

WHITE PAPER

Facts growing out of charges by
Professor John East
and
The Congressional Club

by
Morgan for Senate Committee
Marshall Woodall, Treasurer

CONTENTS

<u>CHARGES</u>	<u>PAGE</u>
[1] Voted to Slash the Defense budget by \$1 billion.	1
[2] Voted against building the vitally needed B-1 bomber.	3
[3] Voted against increasing the Defense Budget by \$1.6 billion.	7
[4] Voted for allowing unions to use forced dues for political purposes.	9
[12] Voted to allow union bosses to use \$10 million a day in forced dues for political purposes.	
[9] Voted to rig election laws in favor of unions.	
[5] Voted for free food stamps.	13
[6] Voted for the Panama Canal giveaway.	15
[7] Voted against limiting deficit spending.	17
[8] Voted to override veto of \$45 billion HEW budget.	20
[10] Voted to weaken the Hatch Act protecting federal employees from union political pressure.	21
[11] Voted to force construction contractors to hire union labor on federal projects.	23
[12] Voted against increasing the exemption for small businesses from inflationary minimum wage.	25
[13] Voted for a Federal Oil Corporation to compete with private industry.	27
[14] Voted for federally subsidized consumer cooperatives to compete with small business.	28

Contents

<u>CHARGES</u>	<u>PAGE</u>
[15] Voted against a right-to-work law for school teachers.	30
[16] Voted against cutting wasteful and politically abused CETA jobs program by \$500 million.	33
[17] Voted against limiting the power of the OSHA bureaucracy to inspect small businesses with good safety records.	35
Voted to give \$75 million to Communist Nicaragua.	36
Appendix 1. Copies of charges.	38
Appendix 2. Editorial, "Horsefeathers." Fayetteville Observer, August 10, 1980.	40
[18] Voted Against limiting deficit spending	

CHARGE: Voted to slash the defense budget by \$1 billion.

August 2, 1976. H.R. 14262.

REPLY: The harshness of this statement would tend to indicate that Senator Morgan has been weak on defense when the contrary is true. The defense budget adopted by the Senate in August 1976 was the largest defense budget in the history of the United States, and Senator Morgan voted for that budget which was \$104 billion for the fiscal year 1977.

It is true that on August 2, 1976, Senator Morgan voted for an amendment offered by Senator Eagleton to reduce the overall budget by \$1 billion (less than 1 percent of the total budget). The total budget represented a 15 percent increase if defense spending over the previous year, the largest defense spending increase since the Korean War and the largest peacetime increase in our history. It was brought out in debate that \$3 billion in the budget was "padding" or "cushion." That is, there was \$3 billion in the budget which was not allocated for specific programs, and Senator Morgan felt that this was too large a slush fund to be spent without the Congress having considered the purposes for which it was to be spent.

Nevertheless, on August 9, 1976, the \$104 billion appropriations bill was passed by the Senate with Senator Morgan's full support and vote, and, again, this defense budget was the largest in the history of the United States as of that year.

To charge that Senator Morgan is weak on defense is ludicrous in that he has been recognized by numerous military organizations and leaders of the United States Senate as one of the strongest supporters of our national defense. The Non-Commissioned Officers Association of the United States in July 1979 awarded to him at their meeting in New Orleans their annual Vanguard Award for his "outstanding contributions to the military community and especially your continually demonstrating an awareness of the defense needs of our great nation and a willingness to fight for those needs whenever and wherever the need arises." He has also been recognized by the North Carolina National Guard, the Naval Reserve Officers Association, the American Legion, the Air Force Reserve Officers Association, and the Veterans of Foreign Wars for his outstanding contributions to our military. To imply that Senator Morgan is weak on defense issues indicates a lack of awareness of one of his strongest contributions as a United States Senator.

CHARGE: Voted against building the vitally needed B-1 bomber.
July 18, 1977. H.R. 7933.

Reply: This charge is a fabrication and a distortion of the truth. Senator Morgan campaigned in 1974 on the basis of a strong national defense, specifically supporting the new long-range penetrating bomber, the B-1. Arriving in the Senate in 1975, he supported the appropriations and authorization bill to continue building the B-1 bomber during the fiscal year 1976. During the debate on these measures, Senator McGovern offered an amendment to delete the funds for the further development and procurement of the B-1 bomber. Senator Morgan opposed and voted against the amendment, and it was defeated by a vote of 57-37.

Again, in May 1976, Senator McGovern offered the same amendment to eliminate any procurement funds for the B-1 bomber. Senator Morgan again voted against the amendment, and it was defeated by a vote of 48-33.

Senator Culver in May 1976 offered an amendment to allow the newly elected President, whoever he was to be, to have until February 1, 1977, to cancel the program. Senator Morgan opposed the motion and voted against it. While the amendment passed in the Senate, it was defeated in the House.

In July 1976, the appropriations bill sent to the Senate by the House contained a provision delaying funds for the procurement of the B-1 bomber until the newly elected President had an opportunity to consider it. When the bill came to the Appropriations Committee in the Senate from the House, it contained that provision, and when the bill came to the floor of the Senate from the Appropriations Committee it contained the provision. Senator Morgan and Senator Helms both voted for the Appropriations Bill which contained the amendment allowing the incoming President, whoever he was to be, to cancel the program. It was necessary to vote for the Appropriations Bill in order to assure continued operations of our military forces.

In 1977, the President announced the cancellation of the B-1 bomber program under the authority granted to him by the Congress in the Appropriations Bill enacted in 1976, which bill Senator Helms and Senator Morgan both voted for.

After the cancellation of the B-1 bomber by the President under the bill, efforts were made in light of the President's decision to cancel the program. On July 19, 1977, Senator John Stennis, Chairman of the Armed Services Committee, offered an amendment to delete \$1.4 billion for the procurement of five prototype B-1 bombers. The amendment was sponsored by Senator John Stennis, who stated on the floor of the Senate that while he supported the B-1 bomber that he and the Committee recommended

against leaving money in the bill for planes that were not going to be used. Senator Goldwater, in his statement, acknowledged the right of the President to cancel the program, but he said that he was going to vote against the Committee proposal "to let my President know that I disapprove of his decision." Senator Goldwater said, "what bothers me is the complete reliance on the Cruise missile, when we are about five or ten years away from having a Cruise missile that will operate."

Senator Morgan shared the same concern as Senator Goldwater, but time has proven both to be wrong in that the Cruise missile has been built by two aircraft companies and tested, and the missile is now being built by Boeing Aircraft Company. The missile will fly over terrain at 400 to 500 feet above the ground and at such a speed that it is practically impossible for any radar to pick it up or for any aircraft system to shoot it down. So Senator Morgan supported the B-1 bomber continually in the United States Senate until the President had absolutely cancelled the program under authority given to him, and it appeared that the only purpose of buying five prototype bombers, which would sit on the ground unused and would be practically useless, was to bail out the airplane contractor.

The vote to delete these funds after the cancellation of the program was no Liberal versus Conservative vote. Such strong

advocates of national defense as Senator Harry F. Byrd of Virginia, Robert Byrd of West Virginia, James Eastland of Mississippi, Henry Jackson of Washington, Sam Nunn and Herman Talmadge of Georgia, and John Stennis of Mississippi voted along with Senator Morgan to delete these funds.

CHARGE: Voted against increasing the Defense Budget by \$1.6 billion. April 26, 1978. S. 80.

REPLY: The charge that Senator Morgan voted against "increasing defense budget by \$1.6 billion" tends to imply again that the Senator is weak on defense. It fails to point out that the defense budget reported out by the Armed Services Committee, on which Senator Morgan serves, was \$129.8 billion, again, the highest defense budget in history.

On April 26, 1978, the Senate considered an amendment by Senator John Tower to add \$1.6 billion (from \$129.8 to \$131.4 billion) to the defense budget resolution. This amendment pushed the budget above what President Carter asked, above the House bill, and beyond what was recommended by the authorizing and appropriations committees.

Senator Stennis, Chairman of the Armed Services Committee, argued that the lower figure, \$129.8 billion, represented "unanimity." He said, "After taking the evidence and after weighing the matter and exchanging views, consulting again with the military, with the White House, with the Budget Bureau, the Chiefs of Staff, and a number of other things, we came up with these figures that I have enumerated."

Senator Henry Bellmon, ranking Republican member of the Budget Committee, agreed with Senator Stennis, and he added that the Defense budget had grown rapidly since 1975. "In 1975

outlays were \$85.6 billion, in 1977, \$97.5 billion; in 1978, \$105.4 billion; and this year, \$116.6 billion." The new increase, without Tower's amendment, would be \$13 billion more.

Senator Tower, who introduced the amendment, argued that the \$1.6 billion in the budget authority was needed because of unspecified emergencies in Europe. The Senators who opposed it argued that the budget process was flexible enough to adjust to later developments. The Tower amendment represented a fairly common tactic during debates on defense or social programs. A Senator often proposed an increase to prove that he was more Hawkish on defense or more in favor of social programs to get favorable publicity at home.

The amendment lost 21-74. This was not a Liberal versus Conservative vote. Voting with Senator Morgan were Robert Byrd of West Virginia, James Eastland and John Stennis of Mississippi, Ernest Hollings of South Carolina, Henry Jackson of Washington, Russell Long of Louisiana, Sam Nunn and Herman Talmadge of Georgia, and Barry Goldwater of Arizona.

CHARGE: Voted for allowing unions to use forced dues for political purposes. August 3, 1977. S. 926.

CHARGE: Voted to allow union bosses to use \$10 million a day in forced dues for political purposes. August 3, 1977. S. 926.

CHARGE: Voted to rig election laws in favor of unions. March 18, 1976. S. 3065.

REPLY: The first charge appears on the leaflets mailed out showing the pictures of Senators Kennedy, McGovern, and Morgan as compared with Senator Helms and Professor East. The second and third charges were mailed out by the East Committee showing the picture of Senator Morgan as compared with Senator Helms and Professor East on many issues.

The charges, along with with the rhetoric of the campaign, have consistently tried to show that Senator Morgan is a tool of the labor unions by using references to the two bills referred to. The charges are false and pure fabrications, and nowhere in the debates has the figure \$10 million a day been used nor does the law allow union bosses or anyone else to use forced union dues for political purposes.

S. 926 cited in the charges was the Campaign Act Amendments considered in August 1977. During the debate on the bill, Senator Helms introduced an amendment that would

have prohibited union dues from being used for any political purpose but made no prohibitions against corporate funds being used for such purposes.

Under current law, both unions and businesses are prohibited from contributing directly or indirectly to candidates for federal office. They may use treasury funds to organize their political action committees but may not make any contributions to the committees and may use such funds to communicate internally to the membership and shareholders about political matters. Neither unions nor corporations may go outside of their employees or members. Under the Helms amendment, only unions would be limited in their ability to use treasury funds for such purposes--not corporations. His amendment was decisively defeated through a tabeling motion on the grounds that fairness required that unions and corporations be treated exactly alike and that it would be unconstitutional to do otherwise. The bill passed the Senate by a vote of 88-1, with Senator Helms casting the only negative vote.

Such well-known conservatives as Senator James B. Allen of Alabama, Harry Byrd of Virginia, Robert Byrd of West Virginia, Dennis DeConcini of Arizona, Ernest Hollings of South Carolina, Henry Jackson of Washington, Russell Long of Louisiana, Sam Nunn of Georgia, Howard Baker of Tennessee, Henry Bellmon and Dewey Bartlett of Oklahoma, Carl Curtis of Nebraska, Robert

Dole of Kansas, Pete Domenici of New Mexico, Jake Garn of Utah, Clifford Hansen of Wyoming, Sam Hayakawa of California, and others voted as Senator Morgan voted.

The reference to rigging election laws in favor of unions (S. 3065) is simply unsubstantiated by the record. The act itself was the Federal Election Campaign Act Amendments of 1976, debated from March 18, 1976, until March 24, 1976. There were many amendments, none of which could be even remotely considered to be rigging the election laws in favor of unions or corporations. It dealt with honorariums, members of the election commission, and thresholds of amounts to be reported by unions and corporations on which Senators Morgan and Helms voted alike to table a Cranston amendment providing that a corporation or labor union need not report an expenditure of \$1,000 or less for communications to their members. Both senators voted for an amendment offered by Senator Bumpers of Arkansas as a perfecting amendment to Senator Cannon's amendment changing the threshold amount for the reporting by a corporation or labor organization of expenditures for communications to their respective members in behalf of a candidate from an expenditure of over \$1,000 to a cumulative amount of \$1,000 per candidate per election. Senators Morgan and Helms voted for the amendment. The final bill, S. 3065, passed the Senate on March 24 by a vote of 55-28, with Senator

Morgan voting for the bill. There is absolutely nothing in the bill that can be construed by any reasonable person as rigging election laws in favor of unions.

CHARGE: Voted for free food stamps.

May 24, 1977. S. 275.

REPLY: S. 275 was passed in May 1977 and was the Omnibus Farm Bill. To have opposed S. 275 would have been to oppose a major farm bill and thus threaten rural America.

During the debate on the farm bill, an effort was made by Senator Curtis to reinstate the purchase requirement that the Agriculture Committee had done away with. The Agriculture Committee, after hearings and careful study, had offered this change as part of a reform package to clean up the food stamp program. The recommendation eliminated substantial numbers of people who had received food stamps and made food stamps available to those with a much lesser income. The committee reasoned that if a person was entitled to food stamps by reason of income or lack of income then it was ridiculous and an additional administrative cost to the government to require the person to buy them. Therefore, this act was a reform package--not a liberalization. There had been tremendous overhead connected with the handling of the money, and this was eliminated by this reform.

This attempt to overturn the recommendation of the Agriculture Committee, chaired by Senator Herman Talmadge of Georgia, failed by a vote of 31-64. Senator Morgan voted with such well-known conservative Senators as Lloyd Bentsen of Texas,

Wendell Ford and Dee Huddleston of Kentucky, Ernest Hollings of South Carolina, Bennett Johnston of Louisiana, and 57 other senators.

CHARGE: Voted for the Panama Canal Giveaway.

April 18, 1978

REPLY: The rhetoric "Panama Canal giveaway" is used to imply a complete giveaway of a possession of the United States. The Panama Canal Treaty was a revision of an outdated treaty entered into in 1903, a treaty which had been recommended for revision by five Presidents of the United States--John Kennedy, Lyndon Johnson, Richard Nixon, Gerald Ford, and Jimmy Carter. It was Nixon who appointed the negotiating committee, and it was concluded during Carter's administration and was highly recommended by Presidents Nixon, Ford, and Carter. It was an exceedingly complex issue that dated back to the time when President Theodore Roosevelt obtained the right-of-way for the canal. I personally visited the Panama Canal with our CIA agents and was convinced that a revision of the treaty was just and necessary if we were to avoid continued bloodshed.

The Chief of Staff of the Armed Forces testified that he could defend the Panama Canal but because of the close proximity to Panamanian lands it would take approximately 100,000 troops to prevent it being blown up by hand grenades or other such explosive devices thrown from just outside the Canal Zone. In the interest of the continued safety and operation of the canal, upon the recommendation of five presidents and the military chiefs of the United States, I voted for the revision.

Since the treaty has been signed, commerce through the canal has more than tripled. Not a single American life has been lost, which was not true for years and years since the signing of the original treaty right on up through the 1960s. In addition, Panama was the only friend that the United States had that would take the Shah when he was located in this country in the hospital. Experts in foreign affairs recognize that it has generated goodwill and paid off for the United States. Besides Senator Morgan, other senators who voted for the treaty included Lloyd Bentsen of Texas, Robert Byrd of West Virginia, Ernest Hollings of South Carolina, Dee Huddleston of Kentucky, Henry Jackson of Washington, Russell Long of Louisiana, Sam Nunn and Herman Talmadge of Georgia, Howard Baker of Tennessee, and Sam Hayakawa of California, and many others.

CHARGE: Voted against limiting deficit spending.

March 26, 1979. H.R. 2534.

REPLY: This charge is one of the most fallacious of all charges having been made. H.R. 2534 was a House resolution to set the public debt limit. The permanent debt ceiling of the United States is established by law. Each year it is necessary to increase a debt ceiling or the line of credit of the United States to the end that current obligations may be met. Without increased borrowing power, the government would not be able to issue social security checks, pay the military, or carry out any other functions of the government.

During the debate, Senator Dole in a party line matter offered an amendment prohibiting any increase in the debt limit unless the budget was balanced in 1981. Previously the Senate had adopted the Byrd amendment to another bill requiring that the budget be balanced by 1981. Senator Long, chairman of the Finance Committee and the Senator charged primarily with the financial affairs of the Senate, agreed that everyone was concerned about deficit spending and inflation but cautioned against voting to require a balanced budget without knowing which programs would be cut or eliminated, or alternatively, how high taxes would have to be increased to allow a balanced budget.

Senator Long maintained that the actions of the Federal Reserve Board in 1930 and 1931, which in effect did what the Dole amendment would have required Congress to do, had brought on

the worst depression in history. They contended that severe depression would have occurred in 1975 if this amendment had been in effect. H.R. 2534 passed the Senate by a vote of 62-33, after the Dole amendment had been tabled. The place to decide on spending in the federal government is when each program is considered--not on debt ceilings where provisions are simply made to obtain money to carry out the functions of government.

The following is a colloquy between Senator Morgan and Senator Russell Long on setting the public debt limit. The exchange took place on June 26, 1980, and can be found in the Congressional Record of that date on page S 8419.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. MORGAN. Will the distinguished floor leader engage in a little colloquy with me so I can understand what we are doing?

Mr. LONG. I will try.

Mr. MORGAN. Is my understanding correct that the present debt ceiling limit expires on June 30?

Mr. LONG. The Senator is correct.

Mr. MORGAN. This, of course, takes care of the national debt that has accumulated over a period of 25, 30, or 40 years, does it not?

Mr. LONG. And more than that, yes.

Mr. MORGAN. What I want to know is if we do not extend this debt limit beyond June 30, will the 35 million or so people who receive social security in this country be able to get their checks for July?

Mr. LONG. They could not be paid.

Mr. MORGAN. Why could they not be paid?

Mr. LONG. Because the debt limit would revert back to the permanent debt of \$400 billion, and the Government could not borrow money to pay its debts. Therefore, there simply would not be enough cash available to pay them.

Mr. MORGAN. What the Senator is saying to me, then, is that if we do not extend the debt limit, there will not be enough money to pay, and these elderly people all across the Nation, but especially those that I am concerned about in North Carolina, will not get their social security checks in July, they will not be able to pay their rent or utility bill and will not have any money to buy groceries with from social security, is that correct?

Mr. LONG. That is correct.

Mr. MORGAN. I have a lot of farmers in my State and we have a number of farm support programs that assist the farmers in agriculture and agricultural conservation practices. But if we refuse to extend this debt limit, or if we fail to extend this debt limit, will there be any money available to pay these farmers to continue on their farming and conservation practices?

Mr. LONG. There will not be. We would not have the money available. It would be against the law to borrow any.

Mr. MORGAN. In effect, what the Senator is saying to me is that agricultural programs would come to a standstill.

Mr. LONG. They would.

Mr. MORGAN. I am very much interested in rural housing because I believe that housing is one of the greatest problems that this country has ever faced. I know that in the last 4 years the Farmers Home Administration has invested more in rural housing and development than it has in its entire history. I know that in the last 3 years more investment has been made in rural housing than there has been in three decades preceding that time. Will there be any of this Farmers Home Administration money available for the rural housing programs which are sort of my pet projects?

Mr. LONG. None will be available.

Mr. MORGAN. What about the military, the Army, will there be any money available to pay the Army?

Mr. LONG. The Army could not be paid, the Navy could not be paid, and the Air Force could not be paid.

Mr. MORGAN. In North Carolina we probably have more retired military people or as many as there are in almost any State, especially if you judge by the mail I receive on various issues, Mr. President. If we do not increase this debt ceiling will there be any money available to pay the military retirees in this country or the civil service retirees?

Mr. LONG. There would not be.

Mr. MORGAN. In the opinion of the Senator, does a vote to increase the debt ceiling indicate to the Senator that we favor unlimited deficit financing? Is that the way it is interpreted by the Senator?

Mr. LONG. No, not in my judgment. In my judgment, it is simply a matter of voting to pay the bills which have been incurred. We have done all we could to hold spending down, but when the obligations have been incurred, it is my view that we have no choice but to pay them.

Mr. MORGAN. In other words, the time to talk about deficit financing and big government spending is when we deal with these appropriation bills and spend the money?

Mr. LONG. Let me compliment the Senator for analyzing it exactly correctly.

Mr. MORGAN. Does the Senator agree with me that, as a member of the Senate, once we have engaged in debate on these appropriations bills and—whether the Senate and the Congress agree with my personal views or not—in this democratic Congress of ours, where we go by the majority rule, once Congress and the President have, according to law, incurred these obligations, as a Member of the Senate, I have a moral obligation to do whatever is necessary to pay for those obligations?

Mr. LONG. I think so. That is how I feel about it, Mr. President.

Mr. MORGAN. I thank the Senator.

CHARGE: Voted to override veto of \$45 billion HEW budget.

January 28, 1976. H.R. 8069

REPLY: Senator Morgan did vote to override President Ford's veto of the HEW appropriations bill. This bill provided programs for comprehensive manpower assistance and public service employment, occupational health and safety (OSHA), maternal and child health, emergency medical services, Public Health Service hospitals, National Institute of Health (NIH) research, alcohol, drug abuse, and mental health programs, public assistance, human development, and community services programs.

The bill was only 2.6 percent over the President's request, and it was below Congress' budget ceiling. This bill originally passed the Senate 60-18, and the veto was overridden by 70-24.

Other senators voting with Senator Morgan were Robert Byrd of West Virginia, Wendell Ford and Dee Huddleston of Kentucky, Ernest Hollings of South Carolina, Henry Jackson of Washington, Bennett Johnston and Russell Long of Louisiana, and John Sparkman of Alabama.

CHARGE: Voted to weaken the Hatch Act protecting federal employees from union political pressure.

March 11, 1976. H.R. 8617

REPLY: On March 11, 1976, the Senate passed a bill reforming the Hatch Act by a 47-32 vote. Senator Morgan voted yes. The bill was subsequently vetoed by President Ford and was never enacted into law.

During the 1974 campaign, Senator Morgan promised that he would vote for a Hatch Act "reform bill." When this came before the Senate in 1976, he fulfilled that commitment, although during Senate debate he stated that "I think these changes go far beyond what I had expected."

In 1977, after the House had passed the bill for the second time, with the support of the new President, Senator Morgan publicly switched his position on the Hatch Act. In an issue memorandum which was widely distributed throughout North Carolina, he said, "Public power should be used for the public benefit, and nothing else. An unenforceable version of the Hatch Act could have serious consequences. . . . It was passed 38 (now 41) years ago because of many proven cases of government employees being coerced into performing partisan political activities, and it would be a mistake to weaken it today."

It is important to realize that the Hatch Act was enacted in 1939 to protect federal employees and the public from

Presidential abuses of power, such as were documented in the late 1930s and subsequently took place under President Nixon. Although the same restrictions that prevent Presidential abuses of power also prevent union abuses of power, unions were not even thought about when the Act was passed.

CHARGE: Voted to force construction contractors to hire union labor on federal projects.

May 20, 1976. S. 3434.

REPLY: Apparently, Professor East is referring to the Davis-Bacon Act, which does not require the employment of union labor on federal jobs but simply provides that on federal jobs the prevailing wages in the area shall be paid to persons employed on such projects. Senator Morgan has consistently and uniformly opposed the Davis-Bacon Act on the grounds that it is unreasonable for the Congress to determine wages on any given construction job, the Congress and the various State legislatures having already dealt with minimum wage laws.

As a member of the Senate Banking Committee and the Senate Armed Forces Committee, Senator Morgan has sought constantly to get the Davis-Bacon Act repealed and will continue to do so. The amendment apparently alluded to by his opponent was offered by Senator Tower and was defeated. The amendment had been offered again and again, was dilatory, and not germane, and as a matter of fact was so devious that even Senator Harry Byrd of Virginia, the most ardent opponent of Davis-Bacon, voted against it. The amendment was defeated by a one-sided vote of 66-17 and was supported not only by Senator Morgan but by such Senators as Robert Byrd of West Virginia, Ernest Hollings

of South Carolina, Herman Talmadge of Georgia, John Stennis of Mississippi, and others. Over half of the Republicans in the United States Senate voted against Senator Tower on this amendment.

CHARGE: Voted against increasing the exemption for small businesses from inflationary minimum wage.

October 7, 1977. S. 1871.

REPLY: In 1977, under the law, small businesses with less than \$250,000 in sales volume were exempt from federal minimum wage laws, although they might be covered under state laws.

During the Senate consideration, Senator Bumpers of Arkansas offered an amendment ~~to delete the increased figure of \$325,000~~ ^{to raise it from \$275,000} and reduce it to \$275,000 ^{in 1978} for the first year and then raise it to \$325,000 in July of 1980. Senator Tower had offered an amendment to increase it to \$500,000. It was obvious that the Tower amendment had no chance of support in the House whereas the Bumpers amendment complied with House language and provided that the exemption would be increased in 1980. A majority of the Senate felt that this was the best that could be done under the circumstances. Senator Tower's attempt to table the Bumpers amendment lost by a 51-38 vote.

Those who know the legislative process realize that there are times when if a legislator is unwilling to compromise he may be unable to obtain any relief. A good example was the recently passed Mental Health Bill. The sponsors of the bill refused to compromise with Senator Morgan over Title III, a Bill of Rights for mental patients that would have overridden

state laws. In the end, Senator Morgan's amendment that protected the states carried by a 91-1 vote when his debate convinced his colleagues that the committee provision was unwise. The sponsors lost practically their entire package because they refused to compromise.

(Note: In 1977 Senator Morgan opposed the minimum wage law. He felt that the increase in the bill was higher than justified by the inflation projections and would contribute to inflation. He felt that the absence of a youth subminimum wage or youth differential was a weakness in the bill. Since that time, he has sponsored legislation that would delay the increases in the minimum wage and create a youth subminimum wage for persons 16 to 18 years old).

CHARGE: Voted for a Federal Oil Corporation to compete with private industry.

June 27, 1978. S. 419.

REPLY: This is a complete distortion of the issue. This bill set up a test project for recovering oil from shale. It was designed to test three different methods for oil extraction, with a cost up to \$600 million. The government was instructed to contract with private industry for the test. So the entire sum of money was being funneled to the private sector.

Senator Bellmon, ranking Republican on the Budget Committee, was an original sponsor of the bill. Advocates of the bill argued that private industry could not bear the cost of setting up such a plant. Senator Jackson said that only one company had taken a serious look--Atlantic Richfield--and it withdrew after seeing that \$500 million would be required. Advocates argued that the United States had to move ahead with oil shale production because the U.S. has 2 trillion barrels of oil locked up in shale. Senator Bellmon pointed out that \$600 million was a small sum when compared with the \$45 billion being paid that year for imported oil.

The bill passed by a 61-23 vote, and voting with Senator Morgan on this bill were Senators Robert Byrd of West Virginia, Wendell Ford and Dee Huddleston of Kentucky, Ernest Hollings of South Carolina, Sam Nunn and Herman Talmadge of Georgia, John Stennis of Mississippi, and Bennett Johnston of Louisiana.

CHARGE: Voted for Federally subsidized consumer cooperatives to compete with small business.

July 13, 1978. H.R. 2777.

REPLY: The Senate approved on July 13, 1978, by a vote of 60-33 a bill to establish a National Consumer Cooperative Bank to make loans to cooperatives. Eligible cooperatives were those chartered on a not-for-profit basis and which represented ultimate consumers of goods. Cooperatives may not pay dividends on voting stock, must distribute any net savings, make membership open to all consumers, and are otherwise limited in scope by the act.

Senator Morgan has long supported cooperatives when they do not compete with private industry. In the area of farming, cooperatives help rural people pool resources and make the financially impossible a reality. There are some 150 active cooperatives in North Carolina that enroll some 125,000 farmers. They vary in size and volume of business from F.C. X., Inc., which recently merged with the Central Carolina Farmers Exchange, to small community oriented groups. There are cooperatives that aid nearly every kind of farming and rural people in general-- from the Flue-Cured Tobacco Cooperative Stabilization Corporation to the North Carolina Sheep Breeders Association, from electricity cooperatives to telephone cooperatives.

Assistance from the Consumer Cooperative Bank will flow primarily to the rural areas of the country. Consumer cooperatives have helped the elderly get health insurance and the less fortunate secure cheaper food.

The Bank is established along the lines of other successful federal banking entities. It has strict limits on its loan activities. The government provided seed money for the bank, but the bank should become cooperative-owned, similar to the farm credit system. The Senate bill provided for lower funding than the House bill and provided stricter limits on the rates to be charged to cooperatives.

Among other Senators who joined Senator Morgan on this vote were Ernest Hollings of South Carolina, Herman Talmadge of Georgia, and Strom Thurmond of South Carolina.

CHARGE: Voted against a right-to-work law for school teachers.

April 30, 1979. S. 210.

REPLY: One of the cardinal conservative principles in labor law has been that each State should be able to decide for itself whether or not it wants a right-to-work law. It was this argument that prevented the Congress from prohibiting all right-to-work laws back in the 1940s in section 14b of the Taft-Hartley Act.

A second cardinal conservative principle has been that each State should have total control over its education policies, that the Federal government should not be able to tell States how to run their public schools.

Senator Morgan has always supported the state right-to-work law, and he has opposed the establishment of a separate Department of Education.

Senator Jepsen's amendment to the Education Department bill violated both of these principles by purporting to tell the States that they had to adopt certain policies (right-to-work for teachers) if they were to receive federal funds. The practical effect of this would have been to get a foot in the door concerning federal control of right-to-work laws.

The unions have always argued that Congress, not the States, should decide whether there should be right-to-work laws. By offering the amendment, Senator Jepsen would have

strengthened the unions' hand and made it more likely that Congress would choose to override North Carolina's right-to-work law. Senator Jepsen's amendment would have made it more likely that, down the road, the NEA and others would be able to tell North Carolinians how to run their schools.

The amendment was contrary to conservative principles and should never have been offered. Fortunately, it was defeated 67-24 with the help of Senator Morgan. Other senators voting against this amendment were John Stennis of Mississippi, Herman Talmadge and Sam Nunn of Georgia, Thad Cochran of Mississippi, Pete Domenici of New Mexico, Ernest Hollings of South Carolina, and Russell Long of Louisiana.

Note: See the attached newsletter, "Government Meddling" dated June 14, 1979.

GOVERNMENT MEDDLING

The Senate has approved a bill that would create a separate Department of Education.

I opposed the whole idea of setting up a new department and voted against it at every opportunity.

During the time the bill was being debated and acted upon in the Senate, an amendment was offered requiring that school systems adopt right-to-work laws, in order to be eligible for federal education funds.

I opposed the amendment, also, and my vote seems to have been misunderstood by some people, who felt that because I opposed the amendment that I was casting a vote against a right-to-work law.

It has always been my belief that a man should be able to get a job without having to join any organization and that he should be able to hold the job without any interference from anyone.

But if the federal government can pass a law that directs personnel policies be adopted by a school system, then the principle of state and local control over education has been violated. And that is one reason many Senators opposed this proposed separate department, because they felt that control of the schools should remain at the state and local level.

The Taft-Hartley Act says that each state shall decide whether it shall have a right-to-work law. North Carolina, along with many other states, has such a law and it is a good law.

But if the Congress can change Taft-Hartley by an amendment to an Education Bill, then labor unions could also override it if they could muster sufficient votes in the House and Senate.

This very amendment, even to those who support right-to-work laws in their states, was an example of what may be the worst feature of the bill to form this new department, and that is to put the federal government in charge of children's education.

It has been amply demonstrated by the Department of Energy how a newly created department can grow and grow and spend a lot of tax money.

Many are fearful that this is exactly what will happen to a separate Department of Education should the House of Representatives follow the Senate's lead and vote to create it. And there are some of us in Congress who are more interested in cutting back the federal government's powers than in adding to the bureaucracy.

So a vote against the bill was a vote to curtail the activities of the federal government in local school systems and a vote against the amendment was not a vote against right-to-work laws but to keep the government from setting policies that should be set closer to home.

CHARGE: Voted against cutting wasteful and politically abused CETA jobs program by \$500 million.

July 20, 1979. H.R. 4389.

REPLY: In July 1979, as economists began to forecast a recession, the Senate considered the Labor-HEW Appropriations Bill. During this debate on July 20, Senator Chiles offered an amendment to reduce CETA Title VI funds by \$505 million in order to further reduce countercyclical public service jobs.

The CETA program had been cut even before it reached the Senate floor. The President, in his budget, recommended that the program be cut from \$3.4 billion to \$2.2 billion, a cut of one-third. The House recommended \$1.8 billion, and the Senate HEW committee arrived at the figure of \$1.6 billion. Senator Magnuson estimated that in two years CETA jobs had been reduced from 600,000 to 200,000, and this amendment would have cut out another 100,000. The committee had recommended a decrease of 70,00 jobs instead of the amount proposed in the Chiles amendment. While Senator Morgan agreed that there had been abuses in the CETA program, he shared the view of other Senators that the committee curtailment was sharp enough, especially with the economic forecasts at that time.

When the Depression struck in 1929, one of the pathways out of hard times was in public service jobs inaugurated by President Franklin D. Roosevelt. There were abuses then also, but in the end these WPA and CCC jobs saved many a family from

starvation and allowed the man to continue as breadwinner, preserving his dignity. With economists accurately predicting that unemployment would increase drastically in 1980, and using historical precedent as his guide, Senator Morgan voted to table the Chiles amendment. The present crisis proves the wisdom of his vote. The people who today hold these public service jobs are not unemployed or drawing on the federal governemnt. The money that was spent to keep them on the job is money well spent.

There are times when a Senator must have a broader perspective than the simple urge to be penny wise and pound foolish. Some \$505 million could have been saved by adopting this amendment, but it would ultimately have cost the taxpayer more in federal spending for welfare and unemployment compensation, not to mention lost tax revenues.

Senator Morgan was joined in this 50-43 tabling vote by Senators Robert Byrd of West Virginia, Ernest Hollings of South Carolina, Dee Huddleston of Kentucky, Russell Long of Louisiana, and Donald Stewart of Alabama.

CHARGE: Voted against limiting the power of the OSHA bureaucracy to inspect small businesses with good safety records.

July 20, 1979. H.R. 4389.

REPLY: During consideration of the appropriations bill for the Department of Labor and HEW, an amendment was proposed by Senator Frank Church of Idaho to exempt "safe" small businesses from the coverage of the Occupational Safety and Health Act. Senator Morgan supported this approach and had supported it in 1978 when the same amendment was attached to a Small Business Administration bill.

In 1979 there was objection to this amendment being offered to an appropriations bill on the grounds that it was not germane. The Parliamentarian so ruled, and Senator Morgan voted to support the chair, which is generally customary. However, the Senate ignored the Parliamentarian's ruling of germaneness. When the amendment was submitted on its merits, Senator Morgan voted for the amendment. To claim that he voted against the proposal on the basis of a parliamentary vote is a distortion of the record.

In newsletters and in speeches, Senator Morgan has made it clear that he supports this small business exemption from OSHA rules. As a member of the Small Business Committee, he has worked to ease the regulatory burden on small businesses and on farms.

CHARGE: Voted to give \$75 million to communist Nicaragua.

May 19, 1980. H.R. 6081.

REPLY: Nicaragua is one of the small Central American countries with a low level of economic development. For more than forty years it was governed by the Somoza family under a repressive and exploitative regime. When the people of Nicaragua, with the active support of the Sandinistas, overthrew President Somoza, he absconded with a substantial portion of the country's wealth. There is no doubt that the Sandinistas also had external support from Cuba as well as from Moscow.

After this happened, our country was confronted with the alternative of either withdrawing completely and then letting Nicaragua become another Soviet satellite in our hemisphere, just like Cuba, or trying to salvage what we could in order to encourage a moderate and democratic form of government. Consequently, the Carter Administration requested the Congress to pass a \$75 million emergency aid package with the condition that the Sandinista Government would respect human rights, encourage early and free elections, stop further expropriations, and institute a system of judicial review in much the same way that we have in our country. We were given assurances that these were immediate objectives of the Government; as a gesture of their intentions, the Sandinistas included two conservatives in their junta: Mr. Arturo Cruz, an economist of the Interamerican

Development Bank in Washington, and Rafael Cordova, a senior member of the Conservative Party.

Now, this money was not a gift but a loan which can be terminated at any time if Nicaragua violates human rights, cooperates with international terrorist organizations, stations foreign troops on its soil, or systematically limits the freedom of speech and the press. Our State Department must report to the Congress every six months about the state of affairs in Nicaragua. Furthermore, the funds will be controlled by our Embassy representatives and must be used to purchase American originated goods or services for the benefit of the private sector.

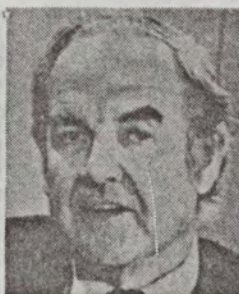
The bill, H.R. 6081, the Special Central American Assistance Act of 1979, was passed by the Senate with a clear majority of Democrats and Republicans, including Senators Domenici, Lugar, Nunn, Hollings, Zorinski, Bentsen, Baker, and Robert Byrd. This American aid, although minimal, is a calculated risk. If we are successful, then we can help preserve democracy in Nicaragua. We are stimulating their private institutions and offer them a broader spread of assistance than merely relying upon communist help. By improving the economic plight of the people, we may prevent them from turning to communism. If we should fail, we have at least tried to establish a full-fledged democratic regime although we may lose our original investment. But Senator Morgan believes that it is worth the risk rather than admitting defeat and therefore opening the door for another Russian satellite in our hemisphere.

[#268. 1075:0]

Key Issues Conservative vs. Liberal Positions



KENNEDY



MCGOVERN



MORGAN



HELMS



EAST

✓ Slash defense budget by \$1 billion.
8/2/76 (H.R. 14262)

YES

YES

YES

NO

NO

✓ Build vitally needed B-1 Bomber.
7/18/77 (H.R. 7933)

NO

NO

NO

YES

YES

✓ Increase defense budget by \$1.6 billion.
4/26/78 (S. 80)

NO

NO

NO

YES

YES

✓ Allow unions to use forced dues for
political purposes. 8/3/77 (S. 926)

YES

YES

YES

NO

NO

✓ Free food stamps. 5/24/77 (S. 275)

YES

YES

YES

NO

NO

✓ Panama Canal Giveaway. 4/18/78

YES

YES

YES

NO

NO

✓ Limit deficit spending. 3/26/79
(H.R. 2534)

NO

NO

NO

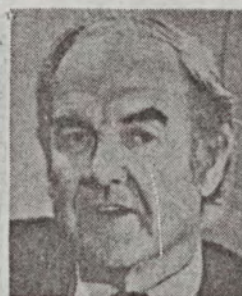
YES

YES

Key Issues Conservative vs. Liberal Positions



KENNEDY



McGOVERN



MORGAN



HELMS



EAST

✓ Slash defense budget by \$1 billion.
8/2/76 (H.R. 14262)

YES

YES

YES

NO

NO

✓ Build vitally needed B-1 Bomber.
7/18/77 (H.R. 7933)

NO

NO

NO

YES

YES

✓ Increase defense budget by \$1.6 billion.
4/26/78 (S. 80)

NO

NO

NO

YES

YES

✓ Allow unions to use forced dues for
political purposes. 8/3/77 (S. 926)

YES

YES

YES

NO

NO

✓ Free food stamps. 5/24/77 (S. 275)

YES

YES

YES

NO

NO

✓ Panama Canal Giveaway. 4/18/78

YES

YES

YES

NO

NO

✓ Limit deficit spending. 3/26/79
(H.R. 2534)

NO

NO

NO

YES

YES

Carolina CLIPPING SERVICE
1115 HILLSBORO
RALEIGH, NC 27603
TEL. (919) 833-2079

OBSERVER
FAYETTEVILLE, N. C.

AUG 10-80

199 Editorials

Horsefeathers

Republican, East Carolina University professor Dr. John East is pursuing Democrat Sen. Robert Morgan's seat in the U.S. Senate. Ideological brother of Republican Sen. Jesse Helms, Dr. East is trying to say his opponent is, of all things, a liberal.

Dr. East in his campaign literature asks for help to "defeat the big-spending liberals who support the irresponsible schemes of the big union bosses and special interest groups." How such a call to arms could rally troops in the state with the least-unionized industrial workforce in the nation is puzzling on the face of it. How one of Harnett County's favorite sons could be linked to "big union bosses" is even more perplexing. Those words might ring true enough around Philadelphia or Chicago, but they are oddly off key, sung out across and green fields of Cape Fear country row crops.

Then there follows a series of legislative examples dating back to the 1976 administration of Republican President Gerald R. Ford. The first is Sen. Morgan's vote to override Ford's veto of the \$45 billion U. S. Department of Health, Education and Welfare budget for fiscal 1977.

All campaign literature is intended to make a strong impression, so the East forces can be forgiven, after a fashion, if it didn't quite happen that way. There was a bill appropriating \$56.6 billion for HEW, the Department of Labor and related agencies. After Ford's veto, the House voted 312-93 to override. The Senate voted 67-15, so Sen. Morgan did not exactly stand alone. It was Ford's 32nd veto, but only the seventh override by the 94th Congress, a fact which seems to suggest that there was some weight of valid sentiment on the same

side with Morgan (if the votes weren't clear enough illustration.)

Then House speaker Carl Albert, D-Okla., no home of impassioned liberalism, charged that the veto "underscores his (Ford's) total lack of compassion for the most vulnerable members of our society." Belaboring Morgan for voting, in effect, with the late Rep. Albert would seem to put East in that same boat.

The list of Sen. Morgan's supposed sins runs on, leaning more heavily on references to the word "union," here and there suggesting the man is anti-small business. If this weren't enough, some photographs are also going around, shots depicting Sens. Morgan, George McGovern and Edward M. Kennedy together. Is it clear? Morgan is this state's Kennedy-McGovern.

East's effort bears a faint resemblance to flight patterns of heavier than air flying machines launched before the Wright brothers tried. Folks laughed, jeered, or just shook their heads in disbelief as various contraptions met what seemed to be their natural fates.

Anybody who has kept half an eye on Robert Morgan's political career knows that as political horseflesh goes, the comparison between Morgan and McGovern or Kennedy is horsefeathers. Workhorse once upon a time for a gubernatorial candidate with segregationist leanings, a man who labored in the traces for the defunct Speaker Ban Law, past attorney general of North Carolina, Morgan is a solid southern Democrat.

Unless birds have started flying upside down, they aren't liberal. Just leaves you shaking your head, doesn't it?