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REMARKS BY REP. GERALD R. FORD, R-MICH.
REPUBLICAN LEADER, U. S. HOUSE OF REPRESENTATIVES
BEFORE THE BUSINESS ROUNDTABLE
DEARBORN, MICHIGAN
TUESDAY EVENING, APRIL 3, 1973

It is my purpose to give you an informal roundup of where we stand in Congress in areas where The Business Roundtable is interested and greatly involved.

Before doing that, I want to congratulate Roger Blough, Virgil Day and all the others who were instrumental in putting together this organization. Those of us in Congress who have an understanding of your objectives are gratified by the existence of the Roundtable. We need more of this; it offers opportunity for constructive work in the years ahead.

In assessing the present session of Congress, it is well to describe where Congress is moving in relation to the 1973 elections. In the Senate, as a result of the November election, that body is tilted more to the left, by comparison with the previous two to four years. In the House, where the GOP made a net gain of thirteen, out of a total 435 seats, the election probably tilted that body slightly more to the conservative side.

Let me begin by talking about what we will have to do in the field of fiscal affairs. The first major round took place this afternoon, April 3. The President, as you know, vetoed 13 measures that would have added approximately \$11 billion in Federal spending above the \$250 billion ceiling he set. Those bills pertained to agriculture, urban areas, older Americans, and veterans -- all appealing subjects.

The majority party leadership made a basic decision, for partisan purposes, that they would force these bills through Congress and force the President to spend the money, by changing the provision that he may spend the money to "he shall" spend it. With this revision in law, it then would be up to the courts to decide whether the President had to make the expenditures that he considered unwise.

The first veto to come up for action was on the Vocational Rehabilitation Bill that would have added -- and I want to emphasize that -- would have added \$1 billion to Federal funding of vocational rehabilitation. The bill passed the Senate by a vote of 88 to 2,

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Today the Senate voted to sustain the veto, 60 to 33. I am proud of the Senate for that, though surprised by the result. This is a reaction indicative of the current mood of the American people.

In the House, the President's veto of the rural water/sewage bill will come up for action in an atmosphere of concern over the ecology. Hardly anyone wants to be against environmental progress these days.

If we can sustain three or four of the Presidential vetoes, the majority leadership's strategy of aiming for partisan gain may be ended. Then we can get down to business.

The press has tried to create the impression that if the veto of the Vocational Rehabilitation Bill was sustained, vocational rehabilitation would be ended. The fact is that while five years ago there was \$371 million in Federal funding for this purpose, it has risen to \$641 million in the current fiscal year, and \$650 million has been recommended in the President's budget for the next fiscal year. This means there has been a 75 per cent increase in five years. Any impression that there is a cutback in vocational rehabilitation support by Uncle Sam is totally erroneous. Yet the majority party wanted to add another \$1 billion over a three-year period.

In a struggle that probably will take a month to resolve, we have to sustain at least three or four vetoes, then we can get to the legislative business that has to be done.

The President has recommended a straight extension of the Economic Stabilization Act after April 30. The Senate passed a bill not in accord with the President's recommendations. I believe it could be cleaned up and made acceptable, if we had a more constructive attitude in the House Committee on Banking and Currency.

Amendments to the Stabilization Act had been offered to roll back agricultural prices to May of 1972. This passed the committee, but consternation broke out. The House as a whole rejected the Committee version. It is a totally ridiculous action. Maybe this will knock some sense into the Committee and eliminate the demagoguery.

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If the final version of renewal of the Stabilization Act is bad legislation, I am confident the President will veto it, and the existing law (extended will be) 30 to 60 days to give the House and Senate an opportunity to come up with a sensible measure.

In the labor-management field, there is no hope of major reform legislation as long as the current complexion of the House Labor and Education Committee exists. If there is one committee that is stacked against management, it is the Labor and Education Committee. While it can hold up desirable legislation, it cannot affirmatively reflect the will of the House as a whole.

We can come out with a reasonable minimum wage law.

The Interstate and Foreign Commerce Committee handles labor-management legislation pertaining to transportation. It has avoided a permanent resolution of the numerous transportation crises that have afflicted the nation in recent years. Instead of giving us permanent legislation, Congress has acted in an ad hoc way. It has approved wage settlements without any compensatory benefits to transportation management.

In 30 to 60 days, we probably will have a dispute involving the Penn Central Railroad. Congress will not pass essential legislation to avoid transportation crises until there is a public outcry for a permanent solution. And I don't think Congress is going to put up a penny for Penn Central until there is a solution to the crew size problem and abandonment of uneconomic lines.

As for consumer protection legislation, the Senate passed a bill to give unlimited authority to a Consumer Protection Agency; the House version didn't give that authority, and there was no reconciliation (in the last session of Congress).

It is my opinion that this time the House version will prevail or there will be no legislation.

We have to face the fact that this will be a highly partisan Congress. I have never seen Congress start a session with so much partisanship. It is at a peak right now. We need less partisanship and more production.

I will be glad to field any questions you may have.

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Q. On welfare payments to strikers, what is the mood of Congress?

A. More immediately, the issue is whether strikers should receive food stamps. The matter of denying food stamps to strikers lost twice on votes in the House -- the first time by 53 votes, the second time by only 19. In my judgment we're getting closer. There is a growing sentiment in the country that food stamps are not justified for strikers. There is a 50-50 chance of voting a prohibition in the House.

I do not believe in food stamps for strikers. In an annual questionnaire I send to the 160,000 ~~voters~~ ^{households} in my district, which embraces 55,000 union families, there was an 80 per cent vote against food stamps for strikers. I believe it is a political asset to take a strong stand against the use of food stamps for persons on strike.

Q. How do Congressmen regard views from constituents?

A. People who know their Congressmen have greater influence on how their representatives vote than do the people in Washington, the lobbyists. It is the guy at home who makes the impression. Plant managers can have greater impact on their representatives from the plant area than can the lobbyists in Washington. Most politicians like to know people -- particularly their constituents.

Q. Would you please comment on the likelihood and the substance of pension and health legislation.

A. There is a distinct probability that we will get pension legislation passed in the House, and probably through both houses of Congress. This is a "hot issue." Congress has to do something about vesting and portability. I think there will be some pension legislation, but whether it will be the President's plan or some other is a question. There is a growing demand in this area.

As to health insurance, we have the extremes of the Ted Kennedy program and the more moderate Administration plan. I believe there is about a 50-50 chance there will be a health plan enacted before adjournment in 1974. It probably will be closer to the administration recommendations than some of the others. There is an absolute need for something to take care of catastrophic illness, and there is no answer I know of in present private or public plans.

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Q. What is the attitude of the administration toward labor? There seems to be something like a rapprochement between the President and labor.

A. In the House Committee on Education and Labor there will be no meaningful legislation reported out, and probably none in the Senate. I think that if we could get a bill out of committee, there is substantial sentiment for reinstating the original intent of Taft-Hartley that has been badly eroded by judicial and administrative interpretations.

There may be some rapprochement between the President and some elements of labor; but I can assure you that there is none between Mr. Nixon and Leonard Woodcock.

Q. Could the Administration help change the complexion of the House Committee on Education and Labor?

A. No, that is not possible. The machinery for committee appointments is exclusively the province of Congress itself.

Q. What about the 5.5 per cent wage-price guidelines -- there seems to be a great deal of confusion over that?

A. There is a great deal of uncertainty. Over a period of the past 12 to 18 months, 5.5 per cent was a figure that could not be breached. Statistics indicate that settlements were under 5.5 per cent on the whole, though some were above that. The Cost of Living Council will, I think try to hold to 5.5 per cent, and exceptions should be fewer because catch-up settlements will not be as great a factor. I think they will try to hold to 5.5 per cent.

Q. The government obtains lots of different kinds of services. Why do we have to have a special statute regulating the wages for one of those services -- construction -- in the form of the Davis-Bacon Act?

A. Davis-Bacon was enacted on a rationale prevailing in the Depression days of the 1930's, as a way to get money into the hands of laboring people. But that is not necessarily a valid rationale for the 1970's. Even so, Congress has spread application of Davis-Bacon from projects paid for entirely by the Federal government, to projects where Federal funds make up only part of the cost. The President has authority to suspend Davis-Bacon, and some committees

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Congress is not going to repeal the Davis-Bacon Act at this time. There is not sufficient public pressure for that. One of the biggest problems that could be remedied would be to make the definition of prevailing wage areas more realistic. This is an administrative problem. But to use the Detroit construction wage level as the prevailing wage for Grand Rapids, 150 miles away, just doesn't make sense.

Q. I have read that the construction boom will continue into the 1980's. We need manpower. Is the administration deemphasizing the Office of Equal Employment Opportunity, which has tried to get minorities into the building trades?

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