

Carolina Trace
Sanford, N. C.
December 8, 1976

Thank you very much and I apologize for being late but I was up in Washington this morning bogged down in the new bureaucracy that was created to get rid of the bureaucracy. We did have some meetings this morning with the transition people who are trying to set up the new government and it was a little difficult getting here. But I do appreciate very much the opportunity of coming down.

There's not a great deal I can tell you as to what will happen in the next Congress. It may be that after the coffee break I'll be able to enlighten you more by your questions and answers. I would like to comment just a word or two on the correspondence that Chuck was talking about because it is very important provided it is good correspondence.

I averaged during the two years that I have been in office about 2,000 letters a week. Now, that's not very many compared to what other Senators get. But, let me take a minute and break those letters down. I think Chuck has already done it but let me break those letters down into about three categories and try to tell you the ones I think that are helpful.

The first kind is what I just plain call "hate mail." Some of you remember that Senator Tom Eagleton had some treatment for depression a few years ago. Well, I can understand why. He must have tried to read all of his mail. The first week that I was in office one of the first letters started off, " Dear Senator Morgan, GD" and went on from there.

I couldn't really take it personally because I hadn't been there that long or long enough to do anything. But you know, you'd be surprised that good, good, sound businessmen who will sit down and write a vicious letter to get something off their chest.

Then the next thing you know you'll hear them saying down at the Club, well, I wrote that old SOB and told him off. Well, to be honest with you, we don't read them. I found out pretty soon that if I read those letters every morning that I'd be in such a state of mind that I couldn't adequately represent you in Washington. Now, somebody reads them in the Office and after you get through all the vicious attacks, if there is some substance to it, the substance of it will get to the Senator. But to be frankly honest with you, my life is too short, you don't pay me enough and as much as I appreciate you letting me serve in Washington, it's just not worth it to take that kind of abuse to be in the Senate.

The second kind of letters are important but not as important as the third. The second are the kind that we get in response to the letter that you get from your trade association, saying, write your Senator with regard to S. 2831. After a few of those letters, we know pretty well that it is a form letter and we also know pretty well from most of them that the person writing the letter really doesn't know what the bill is. You know they possibly will never refer to the subject of the bill. But nevertheless it does give us an indication of the kind of interest that is involved in that particular kind of legislation.

Last year I think it was that we got over 25,000 letters on gun control and all of those letters have to be answered.

This morning there was a high stack from the VFW from the veterans across the state because of the Stevenson's Committee recommendation that the veterans committee be put in as a part of a major committee and so they got a letter writing campaign there. Well, that certainly will get our attention. I promise you that.

But the third kind of letter is the letter that we need if we are going to do an effective job representing you. That's the kind of letter where you sit down either in your own handwriting or you call your secretary in right quick and dictate a letter without going through a lot of preparation. You know this is a little different from what you're taught in school or you may sit down and type it yourself and you say, 'Dear Robert.' I understand there's a bill that's either in the Senate or the House or somewhere up there I don't know where it is that has to do with my business and if what I understand is true about it, here's how I think it's going to affect my business. You can tell me more just talking to me through that letter in 15 minutes than my legislative staff can find out about that piece of legislation and how it will affect your business in two weeks in the Congressional Library. Now, those letters if you really want to help your legislator be a good or better legislator, don't hesitate to write those letters and those letters are seen and read.

There was a question, I'm not sure Bill whether it was the RESPA Bill, the Real Estate Bill - I never can remember what the S is for, oh yes, Real Estate Settlement Procedures Act which had to do with home loans, etc. I was traveling around the State in August of 1975 and I went into little Washington and you remember I'd been out of law practice since the Act came in and the Executive Secretary of the Savings and Loan came in and said, "Robert, do you know what we're having to do to close a loan?" He went through all this rigmarole well, it shocked me. So, I went back and Jack Garn and I introduced a bill to repeal it and we got it through the Senate and we got a better compromise out of the House. My argument on the floor of the Senate was taken almost verbatim from a letter that was written by an executive secretary of one of the Savings and Loans in North Carolina. He just said, "Dear Robert and he started 1, 2, 3, 4, 5." Well, that's enough about the mail.

Now, I'd like to tell you one more thing about why I appreciate being here and if I don't cover my subject now, we'll cover it after the questions.

It's time to get involved in the political process and when I say political process, I'm talking about the governmental process because that's what politics is and I'm going to tell you my favorite story which illustrates it better than anything else I can say and its a true story.

As soon as I got to Washington, I hadn't been there very long but you quickly find out that you're governed by a little card that you carry around in your pocket, that the Secretary tells you who

you're going to see and where and when. And there was two impressive names on there - The Vice-President of Babcock-Wilcox and the Vice-President of General Electric RE: Nuclear Power Plants, that's what they were going to talk about. Well of course I soon learned after I got up there that you don't call them lobbyists in Washington, you call the representatives of special interest vice presidents, it sounds more impressive. Well, we had been talking a little bit and I decided a little bit facetiously but I meant it too. I told the Vice-President of Babcock, I said, "Let me tell you something. I said if you've got anything to say to me about the affairs of your company, let me suggest that you go down to Wilmington and get a machinist in your shop there named Almond Shingleton.

Almond lives over in a little fishing village of Pender County and whenever he comes up here, if he'll come up here, I'll set here as long as Almond wants to talk to me and listen to whatever he has to say about your company. Of course, he didn't know what I meant. He said, what are you talking about? So, I said I'll tell you what I'm talking about. When I was trying to get elected to the Senate, Almond worked a full day's work in your shop every day and then he would take his pickup truck and nail my posters up on trees and telephone poles and put them in windows. Anything he could do to let people know I was running. In addition to that, he got up one morning an hour earlier than he normally did and met me at your mill gate so that we could just handout a little brochure telling the workers what my position was on various issues. Your security guard not only escorted ^{us} off the grounds but away from the gates. So, I asked him, who in the

Hell should I listen to? You or Almond?

I tell you this because I literally mean it. Now I ended up on Senator Muskie's Clean Air Committee, which was the most difficult job I ever had because it is complex law. Even the legal specialists don't understand it. But I sat there for 18 months on it, and I guess I saw the representatives from a company that has a number of plants in North Carolina more time with regard to that act than any other representatives. You know what that company did for me in that campaign - they wouldn't let me go in the offices in Charlotte to even speak to the officials. Would not let us in by the information gate.

I don't like to go through your factories. I think, Fletcher, that is bad politics. But sometimes your local managers will insist that you go through the factories for publicity purposes. But you do like to go around and say hello to the officers, because you can't tell me, labor unions or no labor unions, that the average worker is influenced by his supervisory personnel. I am glad you are having this.

Now what to expect out of the next Congress is difficult to predict, but my first statement is - let me say to you this - that no person coming out of the South, having experience as a business man, as Governor Carter has had - also having the experience as a Governor in the South where we operate with balanced budgets, no matter how liberal he may be known

as in his own State, can be very liberal on a national level. So, you can look for some pretty sound fiscal policies in my opinion coming out of Governor Carter's administration. I rather doubt that you are going to find a great deal of difference between his philosophy than the philosophy carried out by President Ford during his administration.

I think maybe the reason that President Ford is not the President-elect today is because some people in his party failed to recognize that when you are representing one congressional district, such as he did from Michigan, you can take one position because you are affecting only those people. But when he became President and had to represent the whole nation, he had to moderate his views a little bit, and some of his people couldn't take - couldn't go along with it. I don't think you are going to find a whole lot of difference between Governor Carter's views than those President Ford espoused while he was President.

Now, I know there was a great deal of concern about the Section 14-B which permits the states to have the right-to-work laws. All of you know, since 1955, my position, as long as I remember what the right-to-work law was, I have always believed very strongly in that right-to-work law.

Well, what did Governor Carter say? Governor Carter said that if the Congress passed the bill, he would sign it. But that he would not exert the prestige or the clout of the Presidency to get the Congress to pass it. But if the Congress

passed it, he would let the Congress work its will. Well, now no matter how strong you are for the right-to-work law, you might as well - you have got to remember that your influence as President depends on whether or not you are President, and I thought that was about reasonable.

Well, you say that is not what President Ford's position was. Well, I am not being critical of President Ford because I don't consider that I have ever had a closer personal friend in high office in my life than I have had in President Ford. But, he said I will sign the common situs picketing bill, which was about as detestable to business as the right-to-work law. And, I will send my Secretary of Labor down to the Congress to twist a few arms to get it passed, and that is exactly what he did. If you don't believe it, the Secretary of Labor went down and twisted arms. And, the only thing that caused the President to reconsider was the kind of response that he got from the business community. If I had to say one or the other, I'd probably say that President Ford's position was more vulnerable on that issue than is President Carter's.

I don't think you are ever going to see Section 14-B repealed in the absence of a strong hand from the Executive Branch of government. I wouldn't worry about that.

What about the economy? Nobody can predict what the is going to be. I for one do not favor a tax cut. I have never yet voted for a tax cut in the Congress, and that is

not a very popular thing to brag about. I voted for the last tax bill in the final analysis; I voted against it when it passed the Senate, and then, I voted for the compromise because I thought it did close some loopholes, and it did increase the final amount of revenue.

What are you going to do if you get a nine billion/^{dollar}tax bill cut - such as they are talking about - at least a \$50 rebate to everybody who paid taxes and those who didn't pay taxes, and maybe some to business. Well, if you paid taxes, the chances are that you have got a job, and you are buying about what you need, or going to buy anyway, so you are going to put that rebate or tax cut either on existing debts or you are going to add it to your savings account. You might get a little one time boost, like we got last year, but I don't think it is the proper thing to do.

I don't favor public works jobs as such. I would vote and have voted for public works projects that are meaningful projects. And, I introduced a bill, and, I make no bones about it, Dr. Arthur Burns suggested to me that I introduce the bill because he said that was his job during the Eisenhower Administration, I introduced a bill too late in the session to get it passed, but it takes a long time, that would authorize and require the Secretary of Commerce to keep on file plans and proposals for public works projects submitted to the Secretary of Commerce by various local governments for meaningful

projects which would be useful, but maybe not needed enough at the time to tax yourselves.

Let us say that you need a new library here in Sanford, but you are getting along with what you have got, and you don't want to raise property tax for it, but you all know that you need a new library. Well, if you had some plans far enough along and filed with the Secretary of Commerce so that library in a time when the recession hits, and your job could be let in 90 days and people could go to work, then I think that would help. That is just about the only kind of public works programs that I favor.

What I do favor is housing. The housing starts in America are at the lowest ebb that they have been since 1946. And, we are fast becoming a nation of absentee landlords, and nothing in the world could be more detrimental to American than that. If there is anything that would be more detrimental, it would be the effect of losing small businessmen which we are losing daily across the nation in several fields.

We are especially vulnerable now with small service station operators. Major oil companies, and I don't understand why, are beginning to eliminate their independent operators and begin to operate them themselves. When many of your insurance agencies, that have been the backbone of many local communities, find themselves without companies to sell insurance for, and you are soon going to find yourself buying insurance from an employee of the company, not from an independent agency.

And, when the independent farmer goes out of business - I think these are dangers.

Now the trouble with the housing program is that we can't seem to get any program that will work through HUD. You can pass all the laws you want to and when they get to HUD they stop. I think the Farmers Home Administration has almost been a catastrophe in the last few years. But, let me go back to the housing part first - I believe very strongly that it ought to be a fundamental right of every American guaranteed by our government, and we have some responsibilities in this area, to afford a person an opportunity to buy one home during his lifetime at a reasonable rate of interest. Once he has had that opportunity let him go on his own.

If you took this nine billion dollars that they are talking about putting in a tax cut, suppose you took this nine billion dollars and you allocate it, not through HUD, but through your established lending institutions, those insured by the Federal Home Loan Bank Board and your FDIC, and said all right, we will deposit with your savings and loan here in Sanford a million dollars, and all we want you to pay us is four percent interest, provided that you will make this money available in the community at six percent interest or not more than six percent, and the only requirements that we make of you is that you follow your normal loan procedures because we are going to be looking for our million dollars back, except you have got to have some guidelines as to who is going to get it, so we will say you will have to have in your files an affidavit that this

man is a first-time home owner. Now there may be other ways of doing it, and you will say further, that we will not do like the federal reserve, we will not take this money away from you without notice. If we terminate the program, we will let the program pay itself out.

Now you can go to the Home Loan Bank Board and borrow money, but you are scared to borrow it and put it out on homes because you don't know when they are going to increase the interest rate up and above what you have got it out for. I think we are going to find some interest in some kind of housing program to stimulate the economy.

My Chairman, Senator Proxmire, is determined to get at Dr. Burns and at the Federal Reserve Board and to make it a political agency which it should not be. I told Proxmire one day that he was the nearest thing to perpetual motion that I have ever seen, and he is. Everytime we come home for a recess - you know that is a good time to hold hearings because there is nothing else on TV, I look and there is my committee meeting, and no notice have I had at all where he is examining Dr. Burns again. Lo and behold, if I hadn't been in Washington this week, I wouldn't have known that we were going into the Farmers Home Administration tomorrow. There is a definite group of people up there who are determine to politicize the Federal Reserve System, and I don't think you can do it.

Sanford, North Carolina - Questions and Answers

Question: I am a CPA, and on the housing problems, one of the thoughts I had would be some sort of refundable tax credit based on a variation between a pegged interest rate of eight percent and whatever the market was at the time the individual acquired the loan. I wonder how you would react to that kind of program.

Senator Morgan: Charlie, it frankly strikes me as a little new and it might have some possibilities, and I am not a tax expert, so I guess I would just have to take that one under advisement. Senator Russell Long is the Chairman of the Finance Committee, and we spent last year about 3 months rewriting the tax act. I don't know what we did, and I doubt you know it either.

Question: As I understand it, Governor Carter seems to prefer that new jobs - and he has talked a great deal about unemployment, that new jobs come from the private sector of the economy. Do you know anything specific about what he has in mind, and what is your position about that?

Senator Morgan: I don't know specifically what he has in mind but there are a number of proposals that are available and have been talked about, and that he is considering.

One of them would be in the nature of a tax credit or either some type of incentive to private industry for each new job that they created or each new person they employed. I think if this can be worked out, and we

did talk about it during the last session, it would be preferable to the public works jobs where they rake leaves, and put them on county, city and state payrolls which in effect, in my opinion, does not create new jobs. What it does it just forces these governing bodies to lay off some workers that have proven themselves to hire some people who just do not want a job.

And, I can give you a good example of up west of Asheville, and sometimes down here, we think of Asheville as Tennessee, but there is 125 miles west of Asheville, and the Park Service and the Forest Service is heavily involved, and it takes the full-time of two members of my staff to deal with them. You know, they had a lot of good men up in the mountains who worked part-time in the Forest Service and in the Park Service and that just suited them fine because it enabled them to make their living and it also gave them a little time off. to hunt and so on. Well, when they came along with some of this public service jobs' money, they wouldn't allow them to pay those people with that money, so what they did is they just didn't hire them, they went out and hired these other people who hadn't been working and put them to work with the public service money which had really a negative effect it may not have had a negative effect on the number of jobs but it did on the amount of work they got out of them. So, I don't really know what his plans are. I am hoping

that one of the main things will be to stimulate the housing because as we talked earlier when you stimulate housing you put the brick masons, the carpenters to work, the people who make the brick, you put the furniture manufacturers to work, the transportation people, the suppliers, all the way down the line. The economy of this country, I believe, is based on the housing industry and automobile industry whether we like it or not to a very very large degree. So, I hope you will take that into consideration and if he does go public service jobs that he tries to do it through an incentive to industry.

Question: Mr. Morgan, first thing I want to tell you is that I liked this letter you sent out. We enjoy it and appreciate it and get a lot out of it. We've got several questions that you have already answered a couple of them or talked on a couple of them. Here is one here that I would like to ask you. I am a small businessman myself and most of us around my area are small businessmen although we have large businessmen too. But my question is What are we going to do when all these small businessmen are gone and we just have corporations and that sort of thing left? Can you comment on that a little bit?

Senator Morgan: My comment on your question is the main source of worry that I have about this country and I eluded to it earlier. It is fast coming about, for instance, I personally

talked with Mr. Frick, the head of the Agricultural Stabilization Committee in the Department of Agriculture now. He came over to my office one day to talk about a tobacco warehouse and we got to talking about the farm programs, and after all they are small businessmen too, but it also indicates a point. He was saying that the quicker we abolish farm programs in this country, the better off the country would be. I asked him what he meant. I said the farmer can't control the weather, he can't control foreign markets because one year we are cutting off soy bean sales to Japan and wheat sales somewhere else the next. I said, the farmer doesn't ask for support prices to make a profit, not even to break even, but just so that he will know the bottom won't fall out. His response was, well Senator, corporations are going to take over the farming in this country, and let me say to you that my opinion is the quicker the better. They can do it more effectively and more cost effectively and you know a lot of our agricultural economists would argue that. And I said well, assuming that is true what are we going to do about the hundreds of thousands of small farmers who aren't small businessmen. He said - well, they'll find something else to do. Where are they going to find something else to do, they are going to be an employee for somebody, and your small businesses are not only being driven out of business by government regulations such as

OSHA and EOC or EEOC and all of that, but let me also tell you and this is my pet peeve, if the free enterprise system is ever destroyed, mark my word it will be destroyed not by those regulations. It will be damaged, but it will be destroyed by the greed and avarice of those who are in it. If you would ask me, Robert, what significant contribution did you make in the last two years of the Congress, I would have to say to you something that many of you will immediately jump at and disagree with. And that was the anti-trust bill which I floor managed because in the absence of Senator Hart who has cancer, which authorized state Attorney Generals to bring anti-trust actions. Now, I got a heap hot letter from a Mayor of one of your towns located here taking the U. S. Chamber of Commerce line that, Oh, this is going to drive businesses out of business, it's going to cost millions of dollars of lawyers fees and court costs. The very man writing that letter is a man that the law was designed to help. He is a franchised dealer in a given product in his area. And if one of the Majors in the country decide to drive him out of business by coming in to his territory and selling, cutting or allocating, well say we are going to lose a quarter of a million dollars in his territory and selling his product cheaper than they are selling elsewhere, they could drive him out of business before he could even find the right door in Washington to go see. Anti-trust in Washington deals with nationwide. But, now he

can go to the state Attorney General. Now let me give you an example that came to me this week, the directors of the North Carolina Service Station Association people came to see me in Lillington. They brought me pictures from South Carolina to Virginia. You'll see great big billboards of Hardees World and you'll see on that Exxon and you'll see a great big sign, all cigarettes, Exxon credit cards honored. In other words, Exxon and Hardees World are big enough that they have gotten together and they have made a deal. Here in North Carolina you can buy your cigarettes on Exxon credit cards, but no other Exxon dealer up and down the highway or 95 can put cigarettes on there. And one of the men that came there said to me, he says I give you my word if this isn't exactly the last thing that happened, he said a tourist drove up to my place of business and said fill-it-up. And he said when he got to \$2.23 worth he said something about cigarettes, and he told him he couldn't put them on the credit card - he said stop. And he said he started to round it off to \$2.25 and the man said "dammit" I said stop. He said if I can't put cigarettes on my credit card here I'll go somewhere else. Well, that is certainly the act of a giant like Exxon that has a great economic concentration of power that is hurting those small businesses.

Hardees World gasoline sales have gone up 31 percent since that happened, and the small businessmen has gone down. Have you ever before in the history of this country seen a

recession and an inflation at the same time like we have it now? And the main reason for it, I am firmly convinced and of course I could be wrong, but I'm like Truman, my opinion is about as good as anybody else's cause he said that if you put all of the economists in Washington end to end they would still point in every direction, and they will, but, what happened during the last recession. Your plywood manufacturers and your wood or lumber manufacturers cut their production instead of reducing some prices. But twenty-five years ago when you could have run around here and bought some lumber at local planing mills, no, you couldn't do it.

Concentration of power and abusive power by the giants in the industry is just as dangerous as government regulations. There is nothing wrong with bigness itself as long as there is fair competition. But, if we don't salvage the small businessman we are going to find ourselves, I think, losing the real values of America.

Comment: We appreciate your feelings.

Senator Morgan: A long answer to a short question, right.

Question: That's all right, ready for another one?

Senator Morgan: You notice I am obsessed, have strong feelings in some areas and it is sort of hard to restrain myself.

Question: Senator, I am Sam St. Alban from Siler City. Recently in Chatham County, we just had a successful deer hunt. I think it's been the first time the deer season has been open

in 75 or 80 years and this, I am reminded of this. You recently touched on gun control. Some of the deer hunters are a little bit concerned. There were some remarks, that well this is the first season, we don't know how many we will have in the future. Because of the gun control issue. Would you care to comment on your position and what Governor Carter when he becomes President, how he might handle this particular issue?

Senator Morgan: My position is, I don't know of any way to control guns and keep them out of the hands of the criminals. I really don't like to cliché of the NRA, you know that only the criminals will have guns, but I am afraid that that is true.

Governor Carters position was, I think, it did call for some type of registration of guns, which I oppose. Because here again I don't think you can enforce it. On the other hand I might say that President Ford's called for a creation of a new 500 man agency to enforce gun control laws.

I think you are going to control crime by guns by making it mandatory that any man who commits any kind of crime with a gun, has to serve a prison sentence. And we also are going to control crime committed by guns and otherwise by expiditing our criminal justice system. I never have thought that it does much good to punish a man for a crime several years after he has committed it. In the first place, let me give you an example. You go home tonight and one of your youngsters at the table intentionally slaps a bowl of food off of the table because he doesn't like it. Well,

you spank him, you punish him right then because he knows what he is being punished for. But you don't say to him, I am going to punish you in a couple of weeks for this. If you did, in the first place, he would have forgotten it or either convinced himself that he didn't do anything wrong. Now this is the same case with criminals. I have defended many a one of them. At the time they commit the crime they expect some punishment, but the longer, more time to elapse, the more they have hopes of getting off and finally they become convinced in their own minds that either they didn't do it and if they did do it they were justified. And then by the time they get the punishment, if they do get the punishment, they are resentful of it. So, I think this is one of your avenues toward crime. I am against gun control.

Question: Senator, you have spoken frequently about your concern for housing funds. I think maybe you have touched on this one time before, but, financial institutions who make the funds available from deposits, infrequently we the financial industry have had to compete with the government because they have gone into and lowered the denomination of their securities to where they are attractive to consumers and do pay higher rates. Could you comment on that particular?

Senator Morgan: Well, Pat about fourteen avenues that I could take to comment on that but lets take the one on deficit spending. Because to me this is the one that affects it most.

Last year in '75 we spent about 75 Billion dollars more than we took in. Now that doesn't sound, you know, I have

gotten to the point of billion dollars doesn't sound like much. But let me tell you how much 75 billion dollars really is. If you had started on the day that Christ was born and spent a hundred thousand dollars and had spent a hundred thousand dollars every day since then, you still would not have spent as much money as we went in the hole in 1975. Now, that's the trouble.

Now, I could go on and talk about how the budget grew and how I saw President Ford present the first three hundred billion dollar budget in January of '75 and one year later present the next four hundred billion dollars and tell you that it was the Republicans who did it and not us Democrats. But that doesn't have a thing to do with it. The truth is that if you spend 75 billion dollars more money than you take in, you've got to get that money from somewhere. There is a false allusion among some people that the government can just print all the money it wants to. And it can. But if it does, you and I know it dilutes the money that you already have. So if it can't issue that much more money, then where is it going to get it? It's going out in the market and pay whatever interest rates it has to pay. To get that amount of money and that is what is drying up your money for capital investments, for corporations and businesses. It is making interest rates higher than any possible wage earner can pay to build a house, and I think that the first and best solution is to bring our spending in line with our revenues. You can issue new money each year in an amount

about equal to the growth in the gross national product. Without really diluting the amount of money that you already have. But, when you go beyond that, I am told, I am not in Congress, but Dr. Burns is my authority, so if I am wrong I'll cite him. You've done damage. So somehow or another we have got to get the message across that you cannot do everything that you want to do. Just like in government, you have to sometimes do like you do yourself. Sometimes you say you would like to have a new car but I simply cannot afford it. Now let me tell you where we are in trouble and where we need your help.

Lets take the biggest bug-a-boo down the road that I see to this country is the all volunteer military. It absolutely is going to lead us into bankruptcy, if we don't do something and it may lead us into what I believe is probably one of the most inept, incompetent military forces in the country. Now, why am I saying that? In 1957, President Ford told us one day that he was on the armed forces committee and it took only four hundred million dollars, to pay the retirement benefits of all of the military retirees and the fringe benefits. You know, health care, commissaries, and what have you.

Last year we had to take eight billion dollars out of the military budget before we could buy the first gun, in order to pay the military retirees. Well, they claim there are 36 thousand in North Carolina. I am not talking about World War 2 veterans, I am talking about retirees now and if you don't think I don't get the pressure every single day.

For instance, I thought, I always thought commissaries and basic exchanges paid their own way. I thought we said to them all right, run it but take your profit and turn it back into us. But we have been subsidizing the commissaries to about the tune of three billion dollars a year. Well, President Ford recommended that we ease that out over a six year period. I voted for that because I thought the highest paid people in the country today as a whole are the military, and also the military retirees. They say, well you know we were promised commissary privileges. Well they really weren't, but even assuming that they were, they weren't promised cost of living raises every six months that they are now getting. Well I voted against that. I got hundreds and hundreds of letters just taking me apart for it. I didn't get the first letter from a supermarket man in Fayetteville, or Washington, or Raleigh saying, you know these people who after all use our schools and our police protection, and they ought to have to trade downtown and so forth. But what I am trying to say is, we in the Congress can't do it until you people in local government and local businesses begin to take hold and say we don't want everything.

Every day, yesterday, I got a call from one of my good conservative friends saying please Robert, get us this grant for 664 thousand dollars for our town. I said, I thought you would have been the last one coming to Washington, you know, to ask for money. Well everybody else is going to get

it, we might as well get it too. Well, I can understand that arguement but some day somewhere somebody has got to take the lead in helping us. Now I grant you it is our responsibility, but we are not going to quit competing with you for money until we stop or balance the budget.

I believe Carter is going to balance that budget. But I will have to agree with him that you couldn't balance it this year or next year. Maybe the third year because if you cut out all the programs right now, I expect we would have a depression. You can't undo immediately what has taken us a number of years to get into.

Question: Senator I have an editorial that appears in the December issue of Nation Business. It is somewhat critical of Congress for its own budgetary spending last fiscal year 925 million is illustrating that the next fiscal year we will probably reach the billion dollars. The total staff of 16 thousand 500 people, now on the staff, Congressional members and the various committess of Congress, a 44 percent increase than 1970. Is that accepted?

Senator Morgan: That is the U. S. Chamber of Commerce's line and if there has ever been any hypocrisy, I think that is it. Jesse Helms had a column, and Jesse and I are personal friends. He had a cloumn last week saying, when ~~it~~ was Ministrative Assistant for Senator Smith, we didn't have but three of four aides and so forth. We also, when I was born in this country there were less than one hundred million people. Did you know, just when I was born there were less that one hundred

million people. Today there are two hundred and fifteen million people. We didn't have all of the HEW programs along with this. What your trouble, the businessmen's trouble is coming from is not what Congress does, its coming from what the bureaucrats in the agencies do because the Congress doesn't have the time to do it themselves. In other words, Congress passes the Occupational, Safety and Health Act. Which I think everybody would agree, is a broad general, good policy. If we had adequate staff, that we ourselves could analyze these things, and write the regulations ourselves, rather than sending them over to some bureaucrats, who are under civil service and who know they can't be fired and could care less what you think, then I believe this country would be better off. I think that is the most voracious argument that I hear made. And I know its that. We get two thousand letters a week. I've got to know what is going on in the SBA, I've got to know what is going on in HEW, I've got to know what is going on in every area and it seems to me that if we had the expertize so that I really knew what was going on, I could do a better job. So I make no apologies for my staff, and I will be right honest with you, I say to those people who boast that I turned in so much money last year and I didn't use, I want to ask them one or two questions. How many staff members did you have on your staff that were paid for by special interest or were you really equipped to know what you were voting on in the Legislature? Now, this is a dangerous precedent too.

A lot of industrys take the form of a foundation, and they will all chip in and they say we are going to have some Congressional thoughts. And they will then come to you and say we would like to put a Congressional fellow in your office for this whole year. Free of charge, it is not going to cost you anything. I almost bid on it, I almost took the Assistant Dean of a medical school. And then I suddenly realized, you know, how unfair that would be to the public. If the public can't afford to pay for my staff then I better not have them. I really think there ought to be a law that Ralph Naders organization can't put any fellows on Congressional Hill and that General Motors can't put any on there and the Medical Society and the Bar Association. Because you know what it is, if I had had that assistant Dean in my office advising me on Medical Affairs, my outlook might not have been any different from what it is, but on the other hand, it could have been. That's right. I really don't think, I think that the caliber of the Congressional staff is going, is what is going to lead us out of the morass of regulations. And one thing we are going to do, I believe this Congress, is we are going to say that whenever we pass a broad general law, and authorize a bureau to adopt the regulations, we are going to say that those regulations cannot go into effect until they have, the Congress has either approved them or rejected them. Now if they are going to send them back to us if we don't have the staff to look at them and examine them, then I'm not

talking about young political graduates from, you know, school, I am talking about competent staff, we will be no better off. But if we ever make that thing work, you businessmen will have a lot less burdensome regulations to deal with.

Question: Not completely audible, but it deals with OSHA.

Senator Morgan: Don't you know it would have? You ought to see the kind of reaction that we get. I mean, I'm talking about members of Congress from the second level bureaucrats. Now, you know when we get to the top of the bureau, we get some response but if it wasn't for your Senators and Congressmen being in a position to intervene between the people of this country and the bureaucrats we would have tyranny the likes of which you have never seen. And I didn't say that, Roosevelt said it in the 1930's. He said he was jealous of the right of every person to petition his elected representative to intervene on their behalf with the bureaucracy.

But I can call a civil service employee about two notches removed from the top, and he will tell me where to go just as quick as anyone because he knows I can't get to him.

Comment: Thank you Senator. Pat, have you got another question?

Question: One part of this is mine and the other is the member of the floors. Relating to price increases. Governor Carter has had a lot to say and told the news media about the jaw boning with industry, steel automobiles, and so