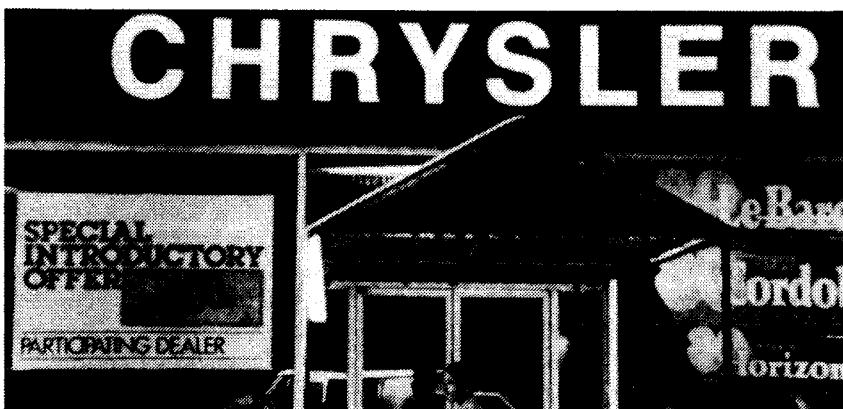


Congressional Calendar by Barbara Dreyfuss and Susan Kokinda



House passes Chrysler loan bill

With the Dec. 18 passage of the controversial Chrysler loan bill by the House, the way is now clear for action in the Senate. The Senate has been stalling on the bill awaiting the House decision, particularly on aspects of the legislation mandating union contributions to Chrysler.

The House voted 271 to 136 to give Chrysler \$1.5 billion in loan guarantees, provided Chrysler raises \$1.83 billion over the next four years. The bill stipulates that this is to be raised in the following ways:

- \$400 million from union employees, who will thus be asked to forego about $\frac{1}{3}$ of their wage increases between now and 1984.
- \$100 million from management level workers.
- \$300 million from the sale of company assets.
- \$650 million in bank loans.
- \$250 million from state and local governments.
- \$180 million from dealers and suppliers.

- \$50 million from the sale of new stock.

The House voted down an amendment proposed by Congressman Quayle (R-Ind) before voting on the entire measure. This amendment would have required that union members contribute \$900 million to ensure the loan guarantees.

The Senate Banking Committee had voted up a loan program that mandated a three-year wage freeze on Chrysler workers. One of the first things voted on as the Senate began reviewing the bill Dec. 19 was the contribution to be required from the union workers with a proposal by Senator Eagleton (D-Mo.) calling upon the union to provide \$400 million being initially endorsed. However intense pressure is forcing the Senate to review a proposal by Senator Lugar (R-Ind.) to force the union to contribute \$800 million, and indications are as we go to press that the Senate will accept some form of Lugar's proposal.

Senate okays windfall profits tax

On Monday Dec. 17 the Senate voted 74 to 24 to approve a windfall profits tax on domestic oil production. The tax will raise an estimated \$178 billion over the next ten years, \$40 billion more than the tax proposed by the Senate Finance Committee. The tax would have a severe effect on middle level independent producers in the U.S.; the large multinationals make most of the profits in overseas categories, and won't be hurt; the small producers will not be affected as the first 1,000 barrels of oil produced daily will be exempted from the tax. In Oklahoma, for example, most of the independents produce less than this. However, for the somewhat larger producers, the tax will be devastating.

The tax bill agreed upon includes the following provisions:

- newly discovered oil will be taxed at 10 percent of the amount paid for every barrel of oil over \$19.30.
- heavy oil will be taxed at 20 percent over a \$16.50 base rate per barrel.
- tertiary oil will be taxed at a rate of 20 percent on any amount over \$16.30 paid for a barrel of oil.

These taxes are in addition to the steep taxes already charged these producers by state and local governments.

The House has passed a much

steeper windfall profits tax totalling \$277 billion, so, a compromise committee will now have to resolve the differences. Although a conference committee meeting begins Dec. 19, it is not expected to reach final decision on a bill until after the recess.

Conferes close to agreement on syn fuels legislation

House-Senate Conferes are close to an agreement on the final form of synthetic fuels legislation using the vehicle of a proposal put forward by House Majority leader Jim Wright (D-Tex). The Wright compromise provides for \$20 billion in loan guarantees, purchasing guarantees and price guarantees to be spent over four years by an independent corporation established to develop a synthetic fuels industry. Wright's compromise is actually not a compromise at all. The new version takes the worst aspects of both houses' versions and speeds up the timetable for synthetic fuels development as well. When asked how this could happen, and especially how opposition in the House to the \$20 billion figure was squelched, a spokesman for the House Majority leader said, "The crisis in Iran has helped keep up the momentum for establishing a synthetic fuels industry."

The House had originally passed a bill authorizing only three billion dollars to be administered over the next year under the already

existing Defense Production Act. The House bill, known as the Moorehead amendment, only allowed for purchasing and price guarantees, not loan guarantees, as the Senate did. The original Senate bill authorized \$20 billion to be spent over five years with a phased \$68 billion pending Congressional approval after the first five years. In addition, the Senate bill established an entirely new corporation to administer the program.

Following the passage of the more controversial Senate version, there had been reports that certain House members such as Mike McCormick (D-Wash) and John Dingell (D-Mich) would insist that the Senate bill was so unlike the House version that it had to be resubmitted to the appropriate committees for full hearings. That opposition disappeared as Dingell was put on the compromise committee and the Iran crisis intensified.

The Wright "compromise" keeps the \$20 billion Senate figure but speeds up that timetable to four years. In addition it uses the Defense Production Act as the interim vehicle for implementation, with an authorization of \$3 billion until the corporation is fully operational.

The compromise targets production quotas of \$500,000 a day by 1987 and two-million barrels per day by 1992, at which point the corporation is to expire. Capitol Hill sources doubt that a final version of the conference report will be worked out before the year-end recess but they expect rapid action early next session.

Hearings on medical effects of marijuana planned



Although S.1722 Criminal Code Reform Bill has been reported out onto the Senate floor with a provisional decriminalizing marijuana possession, there may yet be a floor fight to delete that provision. Liberal Maryland Republican, Senator Charles Mathias, is reported to be planning hearings in late January or early February on the damaging medical effects of marijuana use. A Committee source said that if the hearings present incontrovertible evidence of the dangers of marijuana use, Mathias will lead a vigorous floor fight to return the criminal penalties on marijuana to its current form. Mathias was the only Senator in the Judiciary Committee to vote against the bill, citing the lenient marijuana provisions as his objection.

Mathias is facing a tough reelection race in 1980 and is under tremendous pressure from the strong anti-drug groups in Baltimore and Montgomery County, counties which any statewide candidates must carry for election.

Capitol Hill observers note that Mathias' opposition to marijuana decriminalization could be the critical factor in forcing through the passage of an amendment since the conservatives who nominally oppose marijuana decriminalization such as Orin Hatch (R-Ut) and Bob Dole (R-Kan) have already supported the bill in the Judiciary Committee.