The original documents are located in Box 17, folder "National Republican Congressional Committee Speech Kit (2)" of the Richard B. Cheney Files at the Gerald R. Ford Presidential Library.

JOBS BILLS

Early in the first session of the 94th Congress, a jobs bill was introduced in both House and the Senate to authorize a public works investment and development program. In similar form, it eventually became one of the major jobs bills passed by the 94th Congress. H.R. 5247 provided for authorization to create jobs for the unemployed in construction and related fields and help State and local governments maintain basic services.

Proponents argued that for a total cost of $6.2 billion, the bill would create an estimated 275,000 jobs directly and 550,000 indirectly. Opponents held up a study by Alan Flecher of the Urban Institute stating that only 30,000 to 69,000 new jobs would be created for every $1 billion spent; additionally, he predicted, even in the short run such Federal money could displace up to 50 percent of State and local funds now being used to provide public services. President Ford also argued that the measure would not begin to operate for 9 to 19 months, providing stimulus to the economy at precisely the wrong time, when recovery will already be far advanced.

In February, 1976, the House voted to approve the bill, already enacted by the Senate. As reported out of conference, the major provisions were as follows: authorization of $2.5 billion in FY 76-77 to speed construction on public works projects, $1.5 billion in annual funding for counter-cyclical aid to State and local governments, and a total of $2.1 billion for a wide variety of programs, including construction of waste-water treatment plants. The President vetoed the bill, calling it "little more than an election year pork barrel". His veto was overridden in the House, but sustained Feb. 19, 1976, in the Senate by 3 votes.

This was the second time in less than a year that the Democratic leadership failed to override job legislation over the President's veto. (In June, 1975, the House fell 5 votes short of overriding the veto of the $5.3 billion emergency jobs appropriations bill. About half that amount was subsequently appropriated.)

Regrouping, Democratic legislators soon patched together a second, less expensive proposal, S. 3201. As cleared by Congress June 23, the bill authorized

$3.95 billion through FY 77. The total included $2 billion for State and local public works projects, $1.25 billion in counter-cyclical aid for State and local governments, and $700 million for waste-water treatment programs. Unimpressed by the price reduction, Mr. Ford again used the veto. The President argued that his general budget and tax-cut proposals would create many more jobs than S. 3201, and that the bill would fund only 160,000 jobs at most, compared to Congressional estimates of 350,000. On July 22, 1976, the veto was overridden in both the Senate and the House.

In other action on May 14, 1976, the House Education and Labor Committee reported to the full House, H.R. 50, the Full Employment and Balanced Growth Act of 1976, otherwise known as the Humphrey-Hawkins bill. Originally introduced to correct the problem of job discrimination against blacks and other minority groups, the bill moved away from being a jobs and civil-rights measure into the jargon of economic planning. The bill would require the President to submit a yearly economic report reviewing economic conditions affecting unemployment, set annual goals for employment production and purchasing power leading to full employment, and set a minimal long-term full employment goal while at the same time recommending programs and legislation necessary to attain such goals.

The President would also be required to set levels of Federal spending and assure interest rates and availability of credit needed to attain full employment. Republicans oppose Humphrey-Hawkins to a man, contending that the bill would cost between $23 billion and $44 billion per year, smacks of socialism, and would provide only short term improvement in economic activity with a resulting new round of inflation and further unemployment. The President has already promised a veto; knowing they lack the strength to override, legislative proponents are unlikely to see Humphrey-Hawkins' passage before the end of the 94th Congress.

Yet another public works jobs skirmish surfaced when the House Education and Labor Committee reported a H.R. 12987, to extend through Sept. 30, 1976, authorization for 260,000 public service jobs. The action would extend the jobs program originally authorized in December, 1974, under Title VI of the Comprehensive Employment and Training Act (CETA). Congress generally wants to extend the program while at the same time increasing the eligibility; the Administration wants to phase it out. In complicated parliamentary procedures, the Senate also passed a resolution authorizing an extension under a different title of the law. The controversy has yet to be resolved.

LABOR LAW

Passage of the National Labor Relations (Wagner) Act in 1935 gave the U. S. its first comprehensive Federal law regulating labor-management relations. The law has been amended many times, with the most substantial amendments being the Labor Management Relations Act in 1947 (Taft-Hartley Act) and the Labor Management Reporting and Disclosure Act in 1959 (Landrum-Griffin Act).

Various bills were introduced in the 94th Congress to revise Federal labor-management relations programs, in the following areas:

(1) Federal employees. Currently, Federal employees have the right to organize and bargain collectively, under Executive Order 11491. In the 94th Congress, bills have been introduced to liberalize the order and establish a labor-management relations system in Federal statute rather than by executive order of the President. Major differences among the bills concern the extent of coverage, the agency proposed to administer the program, the scope of bargaining, union security provisions and strike prohibitions.

(2) State and local employees. Because of the many controversies surrounding this issue, a consensus has not yet been reached. The two most controversial areas of legislation are the right to strike and union security provisions.

(3) Farm workers. At present, farm workers are not included under Federal labor-management relations law. Major proposals in the 94th include a Senate bill to extend the National Labor Relations Act to cover farm workers, a House bill to provide for the establishment of an Agricultural Labor Relations Board to regulate labor relations in the agricultural industry.

(4) Postal employees. The right to strike and negotiate union security agreements in the postal service has again been discussed. One bill would give postal workers a qualified right to strike; another would allow postal collective bargaining agreements, particularly union shop agreements, to include union security clauses. Both bills are probably dead for this session.

(5) Airline Mutual Aid Pact. More than 20 bills have been introduced in the 94th Congress to abolish this agreement among airlines which, with the approval of the Civil Aeronautics Board, allows the companies to subsidize a struck carrier from the added revenues they receive while the struck carrier is not flying.

(6) Construction industry. The common situs picketing bill, H.R. 5900 (see page 39), with the Construction Industry Stabilization Act attached as Title II, was vetoed by President Ford on Jan. 2, 1976. No override was attempted.

As can be imagined, all of the foregoing has provided fertile ground for vigorous debate between Republicans and Democrats. The most recent point of contention is spelled out in black and white in the pro-labor Democratic Platform of 1976.

The Democrats adopted a stand that, in effect, seeks to eliminate freedom of choice. "We will seek repeal of section 14(b) of the Taft-Hartley Act," wrote the party of Big Labor, "which allows States to legislate the anti-union open shop."

LATIN AMERICA

The countries of Latin America, strategically crucial to the United States, are among the most developed of the developing nations. The region has quintupled its collective gross product since 1950, even with a fast-expanding population of 300 million. According to Business Week magazine, multinational executives today consider the region one of the world's major investment opportunities as they note one country after another pulling back from the radicalism of the late 1960s.

Though U. S. policies for this hemisphere have oscillated between prescription and neglect, current relations between the Americas are stronger and more promising than they have been in a decade.

In 1969, the nations of Latin America gathered at Vina del Mar, Chile, to stake out a new agenda of interdependent issues for our hemisphere. In October of 1973, Secretary of State Henry Kissinger launched a "new dialogue" between Latin America and the U. S. Then, in Bogota, Mexico City and Washington, D. C., supplementing regular encounters in the Organization of American States (OAS) and United Nations, Latin American foreign ministers and U. S. officials met in a continuous series of political and technical discussions to discuss the conditions of trade, multinational corporations, technology transfer, and economic assistance as outlined at Vina del Mar.

The meetings were interrupted by U. S. enactment of the Trade Act of 1974, which served to exclude Venezuela and Ecuador from the generalized system of trade preferences -- legislation much protested inasmuch as the two OPEC members did not participate in denying oil to the U. S. during the Arab embargo. Diplomatic momentum faltered temporarily, but resumed by desire of both parties.

"Since February (1976)," Kissinger told the House Internationsl Relations Committee, "the U. S. has introduced trade, investment and technology proposals of special relevance to this hemisphere at the Conference on International Economic Cooperation in Paris and at the fourth U. N. Conference on Trade and Development in Nairobi. We responded to the efforts of the Guatemalan people to recover from the earthquake that devastated their land. We have provided fresh support to sub-regional cooperation in Central America and are exploring ways of relating more effectively to the Andean pact. At the General Assembly of the OAS at Santiago (June, 1976), we advanced our common interests in three important areas: cooperation for development, reform of the inter-American system, and human rights."

In recent months the U. S. has secured a development program in the International Monetary Fund and a substantial increase in access to IMF resources for Latin American countries, to help overcome fluctuations in export earnings. To facilitate access to long-term development capital on commercial terms, the Administration has also proposed a new international investment trust, an increase in the U. S. contribution to the Inter-American Development Bank, and expansion of capitalization of international financial institutions.

The United States is publicly pledged to enhance the new "spirit of solidarity" between the American peoples. "If we here in this hemisphere fail to grasp the consequences of interdependence, if we cannot make the multiplicity of our ties a source of unity and strength," commented the State Department's 1976 <u>Overview</u>, "then the prospects for success elsewhere are dim indeed."

MASS TRANSPORTATION

In an attempt to meet the growing demands for energy conservation and environmental needs, the U. S. Congress passed the National Mass Transportation Act of 1974. Signed by the President in 1975, this bill provides a six-year Federal funding program for construction and maintenance of systems in nine cities, six with existing systems (Boston, Chicago, Cleveland, New York, Philadelphia and San Francisco), with three systems either planned or under construction (Atlanta, Baltimore, Pittsburgh). These cities account for 54 percent of the total package. Of the remaining funding, 14.4 percent is to go to 296 other urbanized areas, 4.6 percent for grants to cities with less than 50,000 persons, and 27 percent for capital construction grants only, distributed at the discretion of the Secretary of Transportation.

In order to assure protection for Federal investment in capital expenditures, the Government's share would be 80 percent for the total capital costs of transportation construction projects and 50 percent of operating subsidies, not to exceed one-half of the total grant authorization for any single fiscal year.

The Republican position at the time of consideration of the bill was that it was too costly. With the threat of veto, the Administration and House Republicans were able to trim the price tag from $20 billion to a more realistic $11.6 billion. GOP opposition was also strong then, as now, against the use of Federal funds to cover operating deficits, in particular the use of Section 5 funds (those allocated at the discretion of the Secretary) for use as operating subsidies. Objectors feel that the bulk of any city's allocation should be for capital investment. In practice some cities have been using up to 95 percent of the appropriation for operating deficits. This problem has risen again with the abuse of the intent of Section 3h, which allows State and local authorities to divert up to one-half of the capital grants to payment of operating subsidies, provided repayment is made in two years. In fact, either very little has been repaid or monies have been diverted from other capital investment projects to repay.

In the area of non-urban capital investment, Republicans have been fighting efforts at new legislation that would divert these funds to operating subsidies. It is felt that too large a Federal donation would sap local incentive to create and operate systems economically and efficiently, while transit unions could use the easy accessibility to Federal dollars as a rationale for unreasonable wage demands. Legislation is now being introduced by Republican leadership on the Public Works and Transportation Committee, with strong Administration backing, to put a limit on the proportion of Federal funding allowed for operating subsidies.

MEDICARE-MEDICAID

Medicare and Medicaid are two Government-funded programs enacted by Congress in 1965 to help aged and poor people pay for medical costs. Specifically, Medicare is a nationwide health program for the aged and disabled. The estimated cost of the program for FY 77 is $22 billion, which is a 23.5 percent increase from FY 76. Medicaid is a program operated by the States for low-income persons. It is expected to cost the U. S. Government $16.6 billion for fiscal 1977, an increase of 13.1 percent from last year.

The last major amendments to the Medicare and Medicaid programs were included in the Social Security Amendments of 1972. This legislation extended Medicare benefits to certain workers and their dependents with chronic kidney disease and also provided cost-control measures and strengthening of program administration for both Medicare and Medicaid.

Currently, proposals for extending coverage under consideration in Congress include paying for such items as eyeglasses, hearing aids, dental care and routine physical examinations.

New programs which have recently been established in the Medicaid program are designed mainly to cut down on increasing amounts of fraud and abuse by health care providers.

MIDEAST

"For the Arabs, there can be no peace without a recovery of territory and redress of grievances of a displaced people. For Israel, peace requires both security within recognized boundaries and a recognition of its legitimacy as a state." -- U. S. Foreign Policy Overview, Department of State, 1976.

Official U. S.-Middle East policy rests on three pillars: a firm commitment to a just settlement of the Arab-Israeli conflict which takes into account the legitimate interests of all states and people, including the Palestinians; improvement of U. S. relations with all states in the Middle East on a bilateral basis, maintaining support for Israel's security while strengthening relations with Arab countries; and avoidance of the Middle East's becoming a sphere of influence of any outside power.

The Middle East has experienced four full-scale wars between Israel and its neighbors since the close of World War II. The United States and the Soviet Union were joint sponsors of Security Council Resolution 338, adopted Oct. 22, 1973, which brought about the cease-fire at the end of the latest war and established the framework for what became the Geneva Peace Conference. The U. S. and the U.S.S.R. are cochairmen of the ongoing conference, in accordance with the U. S. State Department's desire not to play an exclusive role or "to try in any way to keep the Soviets from playing a legitimate role in the peace-making process."

Negotiations following the October, 1973, war attempted to separate the Middle East problem into individual and therefore manageable segments. This approach led to disengagement-of-forces agreements between Egypt and Israel in January, 1974, and subsequently, that May, between Syria and Israel. The U. S. resumed its step-by-step efforts at the request of both Egypt and Israel, producing the highly acclaimed interim Sinai agreement, signed in Geneva on Sept. 4, 1975.

The peace proposal, which called upon the United States to send 200 civilian technicians to the Mitla and Gidda Passes to operate three watch stations and oversee operations of Egyptian and Israeli surveillance stations, was supported by the House Republican Policy Committee.

"Instability in the Middle East threatens vital U. S. interest in several ways," stated House GOP leaders. "Upheaval in this center of oil production jeopardizes the economy of industrialized and developing nations, strains U. S. relations with our allies in Europe and Japan, increases the prospect of direct U. S.-Soviet confrontation and endangers the survival and security of Israel and the Arab nations."

Policy questions likely to arise in negotiations in Geneva later this year center upon: (1) secure and recognized boundaries (2) recognition of Israel's sovereign existence (3) a just settlement of the legitimate rights of the Palestinians (4) the status of Jerusalem (5) Soviet support for a durable peace settlement (6) arms control and (7) international guarantees.

The worsening explosion in Lebanon has been perhaps an even greater worry than Israel to area experts during the 94th Congress. Following the assassination of U. S. Ambassador Francis Meloy and Economic Counselor Robert Waring on June 16, 1976, the U. S. evacuated 263 Americans and Europeans from the war-torn country. The State Department announced several days later it would support the French proposal to send a peace-keeping force into Lebanon and to host a peace conference to end the Lebanese civil strife.

Approximately $5.9 billion have been authorized by the 94th Congress for area military assistance and credit sales for FY 77. Direct economic assistance for Egypt, Israel, Jordan and Syria has a projected FY 77 appropriation of $1.585 billion.

MINORITIES

The Bureau of the Census designates foreign stock, or ethnic minorities, as those who were born abroad and their first-generation offspring. As of 1972, Census reported ethnic minorities as follows:

Ethnic Group	Percentage of U. S. Population
German	12.5
Irish	8.0
Spanish	4.5
Italian	4.3
French (French Canadian)	2.6
Russian (Jewish)	2.5
Polish	2.5

Some 40 Indian tribes, comprising .004 percent of the U. S. population (including Eskimos and Aleuts), are officially classified as indigenous Americans. According to the 1970 Census, there are now 791,839 Indians speaking 250 different languages in the United States -- 51 percent more than were counted in 1960. Since the tribes are so scattered and diffuse, data gathering has been difficult. No surveys, consequently, have been made on Indian voter turnout, but in Menominne County, Wisconsin, where 88.5 percent of the population is Indian, tallies have been recorded. In 1972 only 19.5 percent of the eligible 5,000 Indians voted in the Presidential election, and only 36.4 percent of those voted Republican.

The percentage of eligible ethnic minorities who voted in 1972 were listed as:

German	72.1
Italian	73.1
Irish	68.4
French	64.4
Polish	73.3
Russian (Jewish)	83.3
Spanish	39.4

NATIONAL DEBT

The U. S. public debt stood at $621 billion as of the close of business July 28, 1976, in reports made to the Joint Committee on Internal Revenue Taxation.

The legal ceiling, set by Public Law 94-334, is $636 billion through Sept. 30, 1976; $682 billion from Oct. 1, 1976, through March 31, 1977, and $700 billion from April 1, 1977, through Sept. 30, 1977.

Interest on the debt, by Administration estimate, will be $45 billion for fiscal 1977.

In their Legislative Agenda adopted in 1976, House Republicans said:

"The Budget Committees of the Congress, in conjunction with the Executive Branch, must establish spending priorities consistent with Federal revenues, with a systematic reduction of the public debt. The public debt must be restructured. Trust fund surpluses, which by statute can only be invested in Government obligations, tend to distort the real picture and should not be included in considering the over-all public debt ceiling. The present system of establishing a debt ceiling has become meaningless. The debt-ceiling increases have been manipulated and irresponsibly used as a vehicle for non-fiscal legislation. We propose that the limit of the public debt be set concurrently with the adoption of the Federal budget."

OIL

An issue fast heating up in the 94th Congress is oil industry divestiture -- whether or not the large, integrated petroleum firms should be required to divest some of their four basic operations or to sell their ownership of alternative energy sources.

The divestiture campaign was launched in the Senate last October during floor debate on a natural gas deregulation bill, S.2310. A divestiture amendment came surprisingly close to approval, losing by a 45-54 count. The effort spurred the Senate Judiciary Subcommittee on Antitrust and Monopoly, which had been looking at the industry's structure for years, into action. A divestiture bill, S.2387, whose leading sponsor is Democratic Senator Birch Bayh, was approved by the subcommittee April 1, 1976. The full committee voted to report the bill June 15.

The Bayh proposal, one of several being considered by Congress, would force the leading integrated firms to confine themselves to production, transportation, marketing or refining. After choosing which phase of the business they would stay in, the companies would then divest themselves of their other holdings. The Federal Trade Commission would enforce the legislation and a Temporary Petroleum Industry Divestiture Court would be formed to handle litigation, with appeals going directly to the Supreme Court.

Supporters of the legislation say it would return true competition to the oil business, and warn that the alternative to their "free enterprise" legislation would be further Government control. They also assert that the legislation would end the cozy relationship between the major firms and their OPEC partners, leading to lively negotiations that should drive down the world oil price.

Posted prices for Saudi Arabian light 34 gravity crude oil (F.O.B. Ras Tanura), to which other OPEC oil prices are pegged, have skyrocketed from $1.80 per barrel in 1970 to $11.51 in 1976.

Opponents, including many Republicans and the Ford Administration, say the biggest firm controls no more than a tenth of the business at any level and that the oil industry is among the least concentrated in the Nation -- adding that if this industry is to be dismembered, others will be next. They also say the OPEC levels are fixed by, and enrich, OPEC nations and not the companies; that breaking up the companies would only strengthen the hands of the producing countries because small firms would be even more at their mercy. The profits of 1974 were an aberration, they contend, and in any case, the industry needs massive capital to invest in domestic energy production.

The Ford Administration has stated its belief that the proponents of divestiture have not shown that the industry lacks competition nor that a divestiture bill would serve the public interest.

The President would presumably veto any divestiture bill that reached his desk.

OPEC

The Organization of Petroleum Exporting Countries is a loosly bound association of 12 member nations and one associate (non-voting) member designed to coordinate policy and pricing of petroleum to oil-consuming countries. The member nations are Algeria, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela. Gabon is the associate member.

Since oil makes up more than 90 percent of their exports, oil production constitutes an overriding source of national income for most OPEC nations. When industrial nations began experiencing oil shortages, OPEC nations were able to raise prices to what is now nearly 500 percent of the rate charged in 1973. The vast increases in posted price accrue primarily to government revenues in the form of taxes and royalties.

The OPEC current account surplus fell in 1975 to $41.1 billion from the $72 billion high experienced in 1974, and is projected to be slightly above $45 billion for all of 1976. Fifty percent of the aggregate surplus last year belonged to Saudi

Arabia; Kuwait and the UAE accounted for 29 percent. OPEC nations are beginning to face major problems in further expanding their import levels in the aftermath of the sharp increase since 1973, which has strained certain facilities to their limits: transportation, manpower, and increasingly, foreign exchange availabilities. The U. S. Treasury Department projects aggregate OPEC imports to grow from $37 billion in 1974 to $89 billion in 1980 and to $133 billion by 1985 (in 1974 prices). This would mean a continuous decline in the annual increase in real OPEC imports from 45 percent in 1974 and 33 percent in 1975, to an average annual increase of 16 percent annually through the end of this decade, and then to an average increase of only 8 percent from 1980 to 1985.

For a variety of programs, members of OPEC receive aid from the United States via the Foreign Assistance Act of 1964. These include the Military Assistance Program grants, credit sales, Food for Peace, the Peace Corps, and Agency for International Development assistance.

Both Congress and the Administration are in the process of reassessing the conditions under which the U. S. trades with and provides aid to OPEC nations. The Republican Research Committee predicts that Congress may take a "darker view" of future sales and aid to OPEC as a reflection of the growing feeling among some policy makers that U. S. economic and military supply intervention are exacerbating regional tensions rather than leading to stability.

Republicans maintain the long-term answer to OPEC's control over oil prices lies in the development of a sound U. S. domestic energy policy. Their beliefs are succinctly described by Assistant Secretary of the Treasury Gerald Parsky: "You do not increase investment in the energy industry by broad-brush Federal mandates for breaking up energy companies and prohibiting them from developing and competing. You do not stimulate long-run additional supplies of crude oil and natural gas by holding their prices below the competitive market level . . . Nor do you encourage investment in coal, our most abundant energy resource, by flip-flopping on environmental regulations for mining and burning it. We have got to establish rational, predictable policies so that private investors will have some idea where to put their dollars, and the requisite energy supplies can be produced. This, plus a rational policy of encouraging energy conservation in the shorter term, is the only way we can seriously hope to become independent of the OPEC oil cartel."

OSHA

The Occupational Safety and Health Act, enacted in July, 1970, is a law requiring virtually all employers to make sure their operations are free of hazards to workers. The act was adopted following an intensive, two-year lobbying campaign by the AFL-CIO and other labor union groups, and went into effect on April 28, 1971.

The Occupational Safety and Health Administration (OSHA) was created within the Department of Labor in April, 1971, to administer the act. OSHA is empowered to set standards and rules coherent with the purposes of the act, conduct inspections of sites under the act's jurisdiction, issue citations for violations of its regulations, and impose fines upon the violators. Since its creation in 1971, OSHA has adopted over 450 pages of regulations with which employers must comply.

According to U. S. News & World Report of Nov. 24, 1975, OSHA has affected 5 million firms, most Federal and State agencies, and three of every four workers in the economy since 1970.

OSHA spent $293.3 million from April, 1971, through fiscal 1975, and its costs are increasing. OSHA's budget request for fiscal 1976 was $116 million.

Yet the program's main costs are those incurred by businesses seeking to comply with OSHA regulations. According to U. S. News & World Report, OSHA's estimated cost to business was $3.12 billion for 1975 alone. Businessmen claim that little of this cost has enhanced efficiency and safety of operation. Most of the expense incurred by business has been passed on to the consumer through increased prices.

OSHA is empowered to issue charges without a grand jury indictment or legal consultation. It may conduct inspections and impose fines without giving prior notice or obtaining a search warrant. OSHA inspectors are not allowed to advise employers on compliance with regulations. Citations cannot be issued to workers for violations. Even when such violations are solely the result of worker carelessness, OSHA holds the employer accountable.

Fewer than one-third of the 900,000 charges of violations issued by OSHA through November, 1975, have withstood appeals from employers. Yet employers pay their own legal expenses even when OSHA charges against them prove to be groundless.

The Executive Branch serves as prosecutor, judge and jury in safety and health cases and controls the Occupational Safety and Health Review Commission which was created to hear OSHA appeals. U. S. News & World Report has noted that the commission often takes 7½ months to two years to rule on an employer's formal dissent to an OSHA action.

Republicans' criticism of OSHA has been extensive. Though few call for outright repeal of the act, most argue that amendments are necessary to make the act less costly and more effective.

The Occupational Safety and Health Reform Act of 1975, introduced in the House by Rep. Bill Archer of Texas on Dec. 10, 1975, with 24 Republican co-sponsors, recommended 21 changes to improve the original act of 1970. The Archer amendments were referred to committee and no hearings have been held to date.

In June, 1976, the House passed two OSHA amendments to the Labor-HEW appropriations bill for fiscal 1977. The first amendment exempted farms with 10 or less employees from OSHA regulations. The second prohibited the issuance of first-instance citations by OSHA against businesses with 10 or less employees.

Rep. Joe Skubitz of Kansas has pointed out:

"While passage of the small-farm OSHA amendment received bipartisan support, it was clearly a Republican initiative and victory."

The Senate, acting on the same bill, combined the House amendments into one, watered it down and passed it by a near-unanimous vote. The Senate amendment prohibits OSHA from issuing first-instance citations for non-serious violations against any business, and it exempts farms with five or less employees from OSHA regulation. The legislation in early August awaited final action.

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PANAMA CANAL

In 1903, the Republic of Panama signed a treaty granting the U. S., in perpetuity, the right to act "as if it were sovereign" within the 10-mile-wide, 50-mile-length known as the Panama Canal Zone. For many years Panama has considered the treaty to be heavily weighted in our favor. Following anti-U. S. riots in 1964, President Johnson, after consultation with Presidents Truman and Eisenhower, publicly announced the U. S. would begin negotiations for a new fixed-term treaty, a commitment reaffirmed by Republican Presidents Nixon and Ford.

In 1974, Secretary of State Henry Kissinger journeyed to Panama to initial a set of eight principles -- not a treaty -- which are being used as guidelines in working out the details of a new treaty. In essence, these state that Panama will grant the U. S. the rights, facilities and lands necessary to continue operating the canal, while the U. S. will return to Panama jurisdiction over its territory and arrange for the participation by Panama, over time, in the canal's operation and defense.

Since June of 1974, the negotiating teams have been laboring to nail down the exact details of the foregoing. Chief U. S. negotiator Ellsworth Bunker reports we have reached agreement with the Panamanians on three major issues thus far:

(1) During the treaty's lifetime, the U. S. will have primary responsibility for operation of the canal, but there will be growing participation by Panamanians in day-to-day operations in preparation for Panama's assumption of responsibility for canal operations at the treaty's termination.

(2) Jurisdiction over the zone will pass to Panama in a transitional fashion; the U. S. will retain the right to use areas necessary for "operation, maintenance and defense of the canal".

(3) The U. S. will have primary responsibility for defense of the canal during the life of the treaty.

Still at issue are several thorny questions: the size and location of the land and water areas needed by the U. S. for "operation and defense," and the exact duration of the new treaty.

Both Democrats and Republicans have introduced resolutions to place the 94th Congress on record against any diminution of U. S. sovereignty and control in the Canal Zone. House sentiment is considered strongly weighted -- perhaps 3 to 1 -- against a major treaty revision. S.Res. 97, a resolution for retaining both sovereign rights and jurisdiction, was introduced in the Senate last year by Sen. Strom Thurmond (R.,S.C.) with 38 Senators co-sponsoring. Since treaty ratifications require two-thirds approval in the Senate, it appears that opponents to major treaty revision have sufficient strength to oppose any pact not conforming to their views.

The House Republican Policy Committee, however, in June, 1976, opposed recent legislative attempts to amend State Department appropriation and authorization bills to prohibit use of funds for negotiating a new treaty with Panama.

"Does the U. S. own the Canal Zone?" questioned the House Republican leadership. "U. S. courts over the years have divided on this. The new treaty will answer this question, not in terms of 'giving up' the canal but by partly redefining our position there. The Republican Policy Committee believes that proceeding with negotiations and eventually concluding an equitable treaty protecting both Panamanian and U. S. interests offers the best means of assuring U. S. economic and defense objectives."

PEOPLE'S REPUBLIC OF CHINA

A Communist victory in China in 1949 and the outbreak of the Korean war in 1950 precipitated a freeze in U. S.-P.R.C. relations which was to last for 20 years. In 1969, a realistic approach to foreign policy on the part of the new Republican Administration led to a thawing of hostilities between the two countries.

President Nixon recognized, and understood, the changing international environment. As early as 1967, he stated that the U. S. couldn't afford to leave China outside the family of nations, ". . . to nurture its fantasies, cherish its hates, and threaten its neighbors." Our aim, as seen by the President, had to be to induce China to change -- both outwardly (its imperial ambitions), and inwardly (solutions of its own domestic problems). An emerging nuclear capability in China emphasized the danger that if it remained outside, without any non-proliferation treaty which might be signed, the P.R.C. would be free to scatter weapons among "liberation" forces throughout the world. As peace depends upon a stable international equilibrium, increasing attention focused on the Pacific, where the security concerns of the United States, Japan, China and the Soviet Union all intersect.

With these realities in mind, the Republican Administration began the long road toward normalization of relations with the P.R.C. In 1969, a relaxation of restrictions opened the door to China travel by U. S. citizens, and to bilateral trade. 1970 and 1971 saw the emergence of person-to-person contact as a foreign policy tool, resulting in an historic meeting between the President of the United States and the leaders of the P.R.C. From this meeting came the Shanghai Communique which outlined geopolitical aspects of our concerns, as well as the Taiwan question, and mutually beneficial ties such as trade and scientific and cultural exchanges. 1973 brought the establishment of "liaison offices" in the U. S. and the P.R.C., providing a means for conducting the day-to-day bilateral relations.

As evidenced by President Ford's visit to the P.R.C. in 1975, the present Administration reaffirms agreement with the Shanghai Communique. Adhering to the Two-China policy, President Ford maintains that the Taiwan (Formosa) question is for the Chinese people to settle by peaceful means. For our part, we have progressively reduced our forces in the Taiwan area. Trade between the U. S. and the P.R.C. continues to expand in the area of non-strategic materials such as cotton. However, as the P.R.C. increases its industrialization, export controls on different kinds of strategic materials and technology (computers, aircraft, etc.) may become an important issue.

Many obstacles remain to full normalization of relations between the U. S. and the P.R.C. Nevertheless, two Republican Administrations have successfully bridged the major gap -- that of communication.

POSTAL SERVICE

When the U. S. Postal Service was established on July 1, 1971, as an independent agency set up much like a modern corporation, its architects envisioned achieving two main goals: (1) improved mail service, and (2) operation on a break-even basis by 1984 (Congress granted the USPS an annual subsidy of $920 million through 1984).

Since July, 1971, the cost of sending a first class letter has risen from 8 cents to 13 cents -- a 62.5 percent increase -- and the Postal Rate Commission (PRC) is currently considering a USPS request to raise first class postage to 17 cents (a 112 percent increase over a five year period).

In fiscal year 1971, the last year the Post Office Department controlled the mail, the deficit was $204 million. The USPS deficit in fiscal 1972 (the first year of USPS operation) was just under $200 million. In fiscal 1973 the deficit was a modest $13 million over and above the $920 million subsidy granted by Congress. In fiscal 1974 the deficit rose to $438 million; the fiscal 1975 deficit was $989 million. Postmaster General Benjamin F. Bailar now estimates that the fiscal 1976 deficit will be nearly $1.5 billion.

Unfortunately, higher rates and higher operating costs have not improved service. Complaints about poor postal service continue to be widespread today. Problems with the postal service are one of the major areas of constituent complaints to their Congressmen.

The USPS attributes the growing deficits to inflation, including higher labor costs and higher fuel costs and a decrease in the volume of mail (total volume decreased 1 percent in fiscal 1975). Postal officials tie the decrease directly to rate hikes and long delays in the rate-making process. It took 17 months for the Postal Rate Commission to approve the 1975 rate hike. Postal officials insist that much of the fiscal deficit would have been prevented had the PRC acted in a more timely manner.

The most vocal critics of the USPS are businessmen who depend on the postal system to conduct much of their business. Some Republicans favor opening first-class mail delivery to private enterprise. Rep. John Rousselot (R.,Calif.) offered an amendment in 1975 to open the delivery of first-class mail to private industry. The amendment was defeated, 68 to 319.

Commented Rousselot: "The postal monopoly on first-class mail will be eliminated because private industry cannot afford the luxury of an inefficient postal system."

PRIVACY

With the advent of computers and automated data banks, the public's fears of a premature arrival of "1984" began to force legislators to enact laws to protect citizens from secret personnel files and the indiscreet proliferation of such files.

Prior to 1974, some one and one-quarter billion separate records on American residents were stored in Federal data banks.

Justices Warren and Brandeis, while considering the exclusion of the press from family and social matters, first described privacy as a "right to be let alone".

Beginning in 1970 with the Fair Credit Reporting Act which regulates consumer reports on bill-paying habits, the Congress and Republican Presidents have cooperated to enact several protection-of-privacy bills:

The Crime Control Act of 1973; the Family Educational Rights and Privacy Act of 1974, which opened school records to parents and was, in March of 1976, amended to allow students access to their own files; the Privacy Act of 1974, which established the Privacy Protection Study Commission and will explore the problems of privacy protection in the Federal as well as the private sector.

One House bill, H.R. 1984 (Reps. Goldwater, Koch) extends the Privacy Act to the private sector. Though not yet enacted, its originators indicate that it has already stimulated debate and investigations into private business areas.

Also pending Congressional action are: H.R. 2572, amending the Communications Act of 1934 to prohibit the making of unsolicited commercial telephone calls; H.R. 721 which would prohibit Federal agencies from furnishing mailing lists to the public; H.R. 214, 616, 8306, 8806 and S. 199 and S. 2134, essentially designed to provide for restrictions on government agencies in inspecting tax returns.

As regards the latter series of bills, the Supreme Court in June ruled that in some investigations, law enforcement agencies may use bank and personal records to establish a basis for prosecution.

REFUGEE ASSISTANCE

Throughout its 200 years, the United States has been a refuge for victims of persecution and intolerance. Each new tyrant produced a new wave of immigrants who crossed the oceans to find a place where they could begin new lives. The torch of the Statue of Liberty has for generations symbolized the land of hope and opportunity for all who are oppressed. As it was for 50,000 Hungarian refugees and 600,000 Cubans, so it was for 150,000 Vietnamese and Cambodians who escaped the collapse of their homelands in 1975.

The Republic of Vietnam surrendered to the armed forces of North Vietnam on April 29, 1975. Two days later, the Democrat-controlled House of Representatives rejected the Vietnam Humanitarian Assistance and Evacuation Act because of an objection to a moot point on evacuation. President Ford acted quickly by sending new legislation to Congress, requesting $507 million in refugee assistance. The bill finally passed by both houses of Congress authorized $455 million under the terms of the Migration and Refugee Assistance Act of 1962.

In order to coordinate the difficult job of resettlement, in April, 1975, President Ford established the Interagency Task Force. In May, a 17-member advisory committee was established to advise the President and Federal agencies on the resettlement of the refugees. This body was specifically directed by President Ford to complete its work in one year.

The refugees were brought to camps in the Pacific for initial processing. They were then moved to reception centers in the United States, located at Camp Pendleton, Calif., Indiantown Gap, Pa., Fort Chafee, Ark., and Eglin Air Force Base, Fla. The Task Force had over-all supervisory responsibility for the centers. The Defense Department provided support, security and safety. The immigration and Naturalization Service ran security checks on the refugees. The Social Security Administration issued account numbers. Medical examinations were provided by the Public Health Service.

Between April and December, 1975, more than 130,000 refugees passed through the reception centers. These included 35,000 heads of household who needed jobs and approximately 40,000 children of school age. At the centers, the new arrivals were prepared for the major adjustment from their traditional way of life to the customs of their new country. A combination of Task Force personnel, volunteers and both active and reserve military personnel taught English, screened individuals for employment, and undertook the vital process of matching refugees to American sponsors.

Education was the first priority. On June 12, 1975, the Administration announced that HEW would provide one-time-only grants to school districts serving substantial numbers of Indochinese refugee children. By Sept. 9, 1975, this program had been expanded to provide grants to States for technical assistance and leadership activities necessary to the successful implementation of the program. Assistance for adult education was announced on Oct. 22, 1975. This program emphasized speaking and the three "R's," and was funded by $5 million.

The Interagency Task Force on Indochina Refugees was an example of diverse Federal agencies working together under difficult circumstances to accomplish a common goal. The Vietnamese refugees are on their way to becoming effective, contributing members of our society.

REGULATORY REFORM

"How much are the regulators costing each one of us? First of all, they must be paid. We support the regulators, first by paying $2 billion in salaries, benefits and other services through our taxes. Then there are the hidden costs that you pay when you buy consumer goods -- from a hotdog to a car. President Ford recently put the cost of unnecessary and wasteful regulatory policies at $130 billion a year. That's an average of $2,000 a year for every family in this country. That amounts to 8 percent of our GNP! It costs more than defense, more than medical care."

Republican Rep. Jim Martin of North Carolina, in a speech in Charlotte on Sept. 15, 1975, listed the above costs, and others, that Americans are paying because of regulation by OSHA, EPA, EEOC, ICC, the Consumer Product Safety Commission and a host of other Federal agencies.

It's time to reform the regulatory agencies, he declared, but the Democrats in charge of Congress haven't gotten the message. "That's why," he noted, "the 94th

Congress has come to be known as the 'seat-belt Congress.' Sometimes to get it to move it needs a 'belt' in the 'seat'."

In response to a request by President Ford, bipartisan legislation to reduce regulation and make it more effective and cheaper was introduced in both houses. The Senate bill, S. 2812, by Republican Sen. Charles H. Percy of Illinois and Democrat Sen. Robert C. Byrd of West Virginia, was introduced Dec. 15, 1975. A duplicate measure, HR 11450, was introduced in the House by Republican Rep. John B. Anderson of Illinois and Democratic Rep. Barbara Jordan of Texas on Jan. 22, 1976. A very similar bill, HR 13793, was later introduced in the House for President Ford by Republican Leader John Rhodes.

The bills were referred to committees in both houses, and have never moved. The Democrat majority shows every sign of letting them die.

Martin noted that the Federal Register, the chief vehicle for publication of Government regulations or proposed regulations, would top 60,000 pages for 1975. He asked: "Do you want to rent a duck blind? Here are your rules. Do you want to support or contest the petition from Bud's Moving and Storage? . . . It's all here at your very fingertips! Employee conduct standards. Liberalization of the sex discrimination provisions. Marriage dates of widows and widowers of deceased veterans. Knitting machinery for ladies' seamless hosiery from Italy. Employing full-time students at subminimum wages."

The bill gives power to both Congress and the President to consolidate or merge agencies, to eliminate duplication and overlapping of functions, to foster economic competition and to carry out many other reforms.

It would operate over a five-year span, during which regulatory agencies in the following fields would be scrutinized for change:

Year one -- banking and finance.

Year two -- energy and environment.

Year three -- commerce, transportation, communications.

Year four -- food, health and safety, unfair trade practices.

Year five -- labor, housing, Government procurement, small business.

The Task Force on Regulatory Reform of the Republican Study Committee is headed by Rep. Bill Archer of Texas. It is concentrating extensively on how and why changes should be made.

REVENUE SHARING

On June 10, 1976, the House passed an extension of the Revenue Sharing Program targeting $25 billion to State and local governments from Jan. 1, 1977, through Sept. 30, 1980. President Ford had requested $39.8 billion through 1982.

The measure passed by the House retains the 1972 formula providing the 1/3-2/3 split of the annual $6.5 billion between State and local governments.

The General Revenue Sharing Program has provided approximately $22 billion to 38,000 State and local governments. Revenue-sharing funds supply an average of 5 percent of local government and 2 percent of State government expenditures. The revenue-sharing program accounts for about 12 percent of total Federal assistance to State and local governments.

1974 reports indicate that States spent their allocations primarily for education (52 percent) with lesser amounts for public transportation (8 percent), health (8 percent), government administration (7 percent) and social services (7 percent).

Local governments reported significant spending for police and fire protection (36 percent) with monies also spent for capital expenditures (11 percent), environmental protection (11 percent), health (7 percent) and recreation (7 percent).

Generally, revenue-sharing funds were used to cut taxes or to prevent moderate tax increases. Local governments used 2/3 and States 4/5 of their respective allocations as a substitute for local money, rather than for new projects.

The revenue-sharing formulas were designed to pay proportionately larger benefits to States and localities with the greatest need. The program also allows small and middle-sized governments less able to compete successfully for Federal assistance grants to obtain a larger proportion of help.

"Republicans advocated revenue sharing in the 1960s, spearheaded the establishment of the program in the early 1970s, and continue to support its goals today," noted the House Republican Policy Committee. "Administered with fewer than 100 people and a computer, this $6 billion program sets a record for

Federal bureaucratic efficiency . . . Revenue sharing shifts funding to progressive revenue sources such as Federal income tax, away from more regressive revenue bases -- sales and property taxes. It offers citizens accountability through accessibility to their State and local officials. In this Bicentennial year, the general revenue-sharing program should be acclaimed as the centerpiece of our reaffirmation of the Federal system of government."

RHODESIAN CHROME

A late-developing issue in the 94th Congress, Rhodesian chrome is again the center of controversy on Capitol Hill. Since enactment of the Byrd Amendment in 1971, the United States has permitted the importation of Rhodesian chrome ore and ferrochrome in contravention of a United Nations sanction established in 1966. Despite State Department objections, Congress has voted several times since 1971 to maintain this legislation.

The issue dates to 1965. In that year, Prime Minister Ian Smith declared Southern Rhodesia's independence from Great Britain. Since the British felt that the white Rhodesian government had failed to make adequate provision for the political rights of the 95 percent black majority, Britain refused to recognize the Smith government and took economic measures against Rhodesia. The United Nations immediately condemned the Rhodesian declaration of independence and adopted a resolution asking all member nations to voluntarily refrain from trading with Rhodesia.

On December 16, 1966, the Security Council adopted a resolution invoking mandatory selective economic sanctions against Rhodesia. The U. S. voted in favor of the Security Council resolution; President Johnson implemented the mandatory sanctions, insofar as the U. S. was concerned, by Executive Order 11322. Further sanctions, also supported by the United States, were adopted by Security Council resolution in May of 1968, which made the embargo on commerce with Rhodesia virtually total.

The United States supported the economic embargo against Rhodesia until 1971, when Congress included, as part of a military procurement bill, Sen. Harry F. Byrd's amendment exempting Rhodesian chrome and other strategic materials from U. S. import restrictions. During the 93rd Congress the Senate voted to repeal the Byrd Amendment, but the House did not vote on the repeal. On Sept. 25, 1975, the House defeated H.R. 1287, which would have had the effect of repealing the Byrd Amendment, by a vote of 187 to 209.

Since Congress considered the repeal last fall, major political developments have altered the context of the debate surrounding this legislation. The MPLA came to power in Angola with Soviet and Cuban aid; Mozambique became independent and closed its border to Rhodesia; negotiations between Ian Smith and Rhodesian African nationalists were suspended, and guerrilla warfare against the Smith government has escalated. The Administration subsequently adopted a dual policy with respect to South Africa: firm opposition to Soviet or Cuban intervention, and new emphasis on calls for majority rule.

In support of the latter, Secretary of State Kissinger announced in April, 1976, in Lusaka, Zambia, that the U. S. will use "unrelenting" economic pressure to force Rhodesia's government to accept black majority rule. He urged Congress to repeal the Byrd Amendment as part of a new comprehensive 10-point policy toward Rhodesia.

The latest Administration initiative to repeal the Byrd legislation was both praised and condemned by members of Congress, and legislation to support the Secretary's new Africa policy (S. Res. 436 and H.J. Res. 1171) and repeal the

Byrd Amendment (S.J. Res. 191) were subsequently introduced. Arguments for maintaining the Byrd Amendment have centered on the charge that the U. S. was becoming too dependent upon the Soviet Union for high grade chrome imports, and that the U. S. ferrochrome industry had been placed at a competitive disadvantage when Rhodesian chrome was being used by other nations, in violation of the sanction, to undercut American producers.

Opponents of the Byrd Amendment insist that such agreements are not valid. The Senate Foreign Relations Committee said in a 1973 report that only 10 percent of U. S. chromite imports come from Rhodesia, and that imports from the Soviet Union have actually increased rather than decreased since passage of the Byrd Amendment. However, although chrome imports have not increased dramatically since approval of the Byrd Amendment, ferrochrome, a processed alloy and a major component of specialty steels, has been imported in much greater quantity, and has now become an important issue in the quickening debate.

RURAL AMERICA

How ya gonna keep 'em down on the farm is less of a problem than it used to be, according to the U. S. Department of Agriculture.

Quoting a study by its Economic Research Service, the Department said in a bulletin of June 30, 1976, that the growth of small towns -- or nonmetro areas -- "is quite contrary to the pattern of earlier decades." Between 1970 and 1973, it added, population of nonmetro areas grew 4.1 percent as compared with 2.9 percent in city areas, with the trend continuing.

The number of nonfarm jobs in rural areas increased by 2.5 million in the first five years of the 1970s, according to William H. Walker, Assistant Secretary of Agriculture for Rural Development.

"The relaxed and personal pace of small towns apparently is a big part of the magnetism drawing people away from the cities," declared the USDA bulletin. "Another factor may be crime." It cited FBI figures showing the chances of homes being burglarized as 2.5 times greater in urban areas than in rural communities;

car thefts, 7 times greater and the chances of being robbed, 14 times greater, except in New York City where the possibility is 49 times greater.

The number of farms in the U. S. began to decline in 1936, and the drop continued. But in recent years it has been small.

The U. S. in 1974 had 2,830,000 farms, or less than 1 percent fewer than in 1973. The drop for 1975 also was expected to be small.

Total land in farms also is declining slowly. The figure stood at 1,088 million acres in 1974, down from 1973 with a further small decline of 1.4 million acres estimated for 1975.

But the size of the average farm is going up -- also slowly. It stood at 383 acres in 1973, 384 in 1974 and 385 in 1975.

SOCIAL SECURITY

The 1976 annual report of the trustees of the Social Security trust funds shows that the Social Security program is underfinanced, even though officials estimate that at present more than one half of the country's taxpayers pay less in income taxes than they pay in Social Security taxes. To cope with the problem, the trustees recommend that prompt action be taken "by means of appropriate increases in the tax rates" to improve the near term financing. For the long-range financing problem, the trustees recommend the adoption of a specific plan to improve the predictability of future benefit levels and to reduce the long-range cost of the system.

Because the plan envisaged by the trustees -- reflected in the proposal sent to Congress on June 17, 1976 -- would take care of approximately one-half of the estimated long-range deficit, they also recommend "that the development of additional plans to strengthen the long-range financing of the old age, survivors and disability insurance program be given high priority."

As a short-term solution to the problems of the Social Security cash-benefits program, the budget for FY 1976 included the Administration's recommendation that the Social Security tax rate be increased from 5.95 percent each for employers and employees to 6.25 percent each. This proposal was considered and rejected with the first budget resolution. That budget also contained a pledge that a specific recommendation would be made for changes in the provisions which provide automatic rises in benefits on the basis of rises in the consumer price index.

An outline of the Administration's promised "decoupling proposal" was distributed at a May 24, 1976, press conference. The objective is to revise the benefit structure in a way that would assure that individual benefits be "determined solely by work experience and wage history." The proposed changes seek to stabilize the ratio of benefits to pre-retirement earnings at their present level. They would have no effect on the way cost-of-living increases are made after retirement, but would adjust the pre-retirement wages on which benefits are based "by indexing all of the worker's earnings according to the changes in average earnings levels during his working lifetime."

On June 17, 1976, the Secretary of Health, Education and Welfare sent to Congress a draft bill incorporating these ideas. The "Social Security Benefit Indexing Act" would essentially make three major changes in the way Social Security benefits are computed:

(1) Cost-of-living benefit increases would be provided only for people on the benefit roll at the time each benefit increase goes into effect.

(2) Benefits would be based on average earnings indexed according to increases in wage levels.

(3) A three-step benefit formula would be substituted for the table of benefits in present law.

States the Republican Legislative Agenda, a program prepared by GOP House members to show the basic goals of a Republican-controlled Congress:

"Controlling inflation is the most important way to insure the retirement security of American workers . . . Adequate funding that will provide benefits in constant value dollars should be assured from a self-adjusting formula of contributions by employers and employees. Unlimited outside earnings should be allowed without benefit penalties.

"All Americans deserve the opportunity to provide their own additional retirement security. The Individual Retirement Account (IRA) has extended this opportunity to an additional segment of our working force. We propose that Congress expand this Keogh-type supplemental retirement plan to make it available to all workers. Our proposal would provide tax incentives allowing workers to invest voluntarily in a private retirement fund that would supplement both Social Security and company pension plans."

SOVIET UNION

To all outward appearances, the Soviet Union in 1976 is a vastly different country than in the Cold War era that followed World War II. Western influence has been strong over the past decade, and social, scientific, economic and commercial trends have begun to show a more open and agreeable concern for worldwide acceptance as a partner in international relations.

The Russian way of life as viewed by a typical Westerner is carefully choreographed to present the image the Soviet leaders wish the rest of the world to see. The USSR is not about to compromise its basic ideological concepts in exchange for anything less than No. 1 status in the Eastern Hemisphere while also working for significant influence in the Western Hemisphere.

"Much has been accomplished" through détente, the U. S. State Department commented in January, 1976. It listed these accomplishments toward lessening of tensions:

"Berlin's potential as Europe's perennial flash-point has been substantially reduced through the Quadripartite Agreement of 1971. The United States considers strict adherence to the agreement a major test of détente.

"We and our allies successfully concluded negotiations with the Warsaw Pact and other countries in the Conference on Security and Cooperation in Europe -- a conference designed to foster East-West dialogue and cooperation.

"At the same time, NATO and the Warsaw Pact are negotiating the reduction of their forces in Central Europe.

"Many incipient crises with the Soviet Union have been contained or settled without ever reaching the point of public disagreement. On balance, the world has been freer of East-West tensions and conflict than in the 1950s and 1960s.

"A series of bilateral cooperative relations have turned the U. S.-Soviet relationship in a far more positive direction.

"We have achieved unprecedented agreements not only for arms limitation but also for measures to avoid accidental war.

"New possibilities for positive U. S.-Soviet cooperation have emerged on issues in which the globe is interdependent -- science and technology, environment, energy."

Not all attempted steps between the two great powers have worked out. The Soviets rejected the Trade Act in early 1975. Said the State Department: "The Soviet Government considered the legislation as contravening the 1972 U. S. - Soviet trade agreement (which called for the elimination of discriminatory trade restrictions) and the principle of noninterference in domestic affairs. Congress, by linking trade with a freer emigration of people, particularly Jews from the Soviet Union, failed to achieve U. S. objectives. The number of Jews allowed to leave the Soviet Union has declined and the process of détente was not furthered."

Nor has Soviet imperialism come to an end, as proven most recently by her interference in the African country of Angola.

Despite setbacks, attainment of the long-range goal of an enduring peace seems in sight -- the result of efforts of two Republican Administrations. As the State Department noted earlier this year: "What is new in the current period of relaxation of tensions is its duration, the scope of the relationship which has evolved, and the continuity and intensity of consultation which it has produced."

Henry Kissinger has been U. S. Secretary of State since Sept. 22, 1973. His name is indelibly linked with lessening of tensions -- with the Soviets and the rest of the world as well.

On June 28, 1976, the Harris Survey found that on "working for peace in the world" the public gives Kissinger a positive rating by a 67 to 28 percent majority.

In the same survey, here is what Harris found in response to the question, "Should Ford remove Kissinger?":

	Favor (%)	Oppose (%)	Not Sure (%)
Republicans	22	55	23
Democrats	24	53	23
Independents	26	51	23

STRATEGIC ARMS LIMITATIONS TALKS

Phase I of the talks (SALT I) froze the force levels of the U. S. and U.S.S.R., for the period from May, 1972, through October, 1977, for two types of weapons: intercontinental ballistic missiles (ICBM's) and submarine-launched ballistic missiles (SLBM's). "Separate and unequal numerical ceilings slighted the United States in each case," according to a study by the Congressional Research Service (CRS), of the Library of Congress.

The second phase of discussion, SALT II, now in progress, would replace some provisions of SALT I, extend others, curb additional delivery systems and limit launchers carrying multiple independently targetable reentry vehicles (MIRV's).

"As most U. S. leaders see it," commented the CRS study, "suitable solutions also must eliminate inequities and, if possible, confine financial costs."

In their conference at Vladivostok in November, 1974, President Ford and Soviet Party Chief Brezhnev arrived "in principle" at several agreements. Give-and-take at lower levels has continued since that time.

The conferees in the summit session at Vladivostok set the following framework for SALT II:

-- Identical ceilings would be set for the two nations on strategic nuclear delivery systems (aircraft and missiles) of 2,400 each.

-- Identical ceilings of 1,320 launchers would be set for each side for MIRV's.

-- There would be freedom to mix ICBM's, SLBM's, heavy bombers and air-launched ballistic missiles (ALBM's) within the over-all ceiling on launchers, except that there could be no new silos or other fixed-site launchers for ICBM's; no light ICBM's could be converted to heavies, and certain systems are excluded.

Despite drawn-out negotiations, a number of contentious issues remain. They include:

-- How to define what is a "heavy" ICBM.

-- How can MIRV's be counted reliably?

-- Status of the Soviet Backfire bomber. The modern Backfire B can carry a payload $2\frac{1}{2}$ times that of the U. S. FB-111.

-- The status of cruise missiles.

-- The status of land-mobile ICBM's.

The SALT I interim agreement was approved by Congress as Public Law 92-448, on Sept. 30, 1972. The law stipulated that the accords reached in SALT II must "not limit the United States to levels (lower than those) . . . provided for the Soviet Union."

The CRS study commented as to any second agreement: "This country will profit from some tradeoffs and lose when it comes to others. The quest is for mutually acceptable agreements that serve crucial and long-term U. S. interests. In the final analysis, therefore, two questions face the Congress:

-- "Are proposed SALT II accords better than none at all?

-- "If not, are any attractive options open?"

STRIP MINING

Coal accounts for 90 percent of all the fossil fuel resources in the United States. Half of the 600 million tons of coal produced annually in this country is mined by the controversial strip-mining method. There are two types of surface mining: the area strip method, used on flat terrain, and the contour strip method, for rolling or hilly ground.

Strip mining was first used in the U. S. during the early years of the twentieth century, but did not become a significant form of mining until the early 1960s. Although 50 percent of the coal currently being mined is brought to the surface by the strip method, it is estimated that only 5 percent of the 3 trillion tons of coal reserves in the United States is close enough to the surface to lend itself to surface mining.

Roughly 40 percent of coal deposits are located on land where the Government owns the mineral rights. Included in that 40 percent is 85 percent of the environmentally desirable low sulphur coal.

Compared to underground mining methods, surface mining offers three distinct advantages: (1) safer working conditions, (2) a more complete recovery of the coal deposit (90 percent recovery by area strip method compared to 55 percent from underground mining), and (3) cheaper production costs (currently \$5.28 per ton for stripped coal versus \$8.87 per ton for underground coal).

Unfortunately, the environmental costs of surface mining are high. Approximately 1,000 acres of land are stripped weekly in the United States in the quest for coal. Environmentalists estimate that surface mining destroys outdoor recreational resources worth \$35 million annually. Water supplies are polluted from acid drainage, farm lands are adversely affected, and natural beauty often eroded.

Because of energy needs and fear of rising unemployment, many House Republicans oppose new Federal surface-mining regulations at this time. The Interior Department estimates that current bills could cause coal production to drop by 48 to 141 million tons the first year.

A comprehensive surface-mining bill was vetoed after enactment by the 93rd Congress in 1974. In 1975, H.R. 25, a very similar measure, was passed, vetoed by the President, and the veto sustained in the House. The same 40,000-word, 174-page measure, with cosmetic changes and a new number (H.R. 9725), has been revived by the original sponsors and awaits committee action -- one of seven reintroductions since 1975's veto.

The House Republican Policy Committee objected to "a muscle-bound majority in Congress preparing to subvert the rules of the House to permit an election-year reconsideration of a surface-mining bill being pushed by two Presidential candidates and a House member running for the Senate."

House rules make it quite clear that the status of all bills, resolutions and reports at the end of the first session shall carry over to the second session. Without such rules, say House Republicans, Congress's time would be taken up with dilatory reconsiderations of controversial issues, and the result of action on any rejected measure would never be final until the end of any Congress.

TAX REDUCTION

Republicans have consistently voted for lower taxes. One of the ways they have done so is to vote for lower spending, thus reducing the need for revenue.

"Tax and tax, spend and spend, elect and elect," declared FDR Adviser Harry Hopkins about 40 years ago. The Democratic Party has done precisely that ever since.

The Republican Party tends to view taxes as a necessary evil to be imposed carefully to provide for people what they cannot provide for themselves, leaving the rest of their income to them.

The Democrat Party tends to view taxes as a weapon to pay for multi-billion-dollar experimentation. Their goals are often dimly perceived; their programs frequently produce low return on investment; and inflation resulting from their overspending creates a need for higher taxes to get no greater results.

"Taxes and government spending are inseparable. Only if the taxpayers' money is prudently managed can taxes be kept at reasonable levels," declared the 1972 Republican Platform.

A near-perfect example of the Republican view that taxation and spending are inextricably linked came in a vote on the House floor Dec. 4, 1975. The bill extended into 1976 the temporary tax cut earlier voted for 1975. Republicans voted against it by a margin of 111 to 32 -- not because they were against the tax cut, to which they had given majority support earlier, but because the bill did not also contain the $395-billion spending ceiling requested by President Ford. Democrats gave the bill 225 votes -- more than needed for passage -- without the ceiling, thus helping fuel the fires of inflation. No real differences between the two major parties?

TAX REFORM

Article I, Section 7 of the U. S. Constitution says: "All bills for raising revenue shall originate in the House of Representatives . . ." This provision gives the House initial jurisdiction over tax bills, and makes the committee to which they are referred, the Ways and Means Committee, a key group in getting any tax reform through Congress.

The need for more equity in the income tax system, and for simplified tax preparation, has never been more apparent than in 1976. Lack of significant action in the tax-reform field is another example of failure by the Democrat-dominated 94th Congress.

In their Legislative Agenda published in September, 1975, Republicans outlined what they would do as the majority party. They said:

"We propose that Congress begin work immediately on revision of Federal spending:

"To simplify tax preparation.

"To discourage tax evasion.

"To bring equity to the tax system.

"To provide incentives for economic growth."

The agenda also commented:

"The past four decades have seen Democrat Congresses increase the tax burden on the average working American not only through additional taxes but also with the approval of built-in inequities and loopholes. The Democrats continue to give lip service to meaningful tax reform but produce only false promises which deceive the American taxpayer. The only way to cut Federal taxes for American wage earners is to reduce total Federal expenditures. 'Tax gimmicks' are not a solution but only offer benefits to special interest groups."

TRADE REFORM

President Ford on Jan. 3, 1975, signed into law the Trade Act of 1974. It had been pending in the Congress for nearly two years before final passage on Dec. 20, 1974, and thus spans both the Nixon and Ford Administrations.

The law is the first major trade legislation to go on the books since 1962. It substantially revises U. S. trade law, is not likely to be amended during the 94th Congress.

Its major provisions include these:

Negotiating authorities are in force for five years, with staging of duty reductions over 10 years within prescribed limits.

Tariff rates above 5 percent ad valorem can be reduced 60 percent and tariffs of 5 percent ad valorem or below can be eliminated.

Primarily to harmonize duty levels with those of other countries, tariffs may be negotiated upward to whichever is greater -- 50 percent above 1934 rates or 20 percent ad valorem above existing rates.

Domestic industry is provided an easier route to obtaining temporary relief against import competition.

The President is given much more flexibility in responding to unjustifiable or unreasonable foreign trade practices. The act also tightens U. S. laws dealing with foreign dumping, subsidization of exports and unfair practices in connection with imports.

Some Latin-American nations have criticized the Generalized System of Preferences (GSP) established by Title V of the act. GSP authorizes the President to grant duty-free preferential treatment to a wide range of imports from developing countries for up to 10 years.

In response, the State Department declared in May, 1975: "The United States anticipates that GSP will initially benefit Latin America by extending duty-free treatment to as much as $1 billion worth of Latin-American exports to the United States which are now subject to duties."

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The Jackson-Vanik amendment to the trade act (by Democrat Sen. Jackson of Washington and Democrat Rep. Vanik of Ohio) sought to coerce the U.S.S.R. into free emigration of its Jewish citizens. Though enacted, it failed to achieve its goal (see page 186).

TRANSPORTATION

The overriding view of the Administration toward current transportation trends and practices is that sprawling, non-competitive systems deprive the public of economically sound, safe and efficient forms of transportation. Recognizing the need for the best transportation services at the lowest possible cost, President Ford initiated programs that broke up monopolistic practices in the railroad industry, began to eliminate antitrust immunities held by trucking firms and lessened Federal regulation of the airlines.

The Railroad Revitalization and Regulatory Reform Act of 1976, signed this February, made it possible to reorganize the financially ailing Northeast and Midwest railroads and provided for the implementation of Conrail as well as supplying assistance for improving and upgrading rail facilities. As a result of the Act, rail transport will be more efficient and competitive and thus less costly both for passengers and shippers.

The Aviation Act of 1975, not yet through Congress, is designed to increase the air charter business and provide for more airline industry control over route assignments. As with the railways act, this bill would enhance competition and improve services by reducing costs to the consumer, and would allow for a market to establish itself based on a free system of public demand for improved services without Federal intervention.

The Motor Carrier Reform Act of 1975 encourages a wider range of services and prices by encouraging competitive markets and eliminating outdated and restrictive economic regulations. House hearings on the bill are scheduled to begin in September.

While Congressional Republicans and the Administration believe that local and State governments have the responsibility to contribute to the growing financial needs of mass transportation, the Democrats have stated in their party's platform for 1977 that they will use more taxpayer's monies to subsidize nationwide transportation programs.

Republicans in the 94th have voted the opposite belief: that only through a lessening of Federal restrictions and subsidies will passenger and freight carriers be able to bring more affordable services to the public through competition.

VETERANS

About 1 person in 7 in the U. S. population is a veteran of military service. The Veterans' Administration estimates that at the end of May, 1976, there were 29,573,000 veterans in civil life. Of these, about 90 percent served during a time of war or armed conflict.

They, their spouses, dependent children and other family members make up 96 million persons, or 45 percent of the U. S. population, who are potential beneficiaries of veterans' legislation, VA noted.

VA gave out many statistics to back up its statement that the American veteran today "is better educated, more consistently employed and earning more at his job than his non-veteran counterpart."

By wars, living veterans today are:

	Number	Average Age
Spanish American War	1,000	95.5
World War I	868,000	80.3
World War II	13,386,000	55.4
Korean War	5,954,000	43.9
Vietnam War	8,034,000	28.3

Political note: The potential of the "veteran vote" is made clear by the above figures. Adding to the importance of the vote of veterans of World War II and the Korean conflict is the fact that the general age bracket 45-54 turns out to vote in higher ratio to eligibles than any other age group.

Since the first of three GI Bills became effective in 1944, some 16 million veterans have trained under VA programs, more than 6.5 million at college level. Over three decades, nearly 8.8 million veterans have taken out more than $113.3 billion in VA-guaranteed home loans. More than half the loans have been paid off. The default rate has been less than 4 in 100.

Veterans' legislation in the 94th Congress, enacted and signed into law by President Ford, has included bills to increase rates of dependency and indemnity compensation; to extend benefit entitlements to veterans who served exclusively between World War II and the Korean conflict, and to increase the maximum VA guarantee for mobile-home loans from 30 percent to 50.

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VOLUNTEER MILITARY SERVICES

An outstanding contribution to the lives and careers of young men has been made by two Republican Administrations. That contribution is the ending of the draft, in early 1973, and the conversion to an all-volunteer military force.

On Feb. 17, 1976, William K. Brehm, Assistant Secretary of Defense for Manpower and Reserve Affairs, told the House Armed Services Committee:

"The peacetime volunteer force is a reality, and it is working. No draftees have been inducted for three years, and yet the services have been able to maintain the strength of our military forces. Our experience shows that a quality peacetime force, generally representative of the over-all youth population, can be maintained on a voluntary basis.

"The enlisted force is not all black, nor is the officer corps all white, although the black enlisted proportion is above the general population level. New recruits do not come from predominantly poor families, nor from a particular segment of the country. Recruits today, as never before, see the military as an opportunity to learn and earn, and also as a way to serve their country . . .

"In FY 1975 the services enlisted 456,000 young men and women, slightly exceeding their recruiting goals. During FY 1976 they must recruit 424,000 people. In the first six months of FY 1976 the services recruited 215,400 members, or 100.3 percent of their objectives. Based on this performance, we fully expect the services to meet their recruiting objectives for the year."

Brehm testified that the percentage of volunteers entering the services who are high school graduates is higher in fiscal 1976 than it was in fiscal 1964, 1974 or 1975. He inserted the following table as to mental ability for the volunteers:

Average or Above Mental Ability

	FY 1964	FY 1974	FY 1975	FY 1976
(percent)	85	90	94	96 (July-December)

VOTER REGISTRATION

The voter-registration bill, H.R. 11552, by Rep. Wayne Hays of Ohio, is a proposal to establish a Federal system of voter registration using postcards. It first appeared in the 93rd Congress. It cleared the Senate but consideration of the bill was rejected in the House in 1974 by vote of 197 to 204. A clean bill similar to that introduced in the 93rd was reported by the House Administration Committee in January, 1976. It was referred to the Rules Committee on February 3, where, instead of clearing it, the committee adopted a motion to pass over the bill until legislation to settle the fate of the Federal Election Commission had been considered.

After a call on the House leadership by Democratic Presidential Nominee Jimmy Carter in support of the measure, it cleared the Rules Committee and was reported to the House floor in early August (dubbed "the Carter-Hays bill"). On August 9 the bill, as amended, passed the House by a vote of 239 to 147. Republicans voted against it by ratio of more than 10 to 1, with 111 against and 11 for.

Should the measure clear the Senate this year, it is very likely to be vetoed by President Ford, and the veto sustained.

The House Republican Policy Committee earlier stated its belief that the whole scheme is based on the false premise that low voter participation in the U. S. is caused by cumbersome voter registration procedures, which, if simplified, would automatically yield higher voter turnouts. Not true, say Republicans; the real reasons for voters staying at home are apathy, cynicism and alienation from the political process.

"International union bosses and Washington labor officials have made no secret of their interest in this measure," objected the Policy Committee. "Under its provision, their selective drives to register voters sympathetic to their interests would be financed by the Government rather than their own coffers. Their influence over the outcome of elections would be enhanced and the achievement of their legislative goals would be aided."

Republicans point to dozens of faults with the plan. The most serious:

-- The proposal is prohibitively expensive. Realistic projections of the official cost estimate of $50 million annually range from double to 10 times that amount.

-- The potential for fraud would be increased; thousands of ballots could be picked up by a political faction or special interest group, used for large-scale fraudulent registration which would then be voted by absentee ballot on Election Day.

-- Administrative difficulties would render the system ineffective.

WELFARE

Since 1961 the Federal cost of welfare has skyrocketed more than 10 times -- from slightly over $1 billion then to more than $11 billion now. State and local costs add to this gigantic expenditure. The Nation's output for family welfare soared by a whopping 21.4 percent last year -- largely because of the rapidly swelling ranks of jobless fathers. A record $24.8 billion was paid out in 1975 for Aid to Families with Dependent Children.

HEW reported a cumulative total of 266,000 families added to dependent-children rolls in 1975, an 8.3 percent increase, bringing the total to nearly 3.5 million families. The number of individual recipients increased by 479,000, a 4.4 percent increase, to more than 11.3 million persons. The new HEW figures showed the Nation's total public-assistance outlays had risen from $17.7 billion in 1973 to $20.4 billion in 1974 and to $24.8 billion in 1975.

The Republican Legislative Agenda declares that society has the responsibility to assist those who cannot provide for themselves. The present welfare system falls far short of this goal due to mismanagement and abuses. The Agenda calls attention to the fact that the bill for welfare is borne mainly by the American worker. To meet the responsibility to the American taxpayer and the truly needy, Congress needs to take immediate steps to reform the welfare system.

The GOP Legislative Agenda proposes Congressional action to eliminate ineligible recipients from the welfare rolls, strengthen and enforce work requirements, provide educational and vocational incentives to allow recipients to become self-supporting, and to transfer administration of the food-stamp program from the Department of Agriculture to HEW.

WESTERN EUROPE

Lessons taught twice are well learned. Those who remember the terrible costs of World War II realize how incomparably lighter are the burdens of maintaining the peace. Europeans and Americans have shouldered these burdens willingly now for more than three decades.

The Atlantic Community is a free association of free people, not a single institution. Relationships are carried forward in the North Atlantic Treaty Organization, within the European Community, between the European Community and other European and American states, and in numerous bilateral and multilateral forms. The association functions for two primary purposes -- to maintain security and promote prosperity. Diplomatic gains of the last few years have been truly remarkable:

-- Treaty on Anti-Ballistic Missile Systems reached in May, 1972, between the U. S. and the U.S.S.R. The parties agreed to forgo territorial defense against offensive missiles; the Soviets committed themselves to end the numerical growth of their offensive missile programs and agreed to a program to dismantle older missiles if the permitted number of sea-based missiles was acquired.

-- Continuing Strategic Arms Limitations Talks (SALT) and Mutual and Balanced Force Reduction (MBFR) negotiations. SALT II seeks to work out a treaty to set equal ceilings on offensive missiles and warheads on multiple independently retargetable vehicles; MBFR is working on mutual force reductions in central Europe via multilateral negotiation in which U. S. allies directly participate.

-- The Conference on Security and Cooperation in Europe (CSCE) concluded in 1975 with the signing of the Helsinki Accords by President Ford and the leaders of 34 European countries and Canada. Led to the quadripartite agreement on Berlin and a treaty between West Germany and the U.S.S.R.; secured for the first time, Soviet and East European recognition that human-rights issues are a legitimate topic of international discourse, and Soviet recognition of the principle of peaceful change of frontiers in Europe.

-- Meeting in Rambouillet, France, in November, 1975, leaders of the six largest industrialized democracies (U.S., France, West Germany, Italy, Japan, and United Kingdom) agreed to cooperate in tackling the world's current economic problems -- energy costs, inflation, recession, and unemployment. Led to meeting in Jamaica in January, 1976, where agreement was achieved on the form of a new international monetary order to replace the Bretton Woods system.

In the view of the Republican Administration, the unity of industrial democracies, as evidenced by the vitality of such institutions as the Organization for Economic Cooperation and Development, NATO, and the International Energy Administration, is one of our greatest material and moral assets.

"None of the agreements already signed or in prospect with the Soviet Union can replace the security we derive from the North Atlantic Treaty and the collective defense arrangements associated with it," writes the Ford Administration. "There is no rational alternative, in a period of general nuclear parity, to a credible conventional defense posture . . .

"Every measure of relative effort shows an improved European performance -- in the proportion Europe contributes to the North Atlantic Treaty Organization's total defense spending, in the percent of gross national product devoted to defense, in the number of men under arms, and in bilateral offset arrangements to cover balance-of-payments costs of stationing our forces in Germany. Unilateral American withdrawals would undermine European will and self-confidence, and weaken Atlantic cooperation. We need to strengthen Atlantic ties, not weaken them . . .

"There can be no durable progress in East-West relations, unless we maintain political cooperation within the Atlantic alliance. If our adversaries are permitted to play one ally off against another, the reduction of tensions becomes a tool of political warfare and not an instrument of peace."

WOMEN

Women comprise 40.4 percent of the 93 million persons in the working labor force, and 53.0 percent of the voting-age population over 18 years of age. By their own admission, women in America are a relatively contented group.

In a world-wide survey conducted by Gallup International in 1976, 9 out of 10 American women report they are at least "fairly happy" with their lives. They also overwhelmingly report they are better off than they were five years ago, and that their role in American society is changing. Of those women -- 85 percent -- who feel women are better off today, nearly half think a "great deal" of the progress achieved can be traced to the work of feminist groups.

The past few elections have demonstrated dramatic increases in the number of women candidates for Federal office. The numbers have risen from 47 in 1970 to 70 in 1972 and 113 in 1974. Though becoming more involved, they are still under-represented in elective political offices. Currently, there are 19 women in the U. S. House; none in the Senate.

As a result of the November, 1974, elections, the number of women State legislators increased in 1975 by 27 percent over those serving in 1974. There were 599 women elected to State law-making bodies, about double the number in 1969, to make up 8 percent of State legislators in 1975.

Gallup this year reported that "the time has never been better for a woman to enter politics." Fully 88 percent of Americans say they would vote for a qualified woman for Congress, while 8 in 10 say they would vote for a woman for mayor or top city official. 73 percent indicate they would support a woman Presidential candidate.

On two sensitive issues, Gallup recorded American women (1) for the Equal Rights Amendment, by 57 percent, and (2) closely divided on a proposed anti-abortion constitutional amendment, with 45 percent favoring, 49 percent opposed, and 6 percent with no opinion.

During the last two years, the Republican Administration has approved:

-- The Housing and Community Development Act, which includes an important section prohibiting discrimination on the basis of sex in housing and mortgage credit lending.

-- The Equal Credit Opportunity Act of 1974, prohibiting discrimination on the basis of sex and marital status in the granting of consumer credit.

-- The legislation permitting women to be eligible for appointment and admission to the service academies.