

Capitol Hill Close-Up

Congress to clash over materials bill?

The long battle between the executive branch and the Congress over whether the country will have a coherent national materials and minerals policy is reaching another point of confrontation as President Carter decides whether to sign or veto H.R. 2743, the Materials Policy, Research and Development Act of 1979. The legislation, the final version of which was passed by the Congress in the last days of the pre-election session, mandates the President to return to Congress within one year with a plan for implementing the materials research and minerals assessment objectives of the bill. It further places coordinating responsibility for federal materials R&D, which has been fragmented, under the Office of Science and Technology Policy of the President.

Science and Technology Committee ranking Republican John Wydler (D-N.Y.) warned of the problems of a short-sighted national materials policy in comments made during final discussion of the bill on the House floor on Oct. 2. "Energy policy and materials policy are intimately related. For example, new sources of energy such as fusion will require access to highly exotic materials many of which we must import and are in short supply the world over. Materials could be one of the fundamental limitations of the fusion energy program which I strongly advocate."

While the orientation of the original House legislation was primarily toward R&D, the Senate added two other thrusts. The Sen-

ate Commerce Committee, led by Senators Howard Cannon (D-Nev.), Adlai Stevenson (D-Ill.), and Jack Schmitt (R-N.Mex.) added provisions to promote actual commercialization of new materials technology and for the Commerce Department to submit a "bill of materials" for U.S. industry to the overall presidential review.

Senate Energy Committee head Scoop Jackson (D-Wash.) succeeded in adding language to the bill which emphasizes defense-related aspects of critical minerals and materials and remands certain review functions to the Defense Production Agency and to the Federal Emergency Management Agency, the "super"-agency empowered to handle all aspects of the U.S. economy in an emergency.

The bill is currently on the President's desk. The Departments of Commerce and Interior are reportedly recommending that Carter sign it, while the Office of Management and Budget is recommending a veto, despite the fact that the bill authorizes no money.

Budget Committee gets new look

A Special Subcommittee on Industrial Growth and Productivity has been established by the Senate Budget Committee, charged by Budget Committee chairman Ernest Hollings to review U.S. industrial policies. The new subcommittee will be headed by Sen. Lawton Chiles (D-Fla.) who had requested the formation of the subcommittee.

Aides to the senator made clear that the new subcommittee will act to pinpoint those industries that should be "sunsetting" and those that should continue, as part of a major overhaul of the U.S. economy. The subcommittee will focus on "whether some industries are so basic to the economy that they can't be allowed to go down the drain, while others can," declared an aide to the senator. "We want to see which are competitive, such as computers, and what we have to do to keep ahead. These we call the leading industries." The committee will review which industries should be given federal aid or research and development aid to stay competitive.

Whitten explores farm debt moratorium

House Appropriations Committee chairman Jamie Whitten (D-Miss.) has called on Secretary of Agriculture Bob Bergland to report back to him by Nov. 12 with a report on what actions can be taken to defer principal and interest on Farmer's Home Administration Loans. He has also asked Bergland and the administrator of the Small Business Administration to report to him with their recommendations for any additional laws or governmental actions that are needed to revitalize agriculture.

Whitten will reportedly decide how to proceed once he has Bergland's report in front of him on Nov. 12, when the lame duck session of Congress reconvenes. Whitten, who is also chairman of Appropriations' agriculture sub-

committee, has the option of mandating certain USDA actions such as debt moratorium via the fiscal year 1981 Agricultural Appropriations Bill which has not yet passed Congress. While the bill has passed the House, provisions can still be added in the Senate or in conference committee and Whitten usually has the clout to do so.

Fight begins to raise minimum wage

Cong. Edwin Beard (D-R.I.), the chairman of the House subcommittee on labor standards, in a press conference Oct. 1 announced his intention to champion a fight to raise the minimum wage from its current \$3.10 per hour level during the next session of Congress. The congressman did not fix an exact amount on the new standard he would propose for 1982, but said the increase would be substantial.

Congress "can't afford to wait on something we know is a reality, the time for action is now," Beard declared, when asked why he does not wait until a report by the Minimum Wage Study Commission is released in May 1981. Hearings on the minimum wage will be "one of the first items" on the subcommittee's agenda when the 97th Congress convenes, said Beard.

He further discounted the argument that this would be inflationary, stating that "Congress has heard this many times before and each time the weight of economic evidence has shown this not to be the case."

Staff of the labor standards

subcommittee term the current national wage level "scandalous."

They point to the fact that while the consumer price index has risen nearly 40 percent since 1978, the minimum wage has risen a little more than 26 percent. More importantly, they say, a person making the minimum wage will make only \$6200 a year when the minimum rises to \$3.35 per hour in January 1981. This is below even the bogus poverty level established by the federal government at \$7200 a year for a family of four.

"We know that the minimum wage should be much, much higher," said a subcommittee staffer. "People can't live on four or five dollars an hour without losing ground." Staffers agree the main function of a minimum wage is to "put a floor under productive labor"—to establish the minimum standard required to support a productive work force.

"We will propose something less than what is really necessary because we know there will be a big fight even to get that," said a staffer.

Various congressmen including Rep. John Ehlenborn (R-Ill.) intend to introduce legislation proposing a subminimum wage standard for youth. One proposal would have this standard apply to everyone 18 years of age or younger, thus encouraging employers to replace older workers with less costly young workers.

In addition, Rep. Ehlenborn proposes to roll back scheduled increases in the minimum wage and defer others.

The Carter administration is trying to sit on both sides of the

fence. They are likely to support some increase, a Department of Labor spokesman said, but not a big increase. Privately, White House sources say they wish Representative Beard had kept his mouth shut on the issue until after the election.

Ottinger proposes "sunrise" bank

Richard Ottinger (D-N.Y.) introduced the National Industrial Innovation Act of 1980 on Sept. 16. In floor remarks accompanying the House legislation, Ottinger paid tribute to the proposal of Sen. Adlai Stevenson (D-Ill.), who has called for an industrial financing bank to provide capital to high-risk ventures in "sunrise industries."

Ottinger stated that he was proposing an entity modeled on Stevenson's suggestion. The Ottinger bill calls for "a national industrial innovation corporation" which would provide loans, loan guarantees, equity financing, and authority for joint ventures with private industry for new or innovative products, processes, or worker productivity incentive programs.

In a related development, the Stevenson-Wydler Technology Innovation Act, S. 1250, passed both the House and the Senate before the current recess began and is on the President's desk. The bill provides for the creation of industrial innovation centers to aid in disseminating new technologies to U.S. industries. The President is expected to sign it.