

Congressional Calendar

AAdministration tradebill first step to trade war

The Carter Administration has introduced House Resolution 3652 as its contribution to reauthorizing and amending the 1969 Export Administration Act. The bill would further tighten the clamps on U.S. exports. In contrast, S-737 introduced by Sen. Adlai Stevenson (D-Ill.) would make a sorely needed, but limited, contribution to untying red tape.

The Carter legislation emphasizes the institutionalized restriction of "goods and technology where necessary" to pursue "human rights," opening the way for trade war. It amends the original act to stress export control when deemed necessary for whatever the Administration defines as "national security." The Administration's bill calls for export controls on "technology" (and goods that contribute significantly to the transfer of such technology) which could make a significant contribution to the military potential of any country or combination of countries which would be detrimental to the national security of the United States."

Carter's bill also intensifies penalties for infringement and conditions for approval of export licenses falling under the "human rights" or "security" rubrics. One example: any firm whose contract is being scrutinized for security-related reasons would be denied access to "sensitive information" for the duration of the scrutiny.

The sheer length of these absurd review processes is one of sev-

eral key elements of present export-export license for a stated end-use by the importer (so the exporter doesn't have to apply for a new license for subsequent shipments or repurchase orders);

(5) require government definition of which kinds of export applications will require multi-agency review;

(6) require a 30-day deadline for agencies to return their comments to the Commerce Department;

(7) establish an Office of Foreign Product and Technological Assessment within the Department of Commerce to assist in the above.

Rep. Jonathan Bingham (D-NY) has introduced a bill parallel to Stevenson's in the House (H.R. 2639); since Bingham has rarely shown himself a partisan of economic or trade expansion, this looks like an effort to plunk himself at the center of horsetrading and water down the Stevenson bill. Stevenson's bill, in turn, falls far short of being a blueprint for trade expansion, and operates within the context of the trade-war policies being pursued by the Carter Administration, rather than detailing a plan for how to massively expand high-technology exports.

The bill fails to address the fundamental problem: the International Monetary Fund (IMF)—and also fails to address the General Agreement on Trade and Tariffs, which has phased out government stifling arrangements addressed by the Stevenson bill. This legislation would:

(1) require that an export permit application go through auto-

matically after 180 days if there has been no ruling. The Export Control Administration would have to grant approval within 30 days or send the application to the Export Administration Review Council (the Secretaries of Commerce, Defense, and State), whose thumbs-down would send it to the White House. After a total of 180 days, the White House would either have to make a ruling, or the permit would go through;

(2) reduce the number of export items under government control, focusing on critical military items only;

(3) establish criteria that the President must obey before imposing foreign policy controls on exports, such as, for "human rights";

(4) allow multiple shipments from a single government-granted subsidies to exporters—an IMF-related atrocity.

GATT, as EIR showed last week, is not designed to liberalize trade. Under IMF control, GATT is designed to disrupt trade. This employment of GATT is already well advanced respecting the industrial exporting countries, and merely complements the IMF "conditionality" policy which has significantly destroyed Third World potential as import markets.

Udall plans hearings on future of nuclear industry

Rep. Morris Udall is taking the lead in the House in pursuing a major attack against the nuclear energy industry. On April 26 his Energy subcommittee of the House

Interior and Insular Affairs Committee will meet to map out their battle plan. But sources close to the Congressman report that he is planning a three-tier approach to closing down the industry.

Udall wants to start with hearings on Three Mile Island nuclear plant, the cause of the accident and the response to it. He then wants to review the national policy towards operating nuclear reactors and construction of new plants. After an antinuclear climate has been properly generated, Udall will hold hearings on the broad questions of nuclear energy such as "what the economic implications of nuclear energy are for the country, its costs and benefits," according to one source.

Kennedy in trouble in Senate fight on "Illinois Brick Bill"

Senator Edward Kennedy (D-Mass), met his first significant setback in his efforts to gut U.S. industry. The Senator was forced to postpone mark-up on his Illinois Brick Bill on April 23, due to extensive opposition to the bill. After only a few minutes of discussion, Kennedy adjourned the mark-up for two weeks, while he attempts some backroom maneuvers to get support for his measure.

The Illinois Brick Bill (S-300) would permit consumers to sue and collect treble damages from a corporation that had been convicted of acting in violation of antitrust laws, even if they did not buy directly from that company. An example of the impact the bill could

have is illustrated by the antitrust suit against IBM. If that company loses the 10-year old case the Justice Department is prosecuting against it, then it will be liable to pay treble damages to potentially every individual who received services from a bank relying on IBM equipment.

What triggered Kennedy's action was an amendment to the bill, introduced by Senator Deconcini (R-Ariz) and dubbed the Pfizer amendment. It would restrict damages allowed to foreign corporations or governments to actual, not treble damages, and would require a reciprocal agreement from foreign countries for such suing practices. Although Kennedy was agreeable to the amendment, the Republicans in the committee wanted to substitute the amendment for the bill itself. "They didn't want to deal with the Illinois Brick Bill" complained an angry Kennedy aide.

There are three other amendments to the bill as well, which tend to weaken, though not actually kill the bill itself. According to one staffer, Kennedy is willing to go along with a weakening of the bill if that is what it takes to get it passed.

Carter urges Congress to pass institute for "appropriate technology"

In his speech before the National Academy of Sciences Monday night, President Carter urged Congress to take swift action on the Institute for Technological Coop-

eration, an institute, in the words of people close to the matter, which would concentrate on bringing "appropriate technology," that is, labor intensive technology, to the Third World. The Institute was authorized by the House in early April and is now before the Senate Foreign Relations Committee. They will be marking up the authorization for the bill May 1-3 and it is expected on the Senate floor in early June. The Administration is requesting \$25 million for the Institute for 1980 and \$40 million for 1981.

Health care under the knife

Senator Edward Kennedy (D-Mass) introduced into the Senate on April 20 the Federal Drug Revision Reform Code bill, aimed at encouraging the replacement of high quality surgical medical care with drugs. The bill establishes a national center of clinical pharmacology which will stress exotic drug use and the possibility of doing away with "unnecessary" surgery through medicines. The bill also revises marketing practices to give consumers rather than scientists the final say over whether a drug is useful. At the same time the bill takes away the monetary incentives that the pharmaceutical industry now has to develop new and better drugs, by depriving a company of a patent on a drug after 60 months.

—Barbara Dreyfus
with Richard Schulman