Congressional Closeup by Barbara Dreyfuss and Susan Kokinda

Senate Democrats: Reagan must lower interest rates

Senate Democrats June 23 unanimously passed a Caucus resolution urging "the administration to take such steps as may be necessary to lower the current high rate of interest which is severely damaging personal and corporate savings and investment planning.

"The Senate Democratic Caucus," the resolution stated, "urges the President and the administration to take notice of the serious and immediate nature of the threat to our national economy, and further urges that a program be devised to keep the situation from becoming more critical."

The Caucus also called for tax exemptions for the homebuilding industry and thrift institutions, and for regulatory changes to aid hard-pressed financial institutions.

Led by Sen. David Boren (D-Okla.), Democrats began a colloquy June 23 to attack high interest rates. They plan to continue this for an hour every day during the week-long debate on the budget. "All of us have been coming to the floor to speak against high interest rates, "Boren said, "not in any partisan way but to urge the President to take note of the situation personally, to come forward to work with us on a plan on which he will certainly have cooperation in Congress."

Since the colloquy began, Boren has been joined every day by 8 to 12 Democrats.

The senators have outlined the devastation wrought by high interest rates, particularly to the savings and loans, the homebuilding industry, farmers, and small business.

In his statements calling for immediate action on interest rates, Sen. Jennings Randolph (W. Va.) recalled the time of the 1930s Depression and a meeting he had with President Franklin Roosevelt when Randolph was in the House. Roosevelt, warned that he was trying to do too much economically, told Randolph and other congressmen present, "Do you realize we must act now? By acting now we will assuredly make mistakes, but if we do not act now, perhaps a little later we shall not even have the chance to make the mistakes."

Agriculture Subcommittee roasts interest rates

Fifteen members of the Conservation, Credit, and Rural Development Subcommittee of the House Agriculture Committee, 7 Republicans and 8 Democrats, adamantly condemned high interest rates before administration witnesses at June 23 hearings held "to discuss interest rates and the availability of credit" for the U.S. farm sector. Subcommittee chairman Ed Jones (D-Tenn.) pronounced the unanimous "opposition to high interest rates" among the subcommittee members.

Frederick Schultz, vice-chairman of the Fed's Board of Governors, Frank Naylor, undersecretary for small communities and rural development of the Agriculture Department, Donald Wilkinson, governor of the credit administration, and Manuel Johnson, deputy assistant secretary for economic policy of the Treasury Department, were heatedly pressured to bring down interest rates.

"Interest rates are the most debilitating problem we face today," charged Rep. Joe Skeen (R-N.M.) in his opening statement. "Interest rates as used by the Federal Reserve are exactly the problem. . . . Agriculture is now a walking dead industry; everything you make today goes to pay debt because of the high interest rates."

Fellow Republican John Napier (S.C.) agreed that "high interest rates are the number-one issue on the minds of people in my district. When people ask me what the President means by a reasonable monetary policy, all I can say is I just hope it means interest rates will come down."

Pat Roberts, Republican of Kansas, countered administration witness claims that things are better today than a year ago. "Interest rates are higher, inflation is higher, and farm prices are lower. How can the current generation of farmers even hang on?"

Kansas Democrat Dan Glickman made the most incisive economic and political points. High interest rates, Glickman said, are "one of the *causes* of inflation." They "are the destructive flaw" in the economic recovery programs. Glickman warned, "This administration, just like Jimmy Carter, has acquiesced to high interest rates. . . . Interest rates have been high for 4 years now," he pointed out, and "some economists are saying they'll remain high regardless of what Congress passes. They haven't stopped inflation, but keep adding to the cost of production."

Byron Dorgan (D-N.D.) then ridiculed witness statements that there is greater credit availability today than a year ago. "Do you believe telling a farmer that credit is available at 21 percent is any different than being told there is no credit available at all?"

Surgeon general nomination is still stalled

Efforts to clear the way for the nomination of Dr. C. Everett Koop as surgeon general were stalled June 17 when the House and Senate conferences failed to reach full agreement on how to lift all the age-related barriers holding up the nomination.

In fact, the Koop nomination is being deliberately held up by House members because Koop is a leading opponent of the genocidal *Global 2000 Report*'s perspective. Koop has repeatedly warned that euthanasia and infanticide is the philosophy resulting from the cheapened view of human life that flourished with the advent of such things as abortion on demand. These policies are in concert with the all-out genocide conducted by the Nazis during World War II, Koop has warned.

Koop is opposed by House Democratic liberals led by Rep. Henry Waxman (D-Calif.), who are pushing extensive family planning programs and cost-effective medicine—i.e., less medical care, of poorer quality. agreed in conference to lift the mandatory retirment age of 64 for the surgeon general post but refused Senate pleas to lift in the same process the retirement age for membership in the Public Health Service Corps, which is also 64. Koop is over this retirement age.

Waxman is determined to stall the appointment. He has introduced legislation which lifts the retirement age provisions, but other aspects of his bill, H.R. 3831, are considered impediments to Koop's appointment by his Capitol Hill backers. Waxman also wants to hold hearings on his legislation, thus further delaying the appointment.

Representative Henry Hyde (R-Ill.) has another bill, H.R. 3154, which would lift the barriers to the appointment which he is trying to speed to the floor without lengthy committee action. Hyde needs 218 signatures to get a "discharge petition" to push through the bill. Little opposition to lifting all these barriers in the Republican-controlled Senate is expected.

Port improvement bill introduced in Senate

Senator John Warner (R-Va.) introduced the National Port and Navigation Improvement Act (S. 1389) on June 18. The bill is aimed at expanding major deep-draft commercial ports, and for the first time sets up a cost-sharing program to finance port expansions.

Rather than continuing total federal financing for port development, Warner's bill would have the federal government pick up no less than 60 percent for construction of navigational improvement projects while the federal share of operation and maintenance costs would be 75 percent or more. The remaining costs would be met by the states with the ports and harbors.

Non-federal funding would be reimbursed through imposition of user fees at ports, though the exact method of imposing such fees has not been worked out yet. The administration has proposed that the federal government remove itself from financing port development, but Capitol Hill sources report that the administration is willing to negotiate on this.

Warner's bill also seeks to speed up port development by, in his words, "provisions which will mandate expedited permitting, congressional authorization, environmental review and judicial review processes." Rep. Paul Trible (R-Va.) has introduced similar legislation on the House side.

Warner's bill has been sent to the Environment and Public Works Committee, which has already held a series of hearings on waterway and port development policy generally. The House Merchant Marine and Fisheries Committee will be holding hearings on the issue in late July. However, action on a specific bill is not expected until the administration releases its coal export program in July, assessing future port needs in relation to the volume of expected coal exports.