

Congressional Closeup by Ronald Kokinda and Susan Kokinda

Cost sharing flaws Senate water bill

The Senate Energy and Public Works Committee reported out the Water Resources Development Act of 1983 (S.1739) on Nov. 9. Legislation funding river and harbor maintenance and dam construction had been stalled in recent years under the attack of environmentalists and free-enterprise radicals who have attacked Congress's constitutionally mandated responsibility for internal improvements as "porkbarrelling."

As a result of this pressure, S. 1739 contains dangerous concessions to the notion that waterway users should pay for the construction of new water projects. The legislation caps annual spending by the Army Corps of Engineers at \$646 million—the very inadequate amount appropriated to the Corps in FY83. Industry officials insisted that \$960 million is needed each year for the next 15 years to take care of the backlog of repairs and expansion—a conservative estimate.

Under S. 1739, user fees will have to pay for any funds above the \$646 million authorization. The legislation establishes a board of groups including farmers and other bulk commodity shippers, and barge owners to decide how to tax themselves—an additional tax on the few remaining productive sectors of the U.S. economy.

Senator Alan Simpson (R-Wyo.) sought to remove the government role in water project construction altogether by gradually phasing out government funding at a rate of \$35 million per year. Simpson's amendment failed to gain a majority of the committee. Voting with Simpson was the usual alliance of environmentalists and free enterprise advocates. The Democrats were Daniel Moynihan (N.Y.), George Mitchell (Me.), and presidential contender Gary Hart (Col.). Re-

publicans who sided with Simpson were Pete Dominici (N.M.), committee chairman Robert Stafford (Vt.), John Chafee (R.I.), and Gordon Humphrey (N.H.), the latter the man most responsible for the recent defeat of the Clinch River Breeder Reactor on "fiscal conservative" grounds.

Omnibus water legislation has passed the House Transportation and Public Works Committee. Serious floor consideration of either bill is not expected until 1984.

House passes domestic content bill

The House passed H.R. 1234, the domestic content bill, on Nov. 3 by a vote of 219 to 199. Backers of the measure were explicit that the intention was to bring pressure on the Japanese to curb their exports to the United States and to open their markets to U.S. goods.

Designed for the automobile sector, the domestic content provisions would impose restrictions on all auto manufacturers, domestic and foreign, by requiring that a certain percentage of the value of cars sold in the United States has been produced in the United States.

By 1987, that percentage, phased in over three increments, would require 10 percent domestic content for those manufacturers selling more than 100,000 cars, up to a ceiling of 90 percent for those selling 900,000 autos. For every percent of the standard not met, the percentage number of cars the manufacturer would be allowed to sell in the United States would decline correspondingly.

Special Trade Representative Bill Brock used the threat that this legislation would pass both the House and the Senate to get a "voluntary" import

restraint from the Japanese. Japan now limits exports to the United States to 1.85 million autos. One opponent of the legislation, Rep. Bill Frenzel (R-Minn.), noted that "some of us were surprised after the new voluntary restraint agreement was announced that this bill was not pulled off the floor. . . . [It] is voluntary," Frenzel noted, "only in the dreamiest ideas of those who do not realize that we forced it on the Japanese government."

Proponents of the bill, led by House Energy and Commerce Committee chairman John Dingell (D-Mich.) and Richard Ottinger (D-N.Y.), argued that trade protection is also necessary to maintain U.S. jobs. They estimated that employment would increase by 300,000, and by another 600,000 in feeder industries.

Opponents pointed to numerous studies, including those of the Congressional Budget Office, which estimated that there would be a net loss of 66,000 U.S. jobs, due to Japanese trade retaliation. U.S. Ambassador to Japan Mike Mansfield, a Democrat, concurred with this estimate, it was reported during the House debate. The CBO also calculated that due to lost competition the net cost of an individual car could rise by \$333. Other estimates ranged as high as \$1,300 more per automobile.

Bipartisan cutters target the military

The political elements that have been attempting to gut President Reagan's defense program and turn U.S. finances over to the mercy of Swiss and other foreign creditors, received a boost in the House as Reps. Les AuCoin (D-Ore.) and Chalmers Wylie (R-Ohio) introduced H.J.R. 382 on Oct. 26, calling for the creation of a

National Commission of Federal Budget Deficit Reductions. Modeled on the bipartisan commission which ostensibly solved the Social Security financing problem, the primary target of the proposed commission is to cut defense spending, increase taxes, and cut the entitlement programs.

Federal Reserve chairman Paul Volcker told the congressional Joint Economic Committee on Oct. 20, according to Wylie, that "such a commission could play a useful catalytic role in solving some of our difficult structural deficit problems." Volcker, the man most responsible for economic destruction of the United States, and an open advocate of reducing U.S. military strength, was joined by former President Gerald Ford in the commission call. The National Association of Homebuilders, rather than attacking Volcker's high interest rates for the deficit, declared Nov. 2 "D-Day," or deficit day.

The political lay of the land, as described by AuCoin, is "political paralysis," where liberals are defending entitlements, and conservatives are defending the tax cuts and defense, and neither political bloc can prevail. AuCoin argues that everyone must accept austerity, to get "the political cover to go back to their constituencies and say those things" were recommended by a "blue chip, bipartisan commission."

New round of Senate attacks on defense

The Senate passed the FY84 defense authorization on Nov. 8 and beat back a final attempt to halt production of the MX missile during floor action on the bill. Dale Bumpers (D-Ark.), whose wife is a founder of the KGB-infested Peacelinks organization, of-

fered the amendment to delete the money for MX missile production. The amendment lost by a vote of 56 to 37, with six Republicans voting with the Democrats. The House has already approved funding for MX missile production.

However, in the same defense bill passed by the Senate, Paul Tsongas (D-Mass.) attached a seemingly non-controversial amendment calling for the President to report to the Congress on the policy implications of his March 23 strategic defense proposals. Tsongas's cosponsors were Kennedy (D-Mass.), Pressler (R-S.D.), Cranston (D-Calif.), Levin (D-Minn.), Pell (D-R.I.), Glenn (D-Ohio), and Bingaman (D-N.M.), all opponents of a beam weapons ballistic missile defense policy. Tsongas hopes that the President's report, which is due on May 15, 1984, will leave more questions unanswered than answered, and provide a basis for building congressional opposition at precisely the time when Congress will be first considering upgrading funding levels for beam defense systems.

The House version of the Defense appropriations bill forbids the President to test and deploy an anti-satellite (ASAT) system until he reports to Congress on arms control and strategic policy issues relating to ASATs. The opponents of strategic defense and space-based weapons systems hope to combine the two provisions calling for presidential reports in the House-Senate conference committee to hamstring the administration on both fronts.

House passes dairy compromise

No one won the battle on the House floor falsely billed as dairy producers versus consumers. While the House

rejected an amendment by Barber Conable (R-N.Y.) to radically cut dairy price supports in an effort to save money and to reduce the alleged "surplus" of dairy products by a vote of 174 to 250, it accepted the Dairy Production and Stabilization Act (H.R. 4196), which will reduce dairy herds by less extreme means. Both positions accept the "free-market" assumption that there is an oversupply of dairy products—in reality there is an undersupply of the purchasing ability to buy dairy foods. Behind the efforts to reduce agricultural production in the United States are the large cartelized commodity groups which are trying to drive independent and family farmers out of business in order to control the market.

The Dairy Production and Stabilization Act, which had already been passed by the Senate, reduces the price supports paid to dairy farmers by 4 percent, and pays farmers not to produce—a first for the dairy program. The administration had originally backed this compromise when it passed the Senate, but under pressure from OMB Director David Stockman, who warned that it would cost too much, it backed the Conable amendment. That amendment would slash price supports by 11 percent and provide no payments for reducing herds. In a statement preceding the floor action on Nov. 9, Vermont Republican Jim Jeffords warned that "if the Conable amendment passes, it will work by culling farmers as well as cows. Thirty thousand producers will go out of business—most of them young farmers."

A veto is unlikely since the legislation is tied to a tobacco bill which is supported by Senate Agriculture Committee Chairman Jesse Helms (R-N.C.). Helms faces a tough reelection fight in 1984 and needs the tobacco bill.