

Congressional Calendar

House Banking Committee passes Chrysler bailout bill

The House Banking Committee Nov. 15 voted up a \$1.5 billion loan guarantee program for Chrysler Corporation, provided the company raises a similar amount.

The House Committee's bill includes several amendments that were sponsored by Congressman Reuss (D-Wisc.). Reuss proposed that the loans only be given if Chrysler produces a product line that "lessens our dependence on OPEC." The Treasury Secretary will determine what is energy efficient, giving him control over Chrysler production.

The Committee also adopted another proposal by the committee chairman that would provide loans to other companies who take over Chrysler facilities or workers. "It is already envisaged that Chrysler will sell some of its assets and this will make it easy for these assets to be picked up," declared a committee staffer. This provision would tend to invite asset stripping by Chrysler. Treasury Secretary Miller declared in hearings before the Committee Nov. 7 that this was one way Chrysler could raise the \$1.5 billion it needs to qualify for the federal loan guarantee.

The Committee also endorsed an amendment by Congressman Lundine (D-N.Y.) which calls for

an employee stock ownership plan. This would place 10 million shares in employee hands costing each worker about \$500 over four years. The House hopes to have the bill voted on by the first week in December and the Banking Committee will file the bill on Nov. 27.

The Senate began its final round of hearings on the Chrysler bailout proposal Nov. 14. One of the major items of debate is whether or not the Chrysler's settlement with the UAW is stringent enough. Sen. Proxmire (D-Wisc.), the committee chairman, has been talking about requiring strict contributions from workers before any federal loans are approved. The Senate also plans to bring the bill to the floor in the first week of December.

Youth employment bill readied

Congressman Augustus Hawkins's Youth Employment Act of 1979 will be in markup in early January, say aides on his subcommittee staff. The bill extends and amends the CETA legislation and Federal Projects for Youth programs, authorizing as many as 1 million youth jobs under these titles, under specified economic conditions. The jobs will be low-wage with little hope of higher-grade training, and, to some extent, involve public

works programs.

A number of other youth jobs bills have been introduced into Congress, and several of them may be incorporated into the Hawkins bill when mark-up begins, providing for even more jobs.

House passes National Development Bank

By a vote 301-99, the House of Representatives passed the National Economic Development and Public Works Act which includes the basic formulation for implementation of President Carter's "National Development Bank." While H.R. 2063, passed Nov. 14, is the regular yearly authorization legislation for public works and the Economic Development Agency, a spokesman for Rep. Robert Roe (D-N.J.) who floor-managed the bill, said: "Basically we absorbed Carter's proposed National Development Bank into the bill by substantially increasing the authorization for the Economic Development Agency's loan program."

The EDA can now make \$6.3 billion in loan guarantees available to enterprises who are willing to employ people in depressed urban and rural areas or willing to relocate to such areas. If the EDA does conform to Carter's proposal, the bulk of the loans would go to low-

skilled, low-paying job creation in labor-intensive enterprises. At the same time, the legislation increases funding for public works projects—the same labor-intensive job creation by the government itself.

One supporter said the legislation's changed form over last year's version was a response to the current recession. The Senate passed an essentially identical bill, except for technical differences, on Aug. 14. A conference version and final floor action is expected to proceed quickly.

Stall curb on oil-import powers

Sen. Bennett Johnston's attempt to curb the power of the President to impose oil import quotas and taxes was preliminarily rejected by the House of Representatives which refused to accept his amendment to the International Energy Agency authorization, S.1871. Johnston, who had tried to curtail the President's power altogether, was forced to compromise with an amendment giving Congress power to override the President's actions. That amendment to S.1871, passed the Senate by a vote of 70-23 on Oct. 30. But the House insisted that, because the bill dealt with import tax powers, it had to be considered in

the context of a money bill, and rejected the amendment.

Johnston will attempt to pass the amendment again, to the wind-fall profits tax, a money bill currently before the Senate.

Stevenson to hold hearings on eurocurrency, gold, EMS

Sen. Adlai Stevenson (D-Ill.) announced Nov. 15 that he will hold hearings in the international finance subcommittee of the Senate Banking Committee on the issues facing the international monetary structure. Stevenson intends to explore the issues surrounding the Eurocurrency market, prospects for wider use of Special Drawing Rights (a proposed IMF reserve currency), the future role of gold in the monetary system, and the effect of the European Monetary System on the dollar. Stevenson in the past has not supported the EMS and its gradual move toward the remonetization of gold, instead supporting London and New York-backed proposals to replace the dollar with SDRs.

Mitchell politicizing Fed?

Rep. Parren Mitchell has just floor managed passage of a bill which

will more closely time the chairmanship of the Federal Reserve Board with the presidential term. H.R.5037, Federal Reserve Act amendments, was passed by the House Nov. 13. The bill alters the law so that the Fed chairman's term will expire one year after the beginning of a new presidential term. (The current law gives the Fed chairman a four year term, based on the day he takes office; death, resignations, etc. have meant that the timing of a new appointment is purely arbitrary.)

Most observers agree that the ability to appoint a new Fed chairman after one year of a president's term will make the chairmanship more politically sensitive. A Mitchell spokesman, however, said "It removes the possibility that an appointment could take place during an election year and thus be a political football."

Senate Banking Committee chairman William Proxmire has not responded favorably to Mitchell's bill. There is no bill pending in the Senate, and Mitchell's people do not expect action this year.

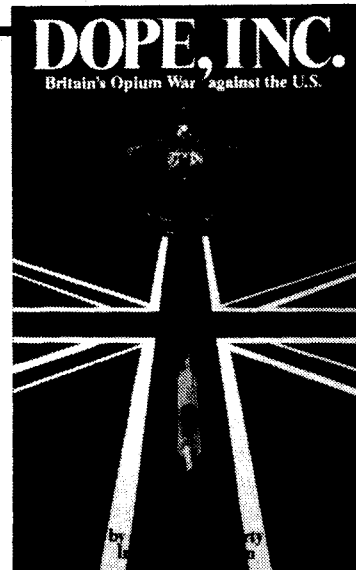
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