

REPORT BY THE DIRECTOR OF GOVERNMENT RELATIONS

WILLIAM M. STOVER

NOVEMBER 22, 1976

CONGRESS LEFT UNFINISHED BUSINESS

The Second Session of the 94th Congress came to an end in the early morning hours of October 2, its 258 day duration making it the second shortest Congressional session since 1960. Of the more than 20,000 bills introduced, only about 450 survived to final enactment. Fifteen bills were vetoed, and four vetoes were overridden. During the Second Session the Senate took 688 recorded votes and the House 661, the total of 1,349 being a new record.

Amid the frantic flurry of last-minute activity, a number of bills of significance were moved on toward enactment, but the 94th Congress also left behind some unfinished business in the form of bills not completed, bills which are sure to reappear next year in one form or another.

Among the important new laws written during the closing days were:

- The Toxic Substances Control Act (PL 94-469), finally became law after five years of deliberation and controversy, thus establishing Federal controls over the manufacture, distribution and use of chemicals.
- Antitrust Enforcement (PL 94-435), survived two Senate filibusters and last-ditch House opposition; authorizes states attorneys general to bring class action type suits on behalf of citizens; requires large companies to notify government of planned mergers; strengthens Federal antitrust investigatory powers.
- Tax Revision (PL 94-455), was the product of three years work but fell far short of reforms promised by Democratic Congressional leaders; plans for major overhaul of taxation of U.S. multinational corporations were dropped from the bill, which in final form extended the investment tax credit for another four years, increased the minimum tax for business and altered somewhat the rules for corporate foreign tax credits.

- Solid Waste (PL 94-580), expands Federal and state programs with new authorizations and powers for EPA, a Federal regulatory program for hazardous wastes, a ban on open dumping within five years, and authorizations for state and local solid waste management and research programs.

However, election-year jitters, veto threats, internal squabbles and the pressure of an abbreviated Congressional session combined to forestall enactment of a number of other proposals -- virtually all of which are likely to surface again. These include:

- A bill to provide stricter regulation of lobbying, which died amid last minute parliamentary maneuvering as Congress adjourned; Common Cause is a strong advocate, while Nader groups and the AFL-CIO supported only the House version; business is apprehensive over the prospect of heavier record-keeping and reporting requirements; dues paid to trade associations by corporate members could be subject to public disclosure under some concepts.
- Clean Air Amendments fell victim to a Senate filibuster as the Session ended; Senator Muskie has blamed the auto industry for killing the measure and may resist efforts for quick action on a stretch-out or relaxation of strict mobile emission standards set to take effect in 1978; the so-called non-attainment and non-degradation issues were also highly controversial and sure to be hotly debated in the next Congress.
- Water Pollution legislation died in conference; chief issues were degree of control over the nation's wetlands, expanded state authority in developing wastewater treatment facilities and delay of mid-1977 water quality deadlines for municipalities. The 95th Congress is expected to take a thorough look at the entire Federal Water Pollution Control Act, using as a starting point the report of the President's Commission on Water Quality.
- Natural Gas Deregulation legislation defied attempts to find a viable compromise although both the House and Senate passed versions of the bill; no conference was held and the bills died, thereby continuing the current artificially low regulated prices, and thus discouraging new exploration and production.
- Industrial Reorganization, the so-called Hart bill, never got beyond the early hearing stages; its chief sponsor, Michigan Senator Philip A. Hart, is retiring; the measure singles out chemicals manufacturing and other industries for possible break-up, creates a special commission to make divestiture investigations and a special court to compel dismantling.

- petroleum Divestiture legislation would have required major oil companies to separate into single operations for production, refining-marketing, and transportation; another bill would have forced "horizontal" divestiture, thus keeping oil companies out of other energy source interests; though the "vertical" bill cleared a Senate committee it was never taken up on the floor.
- Corporate Chartering legislation failed to make much headway, but could arise again; oversight hearings were held in the Senate Commerce Committee; one concept would require a Federal charter of corporations, with annual reporting on the makeup of the board of directors, product line sales and voting stock ownership.

Among the numerous other bills which failed to achieve Congressional or Presidential approval were these:

- strict controls over strip-mining;
- land use controls;
- the outlawing of corporate bribes to foreign officials;
- common situs picketing in the construction industry;
- proposals to create a consumer protection agency;
- expanded powers and investigative authority for the Federal Trade Commission.

CARTER ADMINISTRATION PREPARING TO TAKE OFFICE

Using what pollster Lou Harris called "the old Roosevelt coalition" as the backbone of his campaign, Governor Jimmy Carter of Georgia has become President-elect, and is now hard at work on the massive task of organizing his Administration. Recent days have seen Mr. Carter closeted with such Ford Administration notables as George Bush (for a security briefing) and Henry Kissinger (to talk foreign affairs), and at 3:30 this afternoon he is in personal conference with President Ford to discuss the transition of the Government.

Washington bureaucrats, politicians and diplomats are giving Mr. Carter close scrutiny, perhaps motivated by uneasiness and uncertainty as much as by mere curiosity. After all, Jimmy Carter has run as an anti-establishment candidate for nearly two years. He has criticized both the form and substance of government in Washington, has vowed sweeping reforms and new programs, has fought bitter campaign battles with recognized leaders of his own party. However, on election night he made a quick transition from critic on the outside to manager on the inside. Jimmy Carter now IS the establishment.

And therefore he is now confronted with a dilemma of some delicacy, how to begin to direct and to motivate the people and the mechanisms he has so recently and soundly castigated. He must find and appoint cabinet heads and officeholders with the capacity to make the machinery of government work, and this would seem to indicate a need for experienced personnel; but at the same time he must avoid the appearance of making his appointments from the lists of known political figures and party professionals. He needs new faces, but he also needs the reliability and depth of background that only experience can provide.

There are signs that a number of Carter appointments may be revealed relatively soon, so that incoming officials will have maximum time for planning and coordination with departing officials of the Ford Administration. Observers around the world will be carefully watching these appointments for clues to the attitudes of the Carter Administration, the influence being wielded by various interest groups and power-brokers, and for indications as to the political wisdom of the President-elect himself.

Among the most delicate tasks confronting Mr. Carter, and one he appears to recognize clearly as such, is the establishing of communications links with -- and hopefully some measure of control over -- the Congress. His recent meeting with 16 Democratic Congressional leaders last week at the farm-estate of Georgia Senator Herman Talmadge was surely an effort to hold out the olive branch and to begin to build support for key programs. The discussions were reportedly broad in nature, touching on matters relating to the strength of the economy and reorganization of Government.

Some observers believe, however, that the new President may encounter considerable difficulty with the Congress, despite the fact that both ends of Pennsylvania Avenue are now firmly in Democratic hands. They reason it this way: Congressional leaders and Committee chairmen, while criticizing the "stalemate government" of Presidents Nixon and Ford, have obviously enjoyed the independence and status which the years of confrontation have produced. They have had an important role in punishing one President and in making his successor appear ineffectual, and are therefore likely to covet their independence of action. Moreover, bills and programs delayed by attention to Watergate or stalled by Ford vetoes are already in fairly polished form, and are not likely to be dropped readily by their sponsors in favor of Carter alternatives. Yet another factor will be the attitude of the White House itself, and long-time Carter watchers point out that he adopted a tough, no compromise attitude toward the Georgia legislature during his term as Governor.

THE NEW PRESIDENT AND HIS VIEWS

Much of official Washington is now speculating on the future directions of policy and programs in the Carter Administration. However, from speeches and statements by the President-elect, and from the Democratic Party Platform itself it is possible to reach some preliminary judgments.

With respect to the economy, Governor Carter appears firmly in favor of creating more jobs and providing stimulus to the national economy. The prospect of a one-shot tax cut is being seriously discussed. The formation of a national youth corp to hire and train young people from urban areas is another Carter aim, and is consistent with his support for direct job creation with emphasis on public service employment. He also favors moderate interest rates, continued support of investment credits, strong anti-trust enforcement and a strengthening of the Council on Wage and Price Stability. Tax reform, though a popular topic at the campaign podium, will take considerably longer to accomplish.

The environment will receive high priority in the Carter Administration. The incoming President has opposed extending the compliance deadlines for automobile exhaust emissions and would apparently retain the present non-degradation concepts of the Clean Air Act. He has called for strict enforcement of water pollution control laws and evidently will oppose efforts to weaken the Federal Water Pollution Control Act. He supports strict controls over strip mining.

National energy policies may undergo some changes under President Carter with greater emphasis on energy conservation, and a strengthening of environmental controls over energy production. He plans to de-emphasize nuclear development and to require stricter regulation in construction of new nuclear power plants. He evidently will push for increased reliance on domestic coal from the deep mines of Appalachia and would oppose heavy development of strip-mined coal resources in the Western United States. He opposes further expansion of Western coal-leasing and supports strong state participation in offshore oil lease decisions. He would favor mandatory mileage standards for automobiles with economic penalties on those with less fuel efficiency. He opposes Federal subsidies for synthetic fuel production.

THE 95TH CONGRESS: NEW FACES, NEW LEADERS, SAME VOTE RATIOS

When the smoke of election day had cleared, the new Congress looked almost exactly like the old one -- the Senate will again be composed of 62 Democrats and 38 Republicans, and the House shows a shift to the Democrats of only two seats, the new ratio being 292-143 in their favor.

On closer inspection, however, the changes will be both numerous and significant: virtually the entire leadership with change in both Houses and in both parties; there is a substantial crop of "freshmen", especially in the Senate; there will be many shifts in key committee responsibilities; there is talk of major committee realignment in the Senate.

The House will organize itself in early December, in that Members will be named to committees, new chairmen will be elected and changes in House rules and committee jurisdictions will be considered. Not until the 95th Congress convenes in January, however, will subcommittee assignments be made, committee rules considered or leadership positions voted on.

There are 67 new House Members, 47 Democrats and 20 Republicans. Overall, the election produced overwhelming success for incumbents with 95 percent of those running being returned to office. The strong re-election rate held true for the 79 so-called "Watergate freshmen", those Democratic Congressmen first elected in the offyear election of 1974. Despite high Republican hopes against that group, 78 ran for re-election and 76 won.

There will be a number of important changes in the chairmanships of House committees and subcommittees, 28 in all, including new chairmen for the following:

- Budget Committee (committee 2-year rotation rule)
- The Interior Committee (jurisdiction includes energy matters, mining)
- International Relations Committee (foreign affairs)
- Merchant Marine and Fisheries (merchant marine matters, oceanography, coastal zone management)
- Post Office Committee (the postal system)
- Public Works and Transportation Committee (water pollution control, most transportation matters)
- Rules Committee (clearance of legislation for House floor debate)

Another development worthy of mention is the fact that there are seven vacancies to be filled on the House Ways and Means Committee wherein taxation and trade legislation are written.

The Senate will also undergo some interesting changes. Incumbents didn't fare as well as their House colleagues with only 16 of the 25 Senators running being returned. The 64 percent re-election rate for incumbents was the lowest in the history of direct Senate elections. There will be 18 freshman Senators, counting Governor Wendell Anderson, who will replace Vice President-elect Mondale. Ten are Democrats and eight Republicans.

Three committee chairmen were defeated: Hartke (Veterans Affairs), Moss (Aeronautics and Space), and McGee (Post Office and Civil Service).

There will be considerable change in the memberships of several Senate Committees, including Commerce, where there are 7 vacancies to be filled, Finance (4 vacancies) and Judiciary (5 vacancies).

A further unknown in the Senate is whether or not reorganization will bring a significant shift in committee jurisdictions and responsibilities. A reorganization proposal in the form of a Senate Resolution has been drafted by the Committee on Committees headed by Senator Adlai E. Stevenson, Jr. (D-Ill.), and could be taken up early in 1977. The resolution presents a number of alternatives for consideration and could eventually lead to elimination of some committees, and the shifting of important environmental and energy responsibilities.