS FOR WATER AND POWER DEVELOPMENT AND ATOMIC ENERGY COMMISSION APPROPRIATIONS

EFFECTS OF IMPOUNDMENT OF PUBLIC WORKS FUNDS

Witnesses: Caspar W. Weinberger, Deputy Director of the Office of Management and

Budget and Samuel M. Cohn, Assistant Director for Budget Review.

Mr. EVINS. Mr. Weinberger, we welcome you to the committee. We respect you, Mr. Director, and we respect the office that you hold. The committee has looked forward for some time to meeting with you to discuss problems of mutual interest and exchange ideas.

COMMITTEE ACTION ON 1971 BILL

Let me say that last year we began hearings on the Public Works Appropriations Bill on March 3 and final action was not completed until September 17.

During this 6 months' period the committee held about 3 months of hearings, including testimony of over 1,600 witnesses from throughout the Nation. They came in here by plane loads in support of funding of urgent water resource projects. Numerous Members of Congress also testified.

Despite the hundreds of unbudgeted actions requested—everybody is requesting unbudgeted actions and we all understand that—the committee concerning urgent water and power resource items, the committee adopted a very restrictive, a rather austere policy in making its recommendations last year on the 1971 bill.

COMMITTEE MARKUP CRITERIA

The committee markup criteria were as follows:

The first priority was given to more adequate funding of ongoing projects in an effort to restore slippage in construction schedules and avoid cost escalation increases. This would serve the purpose of aiding in the prevention of inflation.

The second priority was given to funding a very limited number of new planning and construction starts with emphasis on low-cost local flood control projects.

As a result of this policy, the final bill included only 18 new unbudgeted planning starts and 31 new construction starts for the Corps of Engineers. Out of the hundreds of requests and the large unfunded backlog of projects, this was all that was modestly added.

The total cost of the 31 new construction starts for the corps was only \$522 million, to be funded over a period of years, compared with 32 projects being completed during the current fiscal year involving a total cost of \$863 million. Now, this is \$341 million less in terms of the total cost of projects in the pipeline. So we had a very austere and very restricted policy, and out of the hundreds of requests it amounted to a total cost of \$522 million for the 31 new construction starts Congress added.

This would be funded over about a 7-year period and it would average only about \$70 million annually.

The purpose of this hearing, Mr. Director, in a very informal way, is to exchange ideas and let you see the point of view of this committee. We feel that we are at arm's length and I wanted to present this as the committee's picture of the situation. We felt we had a very limited number of add ons under the circumstances.

In summary, the committee expended considerable effort and after extensive analysis and discussion provided certain adjustments in the budget priorities, with a final product in which the new obligational authority approved was \$25 million under the budget.

Mr. EVINS. The committee is concerned that despite all of this sincere effort by Congress its work was almost entirely negated by the placement of the funds involved in reserve. In the final analysis, the executive department determined that everything that had been budgeted was of high priority and that actions of the Congress were not.

We have now again completed, Mr. Director, over 3 months of hearings this year on the 1972 budget. We have had testimony from over 1,700 witnesses from across the country. I have never heard more urgent

appeals in my 18 years on this committee from chambers of commerce, water resource people, public officials and Members of Congress. Over 150 Members of Congress accompanied their witnesses before the committee. As the committee now begins to make its recommendations on the bill for next year we are concerned that without some change in the policies and attitudes of the OMB the committee's judgments and determinations might again be nullified. So that is the reason for this hearing before the markup.

Mr. Director, let me ask you just a few questions. We have read your statement and, without objection, it will be placed in the record.

STATEMENT OF CASPAR W. WEINBERGER

Mr. Chairman and members of the committee, I welcome this opportunity to appear before you to discuss the practice of establishing reserves and deferring the expenditure of appropriated funds. I understand that you do not expect an extended statement, and I do not have one. I think, however, it would be useful to the committee if I make a few general points concerning this matter, inasmuch as there has been considerable confusion and misunderstanding in some of the recent public discussion of it. I would also like to bring the committee up to date on the amount of withheld funds.

As of June 22, 1971, the total amount of funds in reserve was just under \$12.1 billion. As we characterize these reserves, over \$10 billion of this amount was not being held up in any restrictive sense but merely being held for obligation at a time when projects are ready, or to meet possible contingencies, or to comply with specific congressional requirements, while the remaining \$2 billion has had to be withheld in order to meet general restrictions on spending imposed by the Congress and to fulfill the President's responsibilities, including his duty to combat inflation. Within these totals, funds are being reserved in practically every major department for many different reasons peculiar to the individual programs involved.

The committee will recognize that the \$12.1 billion figure is significantly different from the \$12.8 billion amount which we reported as being in reserve in February. This illustrates an important point about the withholding process: Withholding is essentially a management device which is used to regulate the flow of the Government's funds in an orderly manner, not as an arbitrary obstruction to spending as some have said. The total amount being withheld fluctuates because funds are in reserve not to prevent their ever being spent but because they have to be held somewhere until all the conditions which the Congress intended to attach to their being spent are fulfilled. Specific congressional mandates limiting the money to be obligated within a certain time period must be complied with; contingencies must be guarded against; projects must be prepared and reviewed; disputes over locations must be resolved; occasionally savings are possible in certain programs; or it may not be possible to obligate all the money even if it were desired to do so, as is the case with the highway program. In any of these circumstances it may be that funds will be placed in reserve for a time. This is good management practice, adopted in order to be sure that the funds will be available for the purpose intended by the Congress when it is possible or appropriate to spend them.

As I have said, over \$10 billion of the total amount of reserves are not being held in any restrictive sense but rather for these management-type reasons just referred to. Consistently over the last decade the amount of the budget in reserve has been about 6 percent of total outlays, and in fiscal 1971, at 5.7 percent, we are slightly below this level.

However, the amount withheld this year includes, in addition to those amounts withheld as a routine part of managing expendi-

tures, approximately \$2 billion which has had to be reserved in order to comply with general congressional directions concerning total spending and the public debt. I would like to say just a word about these general restrictions and their effect on the withholding process.

The President feels that the proper economic course to follow is to hold total Government expenditures down to a level that will not exceed the revenues that would be received if the economy were operating at full employment. This has been necessary in order to reduce the inflation which has been afflicting the economy as a result of excessive spending above full-employment revenues under the previous administration. To hold down spending, we believe the President would have been justified in withholding funds in addition to those in reserve for management purposes. Given the amount of spending that has been authorized, it is the only means available to him to fulfill his obligation to contain inflation. Our view is that the power to withhold is inherent in the general executive power of the President, a position for which there is ample precedent in administrations of both parties.

As it happens, however, this particular issue involving the separation of legislative and executive power is not of great importance in the context of fiscal 1971 because the Congress itself has required the President to use the withholding mechanism as a means of complying with a general ceiling on expenditures for the year and with the limit on the public debt.

The ceiling on expenditures for fiscal 1971 was established in the Second Supplementary Appropriations Act, 1970. While the formula for computing the ceiling is complex and requires reliance on estimates throughout the fiscal year, suffice it to say that it is a binding legal requirement on the President and there is no way of complying with it except by withholding funds unless we were to refuse to pay the Government's bills as they come due. In our budget last January, we planned on the basis of ending the year within \$2 billion of the limit, which left less than a 1-percent margin for error. If the funds now being withheld had been released at the beginning of the fiscal year, we believe we would have exceeded the ceiling by several billion dollars, which would be against the law and the specific direction of Congress.

Likewise, the debt limit is a binding restraint on spending which assumes that it will be complied with by exercise of the withholding power if necessary. Thus, when the administration requested in February that the debt limit be raised to \$435 billion, the request was based on a calculation of the amount of borrowing we thought would be necessary if spending followed the pattern recommended in the President's budget, which included plans for withholding funds. If the Congress wished these funds to be released, it could have granted a higher increase in the limit than requested. In fact, however, the Congress approved a ceiling of only \$430 billion, apparently assuming that the funds would be withheld and actually making it impossible to release them and stay within the debt limit.

In conclusion, I would say only this: The administration regards withholding as an essential management tool, necessary if we are to have the efficient and effective control over Government expenditures we are sure Congress wishes maintained. For the most part, it is used as a management device, as the figures I have given the committee demonstrate, and it is a good one. During fiscal 1971 it has been necessary also to use withholding to resolve inconsistent legislative directives concerning total Government spending and individual appropriations bills. Perhaps there are better ways of resolving these inconsistencies: at this time, however, the withholding device is the only means avail-

able to us to comply with the congressional will.

RESUMPTION OF TESTIMONY

Mr. EVINS. We know the tenor of your statement is about the congressional limitations with which we are familiar.

OMB POLICY ON IMPOUNDMENT

As a general policy, Mr. Weinberger, did OMB reserve all congressional add-ons in other appropriation bills for fiscal year 1971?

Mr. WEINBERGER. Mr. Chairman, do you mean other construction?

Mr. EVINS. Yes; and planning items in other bills besides the public works appropriation bill.

Mr. WEINBERGER. Planning and construction. Well, my understanding is—and Mr. Cohn has been with the Office a lot longer than I have and will be there long after I leave, so he will have to correct me on any mistakes I might make—that there was a continuation in fiscal year 1971 of the previously followed policy of deferring congressional add-ons in the construction and planning budgets in favor of the projects which the President himself had recommended. I noticed you said that the action had nullified the action of the committee. This, I think, is incorrect. What we did was defer it. It is our intention to release on July 1, which is less than a week from now, 3 days actually, the projects that were added by the Congress to the projects requested by the President, and the intention of doing this, Mr. Chairman, was set forth at page 114 of our budget in which we used the specific sentence: "Most of the projects added by the Congress to the 1971 budget are expected to be started in 1972."

And that sentence is correct. They will be carried out.

Mr. EVINS. Mr. Director, you, in effect, negated the entire year's action of this committee by deferral of projects and when you release them on July 1 you haven't provided for any additional funds in the 1972 budget which makes for a year's delay. You have stopped them for a year. We understood last year you were talking about inflation. This year you are talking about the full employment budget.

Mr. WEINBERGER. We do have the problem, Mr. Chairman, and it is a serious one, of the fact that only about a third—it varies from time to time but only a third—of the total budget is in what can be called the controllable category and, unfortunately, all of the construction is in that one-third.

Mr. EVINS. Mr. Director, you didn't answer our first question. As I said, as a general policy did OMB reserve all congressional add-ons in other bills? You did in ours. Did you reserve all unbudgeted items in other bills?

Mr. WEINBERGER. In other bills, I thought you were referring to construction only.

Mr. EVINS. We are talking about other bills, planning and construction.

Mr. WEINBERGER. I don't think we reserved all of the congressional add-ons in all other bills for the reason that we were not allowed to do so in some. We were not able to do so.

EXAMPLES OF FUNDS NOT PLACED IN RESERVE

Mr. EVINS. Let me cite examples where congressional add-ons were provided and you didn't freeze them.

General Services Administration fiscal year 1971 congressional add-ons not impounded

In fiscal year 1971 Congress added funds on six GSA projects. None of these funds were frozen. Contracts for two of the projects (see below) were awarded in the final quarter of fiscal year 1971.

BUILDING AND LOCATION

Congressional add-on

Courthouse and Federal office building, Frankfort, Ky.----- \$850,000

Courthouse and Federal office building, Alton, Ill.----- \$1,500,000

Contracts will be awarded in fiscal year 1972 for the other four fiscal year 1971 congressional add-ons. According to GSA, these contracts would have been awarded in fiscal year 1971 if the design work for the buildings had been complete. The buildings are:

BUILDING AND LOCATION

Congressional add-on

Post office and Federal office building, Augusta, Ga.----- \$2,694,000
Post office and Federal office building, Houma, La.----- 2,064,000
Post office and Federal office building, New Orleans, La.----- 181,500
Post office and Federal office building, Providence, R.I.----- 1,355,600
1 Construction and alteration.

Military construction fiscal year 1971 (congressional add-ons not impounded)

PROJECT AND LOCATION

Congressional add-on

Lindsey Creek bypass-extension (bridge and road), Fort Benning, Ga.----- \$2,800,000
Commissary, naval base, Charleston, S.C.----- 2,233,000
Applied Instruction Building, Naval Construction Battalion Center, Gulfport, Miss.----- 772,000
Enlisted Men's Club, Naval Construction Battalion Center, Gulfport, Miss.----- 462,000

Department of the Interior and related agencies fiscal year 1971 (congressional add-ons not impounded)

PROJECT AND LOCATION

Restoration of facilities, Fort Scott National Historic Site, Kans.----- \$100,000
Construction of administration headquarters, Redwood National Park, Calif.----- 75,000

Bureau of sport fisheries and wildlife

PROJECT AND LOCATION

Meridian National Fish Hatchery, Meridian, Miss.----- 1 \$25,000
San Marcos National Fish Hatchery, San Marcos, Tex.----- 250,000
Allegheny National Fish Hatchery, Pa.----- 241,000
Warm Springs National Fish Hatchery, Oreg.----- 295,000
Fishery Station, Valentine, Nebr.----- 130,000
Water Supply Intake, Quinault Fish Hatchery----- 90,000
Support Facilities, Western Gulf Marine Laboratory, Port Aransas, Tex.----- 700,000

1 Planning.

Mr. COHN. May I respond to that briefly, Mr. Chairman?

Mr. EVINS. Yes; I wish you would.

Mr. COHN. I don't think there was any such policy. In fact, I know there was no policy to discriminate against this subcommittee or the area that this subcommittee covers. There is one major distinction between the construction for which this subcommittee appropriates and the projects you just read off. I don't mean to take either side of that argument but let me say that the ones you read off, the construction starts, are fully funded.

Mr. EVINS. We will accept your word that there is no discrimination against this committee. We will accept your word for that.

Mr. COHN. I would like to explain that we did make an effort, Mr. Chairman, to start in the fiscal 1971 year all of the projects that had been funded prior to 1971 that hadn't been started.

PUBLIC WORKS BILL FUNDS IMPOUNDED WITHOUT EXCEPTION

Mr. EVINS. But, Mr. Cohn, you didn't make an exception in this committee. You made

exceptions in other committees and, therefore, this committee is concerned that you singled out the entire action of this committee and your action meant a year's slowdown and a year's stretchout and delay. Now, you have alluded to the fact that these projects are not funded all in 1 year like a Federal building, and that is true. But many of these projects, I repeat, were small and there were a number that would be completed in 1 year involving only a small amount. I feel that your subordinates didn't take a look at them selectively. Let me read you a few of these. Here is the King Cove Harbor, Alaska, a total Federal cost of \$750,000. That was a small one. It would have been the complete cost in 1 year.

Mr. WEINBERGER. The problem, Mr. Chairman, of pulling one or two instead of having a uniform policy is that it would subject our Office to substantial criticism. We thought an overall policy was better. My understanding has been that this is not a new policy, that this is the policy that has been followed by many previous administrations.

Mr. EVINS. This is the first time, Mr. Director, that the complete action of a committee of Congress has been negated. Let me read you some more of these. Here is the Little Rock, Ark., levee, \$290,000, the total cost to complete the project, frozen and project delayed a year. Here is the San Joaquin River in California, total cost \$720,000. Here is the Kaskaskia Levee District No. 23, Illinois, total cost \$907,000. Here is the Corpus Christi Intercoastal Waterway cutoff, \$200,000 to complete it.

Mr. WEINBERGER. I think one of the points you made earlier is important here, and that is that the total cost of the continuation projects added by the committee for the Corps of Engineers alone was half a billion dollars. Furthermore, the total cost of all the projects added, planning, land acquisition, and construction, was about \$3 billion, and that is not an inconsiderable sum, even by Federal standards. We had to apply, we thought, a uniform policy with respect to deferring and stretching out the add-ons.

Mr. EVINS. It has never, to my knowledge, been the policy to include planning and land acquisition items in commitment figures, only construction starts. Regarding planning, you allowed other agencies to go ahead with planning but even on planning you impounded all funds and delayed our 18 new planning starts. It takes a long time even to complete planning on a project but you stopped all planning.

Mr. WEINBERGER. Not all planning, Mr. Chairman; Planning that was in addition to the President's proposals.

Mr. EVINS. All of the committee's priorities on planning, and that after many months of evaluation and testimony by many witnesses. The committee would say to the Congressman, State water officials and others, "Which is your highest priority? Which is the most urgent? Which is the most needed?" On a very restricted basis, we provided funding for these priorities. To impound the funds, without exception, appeared to be an arbitrary meat ax sort of approach.

Mr. WEINBERGER. It certainly was not that, Mr. Chairman, and I regret that any impression of that kind may have been incorrectly given.

Mr. RHODES. Mr. Chairman, would you yield?

Mr. EVINS. Yes, I yield.

Mr. RHODES. Mr. Weinberger, this subcommittee sits on a powder keg really.

Mr. WEINBERGER. Oh, yes.

Mr. RHODES. We have pressures from Members of Congress for projects that you probably—I was about to say you wouldn't believe but you would believe because you have a pressure-packed position yourself.

Mr. WEINBERGER. I do. I have had some

familiarity with the work this committee does because of similar work I did in California, and I respect the difficulty of the job very much, Mr. Rhodes.

Mr. RHODES. We had thought we had done a good job last year. We funded some starts which were above the budget but they were not of a major nature. Also, the pipelines of both the Corps of Engineers and the Bureau of Reclamation are going down. Even with these add-ons, the pipelines are going down and this is in dollars, not in purchasing power, so you know full well and I don't need to elaborate that if they are going down in actual dollars the purchasing power which is represented by those dollars is even less. Therefore, since we felt that we had done a good job, when the bill was signed and the President made that remark about "this was sure full of pork," it didn't sit very well with the committee.

Then to have the Office of Management and Budget take all of the congressional add-ons and without any explanation whatsoever deferring them, we just felt that our work had been held up for scorn and ridicule when we had actually done what appeared to us at least to be a creditable job.

Mr. WEINBERGER. There was no intention, I am sure of that, Congressman Rhodes, and that certainly is not my feeling and, I am sure, is not the President's. He has been part of the congressional process and is very familiar with it and understands it.

Mr. RHODES. Oh, yes.

Mr. WEINBERGER. He did have concern because of the out-year effects of the additions, \$3 billion. The first year rises in geometrical progression in the out-years, and this is something he has to be concerned about because he has not only the responsibilities of looking over the work this committee does but overall responsibilities for the entire Government, and the effects of small outlays the first year can be enormous in future years.

Mr. RHODES. This is true, but I think that we have to make the point also that the areas of public works must not be neglected, particularly the flood control projects. Practically all the add-on projects were flood control projects in which the need had been demonstrated by the fact that there had been recent floods and more were expected. Even so, we certainly understand your position and the President's position, and I think your statement makes the point very well about the congressional ceiling.

What we are really asking you to do is to give our work a little more credibility than I think you did last year and to realize that we are not trying to put a lot of pork in this barrel. We are trying to do the best job possible for the country.

Mr. WEINBERGER. I don't have any doubt about that, knowing the personnel of the committee and being familiar with the legislative process myself, and I think, Congressman Rhodes, there are two problems. You have the need to make some reductions. You have the fact that because of the controllability factors all of the reductions, practically speaking, have to be in the construction area. You have the fact that the President gets advice, as he must, from his staff people and from the executive branch as to the priorities that he has put in his budget. Finally, you have, along with the urgent necessity to make some reductions, the fact that the President would feel that the priorities he had selected for his budget should come first. This does not in any sense imply any disrespect for the committee.

Mr. EVINS. Mr. Director, this is one of the points we wanted to make. We respect Rogers Morton who served in the Congress. We think he is a fine man and we welcome him to this committee. He is in charge, of course, of the Bureau of Reclamation and the power agencies of Interior. We felt he might have some

standing influence with the President, and you said that the President must rely upon the advice of his associates and advisers and this is one reason why we wanted to discuss the question with you. We know you are an important man, an influential man, and you advise the President and we wanted some of the full facts to be known. We feel that you have sort of taken a one-sided point of view on some of these things and have missed some of the points of view that we have learned and have heard over the years in the committee. Maybe you can present some of these other facts, some of the planning items, some of the land acquisition items that have been stopped.

Mr. WEINBERGER. I think that is a very valid hope and assumption, Mr. Chairman. We certainly feel that we need to learn a great deal more about all of these things, and I am personally very glad indeed to have the opportunity for this hearing and to have the opportunity to present to the President the viewpoint that the committee has. I don't have any doubt at all that he will be glad to have the additional viewpoints before him and certainly would be greatly concerned, as I am, at any feeling that there is any discrimination against a particular committee of the Congress, which there certainly is not.

REVIEW OF EFFECTS ON INDIVIDUAL PROJECTS

Mr. EVINS. We accept your word on that. Let me ask you this: To what extent, Mr. Cohn, was the effect of impoundment reviewed in connection with individual projects? None at all, apparently.

Mr. COHN. During the reviews last fall and into December, Mr. Chairman, a number of alternative paths or policies of public works construction were reviewed and, as Mr. Weinberger pointed out, the decision was made then to adopt a uniform policy that did cover all the new public works starts that this committee had added.

Mr. EVINS. In other words, you didn't take a look at individual projects to see whether it was a small project or a small amount, or the degree of urgency?

Mr. COHN. It was a feeling, Mr. Chairman, that we were being impartial and the alternatives were set before the President. Mr. Weinberger and Mr. Shultz reviewed them, reviewed them with various agency heads, and this was set before the President. I was not there. But the feeling that I got during the later discussion with Mr. Weinberger and Mr. Shultz had with us was that this was really impartial because we were not picking out projects in certain districts or that were initiated by certain Congressmen.

Mr. WEINBERGER. There was a real worry about that.

Mr. COHN. We were worried if we picked and chose we would be subject to charges of discrimination and, of course, there was a tendency, and I have been there with both

Republican and Democratic administrations—

Mr. EVINS. You had the criterion of priority to small projects?

Mr. COHN. We might have had that.

Mr. EVINS. Small amounts, small costs, small projects, planning only.

Mr. COHN. We discussed the possibility and it may be we came to the wrong judgment, Mr. Chairman, but having sat through Republican and Democratic administrations in approximately my same seat I know there is the tendency for advisers to the President to always push projects in districts that they are interested in. The career staff, if you will, sir, have always been warned against this, and that we should adopt a consistent policy and not pick particular projects of interest to whatever administration it is. The career staff has adopted this policy consistently.

Mr. EVINS. We can understand that point of view, but at the same time we considered primarily small projects and small costs. I note you followed a similar policy in the limited number of new starts in the 1972 budget. Let's go on with the hearing. We see your policy and you didn't get in on the top decisionmaking. You are a career man.

Mr. WEINBERGER. Mr. Cohn is saying that his recommendation saved me from having to come here this morning and defend against having released all of the California projects, Mr. Chairman.

FREEZING OF PLANNING FUNDS

Mr. EVINS. Considering the very small amounts involved and the requirement of 3 to 4 years for planning of water resource projects, why were the planning funds frozen?

Mr. WEINBERGER. The overall necessity of making reductions and the decision to do it on an overall basis for the deferral—not the nullification but the deferral—of the congressional add-ons led to projects in both categories being put into the "withheld" list, and I emphasize that most of them are being released for the fiscal year beginning in 3 days.

INCREASED PROJECT COSTS AND LOSS OF BENEFITS

Mr. EVINS. Without exception, the additions by the committee were impounded and, in general, schedules were slipped further back in the 1972 estimates. The Corps of Engineers and the Bureau of Reclamation now estimate increased project costs of over \$73 million and loss of annual benefits estimated at \$170 million for a total of \$243 million in increased costs due to impoundment of the \$63 million added by the committee. In other words, to save \$63 million, not our testimony, the Corps of Engineers and the Bureau of Reclamation estimate, it will cost \$73 million more in construction with a loss of \$170 million in annual benefits for a total loss of \$243 million. We will insert this summary tabulation in the record. (The information follows:)

SUMMARY OF EFFECTS OF IMPOUNDMENT

	Number of projects	Amounts reserved	Estimated increase in project cost due to delay	Estimated loss of annual benefits	Total increased cost and loss of benefits
Corps of Engineers:					
Construction funds.....	165	\$31,035,000	\$62,128,000	\$80,881,800	\$143,009,800
New planning starts.....	18	2,018,000	(?)	42,364,000	42,364,000
New land acquisition starts.....	7	2,500,000	(?)	(?)	(?)
Subtotal, corps.....	90	35,553,000	62,128,000	123,245,800	185,373,800
Bureau of Reclamation.....	38	27,862,000	11,286,000	46,276,000	57,562,000
Total, above.....	128	63,415,000	73,414,000	169,521,800	242,935,800

¹ Includes 31 new starts and \$7,975,000 in reserve; balance involves congressional increases (\$23,060,000) to restore schedule on 34 budgeted projects.

² Not available.

³ Includes \$3,020,000 for 3 new construction starts, 3 new loans, 1 planning start, and 1 new land acquisition item; balance, \$19,793,000, involves congressional increase on going construction projects.

Note: The figures were prepared at committee request by the Corps of Engineers and the Bureau of Reclamation based on a review of the contracts that would have been let on each project where the funds had not been impounded.

Mr. WEINBERGER. Again, Mr. Chairman, it is simply a matter of trying to measure the difference between that increase—and I think the loss of benefits is always an item about which a great many arguments can be made—the difference between saving that extra cost and spending more than seems to be proper in the given fiscal year.

Mr. RHODES. Mr. Chairman, would you yield at that point?

Mr. EVINS. Yes.

FUTURE OMB POLICY

Mr. RHODES. Mr. Weinberger, can you give us any feel for the probable action of the Office of Management and Budget with reference to congressional add-ons for the appropriation bill for fiscal 1972?

Mr. WEINBERGER. Well, Congressman Rhodes, I certainly could not be in the position of encouraging congressional add-ons to the President's budget.

Mr. RHODES. No; I understand that.

Mr. WEINBERGER. We have not seen any final figures because very few appropriation bills have even been acted on, so we would not know anything about the necessity for withholding. It is my understanding that Congress does not plan to impose a spending ceiling in the fiscal year 1972. I don't know if this is final action or not, but it is my understanding they do not.

Mr. EVINS. Mr. Director, the Congress feels that they don't want to give you a flexible ceiling which you could use as a tool to freeze and impound funds as you did in the past.

Mr. WEINBERGER. Well, Mr. Chairman, on that point we have asked for an inflexible ceiling that applies both to Congress and the executive branch.

Mr. EVINS. We had one and, Mr. Director, you are knowledgeable in this matter as are we in the Congress. I believe your ceiling has not been given to you to provide you with another tool to use to freeze funds.

Mr. WEINBERGER. An inflexible ceiling that is a ceiling and is applicable to both branches would, I think, be something that the President not only has requested but would request again. Naturally we could not be in a position of encouraging add-ons to the budget which the President submitted.

Mr. RHODES. There will be add-ons.

Mr. WEINBERGER. But there will be add-ons, as there always have been in the past, and the question arises as to whether the same necessity prevails in 1972 that prevailed in 1971, which led us to go into the need for overall general reductions. We certainly hope it would not. The President would like to give full expression to the intent of Congress, I am sure, at any time he feels it is consistent with his economic policy, and with the public debt limits and the other things which led us and have, incidentally, led every administration since Thomas Jefferson to find the necessity for making some withholdings.

Mr. RHODES. I hope you will consider the pipeline. As I have mentioned before, the pipeline is going down in both the Corps of Engineers and the Bureau of Reclamation, and this, I think, is likely to be counterproductive in the years to come.

Mr. WEINBERGER. I think the pipeline is diminishing but the spending each year is rising. The immediate outlook and the years we have to be most concerned with, of course, are 1973, 1974, and 1975, and so on. Those immediate years show very substantial total increases based upon prior-year commitments and while the pipeline may be going down, the immediate year outlay effects that we do face are very substantial. We would certainly want to utilize the reservation of congressional add-ons as a last resort, and that is all that was done this year.

Mr. RHODES. Thank you.

DIVERSION OF RECLAMATION FUNDS

Mr. Director, the committee is especially concerned that in the instance of the Bureau of Reclamation a total of \$16 million which was added by Congress for eight projects was

impounded and is now scheduled for release in fiscal year 1972 but is being reprogrammed for other work. It is a small amount, but it is being allocated to other work, not to the items which the committee directed.

WESTLANDS DISTRIBUTION SYSTEM, CALIF.

For example, for the Westlands distribution system in the Central Valley project, California, Congress provided \$8.5 million to initiate two contracts to provide water to two additional project areas. These funds are now scheduled in the 1972 budget to finance other work, thus vetoing the priorities established by the Congress.

Mr. WEINBERGER. Mr. Chairman, I think in that connection the problem was that the contractor worked more rapidly than he had scheduled with the Bureau: for that reason the additional funds will be used up sooner and the balance will be available for other programing. I am not sure, but that is my impression. We have had a great deal of correspondence concerning the Westlands water project.

Mr. EVINS. I don't believe that was the case. You not only deferred the money we added for 1971 until 1972 but then you put it on other items in 1972, for going contracts on the Westlands project. Here is some information from this year's hearing during the testimony of Ellis L. Armstrong, the Commissioner of the Bureau of Reclamation, and I quote the record:

"Mr. EVINS. I understand in some cases the funds will not be applied to the purposes for which it was appropriated. We are most concerned that such action was taken and I assume it will not occur again. Specifically, indicate these diversions of funds in the reserve table you are furnishing for the record. "For example, \$8,500,000 was appropriated for the Westlands distribution system. We understand this has been used for some other purpose than was intended by the Congress.

"Mr. ARMSTRONG. No. It is being used for the Westlands distribution system. You supplied \$8.5 million, and in the discussions accompanying the appropriation, I think you specified that would be for two new contracts. We did not have enough money to cover these additional contracts, and so it is being applied this year along with another \$1.5 million, making a total of \$10 million to cover ongoing work, on construction contracts that have already been let.

"Mr. EVINS. You have taken the money which we appropriated for new work on the project and scheduled it for ongoing contracts. If you had not diverted the \$8.5 million, you would have had to have an additional appropriation request for going contracts in fiscal year 1972?"

"Mr. ARMSTRONG. That is true."

Mr. EVINS. This is the gimmick. They had ongoing contracts and used this extra money for them instead of requesting new appropriations for fiscal year 1972.

Mr. WEINBERGER. This is usually the Bureau's or the corps' own recommendation, Mr. Chairman, because it is very much more economic and effective in every way to complete the ongoing contract than to stop half way through that and start a new one.

Mr. EVINS. We are not advocating stopping it, Mr. Director. Please understand we are not advocating stopping it. The representative of the people in the area asked for the two new contracts and this committee supplied funds for the two new contracts, and somehow the two new contracts were deferred and the funds diverted to other work.

Mr. WEINBERGER. I think the problem was, Mr. Chairman, that the old contract cost more than originally estimated and rather than leave the project dangling the available funds were reprogrammed to complete that project. That is my understanding of the Westlands.

Mr. EVINS. It is not my understanding the old contract cost more. You saved \$8.5 million in the 1972 budget request by using the

money appropriated by Congress for 1971 and you exercised an item veto of Congress which is unconstitutional.

Mr. WEINBERGER. I think we finished some existing contracts on that existing project. That one I have some small familiarity with because of the amount of discussion we had about it.

Mr. RHODES. We ought to finish that Westlands project. The way that project has been kicked around through the years, Mr. Weinberger, is absolutely scandalous. It is badly needed. The water table is going down. They have ground subsidence. They have everything imaginable that can happen to a district that is out of water. We really ought to go ahead and complete this project.

Mr. WEINBERGER. Let me check on that.

CENTRAL UTAH

Mr. EVINS. I am advised, Mr. Director, that the same action was taken with respect to the tunnel and the Jordan aqueduct on the Bonneville Unit of the Central Utah project. We provided money for the Jordan aqueduct. You took the money and put it on ongoing contracts and again vetoed the action of the Congress.

Mr. WEINBERGER. I am not familiar with that one, Mr. Chairman, but we do give the Bureau and the corps flexibility, so that if there had been cost overruns as there nearly always seem to be on these estimates they can complete ongoing work.

Mr. EVINS. These are not cases of cost overruns, Mr. Director. For years when the corps and the Bureau write a letter to this committee and state that they would like to have a transfer of funds for a project it has usually been approved.

Mr. WEINBERGER. I think in this case it probably was, too, Mr. Chairman, because I don't think we can move without the committee's approval and we would not want to.

Mr. EVINS. It wasn't submitted. You compliment the committee, Mr. Director, by saying you don't move without considering the committee. We don't feel the committee has been given any consideration at all.

Mr. RHODES. If you will yield, this particular item I remember well. It was not in the budget and was put in the bill over the budget at the specific request of the people of Utah.

Mr. WEINBERGER. This was the Bonneville project?

Mr. RHODES. Part of the Bonneville project. It was \$1,200,000 and, as I recall. There was a matter of relocation of a highway. The total project provides water for Salt Lake City. The case was made and made well that this was an emergency situation and we put the money in for that particular purpose, and it was diverted to some other purpose.

Mr. WEINBERGER. I have no personal knowledge of that as I did with the Westlands. I will certainly look it up and see what the current status of that is.

Mr. EVINS. This is one of the matters that we wanted you to become familiar with. We feel on many of these matters you don't have personal knowledge and certainly the President doesn't have knowledge. Nobody is charging the President but it is his advisers and those around him.

Mr. RHODES. The main point we are trying to make is that we usually do have some reason for congressional add-ons.

Mr. WEINBERGER. I don't have any doubt about that whatever.

OMB PRACTICE OF DIVERSION OF FUNDS

Mr. EVINS. Do you believe, Mr. Director, as an individual, that it is an appropriate practice for OMB to divert funds from the purposes specified by Congress?

Mr. WEINBERGER. Mr. Chairman, I don't believe in diverting the funds from the purpose for which provided. I do believe completely in the necessity for the President to have the ability to manage the flow of Federal ex-

penditures, which is all that is really involved in impounding. If there were no constraints, if we didn't have a debt ceiling, et cetera, et cetera, we probably would not have to do that, but given the necessity and those constraints I think he does have to manage the flow. To the extent that he is not always able to release funds at the time the Congress would like to have them released, this may well involve a difference of viewpoint between the Executive and the Congress. I don't think this is diversion and I don't think the President or the executive branch engage in diversion of funds.

Mr. EVINS. We certainly consider it diversion when we appropriate money for a specific project, for a specific purpose, within a time frame and that project is not only deferred for another year but a year beyond then, and then to another purpose. I can't consider it anything but diversion.

Mr. WEINBERGER. Well, the matters that involve other purposes, so far as I know, are usually, and I assume regularly, submitted to the committee by the corps or the Bureau which are the operating agencies. We do not deal with that particular phase of it. We do not have operational authority.

Mr. EVINS. Mr. Director, we are just giving you some examples in the Bureau of Reclamation.

Mr. WEINBERGER. I will have to discuss them with the Bureau because my understanding was that diversion or shift of funds from programed activities as approved by the Congress did require the committee's approval, and that is the assumption under which we have been operating; but we are not an operating agency in that sense.

INDEFINITE DEFERRAL OF FUNDS

Mr. EVINS. We have been talking about diversion. Now I want to talk about deferrals and reallocations. With respect to the Corps of Engineers, funds were placed in reserve for nine projects which are not scheduled for release until after 1972. We understand that one reason for this is that they were considered by OMB of low priority. Now, what criteria does OMB follow in establishing project priorities?

OMB CRITERIA ON PROJECT PRIORITIES

Mr. WEINBERGER. One thing that we have to be concerned with, Mr. Chairman, is when the cost estimate of the total project has very sharply risen or when we are advised by, in this case the corps, in some cases the Bureau, of changes in conditions and other matters and other factors that lead to that. We also have to be concerned with the cost-benefit ratio and we ordinarily cannot send a favorable report to the Congress—in fact, I don't know of a single instance where we have—when there is an unfavorable cost-benefit ratio.

On the deferral of projects which are necessitated by money management problems that I mentioned a moment ago and in the statement, we naturally try to select for deferral projects that the corps or the Bureau advise us have a lower priority and by definition those projects that are not included in the budget—

Mr. EVINS. In other words, you are advised by either the Bureau of Reclamation or the Corps of Engineers as to what constitutes low priority?

Mr. WEINBERGER. Normally we would look to that, but if there is a situation in which a project's ultimate cost has very sharply increased, not by reason of calling it lower priority but because the project now needs a reexamination, we would recommend for deferral that particular project given the necessity to defer some.

DEFINITION OF LOW PRIORITY

Mr. EVINS. We are trying to find out what is your definition of "low priority."

Mr. WEINBERGER. That is what I was trying to give you, Mr. Chairman.

Mr. EVINS. You are saying that you are advised by the Bureau or the corps as to what constitutes low priority?

Mr. WEINBERGER. In some cases; but I question the entire use of the term "low priority."

Mr. EVINS. There must be a little gap here because we get testimony before this committee of the urgency, of the importance, of high priority, and then we find a label tagged on it by OMB of low priority. So there is a gap here somewhere.

Mr. COHN. Mr. Chairman, my recollection may be wrong, but I don't recall low priority being attached to those particular projects, the few that are deferred beyond 1972. That might be so interpreted, but I think in each of those cases, and I don't know the specific problems that were involved in each of those projects. There was some difficulty in getting water contracts signed. There was some difficulty and delay in getting cost-sharing contracts agreed to, and in each of those cases it was our understanding from the corps and the Bureau of Reclamation that these were going to take time to complete.

CHARITON AND LITTLE CHARITON, MO., PROJECT

Mr. EVINS. Mr. Cohn, let me cite a few in this category. One project on which a low priority tag was placed was the Chariton and Little Chariton River flood control project in Missouri. The total cost of this project is only \$7.3 million, with a benefit-cost ratio of 1.6 to 1. Congress added \$400,000 to initiate construction because it was considered an urgent small flood control project with damaging floods which have occurred on an average of more than once a year for the last 50 years. They had floods in the area in May and September of this year, 1970, which caused damage estimated at \$1,148,000. In other words, they had at least one flood a year for 50 years and it was of high priority, of great urgency, with a benefit-cost ratio of 1.6 to 1. I think this is probably one of our star examples, but this one was deferred because it was considered of low priority. The funds provided by Congress were frozen and are not even scheduled for release until after fiscal year 1972.

Mr. WEINBERGER. Let me again, Mr. Chairman, if I might interpose the statement, say that we do not defer them because of low priority.

Mr. EVINS. That was the testimony of the Corps of Engineers. They cited this one among four projects "considered to be low priority and are being deferred for that reason."

Mr. WEINBERGER. I don't know from whom, certainly not from me, because we don't use that kind of categorization. We have to defer some. A lot of what we defer has to be in construction. In making the decisions as to which should be deferred, as you pointed out a moment ago, we deferred all congressional add-ons on the theory that the ideas that were in the President's budget represented the highest priorities stated by the Bureau and the Corps. We didn't attempt to assess further priorities, but if there have been drastic changes in the cost estimates of a project or the time for completion or other factors which change the cost-benefit ratio we would certainly recommend that that particular project be deferred until there is an opportunity to look at it again. But we do not thereby attach a low priority tag to it.

Mr. EVINS. Mr. Director, in view of your multiplicity of duties on the overall budget and of the importance of your office and the lack of time for details, could you not consider as Mr. Rhodes says, the expertise and judgment of this committee and Congress in determining some urgency or high priority in the funding of certain projects? Wouldn't

you give some evaluation to the work of this committee?

Mr. WEINBERGER. Yes, sir; I think definitely that would be done. The problem that we faced in considering that is the difficulty of choice and the problem of criticism that we have favorite districts, favorite Congressmen, et cetera, et cetera, and in order to avoid the serious problems involved in charges of discriminatory action of that kind it seemed best that, faced with the need to make some retrenchment and some deferrals, an overall policy of utilizing the recommendations that had been given to the President by the Bureau and the corps be followed and that the President's budget be followed and the congressional add-ons deferred.

Mr. EVINS. You are saying that you are following the recommendations of the Bureau of Reclamation and the Corps.

Mr. WEINBERGER. That is how they got into the budget.

Mr. EVINS. We think that you exercise great judgment in your office. We hear testimony from the corps and the Bureau, from Members of Congress and from public witnesses and we make evaluation of relative needs. We think you exercised your judgment on these matters in, I won't use the word, cavalier fashion, but I am saying that I believe we go into greater depth and greater study and we have valid reasons for our funding recommendations.

Mr. WEINBERGER. Mr. Chairman, there is no question about that, and the very point that I have made demonstrates that you do go into much greater depth. The point I made is that the discretion we exercise is done on a single basis, the idea that the President's budget should stand and that all of the congressional add-ons be deferred, when a deferral is necessary in this amount, rather than exercising a cavalier or an independent judgment on individual projects. We don't feel qualified to do that.

In the case of two projects for which funds were added by Congress for AEC in the 1971 bill the funds were not only placed in reserve but are being reallocated for entirely different purposes in fiscal year 1972. To what extent and under what criteria do you believe, Mr. Director, that the OMB has the prerogative to exercise item veto of congressional actions in this manner?

Mr. WEINBERGER. In one of those projects, Mr. Chairman, there had been a very substantial increase in the cost of the project, and whereas the \$600,000 sum was asked for a start, it was not asked by the AEC. The total project would run in excess of \$15 million, and guided by the AEC's budget presentation and their request to us this seemed to be an item that, given the need to defer some items, could be and should be deferred. It was on that basis that that was done.

The Cascade Improvement Program was deferred simply for an opportunity to examine more carefully the needs, alternative means of providing for these needs, and the ultimate cost, and that Cascade Improvement Program money will be released in the fiscal year beginning in 3 days.

Mr. EVINS. I noted that, and I put a statement in the Record as of Friday of approval.

Mr. WEINBERGER. Good.

Mr. EVINS. You may see it in the Record. I commend you for it. In reference to the other project, I want to reemphasize that the Joint Committee on Atomic Energy and Congress authorized this project after deliberation and much study, and the Appropriations Committee after hearings added the \$600,000 for just planning on the project. You are stating by your action in reallocating the funds that "We will not approve the authorized action of the Congress. We will not approve the appropriation of Congress. We will item veto this and allocate the funds for other purposes." I think this is going too far. I think this is excessive and I think it

borders on being unconstitutional if it is not unconstitutional.

Mr. WEINBERGER. I should at this point note in the record, Mr. Chairman, the Director's statement about this project that it did not seem prudent to proceed with the first stage of the project, that funding is not available within the desired outlay limit to complete the effort.

Mr. EVINS. You could have held it in reserve and not given it an item veto.

Mr. WEINBERGER. An item veto is not within the President's power, so there was no item veto.

Mr. EVINS. This committee considered additions primarily for urgent small projects, low-cost projects. This is the priority that we set. This is the level that we set.

RELATIVE PROJECT PRIORITIES

In conclusion, the general policy of OMB seems to be that any projects provided for in the budget are of higher priority while any projects provided by Congress are considered of lower priority. With that policy we strongly disagree.

Mr. WEINBERGER. I could not agree with that characterization, Mr. Chairman, because that is not the feeling that prevails in our office or I am sure in the President's mind. We do start with the necessity for some reductions. That is not a condition that prevails every year, when that condition does prevail, and given the controllability problems of the budget and the fact that construction is entirely in the controllable section, we do have to have certain guidelines and those guidelines are the ones that led us to include projects in the President's budget, in the first place.

Mr. EVINS. Mr. Director, 18 new planning starts that Congress added were frozen and the 31 new construction starts that Congress added were frozen. You did freeze some budgeted projects temporarily but later all of those were released.

Mr. WEINBERGER. The budgeted items, as I said, Mr. Chairman, are those on which the President has received guidance and recommendations and which he has concluded should be done. Given the necessity for retrenchment in some areas, I think it is inevitable that the President would feel that the items he included were items that should be released first.

RIGHT OF CONGRESS TO ESTABLISH BUDGET PRIORITIES

Mr. EVINS. Mr. Director, under what conditions would you recognize or advise the President that Congress has the right to establish priorities either in substitution for or in addition to those reflected in the budget estimates?

Mr. WEINBERGER. I am sure he is thoroughly familiar with this constitutional provision and needs no advice from me on it.

Mr. EVINS. You do advise him. You said before the budget is based on your advice to the President.

Mr. WEINBERGER. Our advice to the President is as to the original construction of his budget, and he necessarily makes up a budget based on advice from the operating agencies, the bureaus, and the Corps of Engineers. Those recommendations, as viewed and examined by us, form the basis for his budget.

DEFERRAL OF ITEMS UNTIL AFTER FY 1972

Mr. EVINS. We are told that 14 items are put over at least until 1973. Actually, we are told deferred until after 1972, but not specifically when the funds will be released.

Mr. COHN. I thought it was fewer than that. On the ones deferred we thought there were local problems, local cost sharing or things of that sort.

Mr. WEINBERGER. I should have said all of the projects about which there is no question raised by the operating agencies.

Mr. EVINS. That would be any number or all of them.

Mr. WEINBERGER. We are planning to release \$41 million to the Corps of Engineers and \$26 million to the Bureau of Reclamation. There are some that can't be released because of either local problems or problems with the operating agencies.

Mr. EVINS. Our committee has a total of 14 items that are deferred over beyond—

Mr. WEINBERGER. Beyond 1972?

Mr. EVINS. Yes.

Mr. WEINBERGER. Let me find out the status of those.

EXAMPLES OF EFFECTS OF FUND IMPOUNDMENTS

Mr. EVINS. We will insert in the record at this point the fact sheets covering the projects which we have discussed as examples of the serious effects of the delay caused by the impoundment of funds. There are numerous others we could include.

(The material follows:)

Little Goose lock and dam, Snake River, Wash. (additional generating units)

Benefit-cost.—3.9-1.

Total appropriations required.—\$27 million (Future non-Federal reimbursement: \$27,-000,000 power revenues).

Congressional add-on.—\$130,000 to initiate planning.

Urgency of project.—Load-source studies prepared by the Bonneville Power Administration show development of a precarious power shortage situation in the region. Installation of three additional power units will reduce spillage at the dam. Spillway discharge is harmful to fish as the water becomes supersaturated with nitrogen.

Effect of impoundment.—Latest cost estimate is \$2 million over the previous estimate. Increase is due to higher price levels. Average annual benefits of \$7,174,000 have been delayed.

Cucamonga Creek, Santa Ana River Basin, Calif. (flood control)

Cost-benefit.—1.6-1.

Total Federal cost.—\$35,100,000.

Congressional add-on.—\$190,000 for planning.

Urgency of project.—Project would protect an area where 34,000 people live. Value of lands and improvements in the area is \$520,000,000. The Ontario International Airport complex is in the area and it will become second in importance to the Los Angeles International Airport. Under present conditions the flood of 1938 would cause damage amounting to \$19,400,000. The flood of January-February 1969 caused \$12,780,000 of damages in the area. Estimated average annual benefits are \$2,379,000.

Local cooperation.—Local people have constructed \$8,100,000 of flood control and drainage facilities. Board of Supervisors of San Bernardino County Flood Control District has indicated its willingness to assume responsibility for the local interests' requirements.

Effect of impoundment.—Current Federal cost estimate is an increase of \$2,300,000 over latest estimate. Increase is due entirely to price level increase.

Nebraska (Papillion Creek and tributaries) (flood control)

Benefit-cost.—1.7-1.

Total Federal cost.—\$38,100,000.

Congressional add-on.—\$1,310,000 added to initiate land acquisition because of rapidly escalating land costs in greater Omaha area.

Urgency of project.—Flood protection is badly needed for the expanding metropolitan area of Omaha. The flood problem is expected to intensify threefold in future years because of predicted population growth and urban expansion. A flood in June 1964 cost seven lives and \$4,962,000 in damages. A flood in September 1965 caused an estimated \$529,000 in damages. Potential average annual flood damages are estimated at \$2,332,000 (1970 prices). Ultimately, recreation development

will support an annual visitors level of 1,-552,000 visitor-days.

Local cooperation.—State of Nebraska has indicated its intent to sponsor recreation requirements. Reimbursement will total \$2,645,000.

Effect of impoundment.—Current Federal cost estimate is an increase of \$4,700,000 over the previous estimate; \$4,481,000 of increase is due to higher price levels.

Gila River and tributaries, downstream from Painted Rock Dam, Ariz. (Flood control and lowering salinity of the water)

Benefit-cost.—3.1 to 1.

Estimated Federal costs.—\$35,100,000.

Congressional add-on.—\$1 million to initiate construction.

Urgency of project.—Average annual flood control benefits are estimated at \$4,016,000. Project will also significantly improve the salinity problem of these waters which flow into Mexico. Representatives of the Department of State and the International Boundary and Water Commission have stated that the project is vitally needed because of its international importance.

Status of local cooperation.—Local interests have expended \$525,000 for channel clearing and local protection works. The Board of Supervisors of Yuma County indicated that it will assume the obligations of local cooperation.

Effect of impoundment.—Current Federal cost estimate is an increase of \$4,500,000. Increase is due to higher price levels.

Bear Creek, Jefferson County, Colo. (Flood control)

Benefit-cost.—2.2 to 1.

Estimated Federal cost.—\$41,900,000 (Future non-Federal reimbursement: \$2,030,-000.)

Congressional add-on.—\$400,000 to initiate construction.

Urgency of project.—Bear Creek has flooded 22 times in the last 91 years. Forty-five people have been killed in these floods. Project is essential to the security of Metropolitan Denver against major floods. Estimated average annual benefits are \$3,919,200.

Local cooperation.—The State of Colorado has written a letter of intent to furnish the appropriate cooperation.

Effect of impoundment.—The current Federal cost estimate is an increase of \$2,400,000 over previous estimate. Increase is due to price level increases.

Minot, N. Dak. (Flood control)

Benefit-cost.—5.4 to 1.

Total Federal cost.—\$6,200,000.

Congressional add-on.—\$100,000 to initiate construction.

Urgency of project.—The 1969 flood caused damages, including flood-fighting costs, of about \$10,900,000 at Minot and \$1,600,000 in the rest of the Souris Valley. 11,800 persons had to be evacuated. There was another flood threat in 1970 which necessitated emergency flood protection works at a cost of \$1,200,000. Had these protective measures not been taken, damages would have amounted to \$8,700,000. Average annual benefits are estimated at \$2,339,000.

Status of local cooperation.—On November 12, 1969, voters of Minot approved a \$1,300,000 city bond issue to finance local flood protection by a 9 to 1 margin.

Effect of impoundment.—Higher price levels have caused an increase of \$330,000 in the cost of the project.

Lake Pontchartrain and vicinity, Louisiana (Hurricane protection)

Cost-benefit.—11.8 to 1.

Estimated Federal cost.—\$148,838,000.

Congressional add-on.—\$3,750,000 to accelerate construction. (Includes congressional add-on in 1970 also placed into budgetary reserve.)

Urgency of project.—There have been several hurricanes in the recent past which have

caused extensive damage in New Orleans and the surrounding area. Average annual benefits are estimated at \$101,083,000.

Local cooperation.—Current Federal estimate is an increase of \$23,913,000 over previous estimate. This change includes \$12,494,000 for higher price levels.

Effect of impoundment.—If Corps of Engineers had gone forward and let contracts with the \$3,000,000 congressional add-on, \$4,200,000 of the level increase would have been avoided.

OMB CONSIDERATION OF 1972 BILL

Mr. EVINS. Mr. Director, as we said earlier we have just concluded months of hearings and as we go into our markup on the 1972 Public Works appropriation bill we are concerned about ground rules. Is our work again to be negated? Will OMB give consideration to the committee's actions in the evaluation it gives to the projects?

Mr. WEINBERGER. We certainly will give consideration, Mr. Chairman. I have no idea what the overall fiscal situation will be. We don't have the numbers yet for 1971 final, and we have no appropriation bills yet for 1972. But we certainly will give consideration to the actions of this committee, as indeed to all of the committees of Congress, and that will be before the President at the time any decision may be necessary, and I hope it will not be, to make specific reservations such as we had to last year.

Mr. EVINS. We hope so, too, Mr. Director, particularly in view of the full employment budget this year. We tried to give consideration to the inflation factors, and our add-ons were very limited. They were austere.

Mr. RHODES. Mr. Chairman, I have nothing really to add except to thank the Director for coming today and being candid with us, as he always is. We recognize he has his problems, and I feel sure he recognizes we have problems, too.

Mr. WEINBERGER. Yes.

Mr. RHODES. It is my hope, Mr. Director, in considering the congressional add-ons—and I am sure there will be some for 1972—that the Office of Management and Budget will take into consideration the priorities which we might express, through our hearings or in some other manner, as well as the priorities of the operating agencies. Sometimes I am not sure we agree with them.

Mr. WEINBERGER. I wonder if I might ask a question that would be helpful to us, Congressman Rhodes?

Mr. RHODES. Yes.

ESTABLISHMENT OF PRIORITIES

Mr. WEINBERGER. We have assumed, given the need for reductions and for constraints, that it was a better course to follow to withhold and defer all congressional add-ons. Does the committee submit its projects in any kind of list of its own priorities so we would not be put to the necessity of picking and choosing between Congressmen sponsors, districts, and so on? Is there any possibility that if the need to defer is there, but it is not a need to defer all congressional add-ons, anything of that kind could be done?

Other than that, we have the same kind of problem raised a moment ago with this project—I don't know what State—where we had a special representation from the Bureau of Reclamation or the corps and requested that it go a couple months ahead. If we are put to the necessity of picking and choosing between congressional add-ons, I am sure you can appreciate we will be in even more trouble than we are this morning. That is a difficulty that is a real one.

Mr. RHODES. As I am sure you are aware, we make no official list of priorities. However, I think that the actions of this subcommittee in the past would indicate rather strongly that we feel a great sense of urgency about small flood control projects.

Mr. WEINBERGER. Quite properly.

Mr. RHODES. And that would be fairly safe to assume in looking at congressional add-ons we would certainly approve of any action which gave priority to that type of project. In fact, I think you will note there are very few add-ons except for flood control projects. I doubt there would be any possibility of our giving you any official guidance along those lines except perhaps by reference in the report.

(Discussion off the record.)

Mr. EVINS. I think priority should be given to the action of this committee.

Mr. WEINBERGER. That does raise a problem we had last year and caused many of the questions this morning. It was an overall policy we adopted. We certainly would want to give full consideration and try to consider the actions of the Congress at all times.

Mr. RHODES. Again, Mr. Director, I appreciate your coming and appreciate the fine work you do. I have known you for many years and am very proud of the fine reputation you have made in the work you have done.

Mr. WEINBERGER. Thank you very much, sir.

Mr. EVINS. Mr. Slack.

Mr. SLACK. You have covered the subject matter extremely well, Mr. Chairman, and I just wish to say I agree wholeheartedly with your comments and observations, and at the same time I would want to thank the Director for his appearance here this morning.

Thank you.

Mr. EVINS. Mr. Davis.

Mr. DAVIS. I think the Director should understand we appreciate you have a problem too, and that in some years past our skirts aren't as clean as we would like to have them, too. We get sometimes pushed around in conference with the other body so that some things are put in that we don't always approve of, too. This is a part of the difficulty of the legislative process.

I don't know what the chairman would like to suggest here in the way of establishing some set of priorities that would give you some guidance as to what to do with some of these congressional add-ons. I think if I were sitting in the spot where you are sitting, I would have done exactly the same thing you did—say that here we have a situation where we had serious fiscal constraints from an overall point of view, and that in order to protect yourself from charges of political favoritism you simply used the method of simply freezing all the congressional add-ons that were made. I don't know of a better thing to advise you.

Maybe we do have a responsibility of listing add-ons in some sort of a priority for them in the event of the necessity for reserve. I think, when we sit here as the Congress and provide expenditure limitations, if we are to add things that have not been in the original budget, maybe we have a responsibility to provide a system of priority for their guidance. I don't know. I have to look at it from their standpoint as well as from our own. I am just throwing this out here as to what we could do to be of greater assistance to Mr. Weinberger.

Mr. EVINS. Judge Davis, you are very judicial and I think you will make a great judge. I do know you are familiar with the law which provides that the expenditure ceiling is adjusted upward or downward, based on actions taken by Congress in the individual appropriation bills.

Mr. WEINBERGER. That is really not the problem, Mr. Chairman. We do have a ceiling here that has several phases to it. As Congress adds appropriations, that part of the ceiling does indeed increase, but we don't have any increase in the ceiling based on possible changes in our original estimated total of expenditures. If our estimates are wrong or if the information upon which the estimates have been made vary so as to require higher expenditures, for example, public assistance grants or veterans' pensions and

compensation, we have to go higher, and there is no provision in the ceiling for expansion for those items sufficient to cover the expense we have. If we had released all the money at the beginning of the fiscal year, we would have been, we were very much afraid, well over the total ceiling imposed by the Congress. So the ceiling objection is a very real one.

The other problem, and it is no one's fault, is inherent in the appropriation process because there is no one—I say this completely respectfully—there is no one in the Congress who has the opportunity at any given point to see the overall effect of what a particular appropriation bill is going to do to the whole budget. That is our job and we have to do it, and we have that opportunity, or vantage point, if you like, all the time. Congress, because it considers 13 or 14 separate appropriation bills, can't have that. There is no way on a given day such as this morning you know all that is going to have an effect on the overall total. This is another real difficulty involved in all of this. It is not an arbitrary desire to oppose Congress that leads us to make reservations. It causes us more trouble and takes more time than any single action all year, but it does have to be done. If something along the lines you are mentioning, Congressman Davis, could be proposed, it might be very useful.

SUMMARY OF COMMITTEE REACTION TO IMPOUNDMENT ACTIONS

Mr. EVINS. Mr. Director, we have given you some guidelines and some priorities, including planning items, land acquisition, construction primarily on small projects, including flood control, beach erosion, water supply, water quality, commercial navigation, and power generation. Some of the larger multi-purpose projects are urgent because of the power and water supply shortages.

I think we had an austere bill for fiscal year 1971 considering the requirements. In total it was \$26 million under the President's budget. It set our own priorities within the large authorized backlog of water resource projects.

We are very concerned that every funding action of this committee, which was not budgeted, was impounded, whereas the same policy did not apply for Federal buildings of GSA, the fish hatcheries in Interior, and others. This is the one committee that was singled out for its entire action. It was a good target, a choice one, to pick on. But OMB didn't follow the same policies with respect to other bills of the Congress.

I would like to emphasize again what I think are the most serious effects of the impoundment action which was taken. As I indicated earlier, based on detailed review compiled by the agencies involved, it is estimated that there will be increases in project costs totaling over \$73 million and loss of annual benefits of about \$170 million. In other words, because about \$63 million was frozen and the land that would be acquired and the contracts that would have been let have been delayed, we are now faced with additional costs and loss of benefits totaling about \$243 million. I just do not think this is good business.

We appreciate your coming. We wanted you to understand our point of view. We understand your point of view. We don't think all of our point of view permeates your staff and certainly doesn't get through to everyone. We appreciate your coming and hope this will make for better understanding.

Mr. WEINBERGER. I appreciate very much the opportunity to testify and the very cordial reception and very penetrating questions that have been asked today. I think they have been extremely helpful.

Mr. EVINS. We respect you very much, Mr. Weinberger, and wanted to have a visit with you.

Thank you very much.

WORLDWIDE HIGHWAY DEVELOPMENT HELPING CREATE BETTER LIFE FOR MILLIONS OF PEOPLE

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 27, 1971

Mr. RANDOLPH. Mr. President, we are aware of the extent to which Americans depend on motor vehicles. Our country now has more than 108 million vehicles of all types to transport people and products to every corner of the Nation. Our economy and our society rely on this form of movement and have been greatly influenced by it.

To accommodate the ever growing number of cars, trucks, and buses, the United States is pursuing an active and needed highway development program. The Interstate System is the most ambitious and obvious of our efforts, but other highway construction programs are extending and improving roadways in every section of the United States. New areas are being made more readily accessible to industry, tourists, and people searching for homes.

As we think of the United States as a motorized nation, we may tend to forget the impact of motor vehicles throughout the world. Although we are the most extensive users of highways, we have no monopoly on the internal combustion engine. Many countries are engaged in vigorous roadbuilding programs to bring the benefits of this efficient method of movement to their citizens.

Mr. President, the August issue of the *Rotarian* magazine contains an excellent article by W. H. Owens discussing international highway activities. So that we may be informed of highway progress in other countries, I ask unanimous consent that excerpts from this article be printed in the RECORD.

There being no objection, the material was ordered printed in the RECORD, as follows:

ROADS TO A BETTER FUTURE

(By W. H. Owens)

The road is commonly described by historians and sociologists as one of the fundamental human institutions, dating back before recorded history. Man and animal-made paths and trails predate even the invention of the wheel—to which roads are so obviously and intimately related.

"The Road moves and controls all history," wrote British historian Hilaire Belloc. "It is the channel of all trade and, what is more important, of all ideas. In its most humble function it is a necessary guide without which progress from place to place would be a ceaseless experiment; it is a sustenance without which organized society would be impossible."

Roads are ribbons of communication, channels for the back-and-forth flow of goods and services, information and ideas, language and culture. In the developing nations especially, better roads mean better living.

Over the past ten years, world expenditure on highways has more than doubled—from some \$19 billion (U.S.) in 1960 to nearly \$42 billion last year. An International Road Federation (IRF) forecast sees the total annual investment in roads by all countries exceeding \$63 billion by 1975. It will surely go on rising throughout the last quarter of this century.

These figures are remarkable, but not really surprising. Since World War II the motor vehicle has made global impact, its numbers increasing relentlessly year by year in advanced countries and developing nations alike. Road transport today accounts for by far the greatest proportion of overland passenger and freight traffic; it has the advantages of extreme flexibility and low-cost operation.

Good roads are therefore the key to economic growth and prosperity everywhere. Robert O. Swain, IRF president, stresses that "Each international route, existing or in the planning stage, is of major economic and social significance to each of the countries connected with it."

In recent years, roads have been extended as continuous all-weather pavements across the length and breadth of continents, linking together nations and peoples, and facilitating trade between them. With today's powerful machines and scientific techniques, road builders are able at last to break through the great physical barriers of the Earth that have separated men down through the ages.

Among the world's major highway networks, some only proposed, are the Pan American Highway, European Road Network, Asian Highway System, Pan African Highway System, Middle East Road Network, the U.S. Interstate System, and the Trans-Canada Highway.

Paving the way for trade and tourism, these routes advance the urgent cause of better international understanding—and of peace.

In the developing regions of the world, where land communications are still very primitive, modern roads make the most dramatic contribution to economic advancement, helping to raise living standards for millions of people. Broadly speaking, the current highway programs in developing countries have a three-fold aim:

To establish all-weather highways between the towns and cities, and connections with the road systems of neighboring states or countries.

To provide rural feeder roads and farm-to-market routes, linking producer and consumer areas through the national network.

To provide roads required for utilization of natural resources, and establishment of primary and secondary industries in the undeveloped areas.

An increasing proportion of world highway investment, financed with loans from the World Bank and other international agencies such as the Inter-American Development Bank, is now being put to these purposes in Latin America, Africa, and Asia.

The World Bank (and its International Development Association affiliate) has made loans to more than 60 countries for highway building, at a rate which increased substantially in recent years and reached \$391.6 million in 1970. The Bank's \$1.1 billion loans over the recent period 1965-69, for example, helped to finance the construction or improvement of 12,000 miles of roads in developing countries, and provided maintenance equipment and technical help and training.

During the 1960's the Inter-American Development Bank (a multi-lateral institution with a membership of 22 Latin American countries and the U.S.A.) allocated some \$400 million for road building in Latin America. These funds provided 4,350 miles of trunk highways and more than 17,000 miles of rural access roads on that continent. In the years ahead, the economic and social benefits derived directly and indirectly from these roads will be considerable.

Rural access roads are now recognized as a priority matter in the developing countries where the great majority of the people live in small villages without modern communications. Roads are urgently needed to facilitate the distribution of basic foodstuffs between regions with adequate or excessive production and those subject to recurring famine.

Sometimes the two are not far apart as distance goes, yet remain isolated from one another due to lack of transportation.

Late in 1970, the Inter-American Development Bank approved \$38.3 million in loans to help Argentina and Uruguay build a bridge which will be the first land link between the two countries. Construction of the three-mile bridge will stimulate the growth of trade and tourism in the entire River Plata basin.

Coordinating world-wide highway developments is the International Road Federation. This non-profit service organization, founded in 1948, is the only international body devoted to promoting road building, road improvement, and road transport. With headquarters in Washington and Geneva, it serves as a world clearinghouse of highway and technical information for 146 countries, and has consultative status with such policy-making bodies as the United Nations and the Organization of Economic Co-operation and Development.

In its early days, the IRF was preoccupied mainly with the formation of national road associations to foster road building in their respective countries. Its success in this field is measured by the fact that, while in 1948 there were only eight such associations, today there are over 80—all using IRF collaboration and technical assistance. Composed of business, professional, civic and agricultural leaders, the road associations actively encourage and support government officials, highway planners, and engineers in getting new roads and bridges built.

Another important IRF activity is its Fellowship Program for training young road engineers. Since the program was launched in 1948, well over 500 students from 84 nations have been granted bursaries for intensive one-year study courses at U.S. universities and advanced technical institutes. Sponsoring American firms make possible a grant of \$3,000 to each student to cover all the main fees. The student's own country pay living expenses and round-trip transport.

Since 1951, the IRF has organized six World Highway Meetings—in Washington, Rome, Mexico City, Madrid, London and Montreal—and numerous regional conferences in different parts of the world. The regional meetings, bringing together leading road engineering and traffic experts, have dealt with the development, problems, and progress of regional highway projects such as the Asian Highway and the soon-to-be constructed final section of the Pan American Highway in the jungle swampland of Panama and Colombia.

The first African Highway Conference was held in 1969 at Addis Ababa, Ethiopia, attracting more than 500 delegates from 49 African states. First steps were taken towards establishing an African Highway Association to coordinate and accelerate the development of good roads throughout the African continent.

The World Highway Meetings provide a global forum for the free exchange of the most recent technical and economic information pertaining to roads from all countries. The sixth and latest World Highway Meeting at Montreal last October was the greatest ever, attended by over 4,000 delegates from 90 nations. The main discussion centered around four broad problems common to advanced and developing nations alike: Road Safety, Urban Mobility, Development and Conservation of Resources, and Roads and Environment. Conference papers and discussions ranged over virtually every aspect of roads and transportation—from basic problems of planning, designing and financing new roads; through construction methods and techniques, materials, maintenance and operation; to the place of roads and road transport in the natural, economic, and social environment.

Subjects discussed at the Montreal meeting reflected the broad scope of problems and considerations facing transportation planners

as the '70s opened. Such concerns, for example, as noise and air pollution, disposal of junked vehicles, and the driving environment as an element in safety. Expressed time and again was the growing world concern over the effects of modern transportation on the human environment.

The 1970 World Highway Meeting, perhaps more than any previous conclave, highlighted the immense responsibilities and bold challenges confronting all those concerned with planning and providing roads and transportation for a world on the move in the closing decades of this fast-changing century.

CULEBRA

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BADILLO. Mr. Speaker, last week I announced my intention to offer an amendment to the military construction authorization for this fiscal year pertaining to the Navy's target practice and training on and near the island of Culebra. Unfortunately, through a misunderstanding, I was not afforded the opportunity to present my amendment.

Nevertheless, I believe the issue I intended to raise is still very valid and I plan to offer my amendment to appropriate legislation in the future.

The basic purpose of my amendment is to afford the Navy the opportunity to identify suitable alternatives, including the possible use of an artificial island, and to expedite its departure from Culebra. I believe such legislative action is necessary as the Navy is dragging its feet in undertaking what I feel are meaningful efforts to find alternatives to Culebra, even though it promised to do so more than 6 months ago. As I have mentioned on earlier occasions, we must present the Navy with a clear mandate to take positive steps to find alternatives—including the possible construction of an artificial island—and some definite timetable in which to complete such action and totally withdraw from Culebra.

Last spring the Navy completed a classified report on the Culebra issue which identifies six possible alternative locations—both within and without the Puerto Rico area. This report—"Culebra: Overview and Analysis, April 1, 1971"—clearly states that—

An artificial island could be built in a number of places around Puerto Rico. The best location seems to be about 3½ miles east of Vieques.

However, I know of no substantive steps being taken to move forward in the direction of transferring training and bombing operations to some alternative location.

The Navy document continues by noting that the already identified alternatives make no substantial difference with respect to operations in the Atlantic Fleet weapons range area in terms of unit training, integrated training, readiness evaluation and weapon testing. In three instances combined training would reportedly suffer some loss in capability if training is moved elsewhere but this would not be the case with an artificial

island. Thus, the Defense Department study reveals that an artificial island would have the ability to satisfy the Navy's minimum training and testing requirements. In addition, the safety factor is greatly improved and the unique ecological character of Culebra would not be endangered.

I remain convinced, Mr. Speaker, that no strategic military purpose is being served by the bombardment of Culebra. There are some—both within and without the military—who believe that naval gunfire is obsolete, and they seriously question the efficacy of much of the training being conducted on Culebra. I am certain, therefore, that the defense posture and military readiness of the United States would not be adversely affected if such training and target practice were moved to some other site. An artificial training facility would also have the advantage of permitting the Navy to build it to its own specifications and requirements and permit the use of more sophisticated weaponry rather than the somewhat outmoded types primarily in use on Culebra. Furthermore, other than explosive ammunition—such as electronic firing and sighting—could be utilized.

The Navy continues to claim that Culebra is the most desirable or most preferable training location. However, no one has said it is the only possible training site and that all of the training and testing now done on Culebra must be performed simultaneously or nearby. In fact, the DOD report states:

The training now on or near Culebra includes air to ground as well as Naval gunfire. There is no reason why these two activities have to be adjacent to each other. They could use the same impact area . . . or they could be removed from each other.

The continued use of Culebra is clearly based essentially on convenience to the Navy. This self-serving attitude is no longer permissible, and initiatives must be undertaken at the earliest possible date to end the Navy presence on Culebra and to shift its training to other locations.

Mr. Speaker, for more than 20 years the small, 28-square-mile island of Culebra has been bombed, strafed and invaded by U.S. naval and military forces. The some 750 inhabitants—American citizens—have lived in constant fear of their own lives and safety and the well-being of their real property and livestock. The Culebran economy is vastly underdeveloped and has been stifled by the Navy's presence. The residents of Culebra have clearly suffered from this situation—their annual per capita income of approximately \$700 is less than half that of the rest of Puerto Rico and their adjusted unemployment rate is approximately 52 percent. There is no industry, little tourism, and very few—21—important commercial establishments. Clearly, the economy of Culebra has great potential and, with proper planning and management, would surely flourish in the absence of the Navy's presence.

In the coming weeks I will be furnishing some additional information on the Culebra issue and will discuss the matter further. In the meantime I urge our colleagues to very carefully consider this matter and, if possible, to take appropriate

steps to urge the Navy and Defense Departments to take substantive action to locate alternative sites and to begin shifting the bombing operations. Seven months have already passed since the conclusion of the agreement among the Navy, the Commonwealth of Puerto Rico and the Municipality of Culebra and the most we have seen from the military is a lot of rhetoric with very little, if any, actual movement. The Congress must make it crystal clear that it is our intention that the Navy withdraw from Culebra and pursue its bombing and training at some other, uninhabited location.

SCIENTIFIC TALENT OF AEROSPACE INDUSTRY WORKERS BEING WASTED

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BOB WILSON. Mr. Speaker, many of us are deeply concerned about the present crisis in our aerospace industry, both in terms of workers unemployed and critical technology lost. The following extracts from a speech by Robert Anderson, president of North American Rockwell, was an excellent presentation of the importance of improving and strengthening our aerospace posture, rather than accelerating its decline. I know my House colleagues will find Mr. Anderson's remarks both timely and pointed:

[From the Aviation Week & Space Technology, May 17, 1971]

SCIENTIFIC STARVATION

(NOTE.—Robert Anderson, president of North American Rockwell, Inc., recently detailed his views as to present and potential effects on the current cutbacks in U.S. aerospace activity and preparedness and their impact on the American economy, the nation's ability to solve pressing ecological problems and the resultant scientific, philosophical "starvation" that is accompanying them. Mr. Anderson expressed his views in Los Angeles at a meeting of the Human Resource Allocation Symposium. Significant extracts of his speech are reprinted below—Ed.)

. . . Lt. Gen. Sam Phillips, commander of the Air Force Space and Missile Systems Organization, said recently: "Of some 12,000 new products and techniques which have come into being in the last decade, a very large percentage is directly attributable to space and missile development."

That's a productive, healthy picture. But is it translated into a positive future for the aerospace industry?

The answer is, No. We are losing something in the translation. Almost overnight the industry has lost momentum. Worse, yet, it's slipping backward.

Despite an unbroken series of major technological achievements over the past 25 years, the U.S. is confronted today with scientific starvation. . . .

This is not just a production industry—it's an innovative industry and it has been, from its inception, a problem-solving industry. . . .

Solutions to the grave problems of urban renewal, high-speed transportation, national health and air and water pollution also entail high technology expertise. Therefore, it's logical that this nation should survey aerospace and assess its material and human resources.

However, our immediate concern in aerospace . . . is not with allocating human resources, but in rescuing them. Unless that rescue is accomplished, discussion of human resource allocation becomes academic.

Three years ago there were 1,430,000 workers in the aerospace industry. About half of those were production workers.

A little more than 25% were white collar workers. The balance, 23%, were engineers, scientists and highly skilled technicians.

In 1970 alone, more than 280,000 employees were deleted from aerospace payrolls. This year, it is estimated an additional 67,000 will become surplus. . . .

Employment stands today at one million. That's a loss of one-third of the total aerospace work force in just three years. . . .

The loss of any job, regardless of salary rate or title, is a personal tragedy for the one involved. But, it becomes more than a personal tragedy when engineers, scientists and highly skilled technicians must be cut from the payroll.

Somewhere between 40-45,000 engineers and scientists were deleted from aerospace payrolls during the past three years. They represented a host of sophisticated skills, in many instances, irreplaceable skills. Their departure meant the fragmenting of hundreds, even thousands, of highly specialized technical teams. . . .

A particular tragedy is that many of them may not return to the aerospace field. The double tragedy, from the human resources allocation point of view, is that most of those 40-45,000 have not been able to find a job. . . .

In the midst of all this, our young people have become disenchanted with a profession that many of them label as monstrous. . . .

There is no disenchantment with the engineering profession in the Soviet Union, however.

In 1966, the latest year for which Scientific Manpower Commission figures are available, while we were graduating 38,000 young engineers, the Soviets were graduating almost four times that number—161,000. . . .

If we could do away with science and technology, according to some of the critics, we'd step across the magic threshold into paradise. This country, they exclaim, needs less growth, less knowledge, less skill, less progress.

A country that lives on that anemic diet will suffer the inevitable outcome—fewer jobs, less security, less innovation, less ability to answer the call for a universally improved standard of living. . . .

In commercial aircraft we have just abdicated to Russia, France and Great Britain, a lead we have held for 40 years.

Behind this senseless starvation of science, of course, are a host of erroneous suppositions. One of these is that money spent for the national space program should be going to human needs.

It doesn't matter that less than 1.5 cents of each national budget dollar goes for space research and technology as contrasted to 42 cents for human resources—they still clamor for the cent and a half!

Suppose we give in and abandon the national space program. Suppose we shut down the whole NASA establishment, and we leave Cape Kennedy to the swamps from which it emerged less than 20 years ago. Suppose we turn loose the engineers and scientists and technicians and wipe out hundreds of thousands of supporting jobs.

Suppose we darken all the university laboratories that support our space research and development effort. The result would be a saving of \$3.270 billion a year. Add that to the \$72 billion already being spent on social programs.

Does anyone seriously think that the U.S., after that drastic action, would be a better place in which to live? That the poor would be less poor? That slums would disappear? That suddenly our rivers would be clean and our air as fresh and untainted as a spring breeze?

Quite the reverse is true. More poverty,

more pollution, more congested highways, a permanent cancer of high, unyielding unemployment could be the result if we were to lose this battle and wipe out the aerospace industry.

In space programs, in commercial aircraft development and in military aircraft development, this nation is faced with grave decisions. Should those decisions be wrong, the errors will haunt this nation for decades—perhaps forever.

AMERICAN BAPTIST CONVENTION
OPPOSES ENACTMENT OF PRAYER
AMENDMENT AS WEAKENING OF
THE FIRST AMENDMENT

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. CELLER. Mr. Speaker, I have received from the American Baptist Convention a most cogent letter expressing opposition to the proposed constitutional amendment relating to prayer in the public schools. I subscribe fully to the statement in this letter that:

The truest friends of religion and the most constructive citizens of the state are those who support those First Amendment guarantees that have made possible in the United States of America a fuller measure of religious freedom than was previously known in the world.

I am hopeful that every Member of Congress will read and study this letter and conclude as did the American Baptist Convention that:

The founding fathers wisely established our republic in the firm confidence that religious freedom would best be served if church and state were kept separate and if political authorities did not involve themselves in the promotion of religious practices.

I believe that the arguments advanced by the American Baptist Convention against the enactment of the prayer amendment are so telling that we dare not, at our peril, dismiss them lightly.

The text of the letter follows:

AMERICAN BAPTIST CONVENTION,
Valley Forge, Pa., July 22, 1971.

Congressman EMANUEL CELLER,
Chairman, Committee on the Judiciary,
United States House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CELLER: The purpose of this letter is to thank you for the valiant fight which you have waged against efforts to legislate religion in the United States and to encourage you in your current efforts to prevent the weakening of the First Amendment. The founding fathers of our nation had good reason to affirm "that Congress shall make no laws respecting an establishment of religion or prohibiting the free exercise thereof." Their reasons for such an absolute prohibition included a fresh remembrance of horrible persecutions which tore out men's tongues and cut off their ears as governments sought to enforce prescribed religious views and practices in the Old World.

Crusaders for an amendment to cut the heart out of the First Amendment by making constitutional the legislation of religion can make their case sound deeply religious and superbly patriotic. They at times make it appear that the steadfast friends of the First Amendment are against God, country, and motherhood, but such an impression is a deception and a delusion. The truest friends of religion and the most construc-

tive citizens of the state are those who support those First Amendment guarantees that have made possible in the United States of America a fuller measure of religious freedom than was previously known in the world.

It is understandable that many good people are tempted to yield to the idea that the church "has it made" when Congress puts God's name in the Pledge of Allegiance or prints His name on postage stamps and engraves it on coin or perhaps supports a "Christian amendment," but such a hope is really deceptive. The idea of evangelism by legislation is nothing short of a dangerous illusion. Actually, religion has been most vital where it has been most free from governmental sponsorship or governmental interference. The difference between the progress and influence of organized religion in the United States of America and that in European countries which have maintained established religions for centuries should be highly instructive. In such a comparison I believe there is no evidence whatever to support the contention that the cause of religion could be furthered by legislative action.

Moreover, it is quite clearly impossible for government to legislate religion without violating the rights of many citizens. If we get into the business of imposing governmentally sponsored and governmentally required devotions on captive audiences in publicly supported schools, whose religion will it be? Will it be Buddhism in the State of Hawaii? Or Mormonism in the State of Utah? Or a Baptist-oriented Protestantism in the State of Georgia? Or Roman Catholicism in the State of Massachusetts? Or Judaism in New York City? How could such different emphases state by state be avoided in the light of the dominant religious forces in the respective states? Manifestly the welfare of religion in a pluralistic society like ours must lean heavily upon a strict interpretation of the First Amendment. Without such an interpretation I believe that there can be no adequate protection of the rights of the many varieties of Christians, as well as Jews, Muslims, Buddhists, Mormons, and people of no religious affiliation or faith at all. Each must have the same right as all the others and none must be compelled by law to attend school and then as part of a captive audience be subjected to devotional exercises reflecting the view of the dominant religious group in the community.

The founding fathers wisely established our republic in the firm confidence that religious freedom would best be served if church and state were kept separate and if political authorities did not involve themselves in the promotion of religious practices. The late Supreme Court Justice Robert H. Jackson stated the matter eloquently in the case involving the West Virginia Board of Education in 1943, known as the Barnett Case, when he said, "The very purpose of a Bill of Rights was to withdraw certain subjects from the vicissitudes of political controversy, to place them beyond the reach of majorities and officials and establish them as legal principles to be applied by the courts. One's right to . . . freedom of worship . . . and other fundamental rights may not be submitted to vote. They depend upon the outcome of no elections."

There is a great deal of history to confirm the wisdom of Mr. Justice Jackson's viewpoint. That history includes the Spanish Inquisition in which multitudes of Jews were tortured, imprisoned, or put to death in the effort to make them conform to certain kinds of Christian beliefs and practices. A somewhat similar history was repeated in Massachusetts when the established church of the 17th Century used the government as an instrument to force Roger Williams to conform and then drove him out of the colony when he refused to surrender his conscience. John Bunyan spent twelve years in Bedford Jail for a similar reason, and Obadiah

Holmes was flogged unmercifully in Massachusetts for a like cause. Likewise a number of Free Church preachers in Virginia were imprisoned and brutally maltreated when they objected to the coercive pressures of the established church which used agencies of government to impose religious regulations and practices in violation of their consciences. It is not too much to say that the pages of history are red with the blood of valiant souls who resisted the efforts of government to invade the realm of the spirit and then paid the price of persecution, oppression, imprisonment, and even martyrdom. We must not allow this history to be obscured by the well meaning people who crusade in support of prayer by legislation.

Enclosures to supplement this letter include three documents which were issued several years ago in relation to the matter of governmentally prescribed devotions but these documents are as relevant today as when issued. They include an editorial entitled "The Court Decides Wisely" from the July 3, 1963 issue of *The Christian Century*; a news release under date of June 19, 1963 by Dr. Richard Holland, formerly the Executive Secretary of the American Baptist Board of Education and Publication; and a statement made by Dr. Edwin H. Tuller, the then General Secretary of the American Baptist Convention, in testimony before the Committee on the Judiciary of the United States House of Representatives on April 29, 1964. In that statement, Dr. Tuller called attention to the following resolution which was adopted by the American Baptist Convention at Detroit, Michigan, in 1963:

"In the light of the recent Supreme Court decisions, we affirm our historic Baptist belief that religion should not be a matter of compulsion and that prayers and religious practices should not be prescribed by law or by a teacher or public school official."

That resolution is still in effect and it is consistent with the stand which the Convention has taken many times in support of religious freedom.

The profound arguments that were embraced in the three massive volumes of testimony taken by the Judiciary Committee in 1964 with respect to "School Prayers" should put to rest permanently the illusion that the cause of religion could be advanced in our nation by weakening or repudiating the First Amendment.

I believe that I am keeping faith with resolutions adopted by the American Baptist Convention as well as with the historic commitment of the Baptist people to the principle of free and uncoerced religion when I express the hope that you will do everything in your power to defeat all efforts to weaken or evade the First Amendment.

Thanking you again for your distinguished achievements in the safeguarding of our liberties and trusting that you will have equal success in your current efforts to protect the foundations of our freedom, I remain

Sincerely yours,

W. HUBERT PORTER,
Associate General Secretary.

A WELFARE BILL THAT MAKES SENSE

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BURKE of Massachusetts. Mr. Speaker, I would like to share with my colleagues an article that appeared in today's Wall Street Journal. I think that the article by the distinguished journalist Mr. Robert L. Bartley concerning the welfare dilemma that confronts our

country today is worthy of the attention of this distinguished body.

The article follows:

A WELFARE BILL THAT MAKES SENSE

(By Robert L. Bartley)

WASHINGTON.—Last year's welfare reform bill was an exercise in camouflage—how to have welfare reform without really changing anything. This year's welfare reform bill is an exercise in administration—how to align responsibility with authority in setting benefits, determining eligibility and running work programs.

The change took place while no one was looking. The House Ways and Means Committee rewrote the bill in private sessions, and the House passed the measure because Ways and Means Chairman Wilbur Mills told it to. The extent of the change should become clearer shortly, though, as the Senate Finance Committee opens public hearings today. The Finance Committee killed last year's bill but may prove more agreeable this year.

The two bills are similar, of course, in being built on President Nixon's Family Assistance Plan, paying a minimum income to all families with children. The amount of the federal payment for a family of four remains about the same, \$2,400 in cash this year versus \$1,600 plus food stamps last year.

The principal effects of last year's bill remain: increased benefits in the South, wider payments to the working poor, more money for work training and day care. This expansion of welfare was, for all the tough rhetoric, the whole thrust of last year's bill. In the large industrial states, where the welfare crisis is, the bill would have left the welfare system essentially unchanged.

THE INCREASING CASELOAD

This year that thrust has been balanced by reforms that do take some notice of the real welfare crisis. As outlined in an article on this page last Thursday, the crisis is measured in the increasing welfare caseload. Aid-to-families cases have doubled in the last four years to 10 million persons, or one in twenty Americans, a rate of growth that suggests the creation of a vast unrooted class, dependent on welfare and cut off from the social bonds of the work system.

This growth may be the result of social values toward low-status jobs, and these won't easily be altered. But it has also been closely associated with unprofessional welfare administration and with grant levels so high they compete with wages. The changes written into the welfare bill by Rep. Mills' committee are designed to have a definite impact in both these areas.

The changes, in fact, show a heavy preoccupation with the question of administration. The committee is definitely interested in curbing the break-neck expansion in the welfare rolls, and tried to do so as long ago as 1967 by writing work incentive and work training provisions into the law. Most of its members believe their intent was subverted by administrators bent instead on expanding the rolls. They are now trying to reduce the discretion of administrators, and to replace them wherever possible.

In particular, the committee is upset at the result of a provision in the 1967 law allowing states to decide which recipients are "appropriate" for work or training. This year's bill intends to do nothing less than eliminate state administration of welfare. The federal payments will be administered by a new set of officials under the federal civil service. And only by turning over any state supplemental payments to federal administration with states qualify for the "hold harmless" provision protecting them against future increases in welfare expenditures.

Similarly, many members of the committee are also unhappy with the federal De-

partment of Health, Education and Welfare, which has bent administrative pressure not toward putting recipients to work but toward higher benefits and reduced regulation. Accordingly, under this year's proposal, welfare families will be split in two groups, and all those with a potentially employable adult will come under the jurisdiction of the Department of Labor.

Nor would administrators have discretion about what recipients are "appropriate" or what jobs "suitable." The criteria for such decisions are explicit in the law. All recipients would be referred for work or training except the ill, aged, children under 16 (or under 22 for students), mothers of children under age six until 1974 and under age three subsequently. (Mothers of older children would not be required to work, however, unless adequate child care is available.) Jobs are suitable unless they involve union disputes or pay less than \$1.20 an hour or the locally prevailing wage for the work in question.

Most important of all, there's at least a hope this new administrative structure will be infused with new attitudes, focusing not on adding more people to the welfare rolls but on getting them off the rolls and into a self-dependent life. HEW officials proposed, and the committee instantly rejected, bringing present state welfare workers into the new federal structure. It hopes the Federal civil service will be able to recruit a higher grade of employe, and also one who defines his job a different way.

A DIFFERENT PSYCHOLOGY

"The social work will still be left to the states; this will be determining eligibility and making payments," Rep. Mills says. When it comes to work training, he adds, the Labor Department will have a "different psychology." And in any event, if rolls do continue to rise, "We've got people in the federal government we can hold responsible for the failures; that's always been difficult."

A similar clarification of responsibility is the keynote of the proposed changes affecting benefit levels. The bill would end the system under which state legislatures have been able to vote higher benefits and have the federal government pay much of the bill.

This effect has been especially pronounced because of a "sleeper" provision in the "Medicaid" law, allowing states to apply the sharing formula in that legislation to their welfare expenditures as well. Under the old welfare formula the federal government paid 50% to 65% of the cost, but federal expenses were limited to \$32 per recipient per month. The Medicaid formula put the federal contribution as high as 83%, and pledged the government to contribute its share regardless of how high a state raised its benefits.

These changes allowed the states to increase benefits rapidly. Between January 1967 and October 1970, for example, "need levels" on which benefits are based were increased more than 40% in 17 states. This almost certainly played an important part in the exploding caseload, for there is considerable evidence that higher benefit levels mean higher caseloads, particularly when they get high enough to compete with wages for low-income workers.

It's important to understand, in fact, that the income distribution at low levels is an inverted pyramid, including ever more people as the income level rises toward average. This means that each step up in welfare benefits makes them competitive with wages for many more workers than the last similar step did. This effect helps explain why caseloads have mounted far more sharply than anyone anticipated.

The unanticipated caseload rise has meant heavy financial pressures on states even for their share of the costs, and in the past year several of them have in fact reduced benefits. In theory the Ways and Means bill could

encourage this trend. Under its provision, the federal government will pay 100% of the \$2,400 guarantee and the states must pay 100% of any supplement above this. Thus instead of splitting the savings from benefit reduction under the current sharing formula, the state would recoup all the saving from any cut in its supplements.

This theoretical "incentive" toward reduced payments still worries some liberals, but in fact it was fairly well nullified when the committee adopted the "hold harmless" provision. Under "hold harmless" the federal government will guarantee that a state will not have to spend more for welfare than it did in 1971, even if its caseload continues to increase.

The states with the highest benefits and sharpest caseload increases will find their welfare costs dependent not on benefit levels but on the "hold harmless" payment, and thus will have no incentive to cut benefits. The question will not arise in states now paying less than \$2,400. Some intermediate states will be able to save money if they want to cut payments, but for the most part of the effect of the new bill would be to freeze benefit levels.

Between the abolition of the present sharing formula and the administrative changes, the Ways and Means Committee has considerably changed the thrust of welfare reform. This has been little noticed by opponents of last year's bill, though, and some fairly meaningless things are being said about welfare reform by those who pass as conservatives on the American Scene. Anyone upset because the President has proposed a guaranteed annual income, for example, ought to ask himself what the current system already is.

It's only slightly more sensible to stress the complaint that the bill expands the welfare rolls by some 14 million by including the working poor. At the rate we are going, many of these people will be added anyway. Beyond that, in terms of social consequences there is an enormous difference between supporting a non-working class with few social bonds and paying supplements to those who stick with the work system. Rep. Mills makes a point worth considering when he says, "The reason we included the working poor is to eliminate

the temptation for them to become completely dependent."

That is scarcely to say there are no valid questions about the bill from the perspective of those interested in reducing welfare dependency. The surest way to slow caseload growth probably would be to reduce benefits, and a conservative can make an intelligent case that it's better to stick with the present system now that the states are starting to cut back.

Especially so since the "hold harmless" provision would concentrate an incentive to reduce not in states paying welfare benefits above the official poverty level, but in intermediate states where benefits may not effectively compete with wages. The federal government, also, is far from immune to pressure for higher benefits. There will be attempts to raise the \$2,400 floor in the Senate, and it probably would not take much of an increase to send rolls upward by making benefits competitive with wages throughout the South.

Still, the current state reductions may not reflect a long-term trend, given the incentives in the current sharing formula. Also, it's one thing to say benefits should not have been raised to present levels, but another thing to be enthusiastic about a state's cutting them after it has encouraged recipients to rely on them. In principle, finally, it would be far better to support the truly needy at a more generous level, and rely on an administrative mechanism to separate them from those who ought to be self-dependent.

A KEY QUESTION

Is it possible to create any such an administration? That's the key question the Ways and Means bill poses. History would not give much comfort, suggesting the most likely outcome is that the committee will once again find its intentions undermined by bureaucrats with different ideas. If the caseload increase does result from underlying cultural values, the same values will be present in the new bureaucracy as in the old one.

Still, a 1969 study of welfare use did find that administration matters. Several students of the problem believe that hard-headed administration is the only way to cope with the fact that a level high enough to

support the needy will also be high enough to compete with wages. Blanche Bernstein of the Center for New York City Affairs, for example, writes of the need for a new "administrative ambience" and "public rhetoric."

Harvard's Edward C. Banfield agrees. "I am told that welfare bureaucracies willing to perform the function I have in mind simply do not exist any more; most social workers, it is said, believe that their mission is to give as much as possible to as many as possible. Perhaps this is so, but I am not entirely convinced. I suspect that in general and within limits social workers do what is expected of them and that local welfare administrators have ways of checking indiscriminate generosity," he writes in *The Public Interest*. "Therefore I do not entirely despair of improving matters by using welfare bureaucracies to help strike a balance between the supply of assistance and the demand for it."

In effect, Rep. Mills and his committee are trying to do what such scholars recommend. Whatever the defects of their bill, it is based in a defensible rationale about what constitutes the welfare crisis and how it might be cured. It may not be a bill that actually succeeds in curbing the welfare explosion, but at least it's a bill that makes some sense.

MAN'S INHUMANITY TO MAN— HOW LONG?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. SCHERLE. Mr. Speaker, a child asks: "Where is daddy?" A mother asks: "How is my son?" A wife asks: "Is my husband alive or dead?"

Communist North Vietnam is sadistically practicing spiritual and mental genocide on over 1,600 American prisoners of war and their families.

How long?

SENATE—Wednesday, July 28, 1971

The Senate met at 9:30 a.m. and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, to whom all hearts are open, all desires known, and from whom no secrets are hid, in the quiet light of Thy presence, we plead forgiveness for our sins and failures.

Forgive us, O Lord, for failure to discern and to do Thy will.

For doing things we ought not to do and leaving undone the things we ought to have done.

For the buried grudge, the hidden hostility, the half-concealed enmity.

For the eager desire merely to score a point rather than to find the whole truth.

For making little things big and big things little.

For the pessimism which deprives us of peace and joy.

O God, our Father, help us to see ourselves as we are—human and finite. As

far as the East is from the West remove our transgressions from us and remember them against us no more forever. Make us new by Thy redemptive touch and strengthening power. In this place bind us together by Thy grace and light up a pathway of righteous action which shall be for the healing of this Nation and the advancement of Thy kingdom on earth. Amen.

DESIGNATION OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. ELLENDER).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 28, 1971.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES E. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Leonard, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. ALLEN) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, July 27, 1971, be dispensed with.