

I have indicated to Lane Kirkland that I'll be supporting him at the ILO [International Labor Organization], and I'll probably be supporting him at the Madrid conference [Conference on European Security and Cooperation], where I will be a member of the commission.

So there are two very good areas where we can help.

I've also tried to get them to help me come up with ideas that will work in the youth employment area. They don't like our youth wage differential, so I suggested that they look at our Job Opportunities Bonus Bill, which may fit their needs and at the same time provide jobs for young people.

The youth differential does make clear that the minimum wage is not a sacred concept, by allowing employers to pay 75 percent of minimum wages during the first six-month training period. We think that would stimulate business, and particularly the small-business sector, in providing more jobs. The unions don't like it because they consider it an attack on their sacred minimum wage concept—I don't mean sacred sarcastically.

So what I've done is come up with the Job Opportunities Bonus Bill, which would give job opportunity bonuses of essentially the welfare money we'd give to that unemployed person anyway, to any business that employs that person on a 3-, 6-, 9-, 12-month basis, on a check-release basis after training, a formal training period where they pay the minimum wage or better. We think it has potential. We're not quite sure what the economic downside is, so we're still in the process of putting it together. That may be an alternative the unions may like, and another way we can work together.

It would put perpetually unemployed to work and instead of giving them welfare, we would pay the small businessman so he could employ them, put them to work, and gradually we would wean them off welfare after two or three years, so they'd be productive citizens who work every day and have the self-esteem that comes from working.

**EIR:** Are there other areas your committee will get into?

**Sen. Hatch:** Well, as you know, we will be very involved in health, education, handicapped matters, alcohol and drug abuse, employment and poverty—every one of those subcommittees has meaning. We have a new family and human resources committee which I think is going to be very important.

A lot of those aren't related directly to the labor movement . . . for example, on the health subcommittee, which I have brought into the full committee, I want to have a home health-care bill which will allow the aged to stay in their homes, where they feel comfortable and more secure, rather than forcing them to be institutionalized under Medicare. We think it would save taxpayers' money, and at the same time be more humane than we presently are.

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## Interview

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# Rep. Mottl on the anti-Volcker fight

*The following is an interview by Anita Gallagher of the National Democratic Policy Committee with Rep. Ronald Mottl, a Parma, Ohio Democrat. Mottl is a member of the House Energy and Commerce Committee, and the Veterans Affairs Committee. He is cochairman and founder of the Congressional Suburban Caucus. On Feb. 18, Rep. Mottl introduced House Concurrent Resolution 44.*

**Q:** What is your House Concurrent Resolution 44?

**Rep. Mottl:** Basically, it calls upon the Federal Reserve to re-examine its policies and to immediately lower interest rates to under 10 percent. In the resolution, it is implied that the interest rates have devastated two major industries in the United States that affect so many of the American people. First is the housing and construction industry, which is, in effect, at a virtual standstill, and the second is the automobile industry. . . . We hope that the Reagan administration will immediately change its policy, and I have urged Reagan on several occasions to ask Volcker to resign and put his own man in. . . .

**Q:** President Carter at one point attributed his election defeat to the policies pursued by Volcker and the Federal Reserve. In that light, how do you evaluate President Reagan's economic message of Feb. 18?

**Rep. Mottl:** I agreed with three-quarters of President Reagan's policies. The one-quarter that I didn't agree with was that the Federal Reserve was sacrosanct; that it's an independent agency, and that you can't do anything about it. That's the type of attitude that we have had in the past that has hurt our country. I think what we have to have is the President and a Congress that will say to the Federal Reserve, if they are not doing their job for the country, "Listen, let's change your policies, or change the personnel running the Federal Reserve. Or let's scrap the Federal Reserve altogether, and start a new system."

**Q:** At the governors' conference Feb. 23, Governor Rhodes of Ohio questioned Norman Ture from the administration extensively about the fact that their tax

policies do not give enough of an incentive for heavy industry like auto and steel. Could you comment?

**Rep. Mottl:** Basically, I think that the tax policy by the administration and Congress has a role in creating an atmosphere that is conducive for capital formation. Accelerated depreciation, which the administration is advocating, I think is good, and it will help the automobile industry and the steel industry. But there could be other tax incentives, where you get a credit on buying an American car versus a foreign car. So I think Governor Rhodes is partially right, but there can be more.

**Q:** What support have you found in Congress for your resolution?

**Rep. Mottl:** Well, we had introduced it last term, and we didn't have many cosponsors. I think we had less than ten. Surprisingly, Charlie Vanik [D-Ohio], who is chairman of the subcommittee, and myself found that in those areas that are deeply affected by the automobile industry, either manufacturing or sales, there were more representatives to support our legislation. But other areas that were not as deeply affected were less likely to.

Many people selfishly say that [they] get a cheaper car that's better made if it's foreign, it's more gas efficient. But I think that if those people would think about what it costs them in higher taxation to support unemployment—for every percent increase in unemployment in the United States, there is about \$3 billion that will be spent for unemployment; that costs them indirectly, which they don't see in the purchase of their car.

I think history has shown that once you lose a substantial portion of the market, you don't regain it. What Japan and the other countries have gained is not going to be that easy for us to recapture.

**Q:** Do you foresee Republican support for your bill?

**Rep. Mottl:** Reagan's secretary of transportation, [Drew] Lewis said that he was for import relief, so hopefully he will help us in that area. With regard to interest rates, I don't see a lot of support from the Republicans, so hopefully we will get it from the Democrats.

**Q:** Are you circulating a "Dear Colleague" letter, and what sponsors do you have?

**Rep. Mottl:** Yes, our sponsors include Congressmen Gore (D-Tenn.) Murphy (D-Pa.), Weaver (D-Ore.), Stan Parris (R-Va.), Whitehurst (R-Va.), Bailey (D-Pa.), Ouyer (R-Ohio), and Gus Yatron (D-Pa.). We don't have many.

**Q:** Do you think the Fed is totally independent, as Reagan implied in his speech, or do you think Congress has a role to play in bringing it into line?

**Rep. Mottl:** Yes, we have a role to play, because we

created it. So if we are dissatisfied, either we can agitate for different leadership, or secondly, we can abolish that system, and come up with a substitute which we think will be in the best interest of the country.

**Q:** Are you familiar with Rep. Byron Dorgan's bill, H.R. 1640 that provides a mechanism for Congress to remove the chairman of the Federal Reserve upon a three-fifths vote by the House and Senate?

**Rep. Mottl:** I think I would like to become a cosponsor of that. I will become a cosponsor.

**Q:** Are you familiar with Senator Sasser's S.R. 17, which calls for a study of a two-tiered credit system to provide lower rates for industries like auto and housing?

**Rep. Mottl:** I would like to study it more, but it sounds pretty good.

**Q:** Henry Reuss has also been talking about bringing down interest rates targeting credit away from "sunset" industries like steel and auto, and into "sunrise" industries like light manufacturing and technetronics. Could you distinguish your resolution from this?

**Rep. Mottl:** I couldn't without studying this whole concept comprehensively. I don't really know this distinction between sunset and sunrise. But hopefully, Henry Reuss, he's got so much wisdom, I am really looking for some leadership out of him and out of Fred St. Germain [D-R.I.] Either we abolish the system or we improve upon it. We just can't tolerate the way it's going now.

**Q:** Do you plan to introduce legislation to take your resolution a step further?

**Rep. Mottl:** I will do that if something does not happen in the very near future. Interest rates seem to be coming down a little bit, but I want to see a significant drop. And I want to see something done by the Reagan administration. Otherwise, we are going to have to have legislative proposals.

**Q:** How will you work on this with your committee assignment?

**Rep. Mottl:** I don't sit on the Banking Committee. I think that what we are really going to have to do is get a consensus in the Democratic Caucus and force Reagan to act. We have only been here for a short time, and once we start going on this, something may form in the next few weeks.

**Q:** Do you think House Majority Leader Wright intends to pull moderate Democrats together around this?

**Rep. Mottl:** I hope so. He feels strongly on this issue. He and I are practically the only people in Congress who speak out on this issue. I hope that he will get some of us moderates together, and let's go.