

Agriculture by Susan Brady

The 'user fee' caper, Part III

Only on the fundamental issue of the American System versus British "free market" dogmas can the fight be won.

Opponents of the Reagan administration's "user fee" proposals for the nation's inland waterways and deep-draft ports and harbors are about to be handed a "compromise" they may be in no position to refuse. It is a compromise which will give the nation another big push down a policy course antithetical to the American System principles which built the country in the first place.

The precedent for the user-fee program was firmly established four years ago by the Carter administration with the imposition of the inland waterways fuel tax. In spite of the fact that at that time legislators were sufficiently circumspect to demand a comprehensive analysis of the fee-charge policy before proceeding further, over the past year Congress has been stampeded behind David Stockman's and Paul Volcker's budget austerity bandwagon to the degree that it is doubtful that the basic policy implications of the "user fee" caper will be effectively brought to the fore.

Reports from Washington indicate that the administration has retreated from its demand for 100 percent operation and maintenance cost recovery coupled with segment-specific surcharges for new projects—the position for which Reagan-appointee Deputy Secretary of the Army for Civil Works Gianelli has carried the banner. Transportation Secretary Drew Lewis, who otherwise dutifully represented the administration team,

has reportedly been given the go-ahead to explore a compromise after convincing David Stockman that the Gianelli tack had no chance.

Lewis is reported to believe that the administration must "insulate" its policy within a "multi-modal" package of user fees, and the latter is precisely what may be sent to the Hill in the form of a new administration bill by as early as April 5. The package would be based on a national fuel tax on the inland waterways—increasing the highway fuel tax (one of Lewis' pet proposals), and adding an aviation fuel tax—supplemented by a nationwide customs tax on all cargo that is to be pumped into a Waterways Trust Fund to help finance port dredging.

According to waterway industry sources, the industry has yet to decide whether to translate its current leverage—growing stronger as the administration, now on its fifth user-fee proposal during the past year, continues to flounder—into compromise legislation it may be able to live with, or to block any new laws this year. There is no question, these sources say, that the numbers in the administration's compromise—high by a factor of two—will have to be fought down.

A decision to block user-fee legislation, however, must be based on the determination to go to the heart of the issue—something only mentioned in passing in the testimony and discussion entertained by at least six sets of congressional com-

mittee hearings in recent months, as the questionable "philosophical premises" of the user-fee policy.

When organizations like the National Waterways Conference or the American Waterway Operators state, as the former did in a recent press release, that cost recovery is a "sinister scheme" that can "destroy many basic precepts of the American republic as we know it today," they owe it to the nation to spell out just what they mean—and make that the central issue.

The current budget crisis is merely the motor for pushing the user-fee program. The policy itself comes from Reagan administration advisers' dogmatic insistence that the federal government has no role to play in planning, overseeing, supporting, or in any other way taking responsibility for the country's economic infrastructure. This is the British myth of "free market" economics, the same myth that the British Empire used as a battering ram against the young American republic.

With the leadership of Alexander Hamilton our forefathers made federal responsibility for infrastructure such as the waterways a cornerstone of the American System. America's policy of "internal improvements" was critical to our ability to rebuff Britain's numerous attempts to break up and recapture our nation, and to build up the most advanced economy in the world. A recent study by *EIR* staff employing the LaRouche-Riemann computer model demonstrates dramatically that infrastructure investment by the federal government will be the most efficient ingredient in a program to re-industrialize the United States (see *EIR*, April 6, 1982).