

# Legislative Alert

MAY 3, 1982

MONDAY

- \* The Senate is today considering S. 2248, the Department of Defense Authorization bill. The bill is expected to be the pending business throughout the week. Numerous roll calls and an Executive Session debate are expected.
- \* The Senate Budget Committee has begun marking up the First Concurrent Budget Resolution and is expected to continue all week.
- \* Tomorrow (May 4), the Foreign Relations Committee will consider and mark-up legislation regarding El Salvador. Several bills and resolutions on the subject have been filed. More on this below.

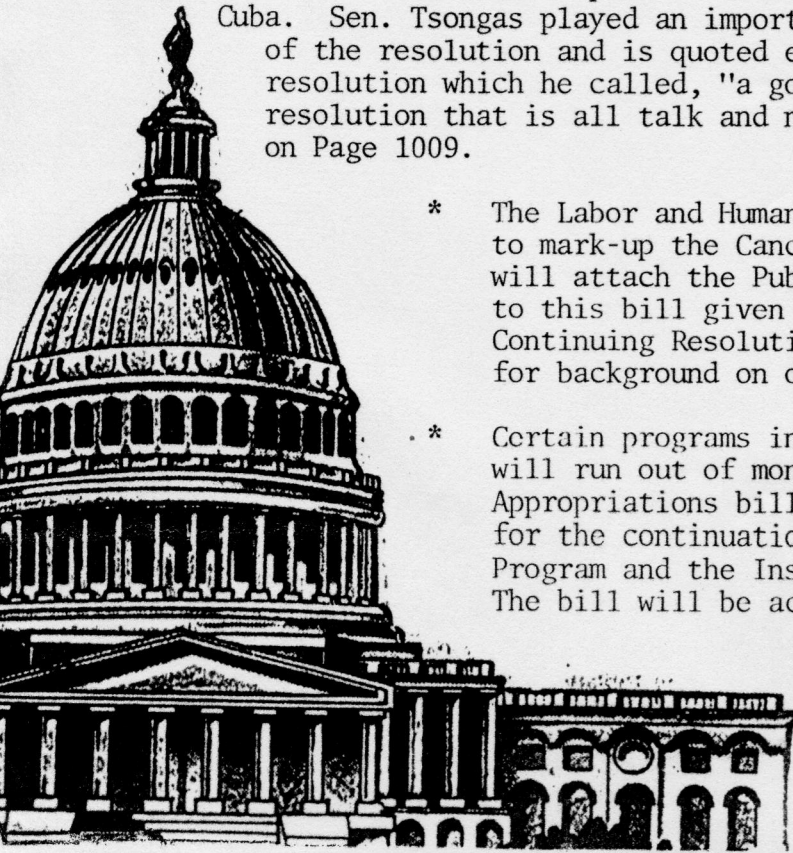
## \* TV COVERAGE OF THE SENATE

Technically, the Senate passed S. Res. 20 on April 22. However, it contained an amendment that gives the Senate Rules Committee 60 days to report out a resolution that defines all rules and regulations changes that would be necessitated by coverage of the Senate by radio and/or T.V. The hitch is S. Res. 20 will NOT become effective until the Senate adopts this second Rules Committee resolution which, of course, will be subject to filibuster.

- \* The Gallup Poll, in a survey taken April 2 to 5, found that Americans believe that unemployment is the nation's biggest problem; 44% said unemployment was the "most important problem"; 24% said inflation.
- \* The May 1 issue of Congressional Quarterly describes the Senate Foreign Relations Committee's April 27 hearing on Sen. Symms' resolution on Cuba. Sen. Tsongas played an important role in the hearing as a critic of the resolution and is quoted extensively in the article on the resolution which he called, "a good, old-fashioned, jingoistic resolution that is all talk and no action." The article appears on Page 1009.

- \* The Labor and Human Resources Committee is scheduled to mark-up the Cancer Extension bill. Senator Kennedy will attach the Public Health Hospital/Housing Amendment to this bill given difficulties in attaching it to Continuing Resolutions. (See earlier LEGISLATIVE ALERTs for background on our amendment or contact Brenda).
- \* Certain programs in the Departments of HHS and Education will run out of money this week if the Urgent Supplemental Appropriations bill is not passed. This includes funds for the continuation of the Guaranteed Student Loan Program and the Inspector General's office of HHS. The bill will be acted on in the House first.

- \* Many of the things predicted during the debate last year on the sugar price support are now



taking place. The world price of sugar remains extremely low and it appears the government will be forced to purchase surplus sugar. The President is recommending placing quotas on imported sugar which could result in an immediate price increase of up to 4¢ a pound. Tsongas and Quayle will introduce a bill this week to repeal the sugar provisions which were included in the 1981 Farm Bill.

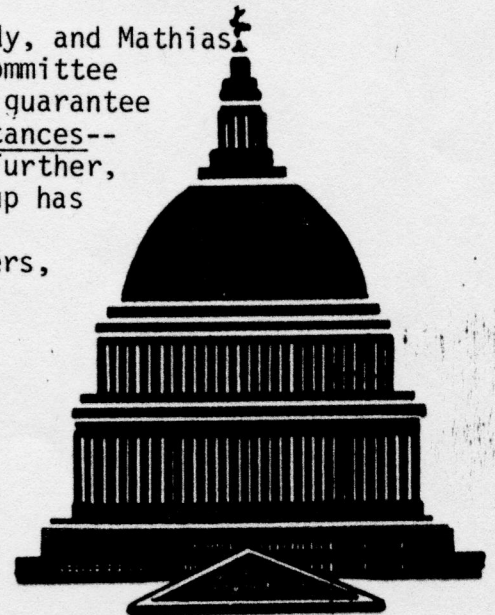
- \* The Senate passed the NUCLEAR WASTE bill last week. Sen. Tsongas voted in favor of an amendment to strike provisions to establish a federal away-from-reactor spent fuel storage facility. He believes that utilities can better provide this capacity on-site at the reactors.
- \* On Tuesday, the Foreign Relations Committee will mark-up the DODD-TSONGAS EL SALVADOR RESOLUTION, as well as other El Salvador resolutions, plus, possibly, the FOREIGN ASSISTANCE bill and the CARRIBBEAN BASIN INITIATIVE legislation.
- \* VOTING RIGHTS COMPROMISE

The Senate Judiciary Committee will begin markup Tuesday of legislation to extend the key enforcement provisions of the 1965 Voting Rights Act. The issue that was most sharply dividing the Committee was a proposed change to Section Two, which applies nationwide, bars states and political subdivisions from adopting election laws or procedures that deny or hamper a person's right to vote because of race.

Civil Rights groups wanted Section Two changed to allow a violation to be proved if an election procedure results in discrimination, a provision adopted by the House (389 to 24 last October) and endorsed by 65 Senators in S. 1992. Sen. Tsongas is a cosponsor. The Administration opposed this provision arguing that litigants should have to prove that public officials intended to discriminate when they devised the voting system. An effects test, they argue, would lead to racial quotas and propotional representation.

To avoid a split in Committee, Sens. Dole, Kennedy, and Mathias have worked out a compromise that will be offered in Committee Tuesday by Sen. Dole. The key changes are designed to guarantee that plaintiffs must show that the totality of circumstances--not just the election results--prove discrimination. Further, the new version would provide specifically that no group has a right to win elective office in numbers equal to its proportion in the population. Thirteen Committee members, the Administration and the civil rights groups have indicated support for the compromise. It remains possible that hard-line critics of the Voting Rights Act will still fillibuster when the bill reaches the Senate floor.

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# ALERT

## LEGISLATIVE DEPARTMENT ECONOMIC DATA REVIEW

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For Week Ending April 30, 1982

*"I don't know of anyone who has been laid off or anyone who is hungry. That isn't part of our world."*

Member of the Ocean Reef Club  
(Key Largo, Florida)  
The Wall Street Journal  
April 29, 1982

Indicators 1982 1981

### ECONOMIC STRENGTH INDICATORS:

	I Quarter	I Quarter
Real GNP (1972 dollars), in billions	\$1,483.6	\$1,516.4
Real GNP Growth, annual rate	I Quarter -3.9%	I Quarter +8.6%
Industrial Production Index	March 141.2	March 152.1
Capacity Utilization, mfg.	March 71.4%	March 79.8%
Housing starts, annual rate	March 947,000	March 1,318,000
Domestic Auto Sales, annual rate	March 5,878,000	March 7,700,000
Unemployment rate	March 9.0%	March 7.3%
Number of Unemployed	March 9,854,000	March 7,958,000
Business Failures, year to date	April 22 7,168	April 23 4,791
Business Failures, average per week	March 436	March 288

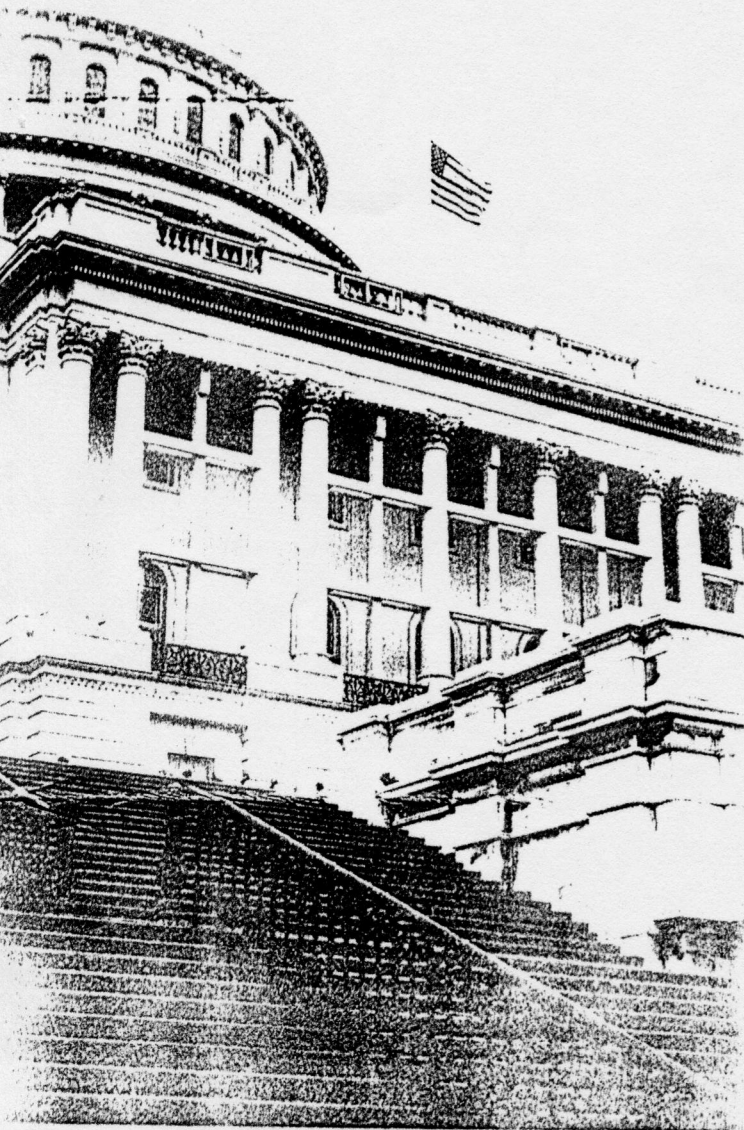
### INTEREST RATES:

Prime Rate	April 29 16.50%	May 1 18.00%
Avg. Mortgage Rate	April 23 16.86%	April 24 15.77%
91-day T-bills, new issues	April 26 12.469%	April 27 14.190%
Avg. Municipal Bond Rate	April 22 12.29%	April 23 10.80%

### MONEY AND TRADE:

Inflation, annual rate		
Consumer Price Index	March -3.3%	March 7.0%
GNP Deflator	I Quarter 3.6%	I Quarter 9.8%
Money Supply Growth	IV Qtr. 1981 to I Qtr. 1982	IV Qtr. 1980 to I Qtr. 1981
M1, annual rate	+6.3%	+4.6%
Balance of Trade, in billions	March -\$2.64	March -\$0.70

# MEMO



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\* The MEMO page of LEGISLATIVE ALERT highlights statistics of interest regarding issues before the Senate.  
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## NATIONAL UNEMPLOYMENT RATE

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### 1981

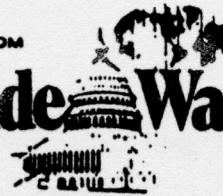
January	7.4%
February	7.4%
March	7.3%
April	7.3%
May	7.5%
June	7.4%
July	7.2%
August	7.3%
September	7.6%
October	8.0%
November	8.3%
December	8.8%

### 1982

January	8.5%
February	8.8%
March	9.0% **

\*\* Equal to the highest unemployment rate reached since 1941.

The March figure represents 9,854,000 unemployed individuals, the highest number of unemployed since 1939.



- \* Soon LEGISLATIVE ALERT will feature a new op-ed page. Contributions will be solicited from both Washington and Boston staff by LEGISLATIVE ALERT's editor. The op-ed pieces are expected to be short features on aspects of a staffers work which might not be fully explored in the normal LEGISLATIVE ALERT briefs. For example, Rich might do a feature on Senate rules, Theda on hazardous waste in Massachusetts, Mitch on fusion power, etc.

#### The Economy

According to the Secretary of the Treasury, "the economy is dead in the water." Forecasts of imminent recovery continue, but the likely date of arrival keeps retreating. The last consumer price report showed a drop in the consumer price index for the first time since the 1960's. The remarkably rapid decline in the rate of inflation, has shifted attention to interest rates as the number one obstacle to economic recovery. The combination of high interest rates and a recession complicate consideration of the Federal budget. Concern that high Federal deficits are feeding upward pressure on interest rates have resulted in a number of calls to increase taxes. Opposition to such measures stem from a belief that tax increases will further dampen the prospects for a pick-up in spending and a quick recovery.

#### The Budget

Lack of consensus on policy is matched by political uncertainty as to how to proceed with the budget. The summit meeting on the budget between Speaker O'Neill and Reagan failed to reach an agreement, but negotiations continue in an effort to develop an alternative to the Administration budget. The Senate Budget committee is expected to reject the President's budget this week.

#### International Trade

Paul has co-sponsored the High Technology Trade Act of 1982 introduced by Senator Hart. The bill calls upon the Special Trade Representative to investigate barriers to commerce in Japan for American high-technology firms, and to vigorously negotiate their removal. Paul will testify before the Senate Finance Committee on May 6th in support of active trade negotiations as an alternative to reciprocity.

#### Banking

Thrift relief legislation in the House and Senate may be nearing a mark-up. Action may begin on St. Germaine's bill in the House this week or next. In the Senate, Senator Garn is expected to introduce a bill which will enjoy Administration approval. Consideration of legislative measures to alleviate the financial distress of community thrifts has been hampered by Administration objections to costs.

ECONOMIC DEVELOPMENT

HOUSING NOTES: The Lugar housing production stimulus bill passed the Senate Banking Committee virtually intact. All attempts at Democratic amendments were soundly defeated. The bill is expected to go to the Senate floor very soon. A group of Senate Democrats (including TSONGAS) will be co-sponsoring the bill before it is acted on, and there will probably be a Democratic coalition amendment on the floor. The Senate leadership on both sides still strongly objects to adding low income housing provisions to the Lugar bill, which is aimed exclusively at helping the ailing homebuilding industry. Meanwhile the House Banking Committee has vowed that they will not consider any housing stimulus bill which does not meet low income housing needs. ... Meanwhile there is some sign of progress on the Senate side with respect to authoring low income housing including some chance that provisions of the TSONGAS bill will be included (at lower levels) in the HUD authorization bill. A probably compromise would include a 3 year authorization level for operating subsidies at \$1.3 billion (Administration wants \$1 billion, actual need and TSONGAS bill request \$1.6) with a 10% increase per year. While far from perfect, such a compromise would put the Senate into much better position to conference with the higher House levels. Watch this space... TSONGAS co-sponsored reauthorization of the Section 202 elderly and handicapped housing program at 20,000 units. The bill also protects the low-income character of the projects for 40 years, and limits the bill to non-profit sponsors, as in current law... The House has passed yet another 235 extension bill, and the Senate has once again failed to act... UMTA reauthorization bill will be marked up in the Senate May 12. At issue are at least two different versions of the bill. The Administrative bill with low authorization levels and phase out of operating subsidies, and the D'Amato bill which provides higher levels of funding, including levels for operating subsidies, but which contains overly generous provisions for New York. Democrats are working on a third version of the bill, which combines the best of both pieces of legislation.

- \* The Senate Judiciary Committee, April 21, approved a bill, S. 1030, which would substantially revise the 1968 Gun Control Act and make it easier to buy and sell firearms. Among other things, the bill would lift most prohibitions on gun sales across state lines, permit sales through the mail between individuals who had previously met face to face, loosen licensing requirements and require proof of intent in order to establish any violation of the act. The bill was approved 13-3.
- \* The Congressional Record of May 3 will contain a brief statement by Sen. Tsongas regarding the BALANCED BUDGET AMENDMENT. He submitted for the record an editorial on the subject by the NEW YORK TIMES.
- \* In addition to the BALANCED BUDGET AMENDMENT, it appears that the President is about to endorse the SCHOOL PRAYER AMENDMENT. His statement on the matter is expected later this week.



.....more from Capitol Hill  
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