

## Congressional Calendar

### Hearings set on Volcker credit crunch

Congressman Parren Mitchell (D-Md.) has announced that hearings will be held on the "fiscal austerity" policy of Federal Reserve chairman Paul Volcker Nov. 13-15. The Fed chairman will testify Nov. 13.

Mitchell has set the hearings for a month from now to give time for the full effect of Volcker's policies to become apparent.

Mitchell says that he himself would propose "a reduced money supply," but according to aides on the congressional Black Caucus staff, he also has other things in mind. Spurred by the threat of increased unemployment, especially in the nation's cities, Mitchell and Rep. Hawkins (D-Calif.) plan to use the debate around the Fed's policies to build support for government-financed jobs programs. As Mitchell sees it, Volcker has provided the opportunity to finally push the substance of the Humphrey-Hawkins make-work bill through Congress.

### A "Big Mac" for Chrysler?

While the House Economic Stabilization Subcommittee of the Banking and Currency Committee has held hearings "exploring" the merits and necessity for Chrysler's federal aid request, Capitol Hill sources report that the real issue has yet to be put on the table: the Treasury Department's demand

that aid to Chrysler be coupled with a "Big Mac" takeover of the corporation's management by outside interests.

The administration, led by the Treasury Department, apparently has no intention of granting Chrysler's aid request unless Chrysler submits itself to the kind of outside accounting entity established in the British Leyland case and in the case of federal aid to the city of New York. UAW president Douglas Fraser's request that Chrysler workers be represented in Chrysler decision making indicates that Fraser would probably go along with the scheme.

The final administration decision is likely to strongly determine the ultimate subcommittee and committee decision on the matter. So far, very few congressmen have placed themselves firmly on either side of the issue, with the exception of Rep. James Blanchard (D-Mi.), who has introduced draft legislation modeled essentially on Chrysler's request. Subcommittee chairman William Moorehead (D-Pa.), at the first hearing on Oct. 18, stated that he wanted to either give Chrysler no money at all, or give it sufficient money to prevent bankruptcy. "I don't want to get into a situation where we give you so many hundreds of millions of dollars, and you still go bankrupt because it wasn't enough."

Moorehead and ranking Republican Stewart McKinney are reportedly leaning toward granting some kind of aid. Other Democrats

such as John LaFalce (N.Y.) and Mary Rose Oaker (Oh.) questioned Chrysler closely on why the company should not put itself through a Chapter 11 bankruptcy. This was a surprise to many observers, who had expected a more positive response to the plight of the tenth largest corporation in the country.

On Oct. 23, Detroit mayor Coleman Young testified before the subcommittee and declared in no uncertain terms that a bankruptcy would be a national disaster. Speaking for himself and the U.S. Conference of Mayors, Young said, "If Chrysler were to fail, numerous cities in a number of states would face economic crises which range from bad to catastrophic. . . . This country has never faced the failure of an enterprise employing over 140,000 people. . . . In Delaware, the area would lose 14,000 jobs and have its unemployment doubled. In St. Louis, more than 25,000 jobs could be lost. metropolitan Syracuse would have its unemployment rate doubled, as would Huntsville, Alabama. In Kokomo, Indiana, 40 percent of all jobs would be affected by the direct and secondary effects of a Chrysler shutdown." Young then went on to detail the tax losses to various cities from a Chrysler shutdown.

Even after his testimony, Capitol Hill sources report that the mood of the subcommittee is hard to call. They stress that most will follow the Carter administration's lead. A proposal from there is due the first week in November.

## **Kennedy's Illinois Brick Bill**

Despite the threat of a filibuster from Senators Hatch (R-U.) and Thurmond (R-S.C.) and the strong opposition of business, Senator Edward Kennedy seems determined to ask Senate Majority Leader Robert Byrd (D-Va.) to bring the Illinois Brick bill to the Senate floor as fast as possible and absolutely by no later than January.

The legislation would permit consumers to sue and collect treble damages from a corporation that had been convicted of price-fixing and other antitrust violations, even if they do not buy directly from the company. As it stands now, the bill would invite numerous class action suits against corporations by consumer groups.

The current antitrust suit against IBM shows the impact the bill could have. If IBM loses the 10-year-old case the Justice Department is prosecuting against it, IBM will be potentially liable to pay treble damages to every individual who received services from companies relying on IBM services.

This week, Kennedy met with Sen. Morgan (D-N.C.) and Sen. Danforth (D-Mo.) to discuss strategy to get the Illinois Brick bill through. According to their aides, the three intend to offer many compromises to see it pass. On the day the bill is introduced, said one aide, there will be an immediate amendment introduced by Danforth and Morgan taking out those parts of the bill allowing for class action

suits. "We will amend it immediately so there will not be a lot of Naderite suits," said one staffer. However, businesses and state government would then still be permitted to sue down the line of users.

Kennedy has his political leadership in the Senate on line with the Illinois Brick bill. It is the first bill he has managed as chairman of the Senate Judiciary Committee. Sen. Byrd has refused to allow the bill to come to the floor unless he knows there will be 60 votes to close off the expected filibuster. Furthermore, even such staunch Kennedy friends as Sen. George McGovern (U.S.D.) have refused to endorse the bill. In McGovern's home state of South Dakota, advertisements are appearing placed by food chains opposing a suit by cattlemen that charges that the supermarkets fixed low prices for the meat they buy from meatpackers, who buy from the cattlemen. This suit would be permitted to proceed under the Illinois Brick bill.

## **A Congressional FEC?**

This week the House passed by a vote of 217-198 the Obey-Railsbach bill, ending a victorious phase one for the attempts of Sen. Edward Kennedy and Common Cause to extend the powers of the Federal Election Commission.

The bill will approve amendments to the Election Code prohibiting candidates for the House from accepting more than \$70,000 from

corporate political action committees, known as PACS. The legislation reduces the amount a single PAC can give to one candidate from \$10,000 to \$6,000.

The legislation is currently being reviewed in Senate conference, where it is subject to approval as a "courtesy" to the House, if the Senate Administration and Rules Committee so decides. Common Cause spokesmen believe the Senate will let the legislation stand. Common Cause has consulted closely with Rep. Obey (D-Wisc.).

It was the Common Cause suit against CREEP (Nixon's reelection committee) that got the Federal Election Commission established. Common Cause Capitol Hill lobbyist and legal adviser, Fred Wertheimer has made clear that the Obey bill is the first step in extending the commission's power over Congress: "This is a foot in the door for public financing; in this session, there is much opposition to public financing legislation...too much opposition to having the money taken out of congressional elections. First we get the Obey passed, the legitimacy of the concept of limiting outside campaign spending of special interests, and then we will be able to limit it altogether, either by having the FEC or the national parties themselves running the financing of the congressional candidates."

How do they propose to pass public financing? Wertheimer stated: "Kennedy is the principal sponsor in the Senate of our ideas..." Kennedy for President, anyone?