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Senator Daniel K. Inouye Papers
Administrative Files, Washington, D.C., Public Relations, Press Releases, Chronological,
Box AD36, Folder 30
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news from

Senator DANIEL K. INOUYE

topic: Announcement by U.S. Senator Daniel K. Inouye

date: FOR IMMEDIATE RELEASE August 3, 1976

release date:

Soon after his appearance before the Washington grand jury in September, 1975 to provide testimony relating to illegal campaign contributions by Gulf Oil Company, my administrative assistant, Mr. Henry K. Giugni was relieved of all responsibility and authority relating to political campaign fund raising. Since then Mr. Giugni has not participated in the solicitation, receipt, transfer, deposit or distribution of any political campaign funds.

Because of the Gulf Oil matter pending before the District Court, this decision, which was reached after consultation with Mr. Giugni, was not made public at that time.

I felt that an early announcement of this decision could jeopardize the government's case in the Gulf Oil matter. I am now issuing this announcement because the matter before the Court has been concluded.

Mr. Giugni will continue his service on my Washington staff. He has faithfully served the people of Hawaii for over sixteen years. I believe Mr. Giugni is deserving of another chance.

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news from

Senator DANIEL K. INOUYE

topic: SENATE PASSES INOUYE TAX BILL AMENDMENT

date:

release date: FOR IMMEDIATE RELEASE -- AUGUST 6, 1976

WASHINGTON, D.C. -- The Senate today passed an amendment to the Tax Reform Act of 1976 that affirms existing Internal Revenue Service rules and tax regulations allowing deductions for business conventions held outside the United States and Canada.

The amendment, introduced by Senator Daniel K. Inouye (D-Hawaii), struck a tax measure adopted earlier by the Senate that severely restricted tax deductions for conventions abroad and barred all deductions for business meetings on cruise ships. The Senate approved the amendment by a 58-30 margin.

"I am very pleased that most of my colleagues considered an attempt to restrain travel abroad by Americans as needless and without justification," Inouye said today. "Most assuredly, a restraint would have invited retaliation from other countries to the extent that it would have dampened America's surging national tourist industry."

Inouye today also praised Senator Russell Long (D-Louisiana), Chairman of the Senate Finance Committee and floor manager of the tax reform bill, for his key support of the amendment.

In his floor remarks, Inouye told colleagues that the restrictions contained in the tax bill were based on the belief that U.S. travelers apparently abused existing tax law and IRS rules relating to expense deductions for conventions and business meetings abroad.

"There is no hard evidence of a wide-spread practice of claiming tax deductions for expenses incurred in attending foreign conventions held ostensibly for business purposes but which in reality are held primarily for recreation and sightseeing purposes," he said. "Existing law and IRS regulations do not allow tax deductions for such expenses."

"If the Internal Revenue Code and existing regulations are enforced, they are adequate to prevent any abuse that now exists," he said.

Inouye said comity, which is a "fundamental principle of international law" and influences the relations between countries, most likely will "dictate that other nations retaliate if we attempt to restrict travel abroad by denying a tax deduction for expenses incurred in attending foreign conventions."

A blanket restriction would add less than $5 million annually to the nation's coffers, having "no budgetary impact," yet would incur substantial economic losses in America's $70 billion tourist industry, Inouye said.

He said international tourist expenditures have reached $6 billion, and that foreign tourists contributed substantially to the more than $3 billion in domestic convention expenditures last year.

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news from
Senator DANIEL K. INOUYE

topic: INOUYE SEEKS EXPANSION OF FOREIGN TRADE ZONE PRIVILEGES

date: August 11, 1976

release date: FOR IMMEDIATE RELEASE

WASHINGTON, D.C. -- Senator Daniel K. Inouye (D-Hawaii) has introduced a bill that would increase sales and profits of U.S. foreign-trade zones and bonded warehouses by allowing additional classes of foreign and domestic ships an exemption from foreign-trade zone duties and taxes.

Current tariff statues, contained in the Tariff Act of 1930, limit duty- and tax-free purchases only to American trade ships, fishing and whaling vessels and ships of war from any nation.

Ships excluded by the 1930 law from duty-free purchases of bond supplies at U.S. foreign-trade zones have found it "more economical to buy supplies during non-U.S. calls," Inouye said in a floor statement. "One local supplier of duty-and tax-free ship's stores in Hawaii has estimated sales losses of $100,000 each year as a result of outdated tariff provisions..."

The proposed changes would extend foreign-trade zone privileges to ships, both domestic and foreign, engaged in the following operations: naval and maritime training, oceanographic research, ocean mining and drilling, power generation and communication relay, data collection from the sea or air, the supplying of other ships and salvage operations in international waters.

Citing previous amendments to the 1930 law which expanded rather than limited eligibility for trade zone privileges, Inouye said, "Today we have more diversified priorities."

"I think it is time to bring the Tariff Act of 1930 up to 1976 standards, to make the most of today's business opportunities in the international commercial sphere," he said.

Foreign-trade zones are a U.S. version of what are known internationally as free trade zones. Located in or near U.S. Customs ports of entry, these zones are operated as public utilities by qualified corporations under Customs supervision. There are 14 foreign-trade zones and subzones in the United States and Puerto Rico.

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DANIEL K. INOUYE
HAWAII

United States Senate

WASHINGTON, D.C. 20510

August 19, 1976

Honorable Gerald R. Ford
President of the United States
The White House
Washington, D. C.

Dear Mr. President:

On March 11th of this year, I joined with Senators Long, Curtis, and Dole in expressing concern over the threat posed by your Administration's sugar policy for our domestic producers. We specifically emphasized the need for improved communications with the participants in your Administration's Sugar Policy Study. A response promising such improved communications was received. On June 17th, Chairman Long of the Finance Committee again wrote to you on this important matter and shared with me the response to that communication from Bill Seidman.

In Mr. Seidman's letter of July 7th the argument is strongly made that your Administration is committed to a free and open market in sugar. The expiration of the Sugar Act on December 31, 1974, and your administrative actions with respect to quotas and tariffs of November 18, 1974, confirm that commitment as does the lack of any governmental action since that date.

Mr. Seidman noted in his letter that while some price fluctuations can be expected, "Evidence available at this time, however, does not suggest that these price fluctuations will be extreme during the remainder of this year. The close supply-demand balance of the 1975-76 crop year of 81.3 million metric tons and 80.8 million metric tons, respectively, resulted in only a slight increase in stocks to a level of 15.3 million metric tons. Thus the stock-consumption ratio remains at a relatively low level as we enter the 1976-77 crop year. While production is projected to increase in the 1976-77 crop year, a major portion of that increase was expected from Western Europe. It now seems likely, however, that drought conditions will reduce the West European crop significantly. U.S. beet plantings declined by 3 percent this year. In addition, consumption is expected to increase this year as the world's economies recover from the recent recession. The production fore-casts are tenuous at this point since the beet crops in the Northern Hemisphere countries depend heavily on weather between now and harvest time.

In short, we see no reason to be alarmed at price prospects for the remainder of this year given the current outlook, but we will continue to watch the situation closely."

In a period of high prices such as those experienced in the last six months of 1974 and in 1975 few voices were raised in protest. I did warn as early as July, 1974 of the threat to the domestic producers because of the workings of the international sugar market in remarks on the Senate floor. My warnings have continued in December, 1974, in February, May and July of 1975 and again in February and March of this year.

Recent sharp declines in the price of raw sugar to under 12 cents per pound cause me to again raise this issue with you. That current price is under the cost of production for most cane producers in my State. Sugar cane is our number one agricultural industry and the number three source of income to the people of my State, after tourism and Federal government expenditures.

In the past few years, the State of Hawaii and Hawaii County has appropriated and allocated some $4.6 million in efforts to find alternative economic uses and employment opportunities for the manpower and resources employed in just one sugar plantation at Kohala which closed down due to economic conditions in 1975. Frankly, this effort has achieved very limited success for there is no substitute which can come close to providing the income and employment which sugar has historically provided for the people of my State.

A healthy sugar industry is absolutely vital to our welfare and it is my belief that an active sugar policy which protects the American producer from the sharp swings in the price of sugar in the international sugar market is in the best interests not only of the American producer but also of the American consumer.

I, therefore, urge reconsideration of your present policy and early action to shore up the fast falling sugar prices.

Aloha,

DANIEL K. INOUYE
United States Senator

DKI:bhm

news from
Senator DANIEL K. INOUYE

topic: INOUYE SEEKS ADMINISTRATION ACTION ON SUGAR PRICES

date:

release date: FOR IMMEDIATE RELEASE---August 19, 1976

WASHINGTON, D.C. -- Senator Daniel K. Inouye (D-Hawaii) today urged President Ford to reconsider Administration policy on domestic sugar production and to "shore up the fast falling sugar prices."

In a letter to the President, Inouye cited recent sharp declines in the price of raw sugar to under 12 cents per pound, a price "under the cost of production for most cane producers in my state."

"...It is my belief that an active sugar policy which protects the American producer from the sharp swings in the price of sugar in the international sugar market is in the best interests not only of the American producer but also of the American consumer," he said.

"I, therefore, urge reconsideration of your present policy and early action to shore up the fast falling sugar prices," he said.

White House Economic Aide William L. Seidman informed the Senate on July 7, 1976 of the Administration's commitment to a free and open market in sugar. In a letter to Senate Finance Committee Chairman Russell Long (D-Louisiana), Seidman said, "We see no reason to be alarmed at price prospects for the remainder of this year given to current outlook, but we will continue to watch this situation closely."

Seidman also said that while some price fluctuations are expected, evidence available at this time, however, does not suggest that these price fluctuations will be extreme during the remainder of this year."

Inouye, citing the sharp drop in domestic prices, told Ford that efforts in Hawaii to develop alternatives to sugar production have met "very limited success."

"...There is no substitute which can come close to providing the income and employment which sugar has historically provided for the people of my state," he said. "A healthy sugar industry is absolutely vital to our welfare."

Sugar is Hawaii's top agricultural industry and ranks third as a major source of state income, after tourism and Federal Government expenditures.

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news from
Senator DANIEL K. INOUYE

topic: SENATE OKS INOUYE'S AMENDMENT TO EXPORT ADMINISTRATION ACT

date: AUGUST 27, 1976

release date: FOR IMMEDIATE RELEASE

WASHINGTON -- The Senate today approved an Export Administration Act amendment that removes "short supply" export controls from petroleum products refined from foreign crude oil in a U.S. Foreign Trade Zone.

Such decontrol could provide incentive to American firms to expand domestic refinery capacity, Senator Daniel K. Inouye (D-Hawaii) said today. Inouye and Senator Hiram L. Fong (R-Hawaii) cosponsored the export amendment.

"Let us not forget that the Export Administration Act places equal emphasis on removing controls as it does on imposing them," he said. "It would be a tragedy of great magnitude if we lost sight of that balance in order to gain a politically expedient goal at the expense of America's position in world trade."

The amendment passed by a voice vote shortly before the Senate voted,65-13, to pass Senate bill 3084, the Export Administration Act Amendments.

Current Federal Energy Administration reports show no domestic shortage of certain petroleum products, making restrictions on Foreign Trade Zone petroleum exports unnecessary, Inouye said in a floor statement.

"Any impairment of our ability to export excess products on hand on a short term basis would not only have a negative impact on our balance of payments, but would restrict storage capacity for products currently needed and could force refineries to operate at reduced capacity and efficiency," he said.

The amendment specifically lifts quantitative restrictions on foreign crude oil products refined in U.S. Foreign Trade Zones imposed by the 1969 Export Administration Act and the Energy Policy and Conservation Act. It also allows the FEA administrator and Secretary of Commerce to set limits on exports if such products are found in short supply.

Proponents of the amendment argued that it would not drain needed domestic supplies since it covers only products refined from imported, foreign crude oil. Under a FEA entitlement program--where a $3 per barrel advantage is granted to refiners selling foreign crude oil products in the United States -- an entitlement is lost to a refiner who sells his products abroad, discouraging exports of all but excess products.

The amendment could influence U.S. companies now considering building refineries abroad to locate instead in the U.S. Foreign Trade Zones, thereby expanding domestic American capacity, Inouye said.

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news from
Senator DANIEL K. INOUYE

topic: SENATE INTERIOR COMMITTEE STAFF SEEKS $100 MILLION CEILING ON NATIVE HAWAIIAN CLAIMS SETTLEMENT

date: August 30, 1976

release date: August 31, 1976

WASHINGTON -- The Senate Interior Committee staff has proposed a $100 million ceiling on any native Hawaiian reparation plan submitted to Congress by a proposed Hawaiian Native Claims Settlement Study Commission, sparking criticism from the study commission's principle sponsor Senator Daniel K. Inouye (D-Hawaii).

"I am unalterably opposed to the provision which imposes a $100 million limit on any recommendation which the commission may transmit to the Congress," Inouye said today.

"To place such a limit on one of the commission's most significant decisions would deny to the Hawaiian natives the opportunity to plead their case fully," he said. "Further it would appear to be an effort by this Congress to dictate to a future Congress."

The Interior Committee staff this week made public its preliminary revisions of Senate Joint Resolution 155, a measure introduced by Inouye on December 18, 1975 that would create a commission to secure a proper redress of grievances arising from the overthrow of the Hawaiian Monarchy by agents of the United States Government in 1893.

The changes will be subject to review by the full Interior Committee when it convenes for a mark-up of the measure shortly after Labor Day.

Inouye today urged the committee to delete the ceiling provision, saying, "If we are going to decide what it can recommend, there appears little reason to establish a commission."

The modified resolution requires the study commission to report to Congress within a year of operation "a plan for the distribution, expenditure, investment or other use of a sum not to exceed $100,000,000 to be appropriated in equal increments over a twenty year period..."

The new language also provides that emphasis not be placed on direct grants, but rather on investment of the funds by one or more Hawaiian Native organizations with shares going to native Hawaiians as stockholders. Loans, guarantees of loans or other "innovative uses" of the funds may be recommended by the study commission as long as the plan "will insure such monies are employed successfully for the benefit of Hawaiian natives," the revised measure says.

The Interior Committee staff also has proposed that six of the 11-member commission be persons of native Hawaiian blood, that each county of Hawaii be represented and that at least four members "be conversant in Hawaiian native culture, history or language."

The staff also shortened the duration of the commission study from two years to one, and inserted provisions for a $100 per working day stipend for commission members plus coverage of travel expenses.

Inouye called these revisions "definite improvements on the earlier draft (of the resolution)." Many of the changes resulted from ideas presented during three days of hearings held on Oahu, Kauai and Hawaii last February 9 - 11, he added. Senator J. Bennett Johnston (D-Louisiana), a ranking Interior Committee member, chaired those hearings.

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