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## **Senator Edmund S. Muskie Letter to Maine, August 1970**

Edmund S. Muskie

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# Letter to MAINE

from

Senator

Dear Friends:

August, 1970

Maine was stunned to learn that the Bath Iron Works lost the \$2.55 billion contract for 30 destroyers -- but I am now seeking to have the contract split between two yards, a move which would be in the national interest as well as that of the city of Bath and the State of Maine. Before the contract was let, the Maine delegation was in constant touch with BIW representatives and kept informed of the status of the contract negotiations. The delegation caucused the day after the contract was awarded and discussed strategy. Shortly afterwards, Senator Smith called for an investigation by the General Accounting Office and I asked for a probe by Senator Proxmire, who, as chairman of the subcommittee on Economy in Government, was already studying cost overruns in defense contracts. Congressmen Kyros and Hathaway supported these moves.

The Defense Department's decision to concentrate this destroyer contract in one firm raises serious questions about our military procurement system. The Defense Department evidently has not learned from the mistakes it made on the C-5A transport plane: the waste of money because of underestimated costs. As a result of my concern about this weakness and about the loss of any share in the contract for Bath Iron Works, I submitted an amendment to the Military Procurement Authorization Bill which would divide the DD-963 contract. My measure would bar spending money for the destroyers unless the contract for those ships is split equally between two domestic shipbuilders.

## APPEARANCE OF DELIBERATE UNDERBID

Litton Industries' winning bid for the DD-963 was \$276 million below Bath's and occurred on the fourth round of bidding. Prior to that time, both Bath and Litton had been close in their prices. This change had all the earmarks of a deliberately underestimated bid -- particularly since the contract has a pricing re-set condition which will permit Litton to renegotiate the price in the future.

Litton already has a large backlog of orders. On July 21 -- after it had been awarded the DD-963 contract -- it asked for its second four-month delay in fulfilling a merchant ship contract. In addition, Litton has been advertising in Texas papers for welders for its Pascagoula yards, offering a \$1,000 bonus. The implication is that they haven't the manpower to handle the work.

At this writing, the Senate will soon debate my amendment. In trying to split this contract, we are working against substantial odds. The chairman of the Armed Services Committee, which has jurisdiction over the measure, is from Mississippi. In addition, the people most directly connected with the contract clearly don't want to give it up and will fight. Finally, the Defense Department will defend its award and will resist the amendment.

The Bath yard has the clear-cut, demonstrated capacity to do the work. If the contract award is allowed to stand as it is, it could have an adverse economic impact on Bath specifically and Maine as a whole. BIW had planned a \$60 million expansion and modernization for its facilities. The work force would have doubled at the yards. And the city of Bath had planned a new highway system, an increase of 3,200 housing units, addition of 300 satellite jobs and a substantial increase in all city services.

Not only will the city of Bath lose if this contract remains in the hands of one firm; so also will the American taxpayer. He stands to come up short again with cost overruns and delays.

### THE POWER CRISIS AND NEW ENGLAND

We must never let the power and pollution crisis which shrouded New York City last month creep into Maine. We may not be in immediate danger. But we cannot cease being vigilant both in the way we plan our power supply and the manner in which we police our environment.

The New York power shortage dramatically underscores the need for a public power project in New England. Yet once again this year funds for the Dickey-Lincoln School project were cut out in the House. The Senate Appropriations Committee wants to restore them, and the news clips reprinted in this letter tell that story. Senator Smith, as a member of the Appropriations Committee, has been a key figure in sustaining support for the project in that Committee. The private power companies which have opposed Dickey-Lincoln said they could produce enough power. The current shortage indicates they were wrong.

UPI-68  
(DICKEY-LINCOLN)  
WASHINGTON--SEN. EDMUND S. MUSKIE HAS URGED A SENATE APPROPRIATIONS SUBCOMMITTEE TO RESTORE FUNDS FOR MAINE'S PROPOSED DICKEY-LINCOLN HYDROELECTRIC POWER PROJECT.  
THE \$807,000 IN PLANNING FUNDS WAS DELETED FROM THE PUBLIC WORKS APPROPRIATIONS BILL BY THE HOUSE JUNE 24.  
IN A LETTER YESTERDAY TO SEN. ALLEN ELLENDER, CHAIRMAN OF THE SENATE PUBLIC WORKS SUBCOMMITTEE, MUSKIE SAID THE COUNTRY "FACES A POWER CRISIS OF MAJOR PROPORTIONS."  
"OUR RESERVES OF RELIABLE POWER ARE LOW, AND WE CANNOT AFFORD TO POSTPONE ANY LONGER THE CONSTRUCTION OF NEEDED FACILITIES..." HE ADDED.  
8/11--GE1134A

UPI-142  
(DICKEY-LINCOLN)  
WASHINGTON--THE SENATE APPROPRIATIONS COMMITTEE VOTED TODAY TO RESTORE \$807,000 TO THE PUBLIC WORKS APPROPRIATIONS BILL FOR PLANNING THE CONTROVERSIAL DICKEY-LINCOLN SCHOOL HYDROELECTRIC PROJECT IN MAINE.  
FUNDS FOR PLANNING THE \$248 MILLION PROJECT ON THE ST. JOHN RIVER WERE CUT FROM THE BUDGET BY THE HOUSE.  
IF APPROVED BY THE SENATE AS EXPECTED, THE \$807,000 FOR THE MAINE PROJECT WILL BE ONE OF THE ITEMS IN CONTENTION WHEN THE \$5.2 BILLION MONEY BILL GOES TO A HOUSE-SENATE CONFERENCE COMMITTEE.  
JG11PED--8/11

UPI-160  
ADD 1 DICKEY-LINCOLN, WASHINGTON (UPI-142)  
A SPOKESMAN FOR SEN. EDMUND MUSKIE SAID THE MAINE DEMOCRAT "PLANS TO PURSUE THE MEASURE ON THE FLOOR OF THE SENATE AND IN THE HOUSE-SENATE CONFERENCE."  
JG530PED--8/11

From The UPI Wire August 11, 1970

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### MAINE'S OIL PROBLEMS

Oil costs Maine residents too much money. We all know that. We are trying to reduce the price tag by increasing the import quota. President Nixon has pushed it up by 40,000 barrels a day but that is not enough to make any real difference in the price. To make even a 2-cent-a-gallon price change, the current quota must go up another 110,000 barrels a day in addition to that 40,000.

As we start importing more oil, we are also discussing the question of where it shall be refined. That brings us to the controversy over the economic versus the environmental impact of a refinery at Machiasport. The purpose of my hearings of the Subcommittee on Air and Water Pollution in Machias September 8 and 9 is to determine whether these concerns need to be incompatible.

Maine citizens need the jobs and additional income which new industry can bring. However, before construction of a new refinery is supported, we must be assured of adequate protection for environmental values.



Senator Muskie Talks With Constituents At Allagash Dedication

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It is timely to point out, I think, that the key questions as to whether this refinery project will go forward -- the applications for a free trade zone and the essential oil import quota -- have not been answered. They must be answered by the Administration. There is no indication that they are under active consideration now.

#### AMERICA'S IMPORT POLICY: ITS EFFECT ON MAINE

Americans have debated for years what import policy they should follow -- free trade or barriers against those foreign goods which can be made more cheaply than domestic products. As I told the Senate in June, excessive imports have affected many American industries during the past decade, but none so injuriously as our country's and our state's shoe makers.

Many will argue that the footwear manufacturers and other industries threatened by imports are only experiencing the raw, invigorating economic forces of the market-place. They argue that expanded world trade helps everyone; therefore, whatever inhibits world trade hurts everyone.

The fact is that there is nothing raw about the economic factors of the world market. Regulations and restrictions are one of the principal features of international trade in the 20th century. Nothing as complex and as important as international trade can expect to be free of controls and contrivances designed by each nation to advance its interests.

I hope the President will act on petitions for voluntary limitations on imports of leather and vinyl footwear. This move is vital to Maine, where we have 25,000 people employed in the shoe industry -- and thousands more dependent on them. In any event, I think the Orderly Marketing Act, which I first introduced in 1963 and have reintroduced in every Congress since, still offers the best approach to the unfair trade competition problem.

Each trade problem must be evaluated on its own merits. No single approach to trade policy can take in the interests of all proprietors, all labor, all management, all consumers. In general, the United States is moving toward fewer trade restrictions, and I think this is desirable. But where open markets attract low-wage imports which devastate a segment of our economy as in the shoe industry, we must protect American jobs.

The Orderly Marketing Act would provide for a flexible system of trade restrictions designed to give injured domestic industries an opportunity to adjust to competition from low-wage foreign exporters. It would also afford foreign supplying nations a fair share in the growth and change in U. S. markets.

The provisions in the Orderly Marketing Act are vital to Maine's industry and economic well-being.

#### CASEWORK FOR MAINE RESIDENTS

One of the jobs of a Senator or Representative is helping constituents in their encounters with government. Since January, my office has handled more than 1,300 Maine cases in writing -- and hundreds more which could be completed by telephone. The range



of cases involves young men in the Army or facing Selective Service problems, older citizens concerned about Social Security problems, ex-servicemen encountering difficulty with veterans' benefits as well as Maine residents' questions about taxes, immigration, prisons and civil service. I am proud of our record of securing the requested answer or the needed help with minimum delay.

#### WHAT'S AHEAD IN THE SENATE?

America must continue to focus on the needs of our older citizens. Living on fixed incomes, our senior citizens see costs rising beyond their means to pay -- costs of food, medical services, housing.

The plight of the elderly has been one of my special concerns as a member of the Special Committee on Aging. To try to help our older Americans cope with the financial problems they face, I am co-sponsoring with Senator Williams of New Jersey major amendments to the Social Security Act. They provide for increases in benefits next January and the following year. Afterwards, benefits would be adjusted to cost of living increases.

The amendments also provide for an increase in the amount a person may earn and still receive Social Security; allow Social Security to cover the costs of out-of-hospital prescription drugs, eye glasses, hearing aids, dentures; cover the costs of dental, ear and eye medical treatment; liberalize eligibility requirements for disability benefits; and provide that general revenues be used to support part of Social Security and Medicare instead of the current regressive tax. People with low earnings now pay proportionately more into Social Security while they are working than do people making more money.

There are other pending legislative proposals under which Maine residents stand to benefit:

-- Community Mental Health. For too long, these programs have been on the low end of the priority ladder. And, of 165 community mental health centers now in operation throughout the country, only 30 have special geriatric programs. It is especially difficult to recruit trained professionals to work with older mentally-ill individuals -- and that is one reason why I am urging in the Senate a higher level of funding for the staffing of these centers.

-- Regional Health Centers. Congress is considering a five-year extension of the current program to establish centers for research and treatment of heart disease, cancer and stroke. I support also the addition of kidney disease to the focus of these centers. Of the 55 centers, one serving Maine is in Augusta.

-- Manpower Development. Maine's unemployment estimate of 5.3 per cent of the work force in June indicates that we need improved training programs. We must open jobs with a future for those less skilled men and women now among the first laid off in time of economic hardship.

-- Investments. I am sponsoring a bill which would create a Federal Broker-Dealer Insurance Corporation to protect individual investors' accounts with brokerage firms which go bankrupt. The FBDIC would operate much the same way the Federal Deposit Insurance Corporation protects banks' customers. There are 100 million Americans who own stock directly or whose pensions or other retirement plans are influenced by the stock market.

#### SUMMER INTERNS

During this summer, my staff has been aided by the efforts of several outstanding young interns from Maine and its colleges. Gail Moskowitz of Presque Isle has been working in my Washington office while Doug Lyons and John Parsons, both of Bowdoin College, have interned with the Subcommittee on Intergovernmental Relations, of which I am chairman. Tom Ainsworth of Yarmouth worked in my office last spring under a political science internship from the University of Maine at Orono and stayed on to help out this summer.

Sincerely,

