

# NOMINATIONS OF DAVID B. SWOAP AND ANGELA M. BUCHANAN

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HEARING  
BEFORE THE  
COMMITTEE ON FINANCE  
UNITED STATES SENATE  
NINETY-SEVENTH CONGRESS  
FIRST SESSION  
ON  
NOMINATIONS OF  
DAVID B. SWOAP TO BE UNDER SECRETARY OF HEALTH AND  
HUMAN SERVICES AND ANGELA M. BUCHANAN TO BE  
TREASURER OF THE UNITED STATES

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MARCH 12, 1981

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# NOMINATION OF DAVID B. SWOAP TO BE UNDER SECRETARY OF HEALTH AND HUMAN SERVICES AND THE NOMINATION OF ANGELA M. BUCHANAN TO BE TREASURER OF THE UNITED STATES

THURSDAY, MARCH 12, 1981

U.S. SENATE,  
COMMITTEE ON FINANCE,  
Washington, D.C.

The committee met, pursuant to notice, at 9:30 a.m., in room 2221, Dirksen Senate Office Building, Hon. Bob Packwood (acting chairman) presiding.

Present: Senators Packwood, Roth, Armstrong, Grassley, Long, Bentsen, Baucus, and Bradley.

[The committee press release, Senator Dole's opening statement, and the résumé of David B. Swoap follow:]

[Press Release No. 81-112]

## FINANCE COMMITTEE SCHEDULES HEARINGS ON NOMINATIONS OF DAVID B. SWOAP TO BE UNDER SECRETARY OF HEALTH AND HUMAN SERVICES AND ANGELA M. BUCHANAN TO BE TREASURER OF THE UNITED STATES

Robert J. Dole, Chairman of the Committee on Finance, announced today that the Committee has scheduled hearings on the nominations of David B. Swoap to be Under Secretary of Health and Human Services and Angela M. Buchanan to be Treasurer of the United States.

The hearings are scheduled for March 12, 1981, beginning at 9:30 a.m. They will be held in Room 2221, Dirksen Senate Office Building.

Immediately following the hearings, the Committee will meet in executive session to consider the nominations of Mr. Swoap and Ms. Buchanan.

*Written testimony.*—The Committee will be pleased to receive written testimony from those persons or organizations who wish to submit statements on the nominations for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five (5) copies to be received by March 12, 1981, to Robert E. Lighthizer, Committee on Finance, Room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.

### OPENING STATEMENT OF SENATOR DOLE

I would like to add my support for Mr. David Swoap to be Undersecretary of Health and Human Services.

As a former professional staff member of this committee, Dave Swoap's talent, ability, and personal integrity are known to most of us. He will bring extensive Federal and State legislative and executive branch experience to the important position of Undersecretary of Health and Human Services.

I am particularly pleased to learn of his commitment to make the HHS Inspector General's office more effective.

The Finance Committee has had an active interest in eliminating fraud and abuse in our public programs. We had great expectations that the committee's

Medicare-Medicaid Anti-Fraud and Abuse Amendments of 1977 along with the committee-initiated legislation which established the HHS Inspector General, would sharply reduce fraud and abuse.

Needless to say, we have been disappointed!

Last year this committee heard testimony that an FBI medicare-medicaid investigation in Detroit netted 42 convictions. In Los Angeles, the FBI had to close its operation when investigators dumped so many cases on U.S. prosecutors that they couldn't prepare them all for court.

By comparison we have seen very few medicare-medicaid convictions attributed to efforts of the HHS Inspector General. In one HHS regional office, for example, we have allegations that before the Inspector General took over, there were 51 convictions from 1974-1978, and the Inspector General has yet to get a medicare fraud conviction on its own in that region.

I know that President Reagan and Secretary Schweiker are also committed to eliminating fraud and abuse and I would hope that we will see a crackdown by the HHS Inspector General on such practices. I also want to reaffirm the committee's interest and support for improvements in the Department's efforts in this area.

Congress can, however, only pass laws; we cannot administer them. If additional legislative authority is needed I trust that we will be asked to provide appropriate legislation. In the meantime, I applaud the commitment by Mr. Swoap for improved administration in this area of concern and wholeheartedly support his nomination to be Undersecretary of Health and Human Services.

## PERSONAL RÉSUMÉ OF DAVID B. SWOAP

### PERSONAL DATA

Address: 4004 Old Hickory Road, Fairfax, Virginia. Telephone: (703) 978-8464 (home), (202) 224-5941 (office). Date of birth: August 12, 1937. Height and weight: 5'11", 170 lbs. Citizenship: U.S.A.

### EMPLOYMENT EXPERIENCE

Legislative Director, United States Senator William L. Armstrong (R-Colo.), February 1979 to present. Chief legislative assistant to Member of the Senate, with administrative responsibilities for eight-member staff of legislative assistants, coordinating all legislative research in domestic and international program areas. Responsible, as well, for staff assistance in work related to the Committee on Labor & Human Resources. Monitor all committee and floor developments. Current salary: \$52,500.

Professional Staff Member, Committee on Finance, United States Senate, Washington, D.C., October 1976 to February 1979. Responsible for analysis and review of legislation relating to health, welfare, and Social Security issues for the minority.

Senior Research Associate, Republican Study Committee, United States House of Representatives, Washington, D.C., February 1975 to October 1976. Responsible for formulation, development, and conduct of research projects in field of health and welfare, with particular emphasis upon welfare reform and food stamp reform legislation.

Director, California State Department of Benefit Payments, Sacramento, California, February 1974 to January 1975. Responsible for formulation and implementation of state policy with regard to \$2.6 billion in public assistance programs. Supervised 58 county welfare departments. Administrator of department with 2,500 employees, including categorical aids (AFDC, SSI/SSP, Food Stamps), and auditing, accounting, collecting, recovery, and payment system review functions for unemployment insurance, disability insurance, state personal income tax, and Medicaid funds.

Director, California State Department of Social Welfare, Sacramento, California, May 1973 to February 1974. Responsible for formulation and implementation of state policy with regard to \$2.6 billion in children's and adults' public assistance programs. Supervised 58 county welfare departments. Administrator of department with 850 employees, with direct supervisory responsibilities for welfare program operations, legal affairs, government and community relations, planning, and administration.

Chief Deputy Director and Acting Director, California State Department of Social Welfare, Sacramento, California, March 1973 to May 1973.

Assistant Secretary, California State Personnel Board, Sacramento, California, February 1972-March 1973. Responsible for representation of five-member

Board before State Legislature, with duties encompassing bill analysis, policy recommendation, executive staff participation, and general liaison with legislators and staffs in areas related to state merit system.

District Coordinator, State Senator Howard Way (President Pro Tempore of the Senate, May 1969-February 1970), California Legislature, Sacramento, California, February 1967-February 1972. Chief Senate Consultant, February-March, 1970. Responsible for legislative research, constituent correspondence, bill analysis, speechwriting, and district assistance for member of State Senate.

Consultant, Senate Fact Finding Committee on Labor and Welfare; California Legislature, Sacramento, California, September 1965-February 1967. Responsible for legislative research and analysis for committee in labor and welfare fields.

Assistant Administrative Analyst, Office of the Legislative Analyst, Joint Legislative Budget Committee, California Legislature, Sacramento, California, September 1964-August 1965. Responsible for budget and bill analyses in fields of social welfare and medical care, together with research in these areas at request of individual members.

Employee, Domestic and Commercial Accounts Department, Conlin Travel Bureau, Inc., Ann Arbor, Michigan, January-May, 1964. (Employed in part-time delivery capacity, September-December, 1964).

Legislative Assistant, Assemblyman Houston I. Flournoy (later State Controller), California Legislature, District Office, Claremont, California, September-December, 1962.

Clerk, Congressman Donald E. Tewes, Second District of Wisconsin (1956-58), Washington, D.C., and Waukesha, Wisconsin, February-May, 1957, part-time; June-November, 1958, full-time.

#### EDUCATION

Graduated from University High School, Kalamazoo, Michigan (1955).

B.A. with honors in government, Denison University, Granville, Ohio (1959). (Grade point average, on 4.0 basis: 3.9)

Student, Stanford University School of Law, Stanford, California (September-October, 1959). Voluntary withdrawal, October, 1959.

M.A. in government, Claremont Graduate School, Claremont, California (1961). GPA: 3.9.

Rotary Foundation Fellow, The University of the Philippines, Quezon City, Philippines (1961-62). Graduate study in political science (14 semester hours). GPA: 4.0.

Unclassified (not a candidate for a degree) student at undergraduate level in geography, The University of Michigan, Ann Arbor, Michigan (fall trimester, 1963; 15 trimester hours). GPA: 3.6.

Student, University of Pacific McGeorge School of Law, Sacramento, California (December 1970-July 1972). GPA: 2.6.

Student, Georgetown University School of Law, Washington, D.C. (September-December, 1975). GPA: 3.0 on 5 units; 5 units year-long courses not completed.

Honors and awards, Denison University: Phi Beta Kappa (Junior year), Omicron Delta Kappa, Blue Key, Dean's List (four years), Thresher award (outstanding freshman), Flory award (most promising senior), Pi Sigma Alpha.

Scholarships held: 4-year Procter and Gamble scholarship, Denison Founders' scholarship, Delta Upsilon Educational Foundation scholarship, Claremont Graduate School scholarship, Rotary Foundation Fellowship.

Other affiliations: Delta Upsilon fraternity.

#### HONORARY LISTINGS

Who's Who in Government (1975). Who's Who in California (1975). Outstanding Young Men of America (1972).

#### MILITARY SERVICE

Member, United States Army Reserve, February 1963 to January 1969, Six months' active duty, Fort Knox, Kentucky, and Fort Sam Houston, Texas. Served in medical and civil affairs units. Honorably discharged with rank of sergeant (E-5).

#### POLITICAL AFFILIATION

Registered Republican since age 21.

## PROFESSIONAL ORGANIZATIONS

American Public Welfare Association. National Welfare Fraud Association.

## CIVIC AND CHARITABLE ACTIVITIES

Elder and chairman, Mission in Society Commission, Little Falls Presbyterian Church, Arlington, Virginia.

Member, Board of Directors, Friends of SOS Children's Villages, Inc., New York City (US affiliate of Austrian-based international children's relief program).

Member, Rotary International.

## DETAILS AND REFERENCES

Available upon request.

Senator **PACKWOOD**. The committee will come to order.

We have two nominees before us today, Dave Swoap and Angela M. Buchanan. We will start with Mr. Swoap, who is well known to this committee.

Dave, welcome.

**STATEMENT OF DAVID B. SWOAP, TO BE UNDER SECRETARY OF HEALTH AND HUMAN SERVICES**

Mr. **SWOAP**. Thank you, Senator.

Senator **PACKWOOD**. I have no opening statement. If you want to start, you are on your way.

Mr. **SWOAP**. All right. Let me say it is with a deep sense of respect and honor that I come before the Finance Committee this morning, looking back over the years with fond regard for the committee, and my experiences with the Finance Committee. I am deeply honored to be here. My sense of timing may be a little less appropriate, coming up 48 hours after the budget has been presented, but I will certainly do my best to respond to any questions that the committee may have with regard to the budget and proposals of this administration.

Senator **PACKWOOD**. I think I can say that your Department has probably the most difficult of all the budget cuts. Everybody is sensitive to all the cuts in their areas, but you have a disproportionate number of areas that are very sensitive.

David, my first question relates to a report released by the National Commission on Social Security this morning.

They call for the development of a separate title 21, under the Social Security Act, for long-term-care services.

Ironically, this recommendation follows very closely the approach that Senator Bradley and I suggested when we introduced our long-term-care bill last year.

Do you have any thoughts on our bill, the report released this morning, if you are familiar with both of these issues and what you think we should be doing about the long-term-care problems facing both the Congress and this country.

Mr. **SWOAP**. I haven't seen the report of this morning, Senator Packwood, but I am familiar with your legislation and with some of the concepts that it embodies.

I think that long-term care, as you have recognized in the introduction of that bill, is one of the most pressing and critical of the problems that face us. It is certainly one of the most essential that we find in medicare and medicaid. I think some of the things that you have

pulled together in that bill, and the concept of demonstration projects and the concept of developing alternative forms of health care delivery for people who face a long period of institutionalization are certainly extremely worthwhile.

I think the answer has to lie somewhere in the direction you have proposed. I can't speak for the administration at this point, of course, with regard to the specific bill and any endorsement of it, but the concept—and the development of alternatives so that home health care is a viable option with other forms of noninstitutional care for persons faced with long-term care are extremely important.

Senator PACKWOOD. Do you think that services provided in the home can be a cheaper form of care than the present method of institutionalization?

Mr. SWOAP. I think it can, Senator. I think the concern we would have in the Department is one that others have reflected, if we do move in a substantial way in that direction, that we don't experience what we have experienced in the past with some shifts in priorities: where suddenly, we get a major influx of additional costs; we have the standards issue; and consequently, we have really defeated what we set out to achieve.

I think as long as we approach it with care and design a system that hopefully guards against those kinds of events, then we can certainly do it more cheaply.

Senator PACKWOOD. It is interesting when you look back on the record on medicare with respect to what we tried to design as well as the safeguards. As I recall, only the American Medical Association came close to guessing what medicare was going to cost. Every other estimate was low, some incredibly low.

David, can and how do you write standards in that you know are going to work prospectively?

Mr. SWOAP. Well, I think not only the issue of standards, but obviously, the reimbursement formula question is the key.

I hope, as Secretary Schweiker indicated when he was before this committee, that we will see some additional experimentation, some additional moves in the direction for alternate reimbursement formula.

One of the keys often lost in this whole debate on cost control in the health and welfare programs is that we need to focus our attention on the eligibility side of the equation, rather than on the benefit or the rate side; the focus on the latter is often the resultant product of the eligibility pressures.

So, you will see in a number of recommendations that are coming before you, both in the cash grant programs and in medicare and medicaid, and elsewhere, a very strong emphasis from our Department on the eligibility side of the equation.

So, our friends in the Treasury are supply siders, but we are on the demand side of this equation because we think if we can control eligibility to a larger extent, then obviously, we lessen the pressure on the total cost.

Senator PACKWOOD. Let me ask this next question until another Senator arrives.

Dave, you were working on this committee when we changed the social security formula and fixed it so that it would last until at least



the year 2025, as I recall, and we knew we had taken care of it. What went wrong?

Mr. SWOAP. I have asked myself that question, Senator, as have a number of the people out at SSA that looked at the forecast and the projections.

One of the first things that I think we need to correct, and this is not a fault of the actuaries, but is simply the way that we do some of the projections currently, is that three projections will be made—an intermediate set of assumptions, a pessimistic set, and an optimistic set.

But from there we will usually use straight-line projections. It is important that in our planning this time that we build in cyclical events of the kind that have occurred in the last 2 or 3 years. Because that is exactly what has gone wrong now.

We have had an historical relationship generally where wages have outstripped prices. That relationship reversed itself in the last 2 or 3 years. So we now have prices outstripping wages, with the result that the revenue to the trust funds is below where it should be—and the resultant cost-of-living increases, on the benefit side, are higher than anticipated.

So, that is essentially what went wrong. The Secretary has asked me to head up the working group on social security financing. We are now analyzing our several sets of assumptions to make sure we sufficiently take into account this cyclical event, because we don't want to be back before you in another 2 or 3 years telling you that you have to face social security financing problems again.

Senator PACKWOOD. Well, let me probe a little deeper than that. Even the administration's projections on inflation as I recall, are hoping that it will get down to 6 percent by 1983.

Most of the private economists say that is hopeful, but not likely. So, let's assume that we have it down to 8 percent, 9 percent, by 1983. That still isn't low enough to solve your problem, is it?

Mr. SWOAP. No, it is not. That is why the proposals that we will be bringing before you will be geared to the most pessimistic set of assumptions. Because we want to give you enough leeway, they will be built on the most pessimistic set, and also, one that recognizes a healthy reserve ratio in the trust funds, rather than bringing us down to the point where we are now.

Senator PACKWOOD. Senator Armstrong.

Senator ARMSTRONG. Good morning, Mr. Chairman.

I really came over only to express my profound admiration for the nominee, and to compliment the President for his insight in asking Mr. Swoap to take on this new responsibility. I shall vote for his confirmation, as I expect all Senators will, with great enthusiasm. I have no questions for the witness.

As the chairman knows, Mr. Swoap and I are well acquainted and have talked about the issues within his jurisdiction on many occasions. I am not only confident that he is going to send up to the Hill some innovative and worthwhile legislative proposals; I am eager to get them up here so we can start having hearings and passing some bills to reform some of these programs.

Oh, Mr. Chairman, I do have a statement about the nominee which I would like to insert in the record.

**Senator PACKWOOD.** It will be placed in the record.  
 [Prepared statement of Senator Armstrong follows:]

**STATEMENT OF SENATOR WILLIAM L. ARMSTRONG**

Mr. Chairman, and members of the committee, it is my great honor to enthusiastically recommend David B. Swoap as Undersecretary of the Department of Health and Human Services.

I came to know Dave while he served as my legislative director during my first two years in the United States Senate. Having worked very closely with him, I can assure the committee that Dave has all the experience and qualities necessary to fulfill the tremendous responsibility for which he has been tapped by President Reagan.

As Undersecretary, Dave will be second-in-charge of the third largest annual budget in the world. He will assist Secretary Schweiker in directing some \$250 billion in federal resources, and managing some 160,000 federal employees. Dave is the perfect man for the job. Many members of this committee have worked with Dave on welfare-related issues; they know, as I do, that Dave is one of the nation's experts in the field of public assistance. From documents already submitted, committee members know that Dave has worked six years in Congress: two years as my legislative director, three years on the Senate Finance Committee Republican staff and a year on the House Republican Study Committee staff where he was in charge of developing and analyzing public assistance legislation.

Before his congressional tenure, Dave served as Director of the California State Department of Benefit payments and was director of the California State Department of Social Welfare. These two departments managed a combined total of \$5.2 billion in public assistance payments, and were staffed by more than 2,500 employees. I am sure my colleagues will agree that Dave's California experience was a perfect training ground for the responsibilities Dave will face if confirmed, as I expect he will be.

These credentials are impressive. Even so, they do not reflect the full measure of Dave's extraordinary intellect, analytical judgment, fine political sense, great management ability and his sincere compassion for those in need. My colleagues will be interested to know that Dave is now a member of the Board of Directors of the Friends of SOS Children's Village, a worldwide group dedicated to placing orphans into foster homes. Dave also is an elder in his church, and is chairman of that church's Mission in Society Commission, a support group for missionary and refugee programs overseas.

Dave Swoap has all the qualities to be a successful Undersecretary. I applaud the President's nomination. My only regret is that, with his nomination, I lose his brilliant services as my legislative director. Clearly, my loss will be the nation's gain.

I urge the committee to unanimously support his nomination.

**Senator PACKWOOD.** Dave, let me ask you about a project we have in Oregon called "project health." The purpose of this program is to provide private health insurance options to welfare clients. The county pays a portion of the money based on a sliding-scale income test. There are a variety of option plans for the recipients to choose from. The welfare recipients can pay a small or a larger part of the cost if they want, with the county picking up the base of it. It has worked out very well.

Oregon believes, and certainly, Multnomah County, which is the Portland area, believes, that the program could be expanded. They think the entire medicaid program could be turned over to private health insurers.

I want to know if you think this is workable and possible.

**Mr. SWOAP.** I do, indeed, Senator, and shortly after joining the minority staff of the Finance Committee several years ago when I had an occasion to take a trip to the west coast, and I specifically went to Portland and talked with the project health officials. I was very much

impressed with both the concept that they developed and the manner in which they put it into place.

As you know, the administration has proposed a cap on medicaid expenditures. Accompanying that cap proposal you will see in the legislation that we are sending to the Hill a number of recommendations that will provide flexibility to the States so they can now begin to tailor their medicaid programs, consistent with the cap.

The National Governors Association has made a number of recommendations, numbering about eight or nine. The Secretary is committed to picking up on those recommendations and building in that kind of flexibility.

Certainly Project Health has the very kind of flexibility which we are talking about which enables alternative delivery systems to be developed, on a capitation basis or other prepaid bases. We certainly would look very favorably upon that approach. I would hope to be back in touch with the Project Health people soon.

Senator PACKWOOD. It has worked very, very well. I don't know if it is unique in the Nation, but it certainly has worked well for us. To the extent you are looking at any potential pilot programs, I wish you would look in that direction, because they have a good track record and base to build upon.

Mr. SWOAP. Yes. As I recall, they began with a number of the general assistance recipients.

Senator PACKWOOD. Yes.

Mr. SWOAP. They then extended it to medicaid as they found their experience was favorable.

Senator PACKWOOD. They started with those who were defined as "medically needy," those with incomes just above the level to qualify.

Mr. SWOAP. Yes.

Senator PACKWOOD. Then they gradually lowered it down to include welfare and have had amazing success with it.

Mr. SWOAP. Yes. It is that kind of experimentation and innovation that we hope to encourage. Specifically, the proposal that we will be sending up will be for a broadened waiver authority for the Secretary to approve individual State plans that would include that kind of experimentation.

Senator PACKWOOD. My last has to do with fraud and abuse. Last year this committee held hearings on fraud and abuse in medicare and medicaid. We had some witnesses from the FBI, and the Department of Justice. It focused principally on providers.

I have to confess, the hearing was an absolute eye opener as to the pervasiveness of fraud among the providers. I don't want to say that every lab that runs tests are fraudulent, but the two FBI witnesses, in essence ran a sting operation and they had tape recordings of people they would call on the phone, who they never met, and the person receiving the call had never met them. They would say, "I am an administrator for a hospital. We are not satisfied with in essence, the rakeoff we are getting on X laboratory; what kind of a deal would you give us? And, on the phone, people would say, "Oh, well, if they will give you 25 percent, we will give you 30-percent."

Mr. SWOAP. Yes.

Senator PACKWOOD. The FBI described it as absolutely endemic. In 54 of their 59 offices, they opened investigations and were finding the same thing every place. They estimated, and when they meant

fraud and abuse they were not talking about waste. They meant fraud. They estimated that roughly 10 percent, about \$6 billion, a year was lost through this fraud.

Are you familiar with that testimony and that evidence? If so, what on earth can we do about it?

Mr. SWOAP. Yes, sir, I am familiar with it. I think that points up a very strong priority in this administration, a crackdown on provider fraud, because that in a sense is one of the most unconscionable that can be encountered: It drains resources away from the recipients that need them, and it is building in a kind of cynicism and lack of confidence in the program that destroys its very base and effectiveness.

Our plan, Mr. Chairman, and we have already moved through a series of interviews for the new Inspector General in which we hope to be getting someone that has a very strong background in FBI experience, is to set up a joint working group between our Inspector General's Office and the Federal Bureau of Investigation, to crack-down on provider fraud.

I think that any provider that is listening to this testimony today or to your comments, will see that we do mean business.

Senator PACKWOOD. I think that you will have to go farther than just an Inspector General, because in listening to the testimony of the FBI, and how they ferreted out these—first, they were never asked to do it by the Department of Health, Education, and Welfare, now HHS. They got their leads through some sources and they would follow them up. They were directed to do it by the Department of Justice and their regional FBI offices, but never by HEW.

Mr. SWOAP. Yes.

Senator PACKWOOD. They said they discovered this was relatively easy fraud to discover. One of the places they would start were just with the computer printouts. It didn't take very long in reading them before problems began to appear that were just aberrations that were not normal. They would follow those up and invariably it would lead to fraud.

Yet, HHS was apparently incapable or unwilling to discover them. I think it goes a lot lower than an Inspector General.

Somehow, the Department for years, has had the idea that it was not their problem to monitor the fraud in their program. That was criminal. That was the Department of Justice.

Mr. SWOAP. Yes. Well, that has made a 180-degree turn, Mr. Chairman, because we do regard that as our business and one of our highest priorities. We expect to be doing much more in the area of computer profiles to begin to ferret out that kind of absolute fraud.

Senator PACKWOOD. Good.

Mr. SWOAP. The Secretary has said many times that he regards that as one of his highest priorities. I certainly share that.

Senator PACKWOOD. Senator Bradley.

Senator BRADLEY. Thank you, Mr. Chairman.

I would like to ask Mr. Swoap two questions. I think you have probably covered one area that we have a mutual interest in—long-term, home health care. Could you give us your sense as to whether a series of demonstration projects on long-term home health care would be cost effective and something that you would support, demonstrations similar to those proposed in the bill that Senator Packwood and I have introduced.

Mr. SWOAP. Yes, Senator. Senator Packwood and I were discussing that shortly before you arrived. As I indicated, I can't speak to the specific bill, but certainly the concept of developing demonstration projects, experimental modes to emphasize alternative forms of health care delivery for persons faced with long-term care, is something I would definitely support. Because I think that one of the most critical needs facing us is that we move away from the bias that the present system has toward institutionalization and begin to look at home health care and other means of noninstitutional health care delivery to relieve that problem.

Senator BRADLEY. Thank you. I would like to ask one other question. Last year, a number of Senators and I were strong supporters of the child health assurance program, called CHAP. For a variety of reasons, that fell through at the end of the session last year.

I noticed, in this year's budget, that the administration has proposed to block grant this area of child health and maternal care and reduce funding by 25 percent.

I also noticed in the budget that you have reduced funding for the WIC program, women, infants, children feeding program, by about a third.

I raise this because I don't think that it is the administration's intention to deemphasize either prevention or child health care.

I am curious. What is the rationale for those cuts, and do you have in mind another approach that we haven't yet heard?

Mr. SWOAP. Yes, Senator. Let me say first of all, that Secretary Schweiker has strongly indicated on many occasions his priority concern for preventive health care believing that that is something that should receive renewed attention in our Department, and one that should be a focus of our efforts in the months ahead.

The WIC program—women, infants, and children program—is, of course, not in our Department. It is in the Department of Agriculture. So, I can't speak to that directly.

But with regard to maternal and child health and the related components that we presently have, which as you know are EPSDT and the title XIX program itself, I think the primary need at this point is to begin to rationalize these various programs. What we have had is the development over the years of a series of programs targeted toward the same goal. We have title V, with the maternal and child health programs, the crippled children's services. We have had a number of programs in the Public Health Act, community health centers and migrant health centers. We have the EPSDT program which generally is acknowledged that it is not working as it should be. We want to address our attention to that, and then, of course, to title XIX itself.

So our focus and our thrust is going to be toward seeing that these programs integrate with one another in a rational fashion and then take a look at the remaining areas of noncoverage and see what proposals we need to then make in that regard.

Senator BRADLEY. When might we expect a specific administration proposal on health care for pregnant women and children?

Mr. SWOAP. I think it would probably not be this year, Senator, simply because we want to enable the block grant approach and the various analyses that I have just mentioned to occur. I think certainly next year we would be in a position to determine how the various com-

ponents that I described are fitting together and determine where the gaps are.

Senator BRADLEY. Well, as one Senator, let me just express my willingness to work with you in developing that.

Mr. SWOAP. Great. I appreciate that very much.

Secretary Schweiker, of course, coming from 20 years on the Hill, and I was here for only 6 years, but we very much value and believe deeply in working with you and the other members of this committee and the House side in developing those kinds of things.

Senator BRADLEY. Thank you.

Thank you, Mr. Chairman.

Senator PACKWOOD. Dave, could I ask you to step aside just a moment, so that Senator Laxalt can introduce Ms. Buchanan?

Mr. SWOAP. Surely.

Senator PACKWOOD. Then we will come back to your testimony.

Ms. Buchanan, Senator Laxalt.

### STATEMENT OF HON. PAUL LAXALT, U.S. SENATOR

Senator LAXALT. Thank you, Mr. Chairman.

Senator PACKWOOD. She has been nominated for Treasurer of the United States.

Senator LAXALT. May I thank the chairman and members of the committee for indulging us in coming out of order?

Mr. Chairman and members of the Finance Committee, I would like to thank you for the opportunity to appear before you today in support of the nomination of Angela Marie Buchanan as Treasurer of the United States.

I believe Angela Marie, I never knew she was Angela Marie until yesterday, or Bay, as she is known to her friends, will make an outstanding Treasurer and will perform her duties in a competent and efficient manner.

Although Bay will make history in becoming the youngest Treasurer in the history of the United States, I believe she is uniquely qualified to handle this position. Her extensive experience includes service, first as the national treasurer for the Reagan for President Committee, and subsequently, as national treasurer of the Reagan-Bush Committee.

As you can well imagine, those pressure-packed, hectic jobs should make her new responsibilities seem simple. I can personally attest to the fact that she did an outstanding job.

Those who have been involved in any degree in a Presidential campaign, particularly under the complex laws that we have now and the financial aggravations that arise, are people tested in the treasurer's responsibility and tested more keenly than in most other situations.

I can recall vividly when the Reagan campaign was in serious financial difficulties Bay had first of all the ability to analyze what was a worsening financial situation; but more importantly, she had the courage to go to the candidate himself and throw the flags of warning up and indicate in no uncertain manner, and with strong justifications, that some changes had to be made.

Before serving on the Presidential committees, in the fashion that I described, Bay served for 2 years as comptroller for the Citizens for

the Republic, a political action committee located in Santa Monica, Calif. She was responsible for the committee's financial operations and compliance with State and Federal election laws.

She has also worked as an accountant in Bethesda, Md., and Sydney, Australia.

In short, Bay Buchanan brings intelligence, ability, experience, and knowledge to her new duties in the Treasury.

I am confident, my colleagues, that she will be a real asset to the new administration.

As most of you know, she has been in place for some while working directly under Mr. Regan, and I understand the situation has been very compatible and working out very well.

So, in summary, I strongly support the nomination of Angela M. Buchanan, as Treasurer of the United States.

I thank you.

Senator PACKWOOD. Senator Laxalt, thank you. If she can do half as well as Treasurer of the United States as she did on the campaign, why, we will be in good shape.

Senator LAXALT. She will.

Senator PACKWOOD. Bay, if I can get you to step back for a moment and let us finish with Dave, and then we will call you up.

Ms. BUCHANAN. Yes.

[Prepared Statement of Senator Laxalt follows:]

#### STATEMENT OF SENATOR PAUL LAXALT

Mr. Chairman and Members of the Finance Committee, I want to thank you for the opportunity to appear before you today in support of the nomination of Angela Marie Buchanan as Treasurer of the United States. I believe Angela Marie, or Bay, as she is known to her friends, will make an outstanding Treasurer and will perform her duties in a competent and efficient manner.

Although Bay will become the youngest Treasurer in the history of the United States, I believe she is uniquely qualified to handle the job. Her extensive experience includes service, first as the National Treasurer for the Reagan for President Committee, and subsequently as National Treasurer of the Reagan-Bush Committee. As you can well imagine, those pressure-packed, hectic jobs should make her new responsibilities seem simple. I can personally attest to the fact that she did an outstanding job. Before that, Bay served for two years as Comptroller for the Citizens for the Republic, a political action committee located in Santa Monica, California, where she was responsible for the committee's financial operations and compliance with state and federal election laws. She also worked as an accountant in Bethesda, Maryland and Sydney, Australia.

In short, Miss Buchanan brings intelligence, ability, experience, and knowledge to her new duties in the Treasury. Confident that she will be a real asset to the new Administration, I strongly support the nomination of Angela Buchanan as Treasurer of the United States.

Senator PACKWOOD. Thank you, Senator Laxalt, very much.

Senator LAXALT. Thank you.

Senator PACKWOOD. Senator Roth.

Senator ROTH. Thank you, Mr. Chairman.

I will be very brief, because I have to go to Government Affairs, to chair a meeting there. I could not permit this nomination to come up without my appearing here and saying how pleased I am that Dave Swoap is going to be Under Secretary. I think your background here on the Hill, in legislative matters, your background in California, in State government, ideally suit you for this particular job.

I just want you to know that I am very pleased to see this nomination and most enthusiastically support it.

Mr. SWOAP. Thank you very much, Senator. I appreciate that.  
 Senator PACKWOOD. Senator Roth, thank you.

Senator Long, Senator Grassley has kindly said that he waived his spot for the moment, Russell.

Senator LONG. Thank you very much.

I just want to explore one thing with you, Mr. Swoap. First, let me say that I am delighted to see that your name was recommended up here. You were working for the Finance Committee, as a part of the minority, but as far as I am concerned, if they didn't want you, why you could have worked for us. You did a good job for us up here. [Laughter.]

We are delighted to see you come back in this capacity.

There have been discussions in the press about permitting or suggesting that the States ought to have a plan for people to work off their welfare grants. This might achieve the same objective that I would like to see, but I don't know that I like that approach as well as another approach.

It seems to me that when you are talking about giving somebody a welfare grant and then calling upon him to work for it, it seems like you are sort of playing Indian giver. First you give a person something, and then you are going to try to make him work for nothing.

I think it projects a better image to take the view that I would like to take. I would say, "Look, I am not going to make you work or try to compel you to work. I am just telling you that I am not going to pay you very much for doing absolutely nothing."

I would suggest we offer people the option of being on the "something for something payroll," or of being on the "something for nothing payroll." If you want to be on the "something for nothing payroll," it will not pay nearly as much as it used to pay. [Laughter.]

Now, if you would like to be on the "something for something payroll," we have a little something for you to do here, and then you do say 20 hours of work and we will pay you. We will pay you very well for the 20 hours of work that you do. It is not going to be backbreaking work.

Now, some folks might find it demeaning to pick up litter. I am an avid litter picker-upper. I am the No. 1 cleaner upper of the Kennedy Center area. I walk around there to get my exercise from time to time and pick up all the old beer cans and empty cups and things like that that people have left from the night before. We are paying a tribute to my dear friend John Kennedy, who went to meet his Maker after doing a fine service for his country.

I think that it is easy enough to find a little something for people to do. I am not worried about whether we make any money out of that program. I am just convinced that when you get people up off their hind quarters and get them on their feet you make them show up somewhere, you make them put their clothes on and get out there on the street and do a little something, half of those people will conclude, "Well, if I have to show up anyway, I might just as well take a better job and make myself some more money." More often than not, they can find a better job than what we will be offering them.

I was talking to the father of a young man who told me that this young fellow, here in Washington, felt he had to go get some summer employment and learn to start working for a living. The young fellow



found five different jobs around town he could take very easily, purely unskilled labor.

Yet we are told that young people can't find employment. It makes me wonder to what extent they are seeking it. This young fellow could find five jobs and had no skill to recommend him at all. There must be a lot of jobs around that people just have not shown much interest in taking.

I would like to ask what your thoughts are about my approach where you give people a choice. They can work and earn money. Or they can sit around and do nothing for a lesser amount of money. But we would have some work for them to do, not hard work. They could do a little something at a day care center. If that is too tough on their constitution, then they could referee fights on the playground. If that is too tough, they can help bring trash to a central point so that when the truck comes through they can pick it all up, instead of having to pick it up by individual pieces.

There are all kinds of things you can find for people to do which will result in the community being better off and them being better off.

I wanted to get your thought about this approach.

Mr. SWOAP. Yes, sir, Senator. You have described almost perfectly the approach that we do plan to take. The so-called workfare proposal has been described in the press in the last couple of days as being mandatory, which it is in basic concept in that we will be requiring the States to develop plans that have some kind of a work requirement, some kind of a workfare approach.

But, it is the Secretary's intention to be extremely flexible on the character of the proposals that are coming back so we can have various kinds of approaches that have been tested as we did in California with the community work experience program. Utah has done some of this, as you know as has Massachusetts. New York, as I understand it, is even doing some of this with regard to their general assistance recipients.

We found that it is extremely worthwhile for all of the reasons that you mentioned, to build in some kind of a work requirement for persons who are able bodied and when there is adequate provision of day care for people with children of small age.

In California, in the early 1970's, when we developed the community work experience program, we applied to the then Department of Health, Education, and Welfare, and they told us that we couldn't do it on a statewide basis and we had to do it in only 35 of the 58 counties.

We had hoped to be able to do it on a statewide basis at that point, but actually, it worked out just as well, because then we had a kind of a pilot going. We had a controlled set of counties, and another set in which the program was not operating.

We found that the rate of departure from the welfare rolls and the rate of placement in regular jobs was certainly higher in the 35 counties that did have the community work experience program versus those that didn't.

I think as you so eloquently described, it does several things.

No. 1 is, that it reinforces the work ethic. It reinforces the concept that you do not and should not get something for nothing if you do have the physical resources to support yourself and your family.

It hopefully will build in work skills and the kind of attention to

the clock and the work habits that are important for all individuals in this society.

And, it will enable children to see their parents going out in the community and participating in that regard.

So, I think it is extremely valuable, and again, it need not be something of a specific, foreordained requirement from Washington.

We have had some experiments in Weld County, Colo., for example, where as a part of it, they are requiring able-bodied welfare recipients to report to the community college for about 5 or 6 hours a day where they are required to be in attendance in the classroom. It achieves what you described. At the same time, there is a sense of cohesion in community among the participants. Then, as a part of that requirement, they undergo job-skill training and job-search requirements. A part of the community college curriculum in that context is active job search.

So, it is that kind of exploration of alternatives that we think is extremely worthwhile, and we certainly share your views in that regard.

Senator PACKWOOD. Senator Grassley.

Senator GRASSLEY. Thank you, Mr. Chairman.

I want to say that there is probably no appointment of the Reagan administration that has made me more confident in the future course of this administration and in its commitment to change public policies that need changing, than your appointment.

I had an opportunity to work with you when you were a senior research associate for the Republican Study Committee in the House of Representatives.

I also knew of your work in California, prior to that. I found you to be very cooperative, knowledgeable, and obviously a willing worker. I think it speaks well for the Reagan administration that they have recognized your qualifications. I look forward to working with you and to the change of direction in programs that needed to change direction that is going to come about as a result of your appointment.

Last year, I introduced a bill in the House of Representatives giving States the discretion of having workfare programs. My immediate purpose was to allow for experimentation, if States wanted to do it, but hopefully, the end result would be that they would be successful and that other States throughout the country would adopt workfare programs. I felt that it was important to allow the States to make that determination.

Now the administration, moving in the right direction, has suggested workfare, on a national basis, imposed by Washington.

I just wonder if there has been any thought as to whether or not this isn't just a little bit in conflict with the intent of this administration to let States make their own individual determinations on the types of public assistance programs that best meet the needs of their citizens. Would it not be more consistent just to amend the statute to allow the States to have workfare programs if they so desire, rather than imposing such programs upon them?

Wouldn't that approach reaffirm this administration's stated intent to emphasize State partnership and, at the same time, move us in the direction of deemphasis of welfare and toward job creation for those who have great need and are now on welfare?

Mr. SWOAP. Certainly, Senator Grassley, that is an approach which we looked at carefully and which has a great deal to commend it.

The reason we didn't select it to provide complete flexibility and State option in this regard is that we think there is a legitimate distinction between what we are doing in the several block grant programs, the four block grants of basic and preventive health care, social services, and emergency and energy assistance in which we are providing complete flexibility to the States, and the AFDC program at this point which remains an open-ended, federally funded, still federally controlled program.

So, for that reason, we felt it was not inconsistent, and that it was appropriate to have a Federal requirement with regard to work in the system.

At the same time, we are exploring a complete block grant approach for AFDC. We have not sent up that proposal at this point, yet, but it could come. In that event, of course, the States would have complete flexibility with regard to a work requirement.

But we felt that as long as we have a situation in which the Federal Government is in effect matching open-ended expenditures at the State level, that it was appropriate and desirable to effect some kind of a requirement for workfare, again emphasizing that it is the Secretary's intention to give the States as much flexibility as possible in their design of those systems.

Senator GRASSLEY. If there is a block grant approach, then it would leave the discretion to the individual States for the requirement to have a workfare program?

Mr. SWOAP. Yes, sir.

Senator GRASSLEY. Or the decision to have workfare?

Mr. SWOAP. Yes, sir, that's correct.

Senator GRASSLEY. Thank you, Mr. Chairman. Those are all of the questions I have.

Senator PACKWOOD. Senator Baucus.

Senator BAUCUS. Thank you, Mr. Chairman.

Mr. Swoap, Senator Grassley asked the question I was going to ask. Let me follow up a little bit on that same line.

As I listened to you earlier, I understood you to say that in California, approximately 33 counties adopted a similar approach and the results were favorable. I am just curious, again, why we don't let States have a little more flexibility here in deciding whether or not to adopt this kind of a plan, just as I take it, in California, you allowed counties to have that local option.

Again, what is the difference between counties in California and States with a Federal program?

Mr. SWOAP. Well, the difference is in some States you have direct State administration of public assistance. In California, we happen to have a State-supervised, county-administered system. There was the opportunity for that flexibility that isn't present in a number of the States that have direct State administration of their AFDC program.

As I suggested, we are making it mandatory, basically for the reasons that Senator Long described. Conceptually, we think it is important that the work ethic be supported, strengthened, and underscored throughout the country.

However, in the design of their individual systems as to who will be covered and what the exemptions will be, we expect to accord the States a great deal of latitude.

Senator BAUCUS. I understand that, but you know, conceptually one could say the administration believes that certain courses should be part of public schools, too. But for other reasons, we let local school boards make those decisions.

I don't see that necessarily answers the question. What is it again, about the nature of this program that dictates a fairly rigid uniform Federal requirement?

Mr. SWOAP. Well, again, I think I would differ that it is a uniform rigid requirement. We believe it is the open-ended nature of the funding where the Federal Government is matching at a 50-percent rate, whatever level of expenditures are incurred at the States that makes that difference.

Senator BAUCUS. But it is not a full 100-percent Federal disbursement. Still, States match too. One could then argue that, therefore, the States should have more say because the States match. It is not a full 100-percent Federal program.

Mr. SWOAP. Right. You will see the thrust for State flexibility in this administration. As I said, we are exploring a block grant approach for the entire AFDC program. I think you will see a continuing emphasis in the direction you are urging. So the States will have complete flexibility on these issues.

Senator BAUCUS. Thank you.

Senator PACKWOOD. Senator Bentsen.

Senator BENTSEN. Thank you, Mr. Chairman.

I am certainly delighted to have you back before the committee in this capacity.

I was holding some townhall meetings down in Texas over the weekend. One of the questions asked was about your HHS task force and some of the things that might be proposed by that study group. I understand you would chair it.

Mr. SWOAP. You are speaking of social security, Senator?

Senator BENTSEN. Yes.

Mr. SWOAP. Yes.

Senator BENTSEN. The question of universal coverage, is that something that is being seriously considered?

Mr. SWOAP. We are looking at it very carefully, Senator, to determine if it is an appropriate alternative. The question of integration and protection of benefits is of course, at the heart of that particular proposal. But certainly, as with all of the others that are before us, we are looking at it extremely carefully.

I might say, at this juncture, we believe that there is not a need for further original research and study. We think we have had very detailed studies over the last 5 or 6 years on the alternatives before us.

Basically, we think what is required now is, No. 1, to have the analytical skills to review all the options before us and combine them into a package that makes some sense. No. 2 is to have the courage, both in the executive branch and in the legislative branch to begin to select some of those alternatives that may not be viewed with universal popularity, but nonetheless, are extremely critical to the solvency of the trust fund.

Senator BENTSEN. Amongst the proposed cuts, one of those that gives me a great deal of concern, and I am obviously interested in how you plan to implement it is a cap on medicaid.

We have a situation in Texas now where the Federal portion pays for about 58 cents out of a dollar spent in that program.

Again, in these townhall meetings, one really gets a sense of what concerns the folks back home. There are so many rumors floating around now and a great deal of alarm resulting from them.

I would like to know if you have any feel at all for the direction of those changes that you are thinking of implementing.

As I understand it, this cap is an interim measure to give you time to bring about a major overhaul of the medicare and medicaid programs.

Mr. SWOAP. Yes, Senator Bentsen, just before you arrived, I made a point that I think is fundamental in this.

Senator BENTSEN. I apologize for being late, Mr. Chairman. I have the same problem you all have, too many hearings going on at the same time.

Mr. SWOAP. I just wanted to reiterate the fact that we believe eligibility reforms are at the heart of what we have to accomplish in this whole area.

Too often the tendency and the effort are directed toward capping total expenditures or reducing benefits.

In the long run, we think that that is not the most desirable way to go, but in fact we ought to be directing our attention to the eligibility side of the equation. I guess the best analogy that I often think of is that we tend, our initial reaction often is to try to clamp a lid on the pressure cooker, without turning the heat down.

What we have in mind is turning the heat down. So that in a number of the cash grant programs with roughly 24 or 25 recommendations we have made in the AFDC program, for example, you will see resultant savings in medicaid so that the States will not be faced with the same level of demand in the medicaid program as is presently the case.

Second, we are proposing cash grant reforms that would result in about \$1.2 billion in Federal savings.

At the same time, the States will realize approximately the same measure of savings, a little bit less, but somewhere in the nature of \$900,000 to \$1 billion in savings on the cash grant side.

They will have funds freed up through our welfare reform approach to begin to direct toward some of their needs that may be present from the cap.

Third, and probably most importantly, we plan to meet a number of requests of the National Governors Association to build flexibility into the medicaid program. So they can do a number of things, removing restrictions, moving toward bulk purchase, perhaps, of durable medical goods and drugs in the medicaid program, exploring alternative forms of reimbursements, contracting for services and instituting perhaps, copayment.

Those are some of the alternatives that we plan to build into our review of States' requests for a broadened waiver authority that we are sending to the Hill.

Senator BENTSEN. Well, I wish you well on a very difficult task. That is an area of deep concern to all of us and when you use the term, "truly in need," that is certainly variable in the eyes of the beholder.

Mr. SWOAP. Yes, sir.

Senator BENTSEN. Thank you very much.

Senator **PACKWOOD**. Thank you, Senator Bentsen.

Senator **BENTSEN**. Thank you.

Senator **PACKWOOD**. Mr. Swoap, have you discussed your financial holdings and the possibilities of any conflicts of interest with the chief counsel of the Finance Committee, Mr. Lighthizer?

Mr. **SWOAP**. We discussed it briefly, yes, sir. I have also done that with the transition people and the people in the White House.

Senator **PACKWOOD**. Are there any problems at all in this area?

Mr. **SWOAP**. No, sir, not that I know of.

Senator **PACKWOOD**. Let me ask one final question on behalf of Senator Danforth.

The administration has proposed a cap on the increase in the medicaid program. Is the administration proposing a flat, across-the-board cap, based on some previous years' expenditures, or is it considering an allocation formula based upon the amount of poverty, the cost of medical services, and other measures?

Mr. **SWOAP**. We are looking at that right now, Senator. That has not been determined. We are trying to determine what is the most appropriate allocation formula for such a cap.

We are inclined to develop a formula that will guarantee to the States as much of their base as possible so that they would not be in the position of encountering a shift in allocation that would make some States even worse off.

Senator **PACKWOOD**. Dave, I have no other questions. Could you stay a bit, because there are two or three other Senators scheduled to come who I know will want to ask you questions, if they come. I would hate to have you gone from the room, but I thought we might take Bay Buchanan, for a moment, until they arrive.

Mr. **SWOAP**. Surely.

Senator **PACKWOOD**. Thank you very much.

Bay, you are on.

#### RÉSUMÉ OF ANGELA M. BUCHANAN

Name: Bay Buchanan (Angela Marie). Address: 1301 S. Scott Street, No 729, Arlington, Virginia. Telephone: 703/920-5875. Date of Birth: December 20, 1948. Marital Status: Single.

#### EDUCATION

Graduate School: McGill University, Montreal, Canada, M. Sc. Mathematics.  
Undergraduate School: Rosemont College, Philadelphia, Pennsylvania, B.A. Mathematics.

High School: Georgetown Visitation, Washington, D.C., Diploma.

#### SUPPLEMENTAL ACCOUNTING EDUCATION

University of California, Los Angeles, Accounting. University of New South Wales, Australia, Accounting, Economics. University of Virginia, Accounting, Business Law.

#### EXPERIENCE

July 1980-Present: Reagan Bush Committee, National Treasurer.

February 1979-July 1980: Reagan for President, National Treasurer.

May 1977-January 1979: Citizens for the Republic, Controller responsible for compliance with State and Federal election laws.

January 1977-April 1977: H. M. Buchanan & Co., CPA/PA, Accountant.

January 1976-December 1976: Citizens for Reagan, Accountant, responsible for FEC reporting.

July 1974-December 1975: Bamfield and Company Public Accountants, Sydney, Australia, Accountant.

September 1973-June 1974: Georgetown Visitation High School, Teacher of Mathematics.

**STATEMENT OF HON. ANGELA M. BUCHANAN, TO BE  
TREASURER OF THE UNITED STATES**

Ms. BUCHANAN. Thank you, Mr. Chairman.

Senator PACKWOOD. If they don't arrive, we will adjourn the hearing.

Do you have any statement?

Ms. BUCHANAN. First, I would just like to thank Senator Laxalt for his very kind remarks and say that I am very honored to have been nominated by President Reagan for this position, and if fortunate enough to be confirmed, look forward to working with the committee.

I welcome any questions that you may have.

Senator PACKWOOD. It is a more significant position than I think many people are aware of. For some reason, they have thought of it as an honorary position given to women over the years, since about 1950. The position is indeed, more consequential than that.

I am delighted you are willing to undertake it. I know you know what you are getting into with this job.

I talked with Dave a little earlier, and for all of his experience, I didn't—I don't think he fully grasped what was going to happen when he got into the position that he was in.

But, with yours, I don't think you face quite the difficulties Dave does. There are specific responsibilities, but important ones.

Ms. BUCHANAN. Yes, sir, I agree. I look forward to the challenge.

Senator PACKWOOD. You will do well. I have no questions. You are going to get off easy, because the others have not arrived.

Is there any objection to reporting these two nominations?

[No response.]

Senator PACKWOOD. Without objection, so ordered.

The hearing is adjourned.

[Whereupon, at 10:20 a.m., the hearing was adjourned, subject to the call of the Chair.]

