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proximately 18 months—so that the Congress will be able to establish a level of Federal payment 1 year in advance of the beginning of the fiscal year in which such authorization would take effect.

It is generally conceded that the problem of the Federal payment as it relates to the District of Columbia leaves both of the principal parties relatively unhappy with the effort they expend to arrive at an agreement regarding the level of that payment. On the one hand, in many instances the Congress deals with the matter in a relatively bulk increment manner, rather than approaching it on a refined statistical basis. However, Congress yielding in certain instances because it considers it does not have sufficient information on which to make a refined judgment, the authorization is set on the basis of compromise rather than need for informed judgment. Meanwhile, the District government is often unhappy, it appears, because certain of its officials may feel that they have been unable to fully get across their story to the Congress as far as justifying needs and convincing the Congress that a larger increase in the Federal payment is fully warranted.

It is believed that the approach contained in this bill would to a large extent diminish, if not eliminate, this controversy and, in addition, permit the Congress to act in a more informed manner as it relates to the Federal payment. On the other hand, District government officials, by providing for intercity fiscal comparisons in justifying their level of request for a Federal payment, will be informing the residents of the District that their need, at least on a basis compared with other cities, is justifiable; and that their revenue-raising efforts, such as those relating to real estate tax, are comparable with like cities, given the uniqueness of the Nation's Capital. Certainly, the information supplied the Congress by the District government and the Offie of Management and Budget should also serve to inform and reassure local residents that their taxes are being used by the local government in an effective and efficient manner.

This manner of arriving at a Federal payment should also serve to inform the Nation's taxpayers, "who give a substantial measure of financial support to the operation of the District government (S. Rept. 91–1122, page 2)" that the Congress is performing its proper and informed legislative oversight in establishing a Federal payment for the District of Columbia. Your support on behalf of this measure is solicited, and in order to provide those in the Congress who may not have had an opportunity to read some of the background as it relates to this matter, the excerpt from the Nelsen Commission report which relates to this matter is reprinted below:

THE FEDERAL PAYMENT

The Fiscal relationship between the District of Columbia and the Federal Government has always been difficult to define, let alone quantify. Some aspects of the relationship are more clearly understood than others. For instance, it is well known that the Congress enacts most revenue measures for the District, appropriates annually the funds it may expend including those raised from local revenue sources, and determines the size of the Federal Payment. Federal grants-in-aid are available to the District as they are to state and local governments.

Great difficulty arises in trying to determine precisely the costs and benefits which accrue to the District of Columbia as a result of being the seat of the Federal Government. Satisfactory techniques have not been developed for quantifying such factors as the influence of the Federal payroll, the tourist trade drawn by the Federal city, the effect of Federal agency relocation and leasing decisions, the impact of exempt Federal and related property (i.e. embassies, national nonprofit associations, etc.) as it relates to revenue collection, and the extra costs the District incurs as a result of policing and cleaning up after national demonstrations.

Many feel that the Federal Payment should reflect only the extraordinary net cost (above average or different in some way from comparable cities) to the District of the Federal presence. Others maintain that the Federal Payment should be sufficient to make the District a model American city or, at least an orderly, attractive and pleasing National Capital. In these approaches as well as others, there is little agreement as to which costs and benefits are considered normal and which extraordinary, or how they should be reflected in the annual Federal Payment.

Although intercity fiscal comparisons are useful in determining the level of the Federal Payment, measurement difficulties preclude establishing the Payment based solely on the difference between District expenditures and revenues of average intercity rates. Nevertheless, intercity comparisons are still extremely helpful as a starting point in determining whether the standard of fairness seems to be observed for each new level of the Federal Payment. It is important to realize that the knowledge gained from intercity fiscal comparisons is suggestive and not definitive—it must be used judiciously and its limitations must be understood.

Because of the vital role the Federal Payment plays in District financial operations and its effect on the economy and efficiency of those operations, the determination of the level of the Federal Payment has been a matter of primary concern to the Commission. The Commission has not been able to develop a precise mathematical formula nor does it believe the subject is amenable to such precision. Nevertheless, a list of several identifiable elements of costs and benefits to the District of the Federal presence has been assembled which bears on the subject and should be considered, among others in future deliberations.

1. Revenues unobtainable because of the relative lack of taxable commercial and industrial property.

2. Revenues unobtainable because of the relative lack of taxable business income.

3. Potential revenues that would be realized if the following exemptions from District taxes were eliminated:

a. Non-resident income earned in the District

b. Other special exemptions from individual income taxes

c. Exemptions from sales taxes

4. Recurring and non-recurring costs of unreimbursed services to the Federal Government.

5. Other expenditure requirements placed on the District by the Federal Government which are unique to the District.

6. Benefits of Federal grants-in-aid relative to aid given other states and local governments.

7. Recurring and non-recurring costs of unreimbursed services rendered the District by the Federal Government.

8. Benefits derived through Treasury borrowing.

9. Higher than average sales tax revenue from tourist trade.

10. Benefits from museums, parks, libraries, and cultural activities which are financed by the Federal Government or are located in the District because it is the Nation's Capital.

11. Net costs, if any, after considering other compensation for tax base deficiencies and the direct and indirect taxes paid, of providing services to tax-exempt non-profit organizations and corporate offices doing business only with the Federal Government.

12. Benefits of a relatively stable economy.

Some of the above elements can be quantified; others are purely judgmental. The Commission believes that the Federal Payment will thus continue to represent a kind of equilibrium, balancing extraordinary net benefits of the Federal presence with extraordinary net costs, however these benefits and costs may be defined. Adjustments in the Payment should be considered when these extraordinary elements change significantly to the extent that the adjustments can be based on measurable changes.

A continuing analysis of the elements affecting the level of the Federal Payment is essential to recommending such adjustments on a fair and equitable basis. The Commission believes that such analysis should hereafter be conducted on a continuing basis under the supervision of the Federal Office of Management and Budget in conjunction with its annual review of the District Government's budget submission, and related intercommunity revenue and expenditure comparisons developed by the District government. A background paper on the Federal Payment may be found in Volume III of the Nelsen Commission Report.

HOUSE MEMBERS CALL FOR OVERHAUL OF SOCIAL SERVICE REGULATIONS

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, today the Senate Finance Committee is holding the last of 4 days of hearings on the revised social service regulations issued by the Department of Health, Education, and Welfare, on May 1.

In a statement submitted to Finance Committee Chairman RUSSELL LONG, 84 House Members have called for an overhaul of the May 1 regulations.

We feel that HEW has moved beyond congressional intent by using the regulations to convert social services from a program intended to keep people off welfare to one which is targeted almost exclusively on welfare recipients.

In an effort to exclude most nonrecipients from the program, HEW has unintentionally provided an incentive for welfare dependency. Under new income eligibility standards, many cash assistance recipients with outside earnings will be able to qualify for free day care, for example, while people at the same income level who are entirely self supporting will be unable to obtain the free service. Obviously, there will be little incentive for the welfare recipient to become financially self-sufficient under this arrangement.

A copy of our letter to Senator LONG follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 15, 1973.

Senator RUSSELL LONG,
Chairman, Senate Finance Committee,
Washington, D.C.

DEAR MR. CHAIRMAN: We want to indicate our concern about the revised regulations for the social services program issue by the

Department of Health, Education and Welfare on May 1.

After reviewing these latest regulations together with the earlier version published on February 16, it appears to us that HEW has lost sight of the original objective of the social services program—the prevention of welfare dependency.

The new regulations, in effect, convert social services from a program intended to keep people off welfare to one which is targetted almost exclusively on welfare recipients.

In some areas, the regulations are actually counter-productive. Welfare dependency, in fact, will be encouraged rather than discouraged. A good case in point is the new income eligibility standards. The May 1 regulations state that with the exception of day care, potential welfare recipients will be eligible for services only if their gross income does not exceed 150% of their state's welfare payment standard. This means that in every state, many welfare recipients with outside earnings will be eligible for services while non-recipients at the same income level will be ineligible. The accompanying chart documents this point.

Clearly, HEW will have difficulty justifying an arrangement in which a non-recipient finds that he can not qualify for free day care service, for example, while his welfare recipients neighbor with an *equal if not higher income* can obtain the free service.

What HEW is really telling people through these new regulations is that you can do much better for yourself if you stay on welfare so why bother trying to make it on your own.

The new assets requirement will also tend to discourage economic independence. Under the revised regulations, potential recipients will have to meet the same assets test used for cash assistance recipients. In most states, this means that low income homeowners, farmers and people with modest savings will be effectively cut off from the program. Here again, we will be penalizing those people who are struggling to maintain their self-sufficiency at poverty level incomes.

We are also concerned about the extremely restrictive definition of services eligible for federal reimbursement. Funding will be cut off for a wide range of programs, including education, mental health, medical treatment and nutritional services.

A number of states have used social service funds to establish drug treatment and alcoholism control centers. By treating an individual's drug problem, a community agency is doing much to keep this person off the welfare rolls. Yet, most drug treatment programs will no longer be fundable under the new regulations.

Many older people have maintained their independence and avoided institutionalization with the aid of programs such as "Meals on Wheels". But many of these efforts, as well, will now be terminated as a result of the new regulations.

These new federally-imposed restrictions run counter to efforts underway throughout the federal government to give states more flexibility in dealing with their own locally identified needs. For some reason, the objectives of the New Federalism have been abandoned when it comes to social services.

Clearly, additional revisions of the May 1 regulations are necessary if the social service program is to meet the major goal laid out for it by Congress—the prevention of welfare dependency. If the necessary adjustments are not made on an administrative level, we urge the Finance Committee to consider legislative action to deal with the concerns we have just outlined.

We would appreciate having this letter made part of your committee's official hearing record on social service regulations.

With best wishes.

Sincerely,

Brock Adams, Bella S. Abzug, Joseph P. Addabbo. Thomas L. Ashley, Herman Badillo, John A. Blatnik, Jonathan B. Bingham, Edward P. Boland.

John Brademas, Frank J. Brasco, George E. Brown, Jr., Yvonne Brathwaite Burke, Shirley Chisholm, William Clay, John Conyers, Jr., James C. Corman.

Dominick V. Daniels, Ronald V. Dellums, Frank E. Denholm, John Dent, Ron de Lugo, Charles C. Diggs, Jr., Robert F. Drinan, Bob Eckhardt.

Don Edwards, Joshua Eilberg, Dante B. Fascell, Walter E. Fauntroy, Richard H. Fulton, Henry B. Gonzalez, Ella Grasso, William J. Green.

Gilbert Gude, Michael Harrington, Augustus F. Hawkins, Henry Helstoski, Ken Hechler, Elizabeth Holtzman, James Howard, Barbara Jordan, Robert Kastenmeier.

Edward I. Koch, Robert L. Leggett, Spark M. Matsunaga, Lloyd Meeds, Ralph H. Metcalfe, Patsy T. Mink, Parren J. Mitchell, John Moakley.

William S. Moorhead, John M. Murphy, Claude Pepper, Bertram Podell, Richardson Preyer, Charles B. Rangel, Thomas M. Rees, Donald W. Riegle.

Peter W. Rodino, Jr., Fred B. Rooney, Benjamin S. Rosenthal, Dan Rostenkowski, Edward R. Roybal, Paul S. Sarbanes, Patricia Schroeder, John F. Seiberling.

B. F. Sisk, James V. Stanton, Fortney H. Stark, Louis Stokes, W. S. Stuckey, Jr., Gerry E. Studds, James W. Symington, Frank Thompson, Jr.

Robert O. Tiernan, Lionel Van Deerlin, Charles A. Vanik, Antonio Borja Won Pat, Sidney R. Yates, Andrew Young, John Culver, Robert Roe, Mike McCormack.

TABLE 1.—ELIGIBILITY FOR SOCIAL SERVICES FOR A FAMILY OF 4 UNDER HEW REGULATIONS [1]

State	AFDC payment standard (annual)	Annual net earnings level [3] at which eligibility for AFDC closes [4]	Limit on family eligibility [2] for— Services other than day care	Day care
Alabama	$1,164	$2,106	$1,746	$2,716
Alaska	4,800	7,560	7,200	11,200
Arizona	3,384	5,430	5,070	7,896
Arkansas	2,748	4,482	4,122	6,412
California	3,768	6,042	5,682	8,792
Colorado	2,904	4,716	4,356	6,776
Connecticut	4,056	6,444	6,084	9,464
Delaware	3,444	5,527	5,167	8,039
Washington, D.C.	2,868	4,742	4,382	6,692
Florida	2,676	4,374	4,014	6,244
Georgia	2,724	4,446	4,086	6,356
Hawaii	4,008	6,372	6,012	9,352
Idaho	3,384	5,436	5,076	7,896
Illinois	3,264	5,256	4,896	7,616
Indiana	4,356	6,894	6,534	10,164
Iowa	3,600	5,760	5,400	8,400
Kansas	3,864	6,156	5,796	9,016
Kentucky	2,808	4,572	4,212	6,552
Louisiana	1,296	2,304	1,944	3,024
Maine	4,188	6,642	6,282	9,772
Maryland	2,400	3,960	3,600	5,600
Massachusetts	4,188	6,622	6,262	9,772
Michigan	4,332	6,858	6,498	10,108
Minnesota	4,068	6,462	6,102	9,492
Mississippi	3,324	5,346	4,986	7,756
Missouri	3,636	5,814	5,454	8,484
Montana	2,472	4,068	3,708	5,768
Nebraska	$3,684	$5,886	$5,526	$8,596
Nevada	2,112	3,528	3,168	4,928
New Hampshire	3,528	5,652	5,292	8,232
New Jersey	3,888	6,192	5,832	9,072
New Mexico	2,436	4,014	3,654	5,684
New York	4,032	6,408	6,048	9,408
North Carolina	1,906	3,219	2,859	4,447
North Dakota	3,600	5,760	5,400	8,400
Ohio	2,400	3,960	3,600	5,600
Oklahoma	2,268	3,762	3,402	5,292
Oregon	3,204	5,166	4,806	7,476
Pennsylvania	3,756	5,994	5,634	8,764
Rhode Island	3,156	5,094	4,734	7,364
South Carolina	2,496	4,104	3,744	5,824
South Dakota	3,420	5,490	5,130	7,980
Tennessee	2,604	4,266	3,906	6,076
Texas	1,776	3,024	2,664	4,144
Utah	2,820	4,590	4,230	6,580
Vermont	4,020	6,390	6,030	9,380
Virginia	3,132	5,058	4,698	7,308
Washington	3,528	5,652	5,292	8,232
West Virginia	1,656	2,884	2,484	5,796
Wisconsin	3,624	5,796	5,436	8,456
Wyoming	3,120	5,040	4,680	7,279
Puerto Rico	1,584	2,736	2,376	3,696
Virgin Islands	1,992	3,348	2,988	4,648

[1] Based on July 1972 data, except for West Virginia (July 1971). Individuals must also have resources (assets) which are within the limits specified by the State for cash assistance recipients.
[2] Income limit for people off welfare.
[3] Work expenses may be deducted from total earnings in calculating net earnings.
[4] Income limit for people on welfare.

Source: Department of Health, Education, and Welfare.

Mr. Speaker, the following article from the Minneapolis Tribune discusses the welfare-dependency incentive created by the new social service income eligibility standards.

This flaw in the May 1 regulations was brought to light at the Senate Finance Committee hearings by my colleague from Minnesota, Senator WALTER MONDALE.

The article follows:

[From the Minneapolis Tribune, May 9, 1973]

MONDALE QUESTIONS LEAD TO REVIEW OF HEW RULES ON SOCIAL SERVICES

(By Finlay Lewis)

WASHINGTON, D.C.—Questions raised Tuesday by Sen. Walter F. Mondale, D-Minn., have prompted the U.S. Department of Health, Education, and Welfare (HEW) to reexamine key positions of its regulations that will govern a $2.5-billion program of social services.

Philip Rutledge, HEW's acting administrator of social and rehabilitation services, acknowledged in an interview yesterday that the department will restudy its income eligibility standards for the program as a result of Mondale's questions.

Earlier yesterday, Mondale produced figures during a meeting of the Senate Finance Committee showing that in certain instances welfare recipients could do better under the program than those who are not on welfare.

Rutledge, HEW Secretary Casper Weinberger and other department officials appeared before the committee to explain the regulations, most of which will go into effect July 1.

The regulations will govern a program under which federal, state and local governments and private charities put up funds to carry on a wide range of social services aimed at moving poor people off of welfare. A corollary objective of the program—two-thirds of which is financed by the federal government—is to keep potential welfare recipients off of the public assistance rolls.

Under HEW's new regulations, a person who is not already on welfare can qualify for social service benefits if his or her income is less than 150 percent of a particular state's welfare assistance standard.

An exception to the income standard is in the area of day-care services. Here a mother, for example, can receive a partial subsidy for day-care expenses until her income becomes more than 233 percent of the state's assistance standard.

Mondale's figures disclosed, however, that in every state the figure of 150 percent would be at least $360 less than the maximum amount of earnings that a welfare recipient is allowed to keep under various employment programs.

The situation arises because a welfare recipient is allowed to discount a flat $30 a month, plus one-third of his earnings in computing his or her eligibility for public assistance.

In Minnesota, Mondale's figures show that the basic assistance standard for a family of four is $4,068. However, a welfare family of four can actually receive $6,462 in income as a result of the discount provisions and still qualify for HEW's program of social services.

In contrast, a family of four that is not on welfare is disqualified from the social services program as soon as its income hits $6,102, or 150 percent of $4,068.

"This simply means that many people who are on welfare will receive more free services than those who are not on welfare—and whose incomes are actually less than the welfare recipients," Mondale said.

This situation might result in a "disincentive" that would frustrate the effort to move people off of welfare, Mondale suggested.

Despite persistent questioning by Mondale none of the HEW officials at the committee session effectively rebutted his arguments.

In the interview later, Rutledge said that HEW analysist are studying Mondale's figures but he agreed that there is an income gap built into the regulations favoring those on welfare.

"I'll have to see his arithmetic but he's raised a good point and we're going to analyze the situation again," said Rutledge.

"The question is whether this amount of money constitutes a disincentive or whether it doesn't. There's disagreement around that question," added Rutledge, whose office administers the social services program.

In a separate interview, Mrs. Joan Hutchinson, acting deputy assistant secretary for welfare legislation, said that the policy of discounting certain portions of a welfare recipients' income is intended to serve as a work incentive.

WATERGATE

The SPEAKER. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, this morning, the Ervin Committee opened its hearings into the Watergate scandal and other events surrounding the 1972 presidential election campaign. I hope and expect that the Ervin hearings will bring out much of the information about Watergate that has not yet been made available to the Congress and the public, but the work of that committee is not and cannot be enough.

Under the Constitution, the House of Representatives has an independent responsibility to oversee and inquire into the conduct of "the President, Vice President and all civil officers of the United States," and, if necessary, to discipline them. The House must not shirk that high duty.

Included at this point in the RECORD are two items from this morning's New York Times—an article by Anthony Lewis and an editorial:

THE VOICE OF HISTORY—AT HOME ABROAD

(By Anthony Lewis)

LONDON, May 16.—The Convention that wrote the Constitution of the United States debated only July 20, 1787, the clause making the Chief Executive of the new Government removable on impeachment and conviction. The surviving notes of the debate, by James Madison, make highly pertinent reading in 1973.

Opinion in the Convention was divided. Some thought a limited term of office would be sufficient assurance against executive misbehavior. But three of the Convention's leading figures argued for impeachment: Benjamin Franklin, Madison himself and his fellow Virginia, George Mason.

"No point is of more importance," Mason said. "Shall any man be above Justice? Above all shall that man be above it who can commit the most extensive injustice?"

Dr. Franklin warned that the absence of an impeachment provision would leave the removal of an "obnoxious" executive to more violent methods. Madison thought the clause "indispensable . . . for defending the community against the incapacity, negligence or perfidy of the chief Magistrate."

The clause was approved in general terms. On Sept. 8 it came before the Convention again in final draft form, listing as grounds for impeachment "treason and bribery." Mason thought that was too narrow.

"Attempts to subvert the Constitution," he warned, "may not be treason." He first suggested adding "maladministration," then substituted "other high crimes and misdemeanors." The amendment carried.

The framers of the Constitution plainly intended impeachment to play a broad role as one of their several defenses against abuses of power. That was still the view fifty years later, when de Tocqueville said the main object of the clause was "to take power away from a man who makes ill use of it."

It is a historical anomaly, therefore, to treat the idea of impeaching a President as almost sacrilegious. The notion that kings rule by divine right was pretty well undermined by the 18th century, and those who made the American Revolution hardly meant to enshrine it afresh in the Presidency.

Of course the importance of the Presidency in the America system, and in the world, has grown beyond what the men who met in Philadelphia in 1787 could have imagined. It is inconvenient to change Presidents in mid-term; it is risky. But the risks are not only one way.

We can live with a weakened Presidency; we have done so before, and the Presidential mystique is overdue for deflation. But can we live with ourselves under a leadership that we know is tainted? For the inevitable obscurity about exactly what Richard Nixon did cannot hide what everyone must know; that the lawlessness we call Watergate could not have taken place except in an atmosphere created and permitted by this President.

It is true that no American President has been removed from office, and that is an important gloss of history on the constitutional text. But then no President in office has had so many close associates charged with such grave abuse of power—or has had called into question the honor of the terms on which he was elected.

In thinking about the difficulties of changing Presidents, we should not forget how a democracy may benefit from a cleansing change in leadership. After the disastrous Suez affair in 1956 Britain changed Prime Ministers without changing parties. Even that was enough to lift much of the cloud from public life, for all the lasting impact of Suez.

The American system is less flexible than the parliamentary, but it does not condemn us to the rigid embrace of a President unfit for office. The Constitution speaks not only of "removal" but of "resignation." Those words were used again just six years ago, in the 25th Amendment.

Is there any serious possibility of resignation? It is an act of self-denial hard to imagine in any man ambitious enough to have become President. But once before on a momentous occasion Richard Nixon put his country ahead of his own ambition—when he decided not to challenge the 1960 election. One cannot exclude a decision that only his resignation could open the way to a healing of American politics.

The succession of Spiro Agnew to the Presidency would still leave us, however, under the shadow of doubt about the integrity of the 1972 election. The necessity is to remove that shadow without leaving the country driven by partisan rancor. As it happens, the 25th Amendment offers a way out.

A little-noted section of the new amendment provides that when there is no Vice President—as, for example, when one has succeeded to the Presidency—the President shall nominate a successor, subject to confirmation by majority vote of both houses of Congress. If Mr. Agnew undertook to resign when a successor qualified, he would set in motion a process bipartisan in its nature. Such an idea is still staggering to contemplate, but we shall have to begin opening our minds to the constitutional possibilities.

At the Convention of 1787 Gouveneur Morris of Pennsylvania at first opposed the impeachment clause but changed his mind after the debate. The President was not to be a king, he said: "The people are the king." How ironic it would be if we now bound ourselves to a king of shreds and patches.

UNANSWERED QUESTIONS

With the opening of the Ervin committee hearings today, the nation carries forward the task—already under way in several grand jury rooms—of sorting out truth from rumor about the interlocking crimes and conspiracies known as Watergate. Public testimony by many witnesses over the coming weeks may illuminate the role of one man not likely to be called as a witness, President Nixon.

The President's address to the nation on April 30 clearly failed to resolve the gathering doubts about that role. His subsequent speech at a Republican fund-raising dinner in Washington only made matters worse. He has avoided holding a press conference where he could be questioned. Yet silence and a determined attempt to carry on public business as if nothing had happened are not convincing or reassuring. The questions accumulate.

What took place between the President and John N. Mitchell, his former Attorney General and most trusted political confidant, during the two-hour conference last July 1