

Congressional Calendar

"Mini" Davis-Bacon repeals afoot on Hill

While a wholesale repeal of the Davis-Bacon Act, which assures union wages and working conditions on all federally funded construction projects, is unlikely in this session of Congress, efforts are afoot to gut the bill through piecemeal attacks on the legislation. The Senate will be voting after the July 4 recess on the fiscal year 1980 military construction authorization, which contains language waiving Davis-Bacon on all military construction projects. That amendment, sponsored by Texas Republican John Tower, passed the Senate Armed Services Committee by a vote of 11 to 4, receiving support from all the Republicans on the Committee as well as Sam Nunn (D-Ga.), James Exon (D-Neb.), and Independent Harry Byrd, several weeks ago.

A Tower spokesman reported that there is a fighting chance of passage on the floor this year because of widespread concern over the budget deficit. "The Department of Defense testified that they could cut costs by 10-20 percent on all construction projects without Davis-Bacon, and that is a powerful argument for both Republicans and Democrats who are concerned about the size of the military budget," the spokesman said.

Similar efforts to waive Davis-Bacon on other FY 1980 authorizations have so far died in committee, or in one case, on the House floor. As he has in the past, Tower again put forward an amendment to the Housing and Community Development Authorization in the Senate Banking and House Urban Affairs Committee this session waiv-

ing Davis-Bacon on all housing projects financed by the Act. That amendment failed by a vote of 8 to 7. A more restricted amendment waiving Davis-Bacon on rehabilitation projects, known as "sweat equity" projects, was put forward by Utah Republican Jake Garn. It failed by a vote of 7 to 6. Both Tower and Garn are cosponsors of the legislation for full-scale repeal of Davis-Bacon, which is not expected to move this year.

An amendment similar to the Garn Amendment waiving Davis-Bacon on sweat equity projects was brought to the floor of the House on June 6 by Idaho Republican George Hansen. It was defeated by a vote of 244 to 155, but picked up surprising support from such Democrats as Al Ullman and Robert Weaver, both of Oregon, who supported the amendment on the grounds that Davis-Bacon was preventing Indian rehabilitation projects from proceeding.

Besides efforts to waive Davis-Bacon on particular projects, there is a quiet move developing to gut the legislation through administrative reforms. Most of the significant labor-protecting aspects of the legislation, such as determination of prevailing wages, work standards and job classification are implemented through administrative procedures. Though it is not likely to be done under the current Labor Secretary and with the Carter administration dependent upon labor backing for Carter's reelection, numerous Republican hopefuls, including John Connally and Howard Baker, have indicated that they would be amenable to the correction of such administrative abuses."

Synthetic fuels push picks up steam

From \$2 billion in federal purchasing guarantees, to \$3.4 billion in accelerated project funding, to the creation of a \$75 billion government corporation, the legislative push for synthetic fuels has rapidly reached enormous proportions. Sen. Pete Dominici (R-NM) and ten other cosponsors introduced S. 1376, the Synthetic Fuels Production Act of 1979 on June 19, 1979.

The bill will create a Synthetic Fuels Production Authority with a capitalization of \$75 billion to assist private firms with the construction of commercial-sized oil shale, coal gas, and coal liquid plants, along with similar facilities to produce synthetic or alternate fuels. Stating that his legislation is patterned after the proposal put forward by the late Nelson Rockefeller, Dominici reasons that "whether we like it or not we are slaves to the whims and wishes of a few Arab oil sheiks. An oil-addicted America has no choice but to go along with outrageous but constant price increases. This measure is, I think, our last chance to get out from under this stranglehold." Dominici fails to note, however, that the diversion of resources to the production of synthetic fuels will in itself be enormously inflationary, both in terms of oil prices and in terms of inflationary pressures in general.

Cosponsors of the legislation include Democratic Senators Jim Sasser (Tenn), Richard Stone (Fla), Patrick Moynihan (NY), and Bennett Johnston (La). Republicans besides Dominici are Mark Hatfield (Ore) and Ted Stevens (Ala). A spokesman for pro-nuclear Sen. Sasser said, "We were so glad to get

this legislation, we have felt so frustrated about being able to take any Congressional action about the energy crisis."

This panic atmosphere has fueled a proliferation of hearings on synthetic fuels. The Economic Stabilization Subcommittee of Senate Banking Committee, chaired by Michigan Senator Don Riegle, held hearings on June 20 on the Cutler-Ignatius-Zuckert plan to create a \$200 billion "Manhattan-style" push for the production of synthetic fuels. Similar to the Dominici legislation, this proposal is basically only a larger version. Testifying at the same hearings was Big Mac chairman Felix Rohatyn, who recorded his wholehearted support for the Cutler-Ignatius-Zuckert proposal. Rohatyn added that West Germany, France, and Saudi Arabia should be "requested" to help subsidize such a project. He also bluntly called for a "social contract" approach by labor and industry in holding down wages and prices involved in such a project. Rohatyn noted that his "Energy Corporation for the Northeast" (Encono), which is scheduled for July hearings in the Senate Energy Committee, would integrate nicely with the Cutler approach.

And on the same day, Energy Committee chairman Scoop Jackson began the first round of hearings on S.1308, the Energy Supply Act of 1979—his more "modest" proposal for an acceleration of synthetic fuels projects as well as an additional \$3.4 billion of funding.

The end of July portends to be a critical time for this legislative push. Jackson has stated that he will report out some form of his legislation by August. Banking Committee chairman William

Proxmire stated on June 20 that the Banking Committee will wrap up action on the various pieces of energy legislation before it by late July, including the Moorehead proposal to ensure \$2 billion in federal government purchases of Synfuel, under the Defense Production Act. Given the crush of the SALT debate starting in September, and the lack of action in the House of Representatives so far, it is not likely that substantial synthetic fuels legislation will emerge this year. But look for rapid and major action early next session.

Carter backs solar energy plan

President Carter announced June 20 that he is aiming for 20 percent of U.S. energy needs to come from solar energy, an extremely expensive and inefficient, low-energy-yield source. Carter is redefining solar power as well, to include such 19th century energy sources as wind power, water, and wood—the whole gamut of "renewable" resources. Carter declared that he was committed to spending more than \$1 billion in fiscal year 1980 for solar and other renewable energy programs.

Energy Secretary Schlesinger himself underscored the fact that such a transformation of America's energy sources would turn the country back to economic levels of decades ago when he wrote in a private memo to Carter that the solar power program should be proposed "to challenge America's industries, institutions and the public." To reach this goal, Carter is supporting legislation sponsored

by Congressman Neal (D-NC) for a Solar Development Bank, which would work with private commercial banks to fund money for solar projects. In some cases the loans would be government subsidized and in other cases guaranteed against default, thus creating major government boondoggle mechanism for financial bailouts of carefully selected companies and institutions. Neal's bill provides for \$450 million through 1982. Similar bills have been introduced by Senators Morgan (D-NC) and Durkin (D-NH).

Low-wage youth jobs bill in the hopper

In the next two weeks (D-Mass), a close ally of Senator Ted Kennedy, will propose legislation for a national commission to study the feasibility of creating a national youth service. What Tsongas is aiming at is creation of a national youth service program which would hire young adults for a year or two after high school at low-wage jobs, providing a pool of cheap labor. Tsongas's plan, according to his aides, stems from a report written by the Commstudy of a National Youth Service, funded by such appendages of the Council of Foreign Relations as the Rockefeller Foundation, the Potomac Institute, and the Ford Foundation. Tsongas is distributing the report to every social studies teacher in Massachusetts and plans a conference of high school students and teachers on his proposal in October in Massachusetts, to drum up support.

—Barbara Dreyfuss
and Susan Kokinda