



What's ahead for Washington this week, with all eyes on Massachusetts

By Jon H. Harsch

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Washington, Jan. 17 – As the U.S. government focuses on rushing more aid to devastated Haiti, the Obama administration faces a potential political earthquake here at home. The day before President Obama's first anniversary as president arrives on Wednesday, everything will change dramatically this Tuesday if Republican Scott Brown captures the Massachusetts Senate seat that the late Sen. Ted Kennedy held for nearly half a century. A come-from-behind Brown victory would provide what Brown promises: the 41st Republican vote needed in the Senate to prevent passage of the administration's health reform legislation.

In a nightmare scenario for Democrats, administration priorities including health reform, financial reform, climate legislation and liberalizing the Supreme Court would fall like dominoes in the wake of a Brown upset. So it's no wonder that this weekend saw both national parties rush reinforcements to Massachusetts to bolster the surging Brown campaign – and shore up the lagging Coakley effort. Even Obama himself was a last-moment recruit, traveling to Boston Sunday to keynote a Coakley rally.

As if the Haiti earthquake and a possible Brown victory weren't enough to dampen any administration anniversary celebrations, this week also will bring announcements of what are expected to be record-setting Wall Street bonuses. These bonuses are likely to cost the banks handing them out more in one-time payments than the \$90 billion spread over 10 years that Obama proposes to charge the banks as a new "financial crisis responsibility fee." Expect to hear some interesting explanations from the banks this week on why paying the larger bonuses won't hurt the banks while paying a smaller amount spread over 10 years would drastically undermine their ability to lend. Also expect to hear more about bonus madness in a House Financial Services Committee hearing Friday.

With concern mounting over the latest threats to U.S. meat and poultry exports to Russia, three days of trade talks start Tuesday in Moscow. U.S. and Russian government officials kick off with two days focused on poultry trade issues including the U.S. use of chlorinated water processing. On Thursday, the discussions shift to pork trade, beef, pet food, and related topics. USDA Under Secretary Jim Miller heads the U.S. team which includes four Foreign Agricultural Service officials, three from the Food Safety and Inspection Service, three from the U.S. Trade Representative's Office, and one chlorine expert from the Food and Drug Administration. USA Poultry & Egg Export Council staff will be in Moscow for the meetings but will not take part in the government meetings.

This week's reports from USDA's National Agricultural Statistics Service (NASS): Catfish Processing and Milk Production on Tuesday; Weather-Crop Summary and Broiler Hatchery on Wednesday; Catfish Feed Deliveries on Thursday; and Dairy Products Prices, Livestock Slaughter, U.S. and Canadian Potatoes, Cattle on Feed, Chickens and Eggs, Cold Storage, Noncitrus Fruits and Nuts (Preliminary) and Peanut Prices on Friday.

On the congressional front, this week's hearings include:

Wednesday, Jan. 20

- House Energy & Commerce Subcommittee hearing on "The ExxonMobil-XTO Merger: Impacts On U.S. Energy Markets"

Thursday, Jan. 21

- Senate Energy Committee hearing on the "Research and Development Priorities/Imperatives Needed to Meet the Medium- and Long-Term Challenges Associated with Climate Change," with testimony from U.S. Energy Secretary Stephen Chu.
- House Budget Committee hearing on "Perspectives on Long-Term Deficits"
- House Financial Services Subcommittee hearing on "The Condition of Financial Institutions: Examining the Failure and Seizure of an American Bank"

Friday, Jan. 22

- House Financial Services Committee hearing on "Compensation in the Financial Industry"

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