

Congressional Closeup by Ronald Kokinda and Susan Kokinda

Second lock proposed at Lock and Dam 26

Congressman Robert Young (D-Mo.) introduced H.R.917 on Jan. 25 to build a second lock at lock and dam #26, a strategically vital confluence of the upper Mississippi and Illinois Rivers. Lack of adequate water transportation facilities at this location has been a bottleneck to timely and efficient movement of goods throughout the agro-industrial heartland of America.

Young said in a statement in the *Congressional Record* that the legislation will "fulfill the finding of need" by the Upper Mississippi River Basin Commission, and pointed out that shipment of farm products increased by 150 percent and shipment of chemicals increased by 158 percent between 1966 and 1978. Average tow barge delay in the main and auxiliary chambers increased 83 percent and 100 percent, respectively between 1977 and 1978. Such inefficiency builds a tremendous cost and corresponding drop in productivity into the economy.

The legislation is expected to be authorized in the House Public Works and Transportation Committee without problem, but the fight will come around getting adequate funds appropriated. "It is my hope that this legislation will be enacted strictly on its merits," Young said, "without being held hostage to waterway user tax/cost recovery proposals which are favored by the administration." Young noted that only some regions of the country had done adequate studies of the impact of such fees, and that the results were overwhelming that severe dislocation would occur in the waterway industry."

"Without a second lock at the new facility," he warned, "maintenance problems could potentially paralyze the upper Midwest because navigation

could be cut off at St. Louis."

This is important, noted Young, because "a first-class navigation system is an essential requirement for a military mobilization effort."

House Banking Committee pressured to bail out IMF

The House Banking Committee began its hearings on "International Finance and the Role of U.S. Banks" on Feb. 2, preparatory to a vote on the International Monetary Fund bailout within the next few months, and obviously under tremendous pressure to vote for the bailout. Committee chairman Fernand St. Germain came out of the closet in near total support of the IMF, praising its "important role" for "stability" of the international financial system, and adding that U.S. banks would have to be placed under greater discipline in their lending practices. Federal Reserve Chairman Paul Volcker, the only witness at today's hearings, promised the committee that they would have a report on the more stringent practices of regulatory agencies which they intend to implement before the committee would "have to vote" on the IMF increase.

Rep. Frank Annunzio (D-Ill.) stepped in to fill the role that St. Germain had taken at the last hearing, that of pressuring the administration and the Federal Reserve to put more resources into domestic economic programs. Yet, even as he noted all the constituency pressure that he was under, he pointed out that the last vote on the IMF won in the Banking Committee by two votes, and asked for arguments to give his constituents on why the vote for the IMF was necessary.

Volcker said he was "not predicting chaos," but rather that the IMF increase was "an insurance policy" and

he would feel "more comfortable" if it were approved. Rep. Stewart McKinney, after noting all the companies that have gone out of business in his district, told Volcker that he could "explain the necessity" of the IMF increase to his constituents, but not "without responsibility" of greater discipline on the lending of large banks. Volcker promised that this would be forthcoming.

Resolution reintroduced to ban space-based weapons

Sen. Larry Pressler (R-S.D.) has reintroduced his resolution to ban all military activity in space. Chairman of the Arms Control Subcommittee of the Senate Foreign Relations Committee, Pressler introduced a similar resolution last year and conducted hearings around the issue of military activity in space. At those hearings, Dr. Cooper of the Defense Advanced Research Projects Agency (DARPA) and Pressler engaged in a cordial colloquy over the technical impossibility of actually developing a space-based directed energy-beam defense against nuclear ICBMs at any point in the foreseeable future.

Pressler focuses his resolution on the question of the anti-satellite technologies currently being worked on by both the Soviets and the United States, and urges negotiations toward a treaty banning the development, testing, production, and deployment of anti-satellite (ASAT) weapons. But Pressler makes it quite clear that this ASAT ban is intended "as a first step toward prohibiting all space-based and space-directed weaponry." Pressler's resolution would also ban the deployment of "hazardous materials such as nuclear materials in space."

The resolution, S.R.43, is co-

sponsored by Senators Percy (R-Ill.), Pell (D-R.I.), Mathias (R-Md.), Proxmire (D-Wisc.), Cranston (D-Cal.), and D'Amato (R-N.Y.). Hearings are planned for late February. Representatives of the National Democratic Policy Committee and Fusion Energy Foundation have been informed that they will not be allowed to testify.

Rohatyn's national "Big MAC" proposed in Senate

As Sen. Bill Bradley (D-N.J.) was proposing one form of Felix Rohatyn's "Global Big MAC" as a preemptive action against an international debtors cartel (see Economics), Sen. Ernest Hollings (D-S.C.) was introducing a domestic form of the same proposal. A bill establishing a Reconstruction Finance Corporation (RFC) (S.265) was introduced Jan. 27 by Hollings and Senators Long (D-La.) and Pryor (D-Ark.), with a speech by Rohatyn himself as documentation. Hollings, a presidential aspirant, asserts that his RFC will "help restructure basic industry and rebuild our cities."

The RFC, as Rohatyn explains it, will bail out faltering industries, banks, and cities with loans and purchases of equity in exchange for providing "management recommendations" to the institutions, as New York's Big MAC, which Rohatyn ran, "advised" New York City to slash its services and infrastructure. Rohatyn cites as an important part of his RFC process the coming together of government, industry, and labor to "make efforts and sacrifices which they would not otherwise make."

"There is no reason why limited and temporary protection for our hard-hit industries cannot be conditioned

on restrained wage and price behavior by labor and management; this might become the model for an incomes policy where wage and price behavior could be linked to productivity," according to Rohatyn.

Administration retrenches on science programs

The release Jan. 31 of the FY1984 fiscal budget points to a further retrenchment by the Reagan administration in key research and development programs. No new large-scale goals were set in energy and space, and projects formerly supported by the President, have fallen victim to the technological pessimism of his science advisor.

The overall Department of Energy budget was reduced from \$12.8 billion to \$11.9 billion. Though the magnetic fusion program received a small increase to take it to the \$467 million level, no new projects will be started. At this rate, Dr. George Keyworth's prognostication from the Office of the Science Adviser that fusion will be commercially ready by the year 2050 is very optimistic.

The Clinch River Breeder Reactor, which had been a key part of the administration's nuclear program, has not been put into the "marketplace." The DOE will only fund the project if industry puts in a comparable amount of money.

The budget for NASA received a small 4 percent increase, bringing its budget to \$7.1 billion. On advice from Keyworth, however, NASA will not order a fifth Shuttle orbiter vehicle, and even though money will increase for space-station studies, there is no sign that the nation is taking up this challenging goal.

Weinberger faces heat on defense budget

Caspar Weinberger received harsh treatment in his appearance before the Senate Armed Services Committee on the defense budget Feb. 1. He was raked over the coals by liberals and conservatives alike for his proposed year pay freeze for the armed forces. Military pay increases have been heavily emphasized in recent years as a means of attracting and retaining qualified personnel. Conservative Democrat James Exon (Neb.) attacked the pay cut, as did William Cohen (R-Me.), who announced that he would lead the fight to restore the pay raises and find somewhere else to make the cuts. Even Senators Thurmond (R-S.C.), Tower (R-Tex.), and Jepsen (R-Iowa) proposed that the pay cut be restored by half.

Weinberger's sharp comment that defense spending helps the economy prompted one observer to comment that "If this is how he's going to treat his friends, then he's in real trouble." Liberal Democratic Senator Carl Levin (Mich.) told Weinberger that his figures in different areas, such as comparisons of NATO and Warsaw Pact spending, were wrong. Levin promised to put his own figures into the *Congressional Record*.

Barry Goldwater (R-Ariz.), a defender of Weinberger, made probably the most accurate comment. "I had to say to him [Weinberger] sitting there that I was reminded of the 1930s," Goldwater said on the floor of the Senate later that day. "In the 1930s, we were in the middle of a big depression, such as we are in right now, but we were not spending money in adequate amounts to allow us to do our constitutional duty of defending our people in a proper way."