

**The original documents are located in Box 17, folder “National Republican Congressional Committee Speech Kit (1)” of the Richard B. Cheney Files at the Gerald R. Ford Presidential Library.**

### **Copyright Notice**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

National Republican Congressional Committee  
Room 512, House Office Building Annex  
Washington, D. C. 20515  
Phone (202) 225-1800

Dear Colleague or Candidate:

This is your copy of the Speech Kit produced by this Committee for this election year. A great deal of thought, research and writing have gone into it. We hope and believe you will find it useful.

Yours for victory in 1976!



Guy Vander Jagt, M. C.  
Chairman



## INDEX

Democratic-Controlled Congress	1	Consumer Affairs	42
Democratic Freshmen	8	Crime	46
Abortion	12	Death Penalty	49
Africa	15	Defense	52
Aging	17	Drugs	56
Agriculture	20	Economy	59
Antitrust	23	Education	63
Blacks	26	Energy	65
Budget Reform	31	Environment	68
Busing	35	ERA	71
Civil Rights	37	Federal Election Campaign Act	74
Common Situs Picketing	39	Federal Election Commission	77

Food Prices	79	Labor Law	119
Food Stamps	81	Latin America	122
Government in Sunshine	85	Mass Transportation	126
Government Spending	87	Medicare-Medicaid	129
Gun Control	91	Mideast	131
Hatch Act "Reform"	94	Minorities	135
Health Insurance	97	National Debt	138
Highways	100	Oil	140
Housing	102	OPEC	143
Illegal Aliens	105	OSHA	147
Intelligence Community	107	Panama Canal	151
Japan	111	People's Republic of China	155
Jobs Bills	114	Postal Service	158
		Privacy	161

Refugee Assistance	163	Trade Reform	199
Regulatory Reform	167	Transportation	202
Revenue Sharing	171		
Rhodesian Chrome	174	Veterans	205
Rural America	178	Volunteer Military Service	208
		Voter Registration	210
Social Security	180		
Soviet Union	184	Welfare	213
Strategic Arms Limitation Talks	189	Western Europe	215
Strip Mining	192	Women	219
Tax Reduction	195		
Tax Reform	197		

## DEMOCRAT-CONTROLLED CONGRESS

The 94th Congress, dominated by Democrats in ratio of 2 to 1, totally failed to come to grips with the big national headaches of the 1970s. True, it also failed to put its own House in order -- but the country suffered for the most from legislative inaction in the fields of energy, inflation, crime, taxation, health care, welfare reform and other fields.

The charge by Elizabeth Ray -- that she was kept on the public payroll at \$14,000 a year to do no work, but be the mistress of Democrat Wayne Hays of Ohio -- constituted the tip of an iceberg.

That tip showed that there was, indeed, something rotten within the House of Representatives.

What it did not show was that the House, for years, has been a rudderless, underled body, many of the 21 standing committees having become independent little fiefdoms, the system that is supposed to be responsive to national needs largely in atrophy.

It did not show that 37 Democrats in the House were age 65 or more, with 13 of that 37 age 70 or more (as of Aug. 10, 1976).

It did not show that the "emergency" energy bill finally voted out in December, 1975, was the result of 30 months of groping and politics. Declared the Baltimore Sun: "The Nation's energy problem was dealt with not on its merits but on the basis of its politics."

It did not show the 1975 fiasco in U. S. foreign relations created when the House injected itself into the dispute between Turkey and Greece, stretched the issue of arms to Turkey out for nearly a year -- then went on vacation, without acting, after creating a crisis of major magnitude.

It did not show repeated Democratic attempts at "budget busting" sure to pour new fuel on the fires of inflation -- attempts that indicated every concern for serving the needs of many special interests without regard to the consequences of spiraling national debt.

Congress is supposed to help lead the Nation. The Hays-Ray affair put the spotlight on the machinations of Democrats in the House and showed that, though

they seemingly were impotent to help get an energy program going, they could move with ease when their own benefits were involved.

Wayne Hays chaired the Committee on House Administration -- one of two posts he later resigned. On July 21, 1971, House Resolution 437 was enacted. It gave that committee new powers to adjust -- meaning increase -- such things for members' offices as clerk-hire, postage, travel, district office rental and telephone expenses. The committee later used this power more than 20 times.

Voting for that resolution were 205 Democrats and 28 Republicans. Voting against were 141 Republicans and 26 Democrats. The figures tell their own story.

On May 21, 1975, two attempts were made to trim back the powers given in 1971. The votes came on motions by Republicans. One sank swiftly when 231 Democrats voted against it. The next reform motion did even worse -- it was voted down by 245 Democrats. Republicans went heavily in favor of both motions.

On July 30, 1975, the House voted itself a pay raise with a novelty added -- an escalator that can provide future increases automatically with increases in the cost of living, much as in union contracts.



The pay raise with the escalator carried by the narrowest possible margin of one vote, 214 for, 213 against. Republicans went against by ratio of 3 to 1, with 108 against and 36 for. Democrats went for the plan with 105 opposed and 178 for.

On July 1, 1976, the House adopted a sham sponsored by the Democratic Caucus -- a series of changes in office allowances that reduced some minor benefits while sweetening some major ones.

Reimbursable auto travel was reduced from 20 cents per mile to 15. The free \$1,140 worth of postage stamps was eliminated -- not much of a reform since Congressmen have the franking privilege and hardly need stamps.

The "reforms" pushed the cost, per member, of the affected allowances from about \$55,000 a year to about \$87,000.

Included were \$12,000 per year for computer services -- formerly an elective allowance that, if taken, reduced the payroll allotment by the amount taken; a consolidation of accounts that unleashes up to \$34,500 per year (vs. the former \$5,000) for newsletters and other "constituent communications"; and nothing whatever to tighten accounting procedures to verify that accounts are properly spent.

Republican Whip Robert Michel of Illinois called the revised funding a "consolidated slush fund."

To complete the papering over, the caucus created a Democratic-dominated study commission to look at such perquisites -- and gave it well over a year to report!

What would Republicans do if they controlled the House?

That question was answered succinctly, in detail, in writing, in 1975. Part of the answer came in the detailed "Republican Legislative Agenda -- A Program for Progress." The rest came in the report of the Republican Task Force on Reform.

The procedural changes urged by the Task Force are highly significant. They included: televising of House floor proceedings; total elimination of proxy voting in committees; better disclosure of lobbying activities; major changes in the Congressional Record to include showing what was and what was not actually spoken on the floor; tighter rules against closed committee meetings; and orderly, dependable scheduling of business to reach the House floor.

The Legislative Agenda dealt at length with an energy plan -- including ways to produce more energy and not simply redistribute existing supplies. For tax

reform, it urged legislation "to simplify tax preparation, to discourage tax evasion, to bring equity to the tax system, to provide incentives for economic growth." It urged a national health policy that would outline "a practical and workable program to provide better health care for all our citizens. It outlined new ways to combat crime. It urged revision of the laws on Federal estate and gift taxes "to encourage private ownership of small business."

"A strong military capability is essential to the balance of power on which our safety rests," declared the agenda. "To be successful in negotiations with foreign nations, we must deal from a position of strength . . . It is also the imperative responsibility of Congress to eliminate frills and waste, and to ensure a lean, efficient and mobile military to meet the challenges of the 1970s."

Among other needed reforms, the agenda promised:

"As a majority, we would dedicate the next Republican Congress to legislative oversight -- to redirecting the operations of government toward efficiency and economy."

A Republican Congress, in short, would be a "do something Congress."

A Harris Survey of March 22, 1976, found only 9 percent of the U. S. public expressing a "great deal of confidence" in Congress -- down from 42 percent only 10 years earlier. Other surveys also show Americans becoming more conservative in their views about government spending and moving toward the mainstream of Republican stances on countless issues.

The fact that Republicans can find so many things to overhaul -- needed, substantive changes affecting millions of people -- speaks volumes about Congress as it now is.

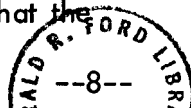
## FRESHMEN DEMOCRATS

The liberal Democrat freshmen, who were touted 18 months ago as a new wave of fresh air, have proven themselves to be no different from the veteran Democrat members against which they rebelled in the much-publicized "freshman revolution."

Rather than being an effective force for change and reform, statistics show that:

- They vote the straight party line more consistently than veteran Democrats.
- They were quick to make deals with Rep. Wayne Hays when his chairmanship was in jeopardy.
- They resisted tightening up "slush fund" accounts until the Liz Ray scandal broke.
- They see the United States as the No. 1 enemy of world peace.
- They are currently operating a fund-raising scheme that has committee chairmen trying to buy the security of their chairs with monetary favors.

Separate studies by the Associated Press, the liberal Americans for Democratic Action (ADA) and by the Republican Research Committee have shown that the



freshmen Democrats vote the line to which they are instructed by the Democrat caucus from 77 to 88 percent of the time. The same studies showed that veteran Democrats exercised their own independent judgment an average of 10 percent more frequently.

In 1975, when several committee chairmen were being deposed by the caucus, House Administration Committee Chairman Wayne Hays, found his seat in jeopardy before he reached into his campaign fund coffers. Hays and others admitted that after he promised the freshmen increased campaign contributions from the Democrat Congressional Committee, the freshmen changed their votes.

But this was not the only time the freshmen sold their votes for money. The most recent example was a fund-raising event held by the group on Aug. 9, 1976. The event invited committee and subcommittee chairmen to purchase tickets at \$250 per head to raise money for a group called "Friends of the Class of '74," which plans to distribute the money to freshmen Democrats. The scheme was attacked by one of the Democrats' strongest supporters, the self-styled citizen's lobby, Common Cause.

As quoted by the Washington Post, Common Cause President David Cohen said: "The appearance here is one of freshmen members obtaining campaign finance aid at the cost of giving up their independent judgment regarding votes on committee chairmen. The result is that the proposed fund raiser serves to mock the historic seniority reforms." He called it a "very serious error."

Most of the chairmen decided to participate in the effort to purchase the security of their seats.

In June, the freshmen were blasted by GOP leaders for their hypocrisy in belatedly calling for reforms of the House Administration Committee. The Congressional Record shows that on May 21, 1975, the House voted almost exactly along party lines to defeat the Bauman Amendment to the Legislative Appropriations Act that would have tightened loopholes and would have helped to prevent the Ray-Hays and subsequent scandals. Only 11 of the 75 freshmen voted for the proposal by Rep. Robert Bauman (R., Md.) which would have tightened up the committee procedures. The Congressional Record shows that two of the freshmen leaders who belatedly called for tightened measures -- Reps. Toby Moffett of Connecticut and

George Miller of California -- voted to keep and expand what N.R.C.C. Chairman Rep. Guy Vander Jagt (R., Mich.) called the "Wayne Hays Gravy Train."

That the freshmen view the United States as the No. 1 enemy of world peace came as a surprise even to opponents of the class when the statistics of a survey were published in the Washington Post in June, 1975. In a survey, members of Congress were asked which nations they considered a threat to world peace. While most members saw Russia as the No. 1 threat, the liberal Democrat freshmen listed the United States as the leading menace. The Arab countries were second, Russia was third, Israel, fourth, and Red China, fifth.



## ABORTION

Before the Supreme Court's landmark decision in 1973, State laws governed abortion. By 1970, four States repealed criminal penalties for abortions in early pregnancy; about one third of the States had laws permitting abortions other than when the mother's life was in danger. Beginning with the successful challenge to California's pre-1967 restrictive abortion statute, proponents mounted a legislative onslaught to have abortion statutes declared unconstitutional in several States. Two of these were appealed to the Supreme Court; in 1973, virtually all statutory barriers to abortion were removed in two decisions: Roe v. Wade, decreeing that, during the first three months, a State could not prohibit or intervene in abortions, and during the second trimester, only "in ways reasonably related to maternal health"; and Doe v. Bolton, ruling that a State cannot require procedures for processing an abortion patient more burdensome than for other medical patients.

On July 1, 1976, the Supreme Court reaffirmed its 1973 ruling that abortion is a decision for a woman and her doctor to make, adding that a husband may not have the right to veto that decision, nor may parents render blanket veto power over

abortions sought by their unmarried daughters under 18. The Court also made it easier to test remaining State restrictions on abortion by ruling, 9-0, that doctors as well as their pregnant patients have a legal right to challenge a State's refusal to make Medicaid payments for elective abortions.

Congressional response to the 1973 rulings has largely centered on anti-abortion amendments to routine legislation and proposed constitutional amendments. Some Republican legislators have been leaders in the push for a constitutional amendment. Two approaches to the latter: (1) right to life, seeking due process and equal protection of life from the moment of fertilization; and (2) States' rights, leaving regulation of abortion to individual States' jurisdiction.

The Democrats included in their 1976 platform a stand against a constitutional amendment to overturn the Supreme Court on abortion.

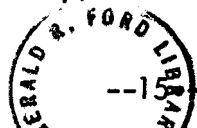
Influence on voting: in a Harris Poll, in April 1976, 54 percent said they favored the U. S. Supreme Court decision making abortions up to three months of pregnancy legal; 38 percent opposed; 8 percent not sure. 46 percent of the 38

percent opposing the decision said they would "certainly or probably" vote against a pro-abortion candidate. This means that 18 percent of the electorate could be swung away by the anti-abortion movement. Of the 54 percent who favored the Court decision, 26 percent indicated they would certainly or probably vote against a candidate they otherwise supported if he/she took an anti-abortion stand. This group is 15 percent of the electorate.

## AFRICA

Africa, an immense continent of nearly 50 nations, is a repository of vast resources. The U. S. depends on Africa for 30 to 60 percent of our total imports in many key products: cobalt, chrome, oil, cocoa, manganese, platinum, diamonds, aluminum and others. In the last two decades, American investment in Africa has more than quadrupled to over \$1.5 billion. Trade has grown at an even faster rate. European and Japanese reliance on African raw materials is even greater than our own; their combined trade with Africa now exceeds \$30 billion annually. An independent and prosperous Africa is of considerable consequence to the security, political and economic interests of all industrial democracies.

Almost 100 new nations have joined the United Nations since 1945. Many from the African block constitute Third World developing countries who increasingly side with the Soviet Union in critical votes before the General Assembly, a cause of considerable alarm in the United States.



Recent events of international concern: drought in the Sahel, Soviet-Cuban intervention in Angola, and majority-rule violence in white-ruled Rhodesia and South Africa.

U. S. response to African problems has included expanded contributions to the African Development Fund, a proposed new International Resources Bank for equitable development of resources in less-developed countries, a commitment to a new international investment program for the Sahel, and pledges to increase technical assistance and improve conditions of trade and investment for developing nations, as outlined in the Seventh Special Session of the U.N. General Assembly and the fourth ministerial meeting of the U. N. Conference on Trade and Development.

The guiding principles of U. S. policy toward Africa are:

- U. S. support for African independence from external domination.
- Friendly relations with all independent African nations.
- Unambiguous support for majority rule, racial justice and human dignity.
- Support for African economic development by both bilateral and multi-lateral programs.



## AGING

The aging population in the United States is growing more rapidly than the population as a whole. It is estimated that by the year 2000, persons 65 years of age and over will fall in the range of 11 to 16 percent of the population, or approximately 28 million persons, depending upon the birth rate in the U. S. over the next three decades. This would be an increase from 22 million, or about 10 percent of the population, in mid-1974.

Aging is a common biological condition that every person experiences. Yet there has been a lack of in-depth research and training concerning the aging process, as well as the physical and mental problems that may occur solely as the result of aging.

While the 1961 White House Conference on Aging recommended the establishment of a National Institute on Aging, the responsibility of aging research was given to the National Institute of Child Health and Human Development (NICHD). It was then discovered that since 1964, only 11 percent of the NICHD budget has been allotted to research on aging. So the 1971 White House Conference again urged the organization of a separate institute for aging.

During the 92nd and 93rd Congresses, after suitable hearings, Public Law 93-296 was signed by the President on May 31, 1974, establishing such an Institute. This law directs the Secretary of HEW to (1) conduct scientific studies, through the Institute, for the purpose of measuring the impact on the biological, medical and psychological aspects of aging, (2) carry out public information and educational programs to disseminate the findings of the Institute and other relevant information to assist all Americans in understanding the processes of aging, and (3) prepare comprehensive aging research plans within one year after enactment for presentation to Congress and the President.

The NIA is the smallest agency within the National Institutes of Health. It has proposed a budget of \$26.2 million for FY 77. Because it is new, program definitions have not been made regarding the division of the funding.

The Legislative Agenda adopted by House Republicans in 1975 emphasized that "we must stop inflation" to protect purchasing power of older people. It added:

"Needed is 'catastrophic' health insurance that will cover the medical needs of those who experience long, serious illnesses. We support a nutritional supplement system and a comprehensive program of nutrition education for needy older citizens. Inadequate housing and transportation must receive our undivided attention and affirmative action."



## AGRICULTURE

Agriculture is our Nation's biggest industry and its largest employer. It has assets in excess of \$530 billion, and from 14 to 17 million Americans work in some phase of agriculture -- along the chain of growing food and fiber to selling it at supermarkets. Farming alone employs 4.4 million people, or as many as the combined payrolls of transportation and the steel and auto industries.

Realized net income from farming, according to preliminary estimates for fiscal 1975, was \$26 billion. The figure is down from other recent years because of rising farm costs.

U. S. farms total about 2.8 million, and they have a population of 9.3 million, according to the Senate Committee on Agriculture and Forestry.

Agriculture Department projections indicate the American farmer -- for the next 10 to 15 years, at least -- can continue to fulfill his role of feeding his own countrymen and much of the world as well. To do so to 1980 would require an annual productivity increase of less than 2 percent.

Productivity increases by U. S. farmers have been more or less constant since the 1930s. A farmer today produces two-thirds more per man-hour of work than in 1960, and more than six times as much as in 1930.

Reported the USDA in March, 1976:

"One farm worker now supplies enough food and fiber for 56 people. Only 10 years ago, he was producing enough for 29 . . . .

"We export more farm products than anyone else in the world. The production from 1 cropland acre out of every 4 goes overseas.

"In recent years, farm exports have set records -- \$22 billion in 1974 alone. And of that, \$21 billion was in cash.

"Farm exports contributed a net of \$12 billion to our balance of trade in 1974, which is another way of saying we got more than twice as much for our food and fiber exports than we paid out for food and fiber imports."

--21--

House Republicans, like President Ford, have called for overhaul of Federal law on estate and gift taxes to aid farmers in handing down their farms to the next generation. They did so in their Legislative Agenda of 1975 in which they also said:

"Overregulation by the Government must not be allowed to hamper the most vital and efficient segment of our society -- agriculture. Production of food and fiber satisfies not only our domestic needs, but is also the keystone of our export program and our balance of payments."

## ANTITRUST

Antitrust measures have appeared in both the House and the Senate during the 94th Congress. Much attention has been focused in the House on *Parens Patriae*, H.R. 8532, which would authorize State attorneys general to sue for antitrust damages on behalf of their citizens. On March 18, 1976, the House passed the bill, allowing State attorneys general to (1) sue an alleged violator of the Sherman Antitrust Act in a single action on behalf of all State residents; and (2) prove damages by statistical sampling and estimates without proof of individual claim (and concurrently allowing private attorneys in antitrust class actions to prove damages the same way).

Joining the Chamber of Commerce and the National Association of Manufacturers in opposing the bill, the House Republican Policy Committee concluded that the measure would provide little, if any, protection for individual consumers, and might even force some businesses out of existence. Republican legislators objected on three major grounds. First, the bill would eliminate the necessity of notifying by mail individual members of a class damaged by any alleged violation, but replacing

individual notification by newspapers ads and the like may subject the bill to legal challenge on charges of unconstitutionality. Second, by allowing damages to be ascertained by statistical sampling, then tripling this subjective figure to arrive at total penalty, the amount assessed would be a rigid one which could not be adjusted by the courts to bear any relation to the actual damages, the seriousness of the violation, or the ability of the defendant to continue doing business. Third, the proposal opens the door to possible mixing of politics with antitrust enforcement by giving State attorneys general a ready-made opportunity for public acclaim by prosecuting a series of cases to enhance their image as public consumer defenders.

"Of the estimated 180,000 corporations with annual sales over \$1 million, the antitrust division in fiscal 1974 found only 21 cases with evidence of price-fixing sufficient to warrant prosecution," said GOP Policy Committee members. "State governments have shied away from enacting legislation to give themselves a *parens patriae* role in antitrust suits. Why then is Congress so eager to take action on such a controversial, dubious, and often-delayed bill?"

The Senate Judiciary Committee voted April 6, 1976, to favorably report a bill that would require large companies to notify the Government of planned mergers, strengthen Federal antitrust investigative powers, and also provide for parens patriae powers. Amid some parliamentary maneuvering, the bill passed 72 to 10 in June, with 10 Republican Senators opposing.

The legislation now awaits action to resolve differences between House and Senate versions.

## BLACKS

Despite their advances of recent years, blacks in the U. S. population continue to be a disadvantaged group. Their levels of education and income are generally lower than those of whites, their unemployment rates higher, and their life expectancy shorter.

At the national level and often at State, district and local levels, they have a strong tendency to vote Democratic.

Population: Census Bureau projections as of July 1, 1976, estimate the U. S. population at 215,653,000, of which 24,960,000 are black. Blacks constitute 11.6 percent of the population -- an increase of .5 percent from 11.1 percent in 1970.

Distribution: The five counties with the largest black populations are:

Cook County, Ill. (Chicago)	1,183,475
Los Angeles County, Calif. (Los Angeles)	762,844
Wayne County, Mich. (Detroit)	721,072
Kings County, N. Y. (Brooklyn)	654,980
Philadelphia County, Pa. (Philadelphia)	653,971

In spite of migration of blacks from the South to the North, Midwest and Pacific Coast, Southern States still have the highest proportion of blacks in the Nation. Mississippi is highest with 36.0 percent, followed by South Carolina with 30.3, Louisiana with 29.7, Georgia with 26.2, Alabama with 25.5 and North Carolina with 21.7.

Voting: Late Census Bureau projections indicate there will be 150,041,000 persons of voting age in November, 1976, of which 88.2 percent will be white and 10.3 percent will be black.



Dr. Pierre Purves, Statistical Director of the NRCC, has estimated that the turnout for white voters in 1976 will be from 58 to 61 percent of those eligible, and the turnout for black voters will be from 46 to 49 percent. That ratio is about in line with the elections of 1968 and 1972.

Samplings taken in overwhelmingly black areas of Illinois, New York and the District of Columbia indicate that the black vote for President Nixon in 1972 ranged from about 10 to 21 percent.

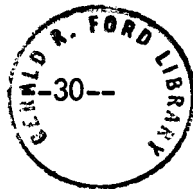
Income: The income of blacks as compared with whites went down between 1970 and 1974. In the former year it was 61 percent of the income of whites, and in the latter, 58 percent.

Estimates for 1976 by region are:

	<u>White Median</u>	<u>Black Median</u>	<u>Blacks' Percentage</u>
	<u>Family Income</u>	<u>Family Income</u>	<u>Of Whites' Income</u>
South	\$12,050	\$7,808	58
North and West	\$13,906	\$9,271	67
Northeast	\$14,164	\$8,788	62
North Central	\$14,017	\$9,846	70
West	\$13,339	\$8,585	64

Education: Whites and blacks complete elementary schooling at about the same rate; 54.8 percent of whites and 41.0 percent of blacks have completed high school; 12.0 percent of whites and 5.1 percent of blacks have completed four years of college.

Unemployment: The recent recession hit blacks harder than whites. For the former, unemployment rose to 13.7 percent in the first quarter of 1975, as compared with 7.6 percent for the latter. Part of the reason was a higher concentration of blacks in blue-collar jobs, where layoffs tend to strike hardest.



## BUDGET REFORM

The year 1976 is the year of the permanent budget changeover -- from a fiscal year beginning July 1 and running through June 30 to one that begins October 1 and runs through September 30.

The three-month period July 1 - September 30, 1976, is known as the transition quarter, or TQ. That period does not belong either to fiscal 1976, which precedes it, or to fiscal 1977, which follows it.

The later start for the FY more closely aligns it with appropriations actions of Congress. Very often, the dawdling Democrat-ruled Congress has not completed appropriations for some departments by July 1, and has given them temporary authority to spend.

The Congressional Budget and Impoundment Control Act of 1974, which changed the FY dates, also made many other changes. These include the creation of Budget Committees as standing committees of both the House and Senate, and establishment of the Congressional Budget Office. The CBO has many statutory responsibilities

and is directed to give highest priority in use of its staff and other resources to the Budget Committees.

### The New Process

The new Congressional budget process centers around two concurrent resolutions on the budget: one to be adopted by May 15 of each year (prior to floor consideration of revenue or spending legislation), the other by September 15 (after action has been completed on all regular appropriations). The following calendar outlines the budget process:

#### On or Before

November 10

15th day after Congress meets

#### Action to be Completed

President submits current services budget.

President submits his budget.



On or Before

March 15

April 1

April 15

May 15

May 15

7th day after Labor Day

Action to be Completed

Committees submit budgets to Budget Committees.

CBO submits report to Budget Committees.

Budget Committees report first concurrent resolution on the budget to their houses.

Committees report bills authorizing new budget authority.

Congress adopts first concurrent resolution on the budget.

Congress completes action on bills providing budget authority and spending authority.

On or Before

Action to be Completed

September 15

Congress completes actions on second required concurrent resolution on the budget.

September 25

Congress completes action on reconciliation process implementing second concurrent resolution.

October 1

Fiscal year begins.



## BUSING

Busing of schoolchildren to help achieve racial balance is an emotional issue that has generated violence, a great deal of legislation and many court rulings. The liberal Democrat Platform of 1976 recognizes the volatility of the issue with this terse statement: "Mandatory transportation of students beyond their neighborhoods for the purpose of desegregation remains a judicial tool of last resort for the purpose of achieving school desegregation."

Busing stems from the Supreme Court's 1954 decision, Brown v. Board of Education, which held State-compelled separation of the races in schools to be unconstitutional; passage of the Civil Rights Act of 1964, and court decisions. Two of the more important school cases before the Supreme Court were Green v. New Kent County, in 1968, and Alexander v. Holmes, in 1969. Green, reported the Congressional Research Service (CRS) of the Library of Congress, was followed by "a spate of lower court decisions (which) held school segregation actionable in Northern jurisdictions which, prior to Brown, had not required separation of the races by legislative act."



How many children are bused for racial balance? It seems safe to say that no one really knows, but that the number bused for that reason alone is probably small.

CRS has reported that in 1954, 9.5 million students, or 31 percent of the total, were bused to school. In 1970-71, 20 million students, or 42 percent of the total, were being bused. However, the Department of Transportation has declared that 95 percent of the busing increase since 1954 is the result of population growth, with less than 1 percent due to desegregation.

"The U. S. Commission on Civil Rights has estimated that from 2 to 4 percent of current school busing can be attributed to desegregation," CRS reported.

House Republicans have been in the forefront of moves to reduce or eliminate busing.

Action by the House Democratic Caucus in November, 1975, prevented a constitutional amendment to prohibit busing from ever being considered by the full House.

## CIVIL RIGHTS

The decade of the 1960s saw enactment of the major civil-rights legislation of this century. The bills included the Civil Rights Act of 1964, the Voting Rights Act of 1965 and the fair-housing legislation of 1968.

Since then, relatively little has been done in either house of Congress in terms of hard legislation, except to extend and modify existing law.

Of late, reverse discrimination has been the topic for discussion, sponsored by such groups as "gay lib," women's and singles' rights. Reverse-discrimination charges have also been upheld in courts. No significant legislation, however, has come out of either the 93rd or 94th Congresses.

The Voting Rights Act of 1965 was extended in 1975 for a period of 10 years. The act was expanded to provide for bilingual voting rights but this add-on remains a controversial subject.

As of January, 1976, U. S. citizens residing in foreign countries get voting rights in national elections.

In the South, the previously temporary ban on literacy tests, enacted in 1970, was made permanent along with the extension of the Voting Rights Act in 1975.

The Congress has, for the most part, recently stayed away from public issues which will ultimately require judicial, rather than legislative, decisions.



## COMMON SITUS PICKETING

The common situs picketing issue, which has a long history starting with the enactment of the Taft-Hartley Act in 1947, re-emerged during the first session of the 94th Congress. In April of 1975, Rep. Frank Thompson (D., N.J.) introduced legislation amending Section 8(b)4(B) of the Taft-Hartley Act which outlawed strikes that force "any person to cease . . . doing business with any other person."

Involved is the issue of whether to allow picketing of an entire construction site and other work places by unions which have labor disputes with only one of several employers on that site.

Current law bars unions from conducting secondary boycotts -- those that permit unions having a labor dispute with one employer, a "primary employer", to bring pressure upon another -- perhaps innocent -- third party to make that third party cease work at that site.

Thompson claimed the bill was "to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and

industrial workers." Enactment of this legislation, however, would affect all businessmen. Costs of all construction, including government projects, would go up. Opponents charge the resulting large wage hikes would add to inflation and set off another wage-price spiral leading to controls similar to that experienced in the early 1970s.

The bill passed the House July 25, 1975, by a vote of 230 to 178. After an extended filibuster, the legislation was adopted by the Senate, 52 to 45, on November 19.

Enactment of the bill would give construction unions rights other unions do not possess, including: the right to picket employers with whom they had no dispute, the right to stop work on large construction sites as a result of a dispute with a single contractor or subcontractor, and the right to force construction workers to join unions in order to get jobs.

The Republican Policy Committee strongly opposed enactment of the bill. The House Wednesday Group warned that the legislation would result in either a

completely unionized or completely non-unionized construction site; no longer will union employees and non-union employees work side by side. Because of these effects, it is feared that the legislation, if enacted, will force compulsory unionization on the construction industry.

In December, President Ford vetoed the legislation, stating that his reasons "focus primarily on the vigorous controversy surrounding the measure and the possibility that this bill could lead to greater, not lesser, conflict in the construction industry." No override of the veto was attempted, and none is likely during the remainder of the 94th Congress.

## CONSUMER AFFAIRS

The area of consumer affairs has grown rapidly in the last decade. This growth has been due to the recognition of consumer interests as an increasing factor in society, and to the expansion of the consumer movement's traditional activities (product evaluation, information and pressure for legislation).

Republican response to consumerism has been swift and effective. For example, in 1970, when complaints against an ineffective Federal Trade Commission were mounting, President Nixon quickly took steps to reorganize the agency to better protect consumer interests. The Consumer Information Center was created that same year by executive order to develop relevant and meaningful consumer information at the Federal level, and to promote public awareness of this information.

In 1971, the President created the Office of Consumer Affairs and charged it with analyzing and coordinating the consumer activities of Federal agencies, advising the Administration on consumer policy, and handling consumer complaints. This

office has disposed of an average of 3,000 complaints a month, 80 percent of which have been in favor of the complainer.

In his 1971 message to Congress, the President empowered the FTC to represent consumers in court and before other Federal agencies, and to seek preliminary injunctions to stop apparently unfair practices until a decision could be reached. The President also established the Bureau of Product Safety under HEW, called for higher penalties for fraud and deception, access to Federal courts for consumers suing for damages, identification coding of all drug capsules and tablets, more explicit guarantees and warranties in simpler language, and requested a study of ways to improve the handling of small claims and voluntary settlements.

In 1972, the Consumer Product Safety Act was signed. This established a five-member commission with the authority to define mandatory standards for household items, and to ban the sale of those deemed unsafe.

The consumer revolution was seen as a challenge to business to live up to its full potential, with the object of motivating business towards quality. Virginia Knauer, Director of the Office of Consumer Affairs, stated that business had



"to be honest; to give people a product that will work and that is reasonably safe; to respond effectively to legitimate complaints; to provide information concerning the relevant quality characteristics of a product; to take into consideration the ecological and environmental ramifications of a company decision, and to return to the basic principle . . . 'satisfaction guaranteed or your money back'." Her statement had an additional meaning: If business couldn't, government would.

For a number of years, Congress has been debating a Consumer Protection Agency. President Ford has stated that he would veto such a bill -- and with good reason. As proposed, the CPA would have been one more level of bureaucracy with a vague grant of authority to intervene in both government and the private sector. The adversary nature of this outsider would antagonize those agencies with which it must deal.

As a strong consumer advocate, President Ford feels that the intentions are good but the means ineffective. As a result, he and Virginia Knauer have proposed an alternative "consumer representation plan" which would utilize existing agencies. In 1975, through the coordinated efforts of Knauer's office, the Domestic Council,

and the Office of Management and Budget, meetings were set up with Federal agencies to see how they could involve consumers in their process. A total of 12,000 people have taken part in the formalization of this plan -- slated for release in mid-August, 1976. Whereas the Consumer Protection Agency would step in "after the fact", the Republicans' "consumer representation plan" seeks to prevent consumer problems through grass-roots level consumer involvement.

On Nov. 3, 1975, the House Republican Policy Committee blasted HR 7575, a bill which would have established an Agency for Consumer Protection. ACP's intervention, it declared, would slow down "the wheels of government" and "mean expensive challenges and delays." It added: "Under almost continuous debate since 1969, the consumer agency is an idea whose time has passed and, indeed, probably never was."

The bill passed the Senate in May, 1975, and the House the following November. However, in early August, 1976, conferees to work on differences between the two versions still had not been named, and the measure seemed likely to die.

## CRIME

Crime is rampant in America. It has seen sharp increases in recent years despite the billions of dollars being spent to combat it.

In its issue of Feb. 9, 1976, U. S. News & World Report estimated the cost of crime in the Nation at \$97 billion a year. It gave this breakdown for its estimate: "take" of organized crime, \$40 billion; crimes committed against property and business, \$25 billion; homicide and other crimes against people, \$10.5 billion; cost of law enforcement, \$15 billion, and money spent for private crime fighting, \$6.5 billion.

Serious crime for 1975 was up 9 percent over 1974. The crime rate for 1974 was up 18 percent over 1973 -- the biggest one-year increase in the 45 years since the FBI began compiling its Uniform Crime Reports. The rate has more than doubled since 1960.

Many experts believe the answer to crime lies not in long, tough prison sentences but rather in the certainty of some time actually in prison, especially for repeat

offenders. A robber arrested in England is more than three times as likely to go to jail as one arrested in New York, according to the Republican Research Committee.

One-fourth to one-third of street crimes are committed by drug users. Of those convicted, however, relatively few serve time in prison. Since mandatory sentences were eliminated in 1970, average sentence of a drug offender has decreased from 73.5 months to 54 months.

Alcohol is also associated with crime. The cost of alcohol-related auto accidents is estimated at \$6.44 billion a year.

The major Federal agency offering financial help and technical assistance to States and localities to combat crime is the Law Enforcement Assistance Administration (LEAA), of the Justice Department, created in 1968. Most of its appropriations go out to States in the form of block grants, but some are held and controlled by LEAA for discretionary programs.

Democrats in the House Judiciary Committee in July, 1976, attempted to hamstring LEAA by extending its authority to operate for only 15 months. Such a brief

span was vigorously rejected by Republicans on the Committee, and by the U. S. Senate, which provided a five-year extension.

The House Republicans' Legislative Agenda issued in 1975 said:

"We support the continuance of Federal grants to States, cities and towns to strengthen local law enforcement.

"We support court system reform to increase efficiency, eliminate excessive case loads, reverse the present practice of 'turnstile justice' and keep the criminal off the streets.

"We support reform of our penal system to correct the failure of our present policies of punishment and rehabilitation.

"We support redoubled efforts against the hard drug traffic to arrest, prosecute and convict pushers -- especially those that prey on young boys and girls.

"We propose Congress enact mandatory minimum sentences for persons convicted of Federal crimes involving violence, use of firearms, trafficking in hard drugs and habitual offenses."

## DEATH PENALTY

In June, 1972, the Supreme Court, in a division of 5 to 4, invalidated or brought into question all State laws permitting imposition of capital punishment.

The Court held that the Eighth Amendment, which bans "cruel and unusual punishment," was being violated in two States because the statutes gave judges and juries so much latitude in deciding upon whom and when to impose the death penalty that it was being handed out "wantonly and freakishly."

In the following four years, the death rows of prisons throughout the country kept growing until their population reached nearly 600 persons in 30 States.

In the same period, legislatures of 35 States enacted new death-penalty laws designed to meet the Constitutional objections the Court had raised. And the U. S. Congress in 1974 enacted a Federal statute permitting the death penalty in aircraft hijackings if someone dies as a result.

On July 2, 1976, in rulings upholding the laws of Florida, Georgia and Texas,

the Court held that execution in and of itself does not constitute cruel and unusual punishment.

On the same date, in a 5-4 ruling, the Court overturned the laws of Louisiana and North Carolina.

All the five cases ruled upon involved murder. The three in which the laws were upheld permitted a judge and jury to consider the record and character of the offender and the particular circumstances of the case. The laws of the two which were upset specified a mandatory death penalty.

The Court cited "the fundamental respect for humanity underlying the Eighth Amendment" as making "constitutionally indispensable" consideration of the record of the offender and the circumstances of the case.

The Court majority held that the death penalty may not be imposed in a fashion that is arbitrary or capricious, but it rejected the concept that contemporary values make it unacceptable no matter what the crime. To buttress the latter opinion, it pointed to public opinion as reflected in the relatively new laws of the 35 States and the Federal Government.

Wrote Justice Potter Stewart in concurrence:

"There is no question that death as a punishment is unique in its severity and irrevocability. But we are concerned here only with the imposition of capital punishment for the crime of murder, and when a life has been taken deliberately by the offender, we cannot say that the punishment is invariably disproportionate to the crime. It is an extreme sanction, suitable to the most extreme of crimes."

Wrote Justice Thurgood Marshall in dissent:

"The death penalty is excessive . . . (It is) "unnecessary to promote the goal of deterrence . . . The American people, fully informed as to the purpose of the death penalty and its liabilities, would, in my view, reject it as morally unacceptable."

On July 22, Justice Lewis F. Powell Jr. issued a stay order that is likely to block all executions throughout the U. S. until the Supreme Court reconvenes in October. Before it then will be petitions by defendants for reconsideration of the July 2 decision.



## DEFENSE

The Defense Department request to Congress for fiscal 1977 is for \$112.7 billion in total obligational authority. Secretary Donald H. Rumsfeld told the House Armed Services Committee on Jan. 27, 1976:

"We estimate that because of a declining rate of inflation, the defense budget for fiscal year 1976 could permit some small real growth in defense funding for the first time since fiscal year 1968.

". . . U. S. interests remain under challenge, primarily by the U.S.S.R, which continues to add to its military capabilities qualitatively and quantitatively. These challenges can be seen in Europe, along the Mediterranean littoral, in the Middle East and Africa, in the Persian Gulf, and indirectly in Northeast Asia."

Defense figures show the uniformed strength of the armed forces is to drop to 2,101,800 in fiscal 1977 and to 2,098,000 in fiscal 1978.

The breakdown for 1977:

Army 790,000; Navy 531,800; Marine Corps 196,000; Air Force 584,000.

The figures are far below 1968, when the U. S. forces numbered 3,547,000. They are almost 600,000 below the level of 1964, the last pre-Vietnam year. Defense civilian workers have also been reduced.

Taxpayer costs of maintaining Democrat-backed social service programs have doubled in the past seven years, but defense spending has steadily declined. It now accounts for less than 7 percent of gross national product.

Though Democrats have attacked the Ford Administration for allegedly over-indulging Pentagon requests, they have sought to veto scheduled economies in some areas and to inflate budget requests in others.

The House Armed Services Committee rejected the Ford proposal to cut back by 50,000 the naval reserve, to reduce subsidies to military commissaries, and to limit the civil defense program to more basic areas.

The committee recommended an increase in Defense's budget for weapons procurement, with hundreds of millions of dollars each for: a nuclear-powered Nimitz-class carrier; an additional Trident submarine; four more anti-submarine destroyers; an extra attack submarine, and a nuclear-powered strike cruiser.

The panel added \$125 million for 12 A-6E Navy attack planes that the Administration deemed unnecessary. It did decide to continue the B-1 bomber program as per the Ford request, but action in the Senate put that program on "hold".

### Policies and Problems

The Soviets continue to build up their military despite U. S. efforts to achieve parity through diplomacy.

Though still respected in NATO, the U. S. is losing ground in the Mediterranean. Greece, Italy and Turkey are closing our bases.

Rumsfeld told the House Armed Services Committee in January:

"Over the past decade, Soviet defense spending has been increasing steadily in real terms.

"In that same period, the Soviet military establishment -- not counting border guards and internal security forces -- has expanded by a million men, from 3.4 to 4.4 million men.

"Between 1965 and 1975, Soviet strategic offensive forces have also increased:

"Intercontinental ballistic missiles (ICBM's) from 224 to 1,600 (an increase of nearly 1,400).

"Sea-launched ballistic missiles (SLBM's) from 29 to 730 (an increase of about 700)."

Added the Defense Secretary: "The momentum of this buildup shows no signs of slackening." He then cited a list of qualitative improvements in weapons the Soviets have also made.

## DRUGS

President Ford, in a message to Congress of April 30, 1976, called for a crack-down in drug trafficking both nationally and internationally. Additionally, the President called for a closer look at the court system as it deals with repeat drug offenders, explaining that the fines and penalties currently levied in drug cases are ineffective in controlling the increase in drug use.

Two committees in Congress, the Senate Judiciary and the House Commerce Subcommittee on Public Health and Environment, are considering legislation to aid in the control of psychotropic drugs -- amphetamines, barbiturates, narcotics and halucinogens.

In the Senate, the committee is investigating the penalties attached to drug use and is working on recommendations to strengthen the laws and provide for stiffer punishments. This is directly related to the Administration's request to deal firmly with second offenders by imposing mandatory sentences with fewer parole opportunities.



In the House, the Commerce Subcommittee on Public Health and Environment is working on an act to enable the U. S. to ratify a treaty with 40 nations to control the international traffic in hard narcotics. The Senate Subcommittee on Permanent Investigations is looking into the drug enforcement agencies themselves as well as the more basic problems of drug abuse in the United States.

Internationally, the United States has been successful in encouraging foreign nations that produce opium and cocaine to either curtail production or place tighter controls over the manufacture and sale of those narcotics.

Turkey has agreed to change its poppy harvesting methods and Mexico is destroying its poppy fields by use of aerial applicators. Countries in South America are cooperating with the U. S. in reducing the number of cocaine outlets.

Nationally, the drug problem tends to lie in the increased use of narcotics other than heroin and cocaine. An increase in the number of drugstore break-ins nationwide accounts for much of the narcotics traffic, according to Drug Enforcement

Agency officials. Mind-bending drugs, such as LSD and THC, were dealt a blow in 1970 with the passage of a law reducing the number of producers and distributors of the basic ingredients.

Marijuana laws are for the most part under the increased control of the States, with a growing national trend toward "decriminalization".

## ECONOMY

The American electorate is being offered a choice between two distinct economic policies this election year: those for Democrats, who favor further unbalancing the Federal budget, with risk of accelerating inflation, and increasing the deficit to bring down the level of unemployment; and those of Republicans, who favor an inflation-dampening cutback in the growth of Federal spending, reduction in the deficit, and a balanced budget by 1979 -- policies intended to achieve the dual goals outlined in President Ford's 1976 State of the Union address:

(1) sustained economic growth without inflation, and (2) productive jobs for all who seek work.

The economy is the No. 1 "plus" for Republicans in this election year. Virtually every indication shows the economy snapping back sooner and stronger than expected. The stream of good news and favorable statistical releases over the past year has greatly strengthened confidence in Republican economic programs. Here are the facts:



Gross national product, the market value of the Nation's output of goods and services, is projected to grow in real terms, 6.2 percent in 1976 and 5.7 percent in 1977, well above the 2 percent decline experienced in 1975.

Inflation, which 94 percent of Americans questioned by the Harris Survey in April, 1976, rated the No. 1 domestic priority, was cut almost in half from its 12 percent high in 1974 to 6.9 percent in 1975; both Democrat and Republican economists agree it will continue its downward ride to average 5 to 6 percent for 1976.

Despite burgeoning growth in the civilian labor force -- which grew 24 percent from 1965 to 1975 as compared to 15 percent growth from 1955 to 1965 -- employment has increased by 3.6 million since the recession low and now stands at a record level of 87.7 million.

Personal consumption, in real terms, has increased 5.5 percent in the last four quarters. Healthy rates of increase have appeared and are expected to continue in investment in plant and equipment, and business inventories. Improving corporate profits, emerging capacity constraints, and over-all improvement in business demand are strong reasons for expecting increased capital spending, a crucial part of economic expansion.

Productivity, a measure of output per man-hour worked, increased sharply in the first quarter of 1976 in defiance of its slowdown trend of recent years. In a new study, the Congressional Budget Office attributed productivity sluggishness of the early 70s partly to the growing importance of the service sector of the economy, where productivity gains are slower, and an end of the massive shift of workers from the lower-productivity agriculture sector into manufacturing. CBO Director Alice Rivlin was quoted as saying productivity slowdowns have resulted "not because the capital invested has not increased as much as before, but because the number of workers has increased more." The study predicted that this aspect of the problem would right itself by the end of the decade, as the "baby boom" work-force entries level off and the decline in birth rates of past years begin to show their influence.

The balance of trade is another bright spot. The foreign trade component of GNP -- exports minus imports -- provided a net addition to U. S. output in 1974 and 1975. In early 1976, net exports were down but still positive, reflecting rising U. S. imports of petroleum and other goods pulled up by the continuing recovery. Expected recovery in other industrial nations should cause U. S. exports to resume their upward trend later in the year.

In summary, Republicans believe their economic plan has been comprehensive and compassionate. They have proposed to match tax cuts with Federal spending cuts to reduce runaway deficits; stimulate the creation of new jobs in the private sector via reductions in individual and corporate taxes; alleviate economic hardship of those unemployed by temporarily extending and broadening unemployment coverage; increase funding for proven Federal job-training programs; undertake major regulatory reforms, and implement a major comprehensive national energy policy.

Fulfilling their promise to cut the growth of spending from year to year, Republicans submitted an FY 77 budget which called for \$396 billion in Federal outlays, \$29 billion less than projected. Democrats responded by passing a joint resolution recommending a higher trend of inflationary outlays in the future.

"1975 was a year of hard decision, difficult compromises, and a new realism that taught us something important about America. . ." said President Ford. "The way to a healthy non-inflationary economy has become increasingly apparent; the Government must stop spending so much and borrowing so much of our money; more money must remain in private hands where it will do the most good. To hold down the cost of living, we must hold down the cost of Government."

## EDUCATION

Education involves 3 of every 10 Americans. Two bills that became law in the 94th Congress will have major impact on the structure of education. They are:

-- The National School Lunch and Child Nutrition Act Amendments, under which low-income children receive free lunches, medium-income children receive reduced-rate lunches, and the breakfast program for needy children becomes a permanent item in the law. President Ford vetoed this bill as fiscally irresponsible because it would add \$1.2 billion to his proposed budget. The veto was overridden, and the amendments became law Oct. 8, 1975.

-- Title IX of the Education Amendments of 1972 became effective, after three years of drafting by HEW, on July 21, 1975, with the President's signature. This law prohibits discrimination on the basis of sex in admission, recruitment and enrollment, and in any educational program or activity which receives Federal financial assistance (in matters such as housing, scholarships and financial aid).

Major statistics: Pupil enrollment in U. S. elementary and secondary schools dropped from 46,081,000 in 1971, the all-time high, to 44,838,000 in 1975, a drop of 2.7 percent. The pupil-teacher ratio is currently 20.4 to 1 as compared with 22.3 to 1 in 1971. Teacher qualifications remain about the same: only 3 percent of U. S. teachers do not have a bachelor's degree. Estimated costs for kindergarten through the 12th grade were \$1,388 per pupil for 1975. Total Federal expenditures for education for 1975-76 were \$67.1 billion, an increase of \$5.5 billion over the preceding year.

## ENERGY

The United States is on a collision course for its future energy needs -- with the next crisis to be due largely to the recalcitrant, Democrat-controlled Congress.

The key to the future of a strong United States lies in the development of a comprehensive national energy policy that:

- (1) Provides for conservation of energy by the public.
- (2) Increases the utilization of waste materials in energy production.
- (3) Provides for production incentives by industry of more energy-efficient products.

To accomplish such a feat requires a review of all Federal regulations, programs, and policies that directly affect energy. In addition, an investment tax program for energy earnings would allow the development of energy resources while eliminating windfall profits.

The essential part of a national energy program is the development of all forms of energy. In 1975, the U. S. imported, per day, 6 million barrels of oil and 1 trillion cubic feet of gas. The U. S. could achieve energy independence by 1985

through the development of a program that would allow the production of energy from all available resources -- oil and gas, coal, synthetic fuels, fossil and nuclear sources, solar and geothermal sources, uranium fuel cycle, solar heating and cooling, and coal transport. Cost estimates for the program range from \$95 billion to \$560 billion (in constant 1975 dollars).

Legislation:

In 1975 there were two major energy measures, H.R. 7014 and H.R. 6860.

H.R. 7014 (S. 622), the Energy Conservation and Policy Act, cleared Congress during 1975 and was signed by the President December 22 of that year.

As fashioned by Democrats, the act requires Government-mandated and administered price, supply and efficiency controls. It kills any chance for development of a national energy policy because of heavy Government controls over prices, allocations, imports, exploration, production and efficiency. It ignores the approach of gradual decontrol of prices, coupled with a windfall-profits tax, to provide incentives for production.

H.R. 6860, the Energy Conservation and Conversion Program, passed the House and died without a vote in the Senate.

It would have set import quotas, boosted the excise tax on tires, put new taxes on autos and set up an energy trust fund from the taxes paid by consumers.



## ENVIRONMENT

The Federal Government spent \$7 billion protecting the environment and controlling pollution in 1975, an increase of \$1.7 billion over 1974. The Federal cost fell into three categories: \$1.107 billion for understanding, describing and predicting the environment; \$1.099 billion for protection and enhancement activities, and \$1.908 billion for pollution control and abatement.

These enormous environmental outlays are expected to yield financial dividends on an equal or greater scale, apart from immeasurable benefits to physical and aesthetic well-being. The President's Council on Environmental Quality estimates that, by 1977, air pollution alone would be costing nearly \$25 billion a year in damages to health, residential property, materials and vegetation, if no controls were enforced. Water pollution already takes a toll of \$12 billion a year, according to EPA.

Apart from financial considerations, it has been estimated by the National Academy of Sciences that 15,000 Americans die each year as a result of air

pollution, while 7 million days are spent in bed by persons whose chronic illnesses were aggravated by air pollution.

The estimated total pollution-control expenditures for 1973-82 for air pollution are \$142.4 billion and for water pollution, \$132.4 billion.

Sulfur dioxide levels in the air shot up in 1974 after a switch to high-sulfur fuels during the Mideast oil boycott and oil price hike and subsequently, a new Federal law which permitted the EPA to allow lower standards for power plants switching from oil to coal. Most major pollutants had shown significant reductions in 1973.

The House is expected to act later in 1976 on the first comprehensive revision of the 1970 Clean Air Act to initiate an ambitious Federal-State clean-up effort directed by the EPA. The bill would extend authorizations for the 1970 Clean Air Act and amend the law to allow more time to meet emission deadlines for autos and industrial plants.

Seven senior Republicans on the Health and the Environment Subcommittee

sharply contested the bill and filed a minority opinion attacking all of the panel's major decisions, promising to support floor amendments to reduce their "devastating impact."

"The Clean Air Act Amendments of 1976 may be the most ill-advised proposal to come before the Congress in a number of years," the Republicans wrote. "The provisions of this bill will result in substantially reduced growth potential for much of our Nation, significantly increase the administrative burdens of the States, magnify our energy shortage, place additional inflationary pressures on our citizens, and confuse our efforts to achieve our congressionally recognized economic goals."

The 1972 Republican Platform committed itself to comprehensive pollution control laws, vigorous implementation of those laws, and rigorous research into the technological problems of pollution control.

## EQUAL RIGHTS AMENDMENT

Congress cleared the Equal Rights Amendment in March, 1972. Thirty-four States have ratified the amendment but four more States must act upon the legislation by March 22, 1979, if it is to become the 27th Amendment.

The amendment declares that equal rights under the law shall not be denied or abridged by the United States or any State on account of sex, and gives Congress power to enforce the amendment through appropriate legislation.

A survey conducted in June, 1975, by Roper Research, Inc., showed that of all interviewees, 61 percent favor ERA; 20 percent are opposed, and 19 percent have mixed feelings. ERA has its strongest support among the young, liberals, blacks and single people, according to the study.

The 1972 Republican Platform endorsed ERA, stating: "To continue progress for women's rights, we will work toward ratification of the Equal Rights Amendment."

The intent of ERA is to bar sex as a factor in determining the legal rights of men and women. Every State and Federal law making a distinction between men and women would be illegal under the provisions of ERA. There are 15 States that have State Equal Rights Amendments.

Supporters of ERA contend the amendment will strengthen the family unit since it will provide for a more balanced marital relationship. Both spouses, if employed outside the home, might be required to contribute to the family unit according to their income. Supporters also contend that ERA will extend to men, and provide equal rights to alimony, child support and child custody in the case of divorce. Backers also point out that very few women actually receive alimony or child support under current laws.

Arguments against ERA include the belief that the amendment would take away the right of a wife to be supported by her husband and the right of a mother

to have her children supported by their father. Some fear that the amendment might be interpreted actually to require women to make financial contributions equal to that of their husbands. A final question is whether the unique physical characteristics of males and females call for differing and preferential treatment for females under the law. Opponents of ERA point out that only through a difficult and lengthy struggle was protective labor legislation for women enacted. The need for these protective measures still exists in factories and other work places, opponents of the amendment claim, and should not lightly be discarded.

Opponents also claim that ERA will undermine family life, corrupting the foundation of U. S. society and eventually leading to the destruction of our moral values, our social systems and the nuclear family structure.

## FEDERAL ELECTION CAMPAIGN ACT

The first major campaign law of recent years was the Federal Election Campaign Act of 1971. That legislation emphasized disclosure and reporting obligations for candidates seeking Federal office. More extensive measures were added by the 1974 amendments, including limitations on contributions to candidates and expenditures by the candidates and their committees, public financing of Presidential elections and national conventions, and the creation of the Federal Election Commission.

Major portions of the 1974 amendments were held unconstitutional by the Supreme Court in Buckley v. Valeo. The Court ruled that under the First Amendment no limits may be placed on how much a candidate may contribute to his own campaign or on the amount that may be spent by his committee. An exception to that rule was made in the case of Presidential candidates who accept public money to finance their campaigns. The Court also struck down the authority of the FEC on grounds of a violation of the separation of powers doctrine.



In response to the Supreme Court's decision, Congress passed the amendments of 1976 which put the FEC back on its feet and extensively revised the manner in which corporations and labor organizations may participate politically.

The major provisions of the present law are:

- I. Complete Disclosure -- Extensive records of a campaign's financial activity must be maintained and regular reports must be filed in Washington. Candidates and committees must itemize the name and address of every contributor who gives in excess of \$100 aggregate per year.
- II. Contribution Limits -- An individual may contribute no more than \$1,000 per election to any one candidate. The total number of contributions by any person may not exceed \$25,000 per calendar year. Certain multi-candidate committees may give up to \$5,000 per election to a candidate.
- III. Independent Expenditures -- An individual may spend money on behalf of a candidate without having it count toward his contribution limit if the expenditure is made independently of the candidate, his committee or



agents. Individuals who make such expenditures in excess of \$100 must report with the FEC.

- IV. Public Financing of Presidential Elections -- In the primary, Presidential candidates may elect to receive matching funds from the Federal Government if they agree to adhere to a spending limit of approximately \$13 million. In a general election, the nominees of each political party may request and receive \$21.8 million from the Federal treasury but thereby give up their right to accept any private contributions.
- V. Public Financing of National Conventions -- Each political party is given \$2 million to conduct its national convention every four years.
- VI. Federal Election Commission -- (See page 77).

## FEDERAL ELECTION COMMISSION

The FEC is a six-member commission (with the Clerk of the House and the Secretary of the Senate serving as ex officio members) which has the following powers and duties:

- to serve as a clearinghouse for all Federally required campaign finance statements and reports.
- to investigate violations alleged in complaints.
- has exclusive primary jurisdiction over election-law matters.
- may audit any Federal campaign.
- may issue regulations after submitting them to Congress.
- may issue advisory opinions.

The FEC was originally created by the 1974 amendments to the Federal Election Campaign Act of 1971. However, the Supreme Court in the case of Buckley v. Valeo held that the commissioners were appointed in an unconstitutional manner. Subsequently, Congress provided for a constitutional method of appointment in the

1976 amendments, signed into law by President Ford on May 11, 1976.

The present Chairman of the FEC is Vernon Thomson, a former Republican Congressman and former Governor of Wisconsin. The two other Republican commissioners are Joan Aikens and William Springer. The three Democratic commissioners are Neil Staebler, Robert Tiernan and Tom Harris.



## FOOD PRICES

Everybody knows that food prices are up. Fewer people know why they are up.

"The cost of labor is the biggest part of the total food marketing bill," the Department of Agriculture reported in the summer of 1976. It cited sharp increases since 1972 in labor used by assemblers, manufacturers, wholesalers, retailers and eating places.

"Don't blame the farmer" for food prices, declared USDA. It said farmers now get only an average of 42 cents from each dollar consumers spend for food, with 58 cents going to truckers, packing plants, gardeners, refrigeration plants, bottlers, packagers, wholesalers, supermarkets and grocers.

The farmer's share of what the consumer pays for food varies widely by type of produce. Here it is for each dollar spent for --

Lettuce . . . . .	15 cents
Beef . . . . .	62 cents
Bread . . . . .	.23 cents
Milk . . . . .	62 cents
Chickens . . . . .	56 cents
Canned tomatoes . . .	13 cents
Frozen orange juice .	.33 cents

In general, USDA added, an hour's work in a factory today will buy more food that it would either 10 or 20 years ago.

The Christian Science Monitor of June 16, 1976, predicted that "food-price increases likely will be small, on average, for the rest of the year." It noted that food prices had fallen at a 4.4 percent annual rate in the first four months of the year, but that the drop later reversed.

## FOOD STAMPS

"Few programs are as out of control, and in desperate need of reform, as the food stamp program," reported the House Republican Policy Committee in July, 1975. It added:

". . . Food stamp expenditures have grown by 14,203 percent since 1965. One in four Americans now may qualify, and one in 11 actually receive food stamps."

On June 23, 1975, Rep. Bob Michel of Illinois, Republican Whip of the House, with over 60 cosponsors introduced the National Food Stamp Reform Act. It contained 41 reform provisions and was estimated to save \$2 billion to \$2.5 billion a year, and still permit an increase in coupon allotments of about 29 percent for the truly needy persons left on the rolls.

In mid-February, 1976, President Ford told Agriculture Secretary Earl Butz to reform the program himself -- declaring he could no longer wait for legislation to reach him.

On May 7, 1976, the Department of Agriculture issued regulations which would:

- Set uniform national income standards of eligibility, based on poverty guidelines supplied by the Office of Management and Budget.
- Tighten coupon and cash accountability.
- Establish a uniform purchase requirement of 30 percent of adjusted gross income.
- Allow a standard household deduction of \$100 per month (\$125 with a member aged 65 and over).
- Mandate an active employment search, a three-month retrospective accounting period, and monthly income reporting by most participating households.

The USDA estimated that the regulations would:

- Increase benefits for 6.89 million people currently receiving them.
- Leave benefits unchanged for 3.32 million recipients.

- Make 400,000 individuals newly eligible.
- Make 4.14 million recipients no longer eligible.
- Reduce benefits for 4.42 million.
- Create an annual saving of \$1 billion.

The reform regulations were stopped by a court suit, filed on behalf of more than 100 individuals and many organizations, in the U. S. District Court for the District of Columbia. The court held up the regulations with a restraining order of May 28, 1976, followed by an injunction issued June 18.

The Senate Committee on Agriculture and Forestry on April 8, 1976, approved a bill, S. 3136, of which the USDA later said: "This Senate bill, all estimates show, will cost more than the current program costs." The Senate amended the bill and passed it.

The House Agriculture Committee held hearings in February, 1976, and went into many weeks of considering a bill, H.R. 13613. On August 10, that bill was reported by vote of 21 to 19.



Thus, as of then, the new USDA regulations remained in limbo, there was no reform legislation on the books, and the Democratic-dominated 94th Congress has scored another major failure.



## GOVERNMENT IN THE SUNSHINE

Culminating a four-year campaign to open U. S. Government meetings to outside scrutiny, "government in the sunshine" legislation passed the Senate in 1975. The House passed its bill, H.R. 11656, on July 28, 1976, and final action is likely.

For almost all agencies except Cabinet departments, the bill requires that all meetings be open unless closed by a majority vote of agency members for discussion of matters specified in the bill. For the first time, agencies would be required to keep and make public transcripts or recordings of all closed meetings, portions of which could be deleted by a record vote of the agency. One title would bar informal or secret contacts between agency officials and interested outsiders to discuss pending agency business.

House Republicans officially endorse government in the sunshine, with clarifying amendments. Acting in that vein, the House Republican Conference voted on April 29, 1975, to open its own future meetings to the press and public, and did so,



breaking a tradition of 50 years' standing. Conference Chairman John Anderson (R., Ill.) said the new open-door policy would "admit the type of invigorating fresh air and sunshine which will stimulate new life and growth within our party."

Because of its majority-party status and its ability to dictate policy to committee chairmen and other members through virtually binding votes, GOP leaders urged the Democratic Caucus to follow suit. Embarrassed by the comparison -- Republicans open, Democrats closed -- the Democratic Caucus voted to open its doors seven months later. There is a catch, however: Any meeting can still be closed by decision of its chairman and a concurring majority, as determined by roll-call vote.

## GOVERNMENT SPENDING

During the 60 years from 1789 through 1849, the Federal Government spent \$1.09 billion (an average of \$18.2 million per year). Federal receipts during that same period amounted to \$1.16 billion. On any given day in 1976, the Federal Government will spend as much money as it did during the 60-year period between 1789 and 1849.

During the second half of the 19th century, the cost of running the Federal Government rose to an average of \$303 million per year. It is important to realize, however, that during this 50-year period our Western border moved from the Mississippi River to the Pacific Ocean, more than doubling the size of the Nation. It was not until 1917 that our Federal budget exceeded \$1 billion. By 1919 the Federal budget had increased to \$18.5 billion. After World War I, Federal spending leveled off to a rate of about \$3 billion per year and remained at that level until the early 1930s.

In 1932 the Democrats took control of both houses of Congress and the White House and maintained control for a period of 20 years (except 1947 and 1948 when the Republicans controlled the Congress). That 20-year period saw the Federal budget increase from \$4.7 billion in 1932 to \$68.0 billion in 1952. During that same period, our total national debt increased from less than \$20 billion to more than \$250 billion.

In the 24 years since 1952 the Democrats have continued to control both houses of Congress for all but two years (1953 and 1954), and the rate of Federal spending has continued to increase. We now find ourselves facing a Federal budget of nearly 400 billion dollars (the budget resolution passed by Congress in May, 1976, calls for Federal outlays of \$413.3 billion in FY '77), resulting in a deficit of \$44.6 billion (\$50.8 billion according to the Congressional budget).

Republicans have traditionally favored fiscal restraint at the Federal level, but Democrat control of Congresses for 40 of the last 44 years has severely hampered Republican efforts to reduce Federal spending. During the 44 years since 1932, the Federal budget has been balanced only nine times (twice when the Republicans controlled both houses of Congress (1947 and 1948) and four times under Republican Presidents (1956, 1957, 1960 and 1969).

## History of Government Spending (money figures in billions of dollars)

\* Figures not available

<u>Year</u>	<u>Outlays</u>	<u>Receipts</u>	<u>Surplus or Deficit</u>	<u>G.N.P.</u>	<u>Outlay as % of GNP</u>	<u>Total Debt</u>
1789-1849	\$ 1.09	\$ 1.16	\$ .07+	*	*	*
1850-1900	\$ 15.45	\$ 14.46	\$ .99-	*	*	*
1940	\$ 9.59	\$ 6.88	\$ 2.71-	\$ 99.7	9.6%	\$ 43.0
1950	\$ 43.15	\$ 40.94	\$ 2.21-	\$ 284.8	15.1%	\$257.4
1960	\$ 92.22	\$ 92.49	\$ .27+	\$ 503.7	18.3%	\$286.3
1970	\$196.6	\$193.7	\$ 2.8-	\$ 954.6	20.6%	\$382.6
1975	\$313.5	\$278.8	\$34.7-	\$1,426.2	19.6%	\$533.2

## GUN CONTROL

What, if anything, more to do about gun control is one of the most volatile issues ever to come before the American public. It is a topic upon which wise candidates for public office tread carefully.

One big reason is that sport shooting in all its forms is near and dear to many American hearts. Estimates of the National Rifle Association indicate that there are 170 million or more privately owned guns in the country -- perhaps as many as one for every man, woman and child in the population. The Gallup Poll in April, 1976, reported that 47 percent of U. S. homes contain at least one gun, with the figure rising to 58 percent in the South.

Too, a case can be built for better enforcement of existing laws rather than a need for new ones. The NRA has estimated the number of Federal, State and local firearms laws now on the books at more than 20,000.

The great number of crimes committed with guns -- and especially with handguns -- keeps the topic alive in Congress. Dozens of bills for tighter controls,



some of them banning handgun manufacture except for police and the military, were introduced in the 94th Congress.

Gallup reports that 48 percent of the public now believe rifle and shotgun controls should be tightened; 43 percent consider existing controls to be adequate; and 2 percent believe they should be eased.

"Attitudes toward the control of handguns are much more unanimous," Gallup added. "Fully 7 in 10 Americans (69 percent) would tighten the laws governing the sale of handguns."

Support for more gun restrictions varies widely by locale, running highest among residents of cities of 1 million or more and lowest among those in small towns and rural areas.

The "core of support" for stronger laws, Gallup found, comes from: Easterners, women, the college-educated, those in the upper income brackets, professionals, business and white collar workers, Catholics and big-city residents.

The NRA has expressed doubt about conclusions drawn from both Harris and Gallup polls. In September and October, 1975, it had a survey of 1,538 registered voters, scientifically selected at random to conform to population characteristics, conducted by Decision Making Information, Inc., of Santa Ana, Calif. The results included these: 82 percent of the public believe they, as citizens, have a right to own a gun; fully half believe that gun registration eventually will lead to confiscation; 71 percent oppose any law that would let police decide who may or may not own a gun.

## HATCH ACT "REFORM"

One of the most ill-conceived and dangerous pieces of legislation introduced during the course of the 94th Congress was labeled the "Federal Employees' Political Activities Act of 1975," or H.R. 8617. Characterized by its Democrat sponsors as providing "employees and the public with greater protection against any recurrence of the spoils system," this bill enacted by both houses of Congress, in effect, would have repealed many of the key provisions of the Hatch Act of 1939. For nearly 37 years, this law has prohibited Federal employees from participating in such partisan political activities as fund raising, campaigning and soliciting votes.

The Republicans in Congress and the President opposed this legislation. The House Republican Policy Committee explained its opposition to the proposed legislation: "Passage of H.R. 8617 would tremendously strengthen the power of the leaders of Government employee unions by making hundreds of thousands of Federal workers on public payrolls available for staffing party organizations and campaigns."



**It added:**

**"Where controversial issues are involved, politically motivated employees and unions could cripple the Executive Branch by working and speaking against Government policies. Political party officials could be assigned to bureaus handling programs the unions wanted to thwart or encourage. Pay and benefits, already very generous and subject to annual 'comparability' increases, would be continually ratcheted higher by politically powerful unions . . ."**

**The legislation would indeed have been a boon for the Federal employee unions affiliated with the AFL-CIO, by permitting the nearly 2.8 million Federal employees to engage in many political activities which have been illegal since the passage of the Hatch Act. The clear intent of Federal unions is to politicize the entire Federal bureaucracy and transform the now neutral Civil Service into a revitalized spoils system reminiscent of the days of Boss Tweed. The legislation would have permitted employees, on their own time, to run for partisan office, manage election campaigns, raise funds, solicit votes and engage in other activities currently under Hatch Act prohibitions. To gut this important law would be to take giant steps backward to**

the times when the spoils system was the standard operating procedure, and when every other Federal employee was somebody's contributor, supporter, crony or political ally.

The bill passed the House by a vote of 288 to 119 on Oct. 21, 1975. At that time 93 Republican members were opposed to it. The President vetoed the bill in early April, 1976, and on April 29, 1976, the House sustained the veto by a vote of 243 to 160. That time, 113 Republican members voted to sustain the veto and oppose this repealing legislation.

## HEALTH INSURANCE

During the last 30 years Congress has considered a succession of legislative proposals intended to substantially alter the role of the Federal Government in providing personal health-care services to the American people. These measures, classified as "national health insurance," include specific proposals endorsed by a wide range of groups. Generally, each plan would give the Federal Government more responsibility for the health care of Americans.

In the past 10 years (1965-1975), Federal spending for health has increased from \$5 billion a year to \$37 billion a year. With greater Federal funding has come a multitude of Federal programs, regulations and restrictions -- all proposed with good intentions but adding to confusion at the national level. Medical costs have been rising faster than the consumer price index since 1967.

Although traditionally health expenditures have been financed by the individual, beginning in FY 76 with the advent of Medicare and Medicaid programs, the trend

has been toward increased public financing of health. Evidence indicates, however, that Government programs -- such as Medicare and Medicaid -- are responsible for a major part of the rise in medical costs.

In recent years, health expenditures in the U. S. have reached amazing proportions: \$118.5 billion in FY 75 (8.3 percent of the GNP) which represented per capita expenditures of \$547 for every man, woman and child. The variety of proposals reflects divergent viewpoints as to what should be considered the priority problem areas to be resolved by the Federal Government under a national health-insurance program.

At least five major health bills have been considered by the 94th Congress. The Kennedy-Corman bill -- the Health Security Act -- is one of the most comprehensive and most expensive of the bills so far introduced. Widespread opposition to the legislation exists throughout the Republican Party. Probably the least expensive of the health insurance legislation is the Long-Ribicoff bill. Introduced in the 93rd Congress, the bill has the narrowest scope of any of the national health-care bills but would still cost an estimated \$9 billion if enacted.

The Republican Legislative Agenda calls for a National Health Policy to balance health-systems supply and demand with financing. Such a policy would determine broad goals and priorities for medical care, preventive practices, and dispersal of facilities to be within reach of our people. The present combination of private and public health care financing can be improved since the system suffers from fragmentation, the agenda states, and a National Health Policy would bring together all vital health functions into a workable program to provide the best health care for our citizens.

The Republican Research Committee believes that the overriding responsibility of the Republican Party is to help preserve the private, free-choice system in offering the American people high-quality health care. The committee opposes a compulsory, all-inclusive federalized health insurance program financed by excessive taxes taken from every American's paycheck.



## HIGHWAYS

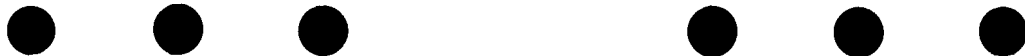
More than 20 years ago the Nation launched one of the most ambitious public works programs in history -- construction of the 42,500-mile Interstate Highway System. Eighty-five percent of that system is now open for traffic.

Under the past system, revenues generated by Federal highway-user taxes were channeled into the Highway Trust Fund which is used primarily to provide Federal assistance for highway construction (although it can be used to finance some other federally assisted transportation projects). On May 5, 1976, President Ford signed legislation which eliminates the termination date for the Highway Trust Fund. The bill also amended the system to make the Trust Fund be used exclusively for the construction and improvement of the Interstate System. All other Federal highway programs will be financed out of the General Fund.

The two-year, \$17.6 billion authorization bill also makes \$50 million available for discretionary allocation by the U. S. Secretary of Transportation for primary

projects of unusually high cost which require long construction periods and earmarked \$7 million for school-bus driver training.

The bill authorized at least 30 percent of a State's Interstate system apportionment in fiscal 1978-79 to be used for intercity routes, including beltways. A 19-member National Transportation Policy Study Commission was designated to study the Nation's transportation needs through the year 2000 and the ability of the current transportation system to meet the projected needs.



## HOUSING

With the housing industry suffering from a severe slump and the Government approach to housing being questioned and criticized, the 94th Congress considered much legislation in an attempt to solve these problems. President Ford signed three major housing bills.

On Aug. 3, 1976, Mr. Ford signed a Federal housing-aid bill which authorized \$850 million for public housing and rent subsidies. The bill (S. 3295) gave HUD and local housing authorities the leeway to decide how to divide funds between new construction and repair of old buildings. Senate sponsors, however, won a scaled-back provision earmarking \$100 million of the funds for either new construction or major improvement in public housing units.

The bill was sent to the President July 20 after Congress and HUD ended their bickering on how to spend Federal housing-aid money. Democratic lawmakers wanted to help the construction industry by insisting that a fixed share of funds be spent to build the traditional kind of public housing units. The passage of the

bill canceled out similar legislation introduced by the House which specifically reserves FY 77 funding for public housing programs and new construction of subsidized housing. The authorization bill would make it somewhat easier for low-income persons to qualify for home-ownership mortgage subsidies and would expand this program to include double-wide mobile homes.

In June, 1975, Congress sent the President an emergency housing bill (H.R. 5398) much like the one he had proposed June 24 after vetoing a more extensive housing aid measure (H.R. 4485) backed by the Democratic leadership. President Ford signed the bill (PL 94-50) on July 2, saying the Administration was committed "to a prompt recovery of the housing industry and getting construction workers back on the job." The new bill authorized the Federal Government to buy up mortgages at subsidized interest rates, freeing private funds for mortgage lending at below-market rates.

The 1972 Republican Platform noted that 2 1/3 million new homes -- 65 percent more than the average in the eight years of two previous Administrations -- were being built. The platform pledged to: continue housing production for low and moderate-income families; to improve housing-subsidy programs and expand mortgage credit activities of Federal housing agencies, and to continue development of technological and management innovations to lower housing costs. The platform also urged action by State, county and local governments to alleviate problems caused by abandoned buildings in urban areas.

## ILLEGAL ALIENS

Estimates of illegal aliens currently in the U. S. range from 4 million to 12 million. The Immigration and Naturalization Service apprehended 800,000 illegals in 1975 alone.

The illegal-alien problem continues to be of increasing concern due to loss of jobs and wages for Americans, the increased cost to the taxpayer, and the adverse effect on the U. S. balance of payments.

An estimated \$10 billion annually is lost in wages to American workers due to illegal aliens. A State Department study shows that almost 30 percent of those apprehended were employed and nearly one-half of these were earning more than the minimum wage. Anti-forces contend that the unemployed need jobs taken by illegals, a burden doubly shared by taxpayers who must support unemployment compensation.

Furthermore, opponents declare illegals put a strain on social services and educational systems which are supported by Federal taxes they do not pay --

either because employers do not withhold taxes, or the aliens themselves fraudulently claim dependents to keep from having taxes withheld. The study showed that one-fourth of all employed illegal aliens received their pay in cash and pay no Federal, State or city taxes.

Of the 788,000 illegals apprehended in 1974, more than 750,000 were from the Western Hemisphere; 710,000, or 90 percent, were Mexicans. Much controversy exists over differing treatment of Eastern and Western Hemisphere immigrants. A two-year waiting period exists for Western Hemispheric immigrants, while Eastern Hemispheric immigrants are admitted according to a preference system, with immigrant visas available for all preference categories in these countries (except the Philippines).

Most legislation presently before Congress is aimed at stopping illegals by making it more difficult for them to find employment. Emphasis has been placed on making it illegal for employers to knowingly hire illegal aliens.

## INTELLIGENCE COMMUNITY

From 1947 until late 1974, the agencies comprising the "intelligence community" operated under the control of more than a dozen Executive Branch and Congressional committees. The National Security Act of 1947 led to a host of intelligence bureaus, among them the CIA (additionally bolstered by the Central Intelligence Agency Act of 1949); the National Security Agency (1952), formed by a secret Presidential directive as an agency within the Defense Department; and the Defense Intelligence Agency, initially a series of agencies operated by the separate services but joined in 1961 to unify the over-all intelligence efforts of the Defense Department.

The State Department has its own intelligence-gathering group which oversees CIA activities abroad and assures coordination with U. S. foreign policy. The Department of the Treasury, since 1971, has had an advisory office, the Office of National Security, and offers to the general intelligence community expert advice from its areas of specialization.



The Energy Research and Development Administration (ERDA) has the limited role of receiving and processing data on foreign atomic energy and weapons development for dissemination to the CIA and other tactical agencies.

The FBI, while considered a long-standing member of the intelligence community, is not charged with any but the most esoteric foreign assignments. In recent years, the FBI has come under fire for its former covert acts against private citizens and organizations engaged in activities not endorsed by the Bureau but not illegal.

The first major investigations of the intelligence community began with creation by President Ford of the Commission on CIA Activities Within the U. S., January 4, 1975. This commission, headed by Vice President Nelson Rockefeller, detailed a number of illegal CIA activities and recommended a stricter charter for the agency.

The 15-member permanent Senate Select Committee on Intelligence, created May 19, 1976, consolidated several of the Senate committees that had had jurisdiction over parts of the intelligence community. House Resolution 591,

passed July 17, 1975, abolished and replaced the old House Select Committee on Intelligence. The new committee itself became a controversial source of classified materials leaks. It is composed of 13 members, only 4 of whom are Republicans.

A new Director of Central Intelligence, former GOP House member George Bush of Texas, was named by Mr. Ford and charged with disclosure of intelligence activities to the two committees and to the Administration as well.

By June of 1976, both Congressional committees had released extensive reports on misuse of intelligence activities ranging from assassination plots to Mafia dealings and postal-service abuses.

Investigations into the assassination attempts or plots concluded that while the CIA was not directly responsible for any killings, the agency was aware of such plans and may have aided and abetted in them. Further investigations into domestic spying charges revealed that both the CIA and the FBI were involved in gathering data on U. S. citizens not charged with any crime or suspected of treason.

The end result is that the intelligence community, long in need of more scrupulous oversight, is now more responsible, through Congressional fiat and Administration action, to the American people.

--110--



## JAPAN

Japan's emergence as a major economic power has substantially transformed U. S.-Japanese relations in recent years. President Ford's visit to Japan in 1974 (the first visit by an American President) and the visits of Prime Minister Miki and Emperor Hirohito to Washington in 1975 symbolize the reality and importance of our economic, political and strategic interdependence.

The United States and Japan, both maritime trading nations with complementary economies, together account for 52 percent of the production and 26 percent of the trade of the entire non-Communist industrialized world.

The total trade between our two nations has doubled since 1970. It surpassed \$20 billion in 1974 and again in 1975. American investments in Japan are the largest of any foreign state. Japan's investment in America is growing and accounts for one-fifth of all Japanese investments abroad.

Our partnership with Japan is fundamental to U. S. strategy in Asia and the Pacific. The U. S.-Japanese security relationship dates from the early 1950s

when a security treaty was negotiated at the same time as the peace treaty. The present treaty, revised on a broader basis of equality, came into force on June 23, 1960, and in 1970 became subject to abrogation by either party on one-year's notice. Both governments at that time declared their intention to extend the treaty for an indefinite period.

Increasingly, the center of gravity in U. S.-Japanese relations has shifted to collaborative efforts to deal with pressing international economic issues. The U. S. supported the Japanese proposal to the OECD for a joint examination by member nations of how the progress in advanced societies can be used to foster progress in developing countries. The U. S. joined Japan in establishing the International Energy Agency; we are cooperating in improving international agricultural arrangements. In response to Japanese concerns stemming from U. S. export controls on soybeans in 1973, the U. S. has reaffirmed its commitments as supplier and purchaser of important goods and materials to Japan.

Japan normalized relations with the Soviet Union in 1956 and has been recently intensifying economic relations with that country. In 1972 Japan granted full recognition to Peking and has been broadening bilateral relations there. The U. S. has welcomed both developments, recognizing that hopes for a peaceful Asia depend in large part on Japan's participation in resolving international problems.

On June 26, 1968, the U. S. returned to Japanese control the Bonin Islands, the Volcano Islands (including Iwo Jima) and Marcus Island. On May 15, 1972, Okinawa, the Daito Islands, and the remaining Ryukyu Islands were returned. The U. S. began in 1969 to turn over 50 military installation sites, a third of our facilities in Japan; we reduced military forces in 1971 but will continue to maintain large military bases for Okinawa.