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a number of techniques, most of these proposals are merely variants on the compulsory arbitration theme. For no matter how many gimmicks they employ, the majority of these bills ultimately give the President authority to impose a decision on the parties.

All these proposals suffer from the basic inequity of an indiscriminate application of pressure. As Donald E. Cullen, a careful student of labor relations, once observed:

"What then is . . . [the] President to do when events force him to make a choice? If the answer is that there is some secret combination of these alternatives which is fair to all, it would seem wiser public policy to require the President to use only that combination. If instead the answer is that all possible courses of action in this area are equally unjust, then the President should by all means be given the choice of several, on the slim hope that by successful bluffing he will never have to resort to any of them. But surely it is too soon to reach the dismal conclusion that all known forms of government intervention in emergency disputes are on the same dead level of hopelessness."

In addition to these weaknesses, the multiple weapons approach also suffers from a tendency to inhibit collective bargaining. As A. H. Raskin, in his contribution to the book, *Challenges to Collective Bargaining*, expressed it:

If you give the President an infinite range of things he may or may not do in a crisis, most of the bargaining by the parties will not be with one another but with the White House on what route to choose."

A sixth option is to devise a system of civil penalties which would be levied on both sides of the dispute at some time during the injunction period in order to bring added financial pressure to bear for a settlement. Such an approach has the advantage of increasing the leverage of the public interest concept in collective bargaining while at no time giving the government the power to dictate the precise terms of the contract.

Such civil penalties could take the form of a levy against the companies based on profit, payroll, or some other index of their size and wealth, or it could embrace a combination of several such options with the largest being applied. The latter method would insure that artificially low profit figures or a small work force would not allow the company in question to avoid pressure equal to that which would be applied to the union, or unions, involved.

A civil penalty against the unions could be based on the salary of the members involved in the dispute, its treasury, some per capita assessment, or again, some combination thereof.

The use of civil penalties would avoid the requirement in seizure cases for full, fair, and just compensation, and would thus be a far more effective method of financial punishment.

While such an approach is superficially attractive and may, in the long run, have considerable promise, it nonetheless has several grave flaws. The first of which is that any formula is likely to be too rigid to meet every contingency equitably. In many cases the penalties would probably damage one party more severely than another. Therefore, the penalties might inadvertently be used to bring about the very thing they would hopefully prevent—a costly battle resulting in an uneconomic settlement.

In addition, they would be difficult to enforce because the calculation of the payment figures could prove to be quite complex and the court procedure would undoubtedly be time-consuming.

S. 3513—INTRODUCTION OF BILL TO BE KNOWN AS CZECHOSLOVAKIAN TRADE ACT OF 1968

Mr. MONDALE. Mr. President, today I introduce a bill to provide the President

with the authority necessary to negotiate a commercial agreement with Czechoslovakia. The agreement should include a provision for most-favored-nation status and an arrangement for the return of the Czechoslovak gold held by the Tripartite Gold Commission.

Two years ago President Johnson proposed the East-West Trade Relations Act of 1966. He asked for the authority to negotiate most-favored-nation agreements with Communist countries, excepting only China, North Vietnam, North Korea, Cuba, and East Germany. In his words:

With these steps, we can help gradually to create a community of interest, a community of trust, and a community of effort.

Today, the steps of seeking most-favored-nation arrangements can be of more value than ever before. Czechoslovakia is putting unprecedented emphasis on economic reform and welcoming Western investment.

Yugoslavia and Poland receive the advantages of trade under a most-favored-nation agreement; it is imperative that we grant such concessions to Czechoslovakia. The most-favored-nation clause has been extended to most of the Eastern countries by a large number of Western countries. Refusal to apply it may be regarded as an exception except in the case of the United States.

The restrictions on the President's power to negotiate most-favored-nation agreements with certain Communist countries are presently contained in section 321 of the Trade Expansion Act of 1962.

The effect of the prohibition is to prevent the extension of nondiscriminatory tariff treatment to Czechoslovakia, including the more favorable tariff rates and duty-free treatment which may have been granted by the United States to other nations since 1930 under reciprocal trade agreements legislation. When the tariff cuts of the Kennedy round go into effect, the gap between the level of new duties for most of the world and the general tariff, the prohibitively high Smoot-Hawley rates paid by Communist products, will increase. In effect, the relative increase in tariff rates will prohibit trade between Czechoslovakia—with the exceptions of Poland and Yugoslavia—and the United States.

Another step the United States could take to demonstrate our interest and sympathy for the developments in Prague would be to reduce the settlement claims our negotiators demand Prague meet before the United States releases the Czechoslovak gold held by the Tripartite Gold Commission since World War II. The \$22 million in gold originally seized by the Nazis during the occupation of Czechoslovakia has been held by the Tripartite Gold Commission, composed of representatives from Britain, France, and the United States, in Brussels since the war.

The members of the Tripartite Gold Commission acknowledge that the gold belongs to Czechoslovakia, but it has been withheld pending agreement by the Czechoslovaks to pay for seized American, British, and French property. In 1961, a draft agreement initialed at referendum by the U.S. Ambassador to Czechoslovakia and the Czech Foreign

Ministry officials set out proposals for an agreement to settle the claims at \$12 million and return the gold. Such a draft agreement is subject to change or rejection by the U.S. Government.

In 1964 a State Department review of the draft agreement found it inadequate. Pressure for this determination came from the American business claimants whose property had been seized by the Czech Government in the aftermath of World War II. The claimants with small claims were paid off with Czech funds retained in payment for a steel mill ordered from the United States and never delivered. In November of last year, the United States presented a new proposal that the Czechoslovaks, instead of paying \$12 million, should pay \$45 million, but with a credit of \$17 million for the steel mill subtracted. If the Czechoslovaks agreed to the settlement, the United States would release its claim on the \$22 million in gold. The Czechs turned the offer down on May 2.

Meanwhile, in 1963, Britain and France reached equitable settlements with Czechoslovakia. In return for a claim settlement or a deposit against an agreement, the British and the French agreed to release their holds on the gold. It now remains for the United States to reach an agreement. The changes in Czechoslovakia constitute sufficient political reasons for a modification of American demands.

Every day for the past few weeks, the newspapers have been filled with the details of changes in Czechoslovakia and suggested American responses. I ask unanimous consent that an article from the Washington Post of May 17, 1968, and an editorial from the New York Times, May 16, 1958, be inserted in the RECORD at this point in my remarks.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Post,
May 16, 1968]

CZECHS UNFLINCHING AT MOMENT OF TRUTH (By Dan Morgan)

PRAGUE, May 16.—An experienced Czechoslovak journalist sat in his apartment one evening this week reflecting on the tumultuous political situation in his country.

"This is not something we are accustomed to—being free and independent and in command of our future. We Czechs are used to being suppressed, to being threatened, to looking over our shoulders. What is happening here is very out of character."

Menaced by reports of Russian troop movements, threatened by Soviet ideologists and generals, attacked by the press of East Berlin, Warsaw and Moscow, Czechoslovakia's new leaders are still going their own way; taking a step further each day.

Last night Communist Party ideologist Josef Smrkovsky declared firmly:

"I once again state emphatically that no force, whether international or internal, can force us to digress from the path leading to a humanist, democratic, socialist state."

On Tuesday night, in a foreign broadcast on Radio Prague, commentator Irena Petrinova struck back at East German propagandists who are making a final effort to scare the Czechoslovak liberals.

She spoke of "demagogy that takes the breath away."

On Wednesday, the newspaper Lidova Democracie attacked Soviet press allegations that Thomas G. Masaryk, the first President of the republic, conspired to murder Lenin.

The paper said this was a gross falsification and an offense to the Czech nation.

Many private citizens, in and out of politics, have been angered by the Soviet attacks, not cowed by them. Czechoslovak observers note rising hostility to the Soviets.

In 1939, the Czech nation submitted without a fight to the Nazi occupation and to the infamous Reich protectorate. Today, the Czechoslovak reformers are acting not in the spirit of 1939, but of the 15th century church reformer Jan Hus.

This is the spirit in Prague at what is widely thought to be the moment of truth that is to decide whether the Czechoslovak experiment in democratic socialism is to become a turning point in socialist history, or another East European tragedy.

Four months after the young Slovak moderate Alexander Dubcek took control of the Czechoslovak Communist Party, beginnings have been made in the reforms, but nothing has been settled.

It is still unclear even if the Russians will allow the experiment to go on, although the arguments against interference are powerful. This government is committed to socialism. The Warsaw Pact has close ties with Moscow, and there is not a single progressive Communist in Prague who wants to change this.

The progressive Smrkovsky warned this week that the Communist Party "will not allow either responsibility or the possibility of seeing things through to be taken out of its hands . . . If there is anyone who wishes to make a frontal attack against the Party, then he is making a grave mistake."

Czechoslovakia is not known for excesses, but whether this pledge is enough for the Soviets remains an open question, though both Smrkovsky and Premier Oldrich Cernik said this week the Russians had promised not to interfere.

Internally, nothing has been settled, either. No real check on the absolute power of the Communist Party has yet been devised, and the old-line conservatives on the 110-member Central Committee are still the most effective opposition to the reformers.

Private groups such as the Club for Engaged Non-Party Persons want the election law now under revision to provide for a direct electoral challenge to the Communist Party, both in the National Assembly and in the national committees which run the districts and regions.

But the Party leadership has let it be known that opposition is to be allowed only within a "national front" made up of Communists, socialists, the Catholic People's Party and non-Party members.

It is also unclear whether the coalition in the Central Committee which ousted dogmatist Antonin Novotny as Communist Party leader in January still hangs together.

The 70 people who voted against Novotny were Slovaks, Czechs, moderates and progressives whose interests suddenly coincided.

Whether this was more than a historical accident remains to be seen. The conservatives, including Novotny, remain on the Committee.

The Russian menace, domestic tensions and the Czechoslovak tradition of caution and rationality have caused almost daily speculation that the brakes are about to be applied.

Nothing of the kind has happened. Instead, this week:

The Interior Ministry announced it intends to ease restrictions on travel to foreign countries this summer.

The Finance Ministry said a new private-enterprise law would be drafted, to allow more individual and family businesses.

The Party Presidium declared that the Party paper, Rude Pravo, must react more promptly to daily events and ordered it to draft a report on itself.

The paper printed an unprecedented public opinion questionnaire earlier in the week.

Premier Cernik announced the formation of a committee to study a constitutional

change providing for federalization of the Czech and Slovak nations on an equal basis.

Cernik proclaimed that the rehabilitation and compensation of all persons who suffered for political reasons in the last 20 years would be the first task of the government.

Czechoslovak journalists attending Cernik's press conference dropped their pencils and applauded this week when the Premier said, "We must show effective results of the new program in a short time."

"Up until January, our young people read the works of Kafka because his philosophy of no exit was relevant," said a young man this week. "Now it is no longer so relevant."

Would the Czechoslovak experiment end in success, or in another tragedy? he was asked.

He had doubts. His wife thought it would work "because it must." Faith is in great demand in Czechoslovakia this May.

[From the New York Times, May 16, 1968]

PRAGUE'S ECONOMIC NEED

Moscow's disgraceful attack on the memory of Thomas G. Masaryk and the angry reply in the Prague press testifies vividly to the worsening of Soviet-Czechoslovakia relations. This heightened tension is particularly important now because it darkens the outlook for the large hard currency loan the new Czechoslovak regime has asked of Premier Kosygin. Receipt of such economic aid—whether from the Soviet Union or elsewhere—is essential if Czechoslovakia's new rulers are to have any hope of giving their people material dividends as well as greater freedom.

There is no secret about Czechoslovakia's central economic problem. After two decades of Communist mismanagement, the once advanced industry of Czechoslovakia is plagued by technological obsolescence and high costs that make it a very weak competitor in many international markets. To remedy the situation, Prague's industry needs a major transfusion of advanced machinery and technology from the West. But Czechoslovakia does not have the hard currency to pay for the needed large scale importation of equipment and knowledge.

This background helps explain why Premier Cernik, at his unprecedented press conference a few days ago, put so much emphasis on economic reform and on Czechoslovakia's interest in welcoming Western foreign investment. The change to a more market-oriented economy, begun last year, was sabotaged by the Novotny faction. Now the competitive pressures on enterprises will be increased, to cut costs and modernize output.

If Western investment can be obtained, it would of course bring with it advanced technology.

The balance-of-payments problem of the United States, not to mention concentration on Vietnam, makes it unlikely that this country will play a major role soon in helping Czechoslovakia meet its economic needs. Nevertheless the Administration could take some useful steps to demonstrate the interest and sympathy it recently expressed for the developments in Prague. It could ask Congress to extend most favored nation tariff privileges to Czechoslovakia.

And it could reverse this country's harsh position on the \$20 million of Czechoslovak gold that has been denied Prague since World War II. The gold, in American hands, has been withheld from the Czech Government in an effort to force compensation for American property confiscated in 1948 and afterward. The moral case for using the gold in this way has always been weak. The political case for a reversal of attitude now is overwhelming.

Mr. MONDALE. Mr. President, in introducing a bill today, I want to make clear that I believe in the broader ap-

proach taken by the President 2 years ago in asking for authority to grant most-favored-nation status to all the Eastern European Communist states. Rumania has expressed an interest in joining the International Monetary Fund and the World Bank. And when I visited Moscow in January of this year, the Soviets expressed interest in arranging most-favored-nation status. At the present time, however, I believe that Congress should immediately clear the way for granting most-favored-nation status to Czechoslovakia.

I ask unanimous consent that the bill be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3513) to promote the foreign policy and best interests of the United States by directing the President to negotiate a commercial agreement including a provision for most-favored-nation status with Czechoslovakia, introduced by Mr. MONDALE, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 3513

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SHORT TITLE

SEC. 101. This Act may be cited as the "Czechoslovakian Trade Act of 1968."

STATEMENT OF PURPOSES

SEC. 102. The purposes of this Act are—
(a) to use peaceful trade with Czechoslovakia, to respond to changes in the countries and to maintain United States objectives in building a peaceful, democratic world;

(b) to promote constructive relations with Czechoslovakia and to provide a framework helpful to private United States firms conducting business relations in Czechoslovakia by instituting regular government-to-government negotiations concerning commercial and other matters of mutual interest; and

(c) to increase peaceful trade and related contacts between the United States and Czechoslovakia, and as assistance in meeting United States balance-of-payments problems, to expand markets for products of the United States in Czechoslovakia by creating similar opportunities for the products of Czechoslovakia to compete in United States markets on a non-discriminatory basis.

AUTHORITY TO ENTER INTO COMMERCIAL AGREEMENTS

SEC. 103. The President may make commercial agreements with Czechoslovakia, providing Most-Favored-Nation treatment to the products of Czechoslovakia whenever he determines that such agreements—

(a) will promote the purposes of this Act,
(b) are in the national interest, and
(c) will result in benefits to the United States equivalent to those provided by the agreement to the other party.

BENEFITS TO BE PROVIDED BY COMMERCIAL AGREEMENTS

SEC. 104. The benefits to the United States to be obtained in or in conjunction with a commercial agreement made under this Act may be of the following kind, but need not be restricted thereto:

(a) satisfactory arrangements for the protection of industrial rights and processes;
(b) satisfactory arrangements for the settlement of commercial differences and disputes;

(c) arrangements for establishment or expansion of United States trade and tourist promotion offices, for facilitation of such efforts as the trade promotion activities of United States commercial officers, participation in trade fairs and exhibits, the sending of trade missions, and for facilitation of entry and travel of commercial representatives as necessary;

(d) most-favored-nation treatment with respect to duties or other restrictions on the imports of the products of the United States, and other arrangements that may secure market access and assure fair treatment for products of the United States; or

(e) satisfactory arrangements covering other matters affecting relations between the United States and Czechoslovakia, such as the settlement of financial and property claims, including the return of the Czechoslovak gold by the Tripartite Gold Commission, and the improvement of consular relations.

EXTENSION OF BENEFITS OF MOST-FAVORED NATION TREATMENT

SEC. 105. (a) In order to carry out a commercial agreement made under this Act and notwithstanding the provisions of any other law, the President may by proclamation extend most-favored-nation treatment to the products of Czechoslovakia.

(b) Any commercial agreement made under this Act shall be deemed a trade agreement for the purposes of Title III of the Trade Expansion Act of 1962 (19 U.S.C. sec. 1901 et seq.).

(c) The portion of general headnote 3(e) to the Tariff Schedules of the United States that preceded the list of countries and areas (77A Stat. 11; 70 Stat. 1022) is amended to read as follows:

"(e) Products of Certain Communist Countries. Notwithstanding any of the foregoing provisions of this headnote, the rates of duty shown in column numbered 2 shall apply to products, whether imported directly or indirectly, of the countries and areas that have been specified in section 401 of the Tariff Classification Act of 1962, in sections 231 and 257(e) (2) of the Trade Expansion Act of 1962, or in actions taken by the President thereunder and as to which there is not in effect a proclamation under section 5(a) of the "Czechoslovakian Trade Act of 1968."

(d) Nothing in this Act shall be deemed to modify or amend the Export Control Act of 1949 (50 U.S.C. App. Sec. 2021 et seq.) or the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. sec. 1611 et seq.).

SEC. 106. The President shall submit to the Congress an annual report on the commercial agreements program instituted under this Act. Such report shall include information regarding negotiations, benefits obtained as a result of commercial agreements, the texts of any such agreements, and other information relating to the program.

TITLE II

SEC. 201. It is the sense of Congress that the President shall, at the earliest possible date, make every effort to arrange for the return of Czechoslovak gold held by the Tripartite Gold Commission, in order that this substantial irritant to more amicable relationships be removed in the near future. It is further the sense of Congress that the 1961 Draft Agreement Initiated at Referendum regarding Czechoslovak gold is suitable as the basis for final juridical settlement of this matter.

ADDITIONAL COSPONSORS OF BILL AND RESOLUTION

Mr. MAGNUSON. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Colorado [Mr. DOMINICK] be added as a

cosponsor of S. 3430 to amend the Federal Aviation Act of 1958 in order to provide for certain requirements with respect to the installation of downed-aircraft rescue transmitters on civil aircraft.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCGOVERN. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Indiana [Mr. HARTKE] be added as a cosponsor of Senate Resolution 281 to establish a Select Committee on Nutrition and Human Needs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 290—RESOLUTION TO ASSIST SMALL MEAT-PACKING COMPANIES IN COMPLYING WITH NEW FEDERAL INSPECTION REQUIREMENTS

Mr. BIBLE. Mr. President, over the next 2 to 3 years, thousands of meat processing and packing plants across the country will come under the Federal requirements of the Wholesome Meat Act of 1967.¹ This legislation amends the basic Federal Meat Inspection Act of 1907² and will require all local and intrastate meat plants, which were not previously subject to Federal inspection standards, to conform either with the strict U.S. rules or with an equally strict State system.

The law has one purpose.

Said one observer—

To protect American consumers by forcing the States to tighten quality safeguards on all meat, wherever processed, wherever sold.³

One of the principal sponsors of the 1967 act, the Senator from Minnesota [Mr. MONDALE] characterized it as "one of the most significant pieces of consumer-protection legislation ever signed into law."⁴

What may have been overlooked so far is that the Wholesome Meat Act is also far reaching and significant business legislation.

As a member of the Select Committee on Small Business, I have been pleased to participate in a 3-year study of the overseas market potential for the American beef industry, including its vital meat processing and packing segments.⁵ We have been in touch with the associations representing the small business meatpackers and were made aware of their potentials and problems. In many cases they are small or family, independent operations. Typically they have a long record of service to their local communities.

¹ Public Law 90-201, Approved December 15, 1967.

² 21 U.S.C. 71-91.

³ "States must plug it by 1980; Despite New U.S. Meat Law, Meat Inspectors Gap Exists", by Paul M. Eranzburg, from U.S. Courier-Journal and Times, Reprinted *Daily Congressional Record*, March 21, 1968, page E2103.

⁴ *Daily Congressional Record*, March 21, 1968, page E2103 loc. cit.

⁵ See "Expansion of Livestock Exports", Report of the Select Committee on Small Business, Senate Report 343, 90th Congress, 1st Session, June 12, 1967.

The seriousness of this program to the business community is indicated by the estimate that in mid-1967 there were 14,832 nonfederally inspected facilities—compared with 1,969 federally inspected plants—and of these only 5,555 were subject to some form of State sanitation inspection.⁶

By July 1 of this year, 26 States will have mandatory meat inspection of animals before and after slaughter. Twenty-five States have mandatory inspection of meat processing facilities. Thirteen other States have voluntary inspection programs, while nine States presently have no laws in this area although there are many municipal and county systems in populous areas.

It is thus apparent that approximately 15,000 businesses are vitally affected. These firms are involved in producing a basic commodity. They account for about 15 or 16 percent of our entire commercial meat supply in this country, and an even higher proportion of the product in their localities.

Over the years since 1907 the Meat Inspection Division of the Department of Agriculture has developed a series of requirements that must be met in order to gain Federal approval.⁷ In the fields of construction and layout of plants, these are often highly specific and detailed, prescribing such things as the materials that can be used in floors and walls, the heights of ceilings and rails, spacing and disposal systems. Other requirements cover cleaning procedures, and are illustrated by the following excerpts from a recent article in the *New York Times*:⁸

Part of the problem is lack of space. Many small wholesalers perform all their functions in one room. They store, cut, age and sell meat in a cooler where the temperature is 50 degrees or lower.

Much of their equipment such as band saws and grinders, cannot be moved easily, and would have to be cleaned in place.

"If he has a cooler full of meat," said an inspector, "I know he's not going to put a 180-degree hose in there to clean his equipment."

Often the floors are wooden and have no drains. There is no place for the waters to go, and the dealers "go in for spring cleaning," according to a Department of Agriculture official, by carrying their tools to the sidewalk and washing them there.

Concrete floors with drains are the best answer, according to the department, but in any case the Federal inspector is required to check for cleanliness each morning before the plant may begin work.

To meat dealers, sanitation means money.

As the newspaper correctly points out: "Sanitation means money."

Where construction or cleaning requirements are at issue, we are often talking about a good deal of money.

This concern prompted the Senate-House Conference on the wholesome meat bill to request assurances from the

⁶ Testimony of Rep. Thomas S. Foley in Hearings before the Senate Committee on Agriculture on Bills to Clarify and otherwise amend the Meat Inspection Act etc., November 15, 1967 at page 243.

⁷ These are contained in the Handbook of the Meat Inspection Division, U.S. Department of Agriculture.

⁸ "Meat Plants Here Face U.S. Upgrading", *New York Times*, March 4, 1968, front page of second section.