

Congressional Calendar

Legislation threatens industry — it's Kennedy again

Watch out for several anti-industry bills that Senator Edward Kennedy (D-Mass.) is guiding down the legislative pipeline next month. The effect of these pieces of legislation would be bankruptcy for some selected industrial concerns, and a vulnerability to savage Naderite attacks for all.

One is the Illinois Brick Bill (S.300) which would open up a company for numerous law suits "in the consumers' interest." The legislation would permit consumers to sue and collect treble damages from a corporation that has been convicted of acting in violation of antitrust laws, even if they did not buy directly from that company.

Although people dealing with the bill claim that there would be a ceiling on the total amount of damages to be divided between all consumers involved, the bill now is so vaguely worded as to allow for massive damages. An example of the impact that the bill would have is illustrated by the antitrust suit against IBM. If the company loses the 10-year-old case the Justice Department is prosecuting against them, then they will be liable to pay treble damages to potentially every individual who received services from a bank relying on IBM equipment. "The companies will howl bloody murder. So what?" one staffer pushing the bill declared.

Senator Kennedy, who recently

took the lead of a special "antitrust" commission designed to devise all manner of anti-industry bills, is aiming to have this bill marked out of the Senate Judiciary Committee on April 23. In the House, Kennedy's ally, Peter Rodino (D-N.J.), chairman of the House Judiciary Committee, is coordinating the bill's passage there.

Congressman Robert McClory has an almost identical bill that makes very specific that the overall damages a company pays is limited and cannot be increased down the chain of consumers. Markup of both bills is awaiting a final unscheduled day of hearings, in the House Judiciary Committee, which Congressman Caldwell Butler has requested in order to review his third proposal. Butler's planned legislation is to allow consumers to file suit against a corporation only in behalf of the U.S. government. Any damages awarded would then be in government hands and consumers seeking financial redress would then have to go to court and request the damages from the government. Markup in the House is expected around the end of April.

Another critical bill introduced by Kennedy is the Small Business Protection Act. (S.600). The legislation prohibits the merger of corporations with assets of over \$2 billion and severely limits mergers of smaller companies. Hearings are scheduled on the bill for March 29 and April 5 in the Senate Judiciary Committee. The bill is awaiting ac-

tion in the House Judiciary Committee.

Congress considering 'Incumbents Protection Act'

Testimony was completed this week on H.R. 1, a bill which would permit public financing of congressional races. The bill, referred to by many Capitol Hill sources as the "Incumbents Protection Act," was drafted by the Democratic Study Group and by Common Cause; it was introduced with 125 cosponsors. Despite this seemingly impressive lineup of support from primarily Democratic Congressmen, word is out that the bill has been so discredited by the last ten days of testimony that it apparently has little chance of passage.

The diminished chances of the bill, of which House Administration Committee Chairman Frank Thompson initially said, "I will do everything in my power to see this comes to the floor of Congress," are primarily due to the blatant advantages its provisions would give to every incumbent, not to mention its absolute unenforceability.

The Federal Election Commission, which last year noted that public financing of congressional elections would place a significantly greater auditing and compliance burden on that agency, and suggested that other compliance measures might be explored, reversed its position in testifying on the bill last week. FEC Chairman Joan

Aikens pointed out that the bill's requirement to release matching funds within 48 hours of a candidate's submitting documentation made it virtually impossible for any verification to be made. Aikens also insisted that the provision of the bill which would eliminate the \$150,000 expenditure ceiling for a publicly financed candidate once his opponent had spent \$75,000, was equally unenforceable. In all, most observers agree, the bill, which would publicly finance candidates, would give every candidate essentially an unlimited expenditure ceiling as soon as his opponent came anywhere near waging a creditable campaign.

It appears that the Operation Big Vote forces that created the Federal Election Commission, public financing, and clamped a stranglehold on presidential elections, will have to make a different, more subtle attempt to extend their policy to congressional elections.

Administration proposes agency to enforce austerity

On March 7 President Carter sent to Congress notification of his intent to create an International Development Cooperation Administration (IDCA) to coordinate overseas economic development programs. The aim of this presidential reorganization of previously existing agencies, the Administration says, is to ensure "that the efforts of U.S. bilateral

programs and those of the multilateral development institutions are complementary." In short, all U.S. aid is to be tailored to the specifications of the World Bank-International Monetary Fund enforced austerity and backwardness in the developing sector.

U. S. aid policy has heretofore been conducted primarily on three tracks. First PL-480 (Food for Peace) and disaster relief programs, which are represented as charity. Second, the Export-Import Bank and the Overseas Private Investment Corporation (OPIC), both of which subsidize U.S. trade and investment abroad. Third, the programs conducted under the Agency for International Development in collaboration with the State Department, the U.S. contribution to the United Nations and various subsidiaries, and the World Bank-IMF appropriations. Since 1973, and increasingly since the Carter Administration took office, this latter track has been oriented around the World Bank concept of "meeting basic human needs" — a euphemism for labor-intensive low-energy bootstrap schemes, deliberately aborting industrialization in the developing sector.

"India has plenty of cow dung — why do they need nuclear power," as one Congressman puts it.

The IDCA would institutionalize this as permanent U.S. policy. IDCA will get policy

jurisdiction over AID, the UN programs, a newly created Institute for Technological Cooperation designed to sell the Third World on "soft" technologies, OPIC, World Bank appropriations (in consultation with the Treasury Secretary). It will get budget approval from the Secretary of State, giving the State Department full political control of U.S. aid programs.

The annexation of OPIC to the "human needs" bailiwick is particularly significant, since it is that agency which has insured U.S. firms' private investment in capital intensive projects abroad.

The formal reorganization proposal will be sent to Congress in April and will become law within 60 days unless opposed by Congress. It is expected to receive legislative endorsement with little coherent opposition, as it was extensively debated last year. As the President notes, the reorganization is the brainchild of the late Senator Hubert Humphrey.

—Don Baier