

## **Congressional Closeup** by Barbara Dreyfuss and Susan Kokinda

### **C**lose vote expected on Davis-Bacon

Capitol Hill sources expect a close vote in the Senate in early October, on a measure which would substantially weaken the Davis-Bacon Act, the 50-year old legislation that guarantees the payment of prevailing wage levels on federally funded construction projects.

Barring unforeseen developments around the budget, the Senate is expected to vote at the beginning of October on a rider to the military construction appropriations bill which would exempt all military construction projects from Davis-Bacon coverage. The vote will be so close that it will be decided by last-minute lobbying say aides to Sen. Strom Thurmond (R-S.C.), the sponsor of the rider, and Sen. Don Nickles (R-Okla.), a key coordinator of the efforts for Davis-Bacon repeal. "Our count is that it is about 45 for, 45 against," said one aide.

These senators are being urged on by OMB Director David Stockman and Federal Reserve Board Chairman Paul Volcker, who see it as the first step towards full repeal of the act.

Nickles has devised several strategies on the rider. Should there be enough votes to pass the waiver, the bill will go to a House-Senate conference committee, where the House conferees could be expected to kill it. To prevent that, its supporters will try to deadlock the conference and force a vote by the full House, where Nickles hopes to have the votes to pass

it. Should the head count come up short of passage, the waiver may be withdrawn and an effort made to go for full repeal. Although Nickles's aides are not confident they could win such a vote, they hope to show that there is enough backing for repeal to make it feasible.

### **A**menendment to prevent bank takeovers fails

A last-minute attempt by Lawton Chiles (D-Fla.) to extend a moratorium against interstate branching or acquisition of trust companies by national bank associations failed by a vote of 32-60 in the Senate Sept. 24. This means that as of Oct. 1, 1981 trust companies will be able to expand interstate.

"We think that this will allow major banks from the major financial centers to take the cream off of the trust operations of smaller institutions," a spokesman for Chiles said. "We have a situation where the big banks and the big corporations are taking over everything."

The Chiles amendment cosponsored by Paula Hawkins (R-Fla.) and Lloyd Bentsen (D-Tex.) was amended to the legislation providing for temporary continuing appropriations for government operations in fiscal year 1982, pending final passage of regular appropriations bills. When asked why the Senator attached his amendment to such an unrelated vehicle, a Chiles spokesman pointed out that Banking Committee Chairman

Jake Garn (R-Utah) supported the expiration of the moratorium and had refused to consider any legislation in the Banking Committee itself.

### **N**ew water legislation on the drawing boards

President Reagan's renewed insistence on waterway user charges in his Sept. 24 address to the nation is likely to yield new legislative initiatives in the Senate.

The chairman, Sen. James Abdnor (R-S.Dak.), and the ranking Democrat, Sen. Daniel Moynihan (D-N.Y.), of the Water Resources subcommittee of the Senate Environmental and Public Works Committee are reported to be preparing legislation to impose user charges for port development. While not going as far as the President's and OMB director David Stockman's demand for nearly 100 percent cost recovery on port construction and operations and maintenance, the new legislation will still accept the philosophy of user fees—a significant departure from the 200-year-old tradition of federal support for internal improvements.

In addition the chances for a badly needed omnibus rivers and harbors bill being introduced this session look dim in light of Stockman's fiscal austerity. If new water projects are to be started, according to Capitol Hill sources, they will probably have to be financed by a mix of federal, state, and

private sources. Assistant Secretary of the Army for Civil Works Bill Gianelli has already called on Congress and the administration to explore these forms of "creative financing." Some have noted that Gianelli's "creative financing" sounds similar to the kind of approach being offered to the Third World for development projects by the administration.

## **Gonzalez: impeach Fed Open Market Committee**

A resolution introduced by Rep. Henry Gonzalez (D-Tex.) Sept. 18 to impeach the members of the Federal Reserve's Open Market Committee was referred to the House Judiciary Committee. Now that committee has been sent another resolution by Gonzalez to impeach Federal Reserve chairman Paul Volcker. Gonzalez at the same time put forth a bill to abolish the Open Market Committee.

Congressman Gonzalez took to the House floor a few days after introducing his resolution to explain that what prompted his actions were the disastrous interest-rate policy of the Fed and the complete arrogance of the central bank in refusing to listen to Congressional demands that interest rates must come down.

"The Federal Reserve Board has been not only runaway, but it has been wholly unaccountable to the point that it has reached a degree of unacceptable arrogance. It is a creature of the Congress. It

is not a body that was born from the outpouring of the great god, Angus, as the Greeks used to describe it. It is a humanly created body . . . I am sure the Speaker will agree with me that we had always thought before that charging interest above a certain rate was illegal, and yet this board has legalized usury on a national level . . . Why not bring them in and have them confront the charges? What I am speaking of are high crimes and misdemeanors. Senators in their august and pristine grandeur across the Capitol dome, and us on the House side . . . have noted the arrogance with which the Federal Reserve Board condescends to take time and come before us and then snort at us and say: 'It is your fault; you have social programs you still must cut further.' . . . Since when has our American Government permitted the creation, the existence, and the perpetuation of a system where the most important constitutional power granted this Congress has been usurped by this body and then dares challenge the Congress as to its jurisdiction?"

"I told Mr. Volcker, and that is the only time he has lost his cool, to his face that he has been responsive not only to less than eight banks, not the general banking industry, the 14,000 or so of them that the Federal Reserve Board is supposed to be representing, but just the Chase Manhattans, the Chemical Bank and Trust, Continental Trust of Chicago, those that are the plutocrats of our financial markets in this country."

## **Surgeon general nomination comes before Senate**

Months of obstructionist tactics were finally cleared away, as the Senate Labor and Human Resources Committee began hearings on the nomination of Dr. C. Everett Koop for surgeon general of the United States Oct. 1.

Koop's nomination had been held up for months by critics who disagree with his opposition to abortion. Technicalities such as Koop's age were used by various pro-abortion members of Congress and their supporters to hold up the nomination.

Support from professional colleagues and public health officials was overwhelming, but pro-abortion representatives staged a last ditch effort to stop Koop. Jane Wells-Schooley, national vice president of the National Organization for Women charged that "Koop as Surgeon General may be hazardous to women's health. Dr. Koop has demonstrated a significant bias against the comprehensive reproductive health care needs of women." Capitol Hill observers noted that the intensity of opposition to Dr. Koop was a product not only of his anti-abortion views but of the fact that he sees abortion as only the first step to mercy killing and euthanasia.

While several liberal Senators, including Senators Kennedy and Metzenbaum touched on the issues of unwanted pregnancies, neither voiced any serious opposition to Koop's nomination, and it is expected to pass the committee and the Senate by a substantial margin.