

Congressional Calendar

Carter energy program fading fast on the Hill

The knives are out on Capitol Hill and President Carter's energy package is rapidly losing any chance it had of congressional backing. Carter's demand that he be given power to ration gasoline received a major setback July 25 when the House voted 232 to 187 to have a double veto on any gasoline rationing plan proposed by the President. This would give either house of Congress the ability to defeat the plan either when Carter proposes a plan or for 30 days before Carter intends to implement it.

The House leadership, faced with this setback, immediately withdrew the legislation from the floor of the House late Wednesday night and now hopes to turn the legislators around on this one part of Carter's energy package that they had expected to pass before Congress recesses. Carter insisted at his press conference after the vote that he wanted the power to impose rationing swiftly and without congressional hindrance when he declares an emergency.

As we reported last week, Sen. Russell Long, the powerful chairman of the Senate Finance Committee, will probably gut the most dramatic aspect of Carter's program—the \$88 billion Energy Security Fund. The fund is to receive its revenue from the windfall profits tax which is currently in Long's committee. Long and a large number of his fellow committee members have made quite clear that if any windfall profits tax will be passed, its revenues should go in

large part to providing incentives for the exploration of conventional oil and gas resources rather than the ersatz synthetic fuel fantasy that Carter is pursuing. Long and his cohorts also intend to modify the tax and remove it from the production of new and Alaskan oil which will substantially cut down on the revenues for the fund.

Reflecting the realization that their program is dying, the administration invited Long and the entire committee to the White House on July 24 for a special pleading session. There is no indication that committee views were changed and Long is still reporting that there is little chance that his committee will finish mark-up of the legislation, whatever it looks like, by the August recess.

Furthermore, members of the political and financial community which had previously supported a crash program for synthetic fuels are now reversing positions. On July 23, former Federal Energy Agency administrator and now partner of Lazard Freres, Frank Zarb, lambasted the synthetic fuels proposal as did other witnesses before the Senate Energy Committee. Former Lazard associate, Felix Rohatyn, had been one of the prime boosters of the concept earlier this year. And following Senator Edward Kennedy's speech on July 23 before the National Urban League, blasting Carter's overemphasis on synthetic fuels, the Kennedy crowd on the Hill has begun to snipe at the program.

The other substantial aspects of the Carter program—the Energy Mobilization Board and the so-

called Fast Track Legislation speeding up designated energy projects—while steaming through the Senate Energy Committee, may be prevented from reaching the floor before the recess by Sen. Edmund Muskie (D-Me.), chairman of the Budget Committee. Muskie and others of his committee, like Kennedy crony Gary Hart (D-Colo.), have expressed concern over the budgetary impact of the legislation. Muskie can put 10-day hold on any legislation ready for floor action if he so desires, and 10 days at this stage pushes the legislation past the August recess.

Efforts to kill Clinch River breeder underway

The Clinch River breeder reactor funding is, at the time of this writing, on the floor of the House, with the \$200 million to fund construction now being debated. There are efforts to kill the breeder program being led by Congressmen Udall (D-Ariz.) and Bingham (D-N.Y.), who have an amendment to the Department of Energy authorization program for the breeder that will not only delete the funds for the construction of the breeder, but will cut out funds for research and development on breeder programs. On July 25, an amendment by Congressman Fuqua (D-Fla.) to cut construction funding by \$129 million adding only \$55 for study of the breeder was defeated by a vote of 237 to 182.

Export Administration Act passes Congress

A slightly streamlined version of the Export Administration Act passed the Senate on July 21 by a vote of 74 to 3. While floor manager Adlai Stevenson managed to make a few housekeeping changes in the bureaucratic and political bottlenecks strangling U.S. export capacity, the legislation in no way resolves the fundamental problems in U.S. export strategy. Stevenson was able to modify several amendments offered by Washington Senator Henry Jackson which would have crippled U.S. exports to the East bloc and to allies by, in effect, militarizing U.S. export administration.

Jackson, using a well-coordinated media event around the firing of a Commerce Department official who had "blown the whistle" on the export of strategic materials to the Soviet Union, attempted to place ultimate control of military strategic exports under the Secretary of Defense. Other amendments tightened up definitions and made other changes in such a way as to totally militarize a crucial element of U.S. high-technology exports. Stevenson managed to modify all of the amendments, but the Jackson philosophy still permeates U.S. export administration (see Trade).

Carter administration proposes beefed-up trade department

On July 19, the Carter administration finally announced their long awaited program for consolidating the trade functions of the executive departments, proposing not a new agency but a Department of Commerce and Trade. The proposal was drafted by the President's Reorganization Task Force at the Office of Management and Budget, a group run by top officials from the Rand Corporation. Although the institutional reorganizations proposed are not intrinsically bad, the effort to consolidate the trade apparatus is part and parcel of the administration's policy of using trade as a weapon against U.S. allies, the East bloc and the developing nations (see Trade).

The administration's proposal calls for consolidating in the Commerce Department the Treasury division dealing with countervailing duties, the commercial attachés of the State Department, the division at State that handles East-West trade relations and the functions of the multilateral trade negotiations staff. On July 23, the Special Trade Negotiator Robert Strauss and OMB head James McIntyre detailed this policy at hearings before Senator Ribicoff's Government Affairs Committee. The Senator, who has proposed a new Department of Trade, declared that a compromise policy would be worked out between his staff and the administration during the August recess.

Carter nominees railroaded through committees

The first of President Carter's appointees were railroaded through confirmation hearings before two Senate committees on Wednesday, July 25. Hearings were held before the Senate Judiciary Committee on the first of the new cabinet appointments in Carter's "Capitol Hill shuffle": current Deputy Attorney General Benjamin Civiletti who has been appointed to replace outgoing Attorney General Griffin Bell. The Senate Government Affairs Committee also met to hear testimony on the proposed appointment of John Macey to head the newly legislated Federal Emergency Management Agency. Hearings on the proposed Treasury Secretary William Miller will be held before Senator Long's Finance Committee on July 27, and Long has refused any outside witnesses.

Virtually no discussion took place at either hearing, representing the Senate's rubber-stamping of Carter's appointments, despite criticisms from Senate quarters of the President's cabinet firings.

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