

## Congressional Closeup by Ronald Kokinda and Susan Kokinda

### Senate adopts budget-cutting plan

The Republican-controlled Senate voted by 75 to 24 on Oct. 9 to mandate the Gramm-Rudman-Hollings amendment, a plan to balance the federal budget by 1991. It was passed as part of the legislative package to increase the debt ceiling from its current \$1.8 trillion to a little over \$2 trillion.

The amendment proposes that the federal deficit be eliminated in step-wise reductions of \$36 billion per year over the next five years, to achieve a reduction from the current official estimate of \$180 billion to zero by 1991.

The cuts are to come from discretionary spending, including defense and Medicare, but the exception will be that no cuts are planned in debt-service payments. At the most modest estimate, the deficits over the next five years will increase by \$350 billion, and the debt service on that additional debt will increase by another \$40 billion.

This has the following implications for the federal budget: First, the discretionary portion of the budget has to be reduced by \$180 billion, the official figure, although some experts claim the real deficit is closer to \$230 billion; second, the current debt service has to be protected, which is running at \$200 billion; third, the additional \$40 billion in debt service incurred between now and 1991 has to be similarly budgeted.

The fact is that the amendment may not pass the House. The Democrats there now see the legislation as a means to gouge the deficit entirely out of social programs, not without reason. However, the Defense Department is also now moving against it, because it

will be impossible to meet the mandated reduction of the deficit to \$144 billion in fiscal 1986, and still maintain the defense budget at current levels, much less achieve any increase equal to the rate of inflation. Finally, no one has taken into account that very soon the citizenry will be demanding urgent budget-busting appropriations for public health to fight the spread of the deadly disease AIDS.

### Les Aspin maneuvers against U.S. defense

New York Council on Foreign Relations member Rep. Les Aspin (D-Wisc.), the man who smothered the MX missile to death and the new chairman of the House Armed Services Committee, has turned the HASC from its traditional postwar responsibility for congressional review of requirements of the U.S. armed services, into a stage for his "Defense Policy Panel," which airs new and arcane theories of deterrence and appeasement.

The meetings of the panel during the second week of October featured Aspin himself, theorizing that the Strategic Defense Initiative would destabilize the Soviet Union and might start World War III; and Congressional Research Service military pundit John Collins, who is widely published and lionized in Council on Foreign Relations publications and congressional circles. Collins presented the view that the U.S. capability for deterring a Soviet attack "is still solid across the board." He claimed the possibility of a Soviet first strike is "between zero and minus eight million."

No "force balance" figures based

on current reality would support this view, and Collins concluded his reassurances about "deterrence" with the surprising admission that "the forces the United States has bought for deterrent purposes probably are insufficient to execute wartime strategies against Soviet opposition."

Collins told the congressmen that the Soviets are "self-deterred" by the unrest in Poland which might spread to other Warsaw Pact nations, making Soviet lines of communications and force support in Eastern Europe unsecure for an attack on the West!

Collins and Aspin are seeking to counter widespread congressional awareness of the Soviet first-strike threat presented in *EIR's Global Showdown* report, which sits in every congressional office.

On the Strategic Defense Initiative, Collins warned that, if we see the Soviet Union "even testing a potential strategic defense, we have lost." But he advocated SDI "research only" for the United States, opposing development or testing.

### Grain cartels lobby to send Soviets food

On Oct. 8—the same day that the House passed a new farm bill—a House subcommittee heard some of the most extremist testimony in recent years on behalf of providing U.S. grain to the Soviet Union at bargain-basement prices. The famous-name cartel companies themselves came before Congress to request that the Soviet Union get special treatment.

The topic in question was the five-month-old "export enhancement program," un-

der which government-owned Commodity Credit Corporation food stocks are given for nothing to the grain cartel exporters—Continental Co., Cargill, and others—to encourage them to offer discount grain to woo customers for the United States, such as Egypt, which normally buy a certain amount from West Europe.

The infamous cartel-serving program (also called “export PIK,” which stands for payment-in-kind), or BICEP, Senator Robert Dole’s (R-Kans.) favorite term for “bonus incentive commodity export program”) has received much criticism, and has not worked well in terms of sales, because of the inability of many nations to buy at any cost. So the cartel companies and commodity front groups trooped to Capitol Hill to make the argument that the priority should be to give the Soviets the best deals.

Myron Laserson, executive vice-president of Continental Grain Co., said, “The BICEP program fails simply because of its fatal flaw of discrimination against our major customers.” Leaders of the National Corn Growers Association presented the same line, saying that even limited implementation of the “export PIK” has antagonized the Soviet Union, which for the first time in a decade has failed to honor the terms of the U.S.-Soviet grain agreement.

For the year ended Sept. 30, the Kremlin bought 2.9 million tons of U.S. wheat, 1.1 million tons less than the pact specifies. The terms of the U.S.-Soviet grain agreement say that U.S. wheat and corn must be offered to the Soviet Union at prevailing and competitive international price levels—meaning, in practice, bankruptcy levels for U.S. farmers.

The cartel spokesmen stressed that the export program should be either broadened or bypassed to “avoid antagonizing” the Soviet Union and to avoid encouraging Moscow to buy from Western Europe. The same spokesmen failed to report that they also represent and broker the European-originated grain sales on behalf of their Soviet client.

## **New farm bill to cut production**

The House of Representatives passed the new five-year farm bill 282-141 on Oct. 8, amid a din of USDA and media talk about how U.S. overproduction is causing the ruin of the American farm sector. The bill is therefore oriented to measures to cut production, and lacks any effective mechanisms to shore up the farm-sector collapse and restore capacity. Moreover, the bill contains an unprecedented program to entice farmers going under to lock up their land for 10 years—in fact, forever, in a quasi-public feudalistic entity to be created in the name of “conservation.”

The Senate bill, which will come up for floor debate and vote Oct. 15, has a similar conservation section—calling for taking up to 30 million acres out of production.

The House bill lowers price supports under the false rationalization that U.S. farm commodities exports will thus be “more competitive” in world markets. The bill calls for a continuation of some minimal floor prices for grain and cotton, and calls for some cash subsidies if the prices fall below targets, as they have done in the recent depression years. The House bill calls for \$34 billion in spending on com-

modity provisions over the next three years.

However, the entire farm-sector collapse is proceeding far faster than the span of this bill. The same time as the House vote, the eighth farm bank in Oklahoma failed in just this year. Out of 85 U.S. bank failures this year, 45 are farm banks.

In this context, the rhetoric of “concern” that is pouring forth from Congress sounds hollow, including that of House Agriculture Committee chairman Kika de la Garza (D-Tex.) who described the new bill thus: “The key word is survival. The House action includes what amounts to a five-year ban on reductions in target prices for major commodities. This says to the nation that we recognize the depth of the crisis in agriculture.”

## **Helms opposes naming of Winston Lord**

The Senate Foreign Relations Committee approved the nomination of Winston Lord as ambassador to the People’s Republic of China 16-1, with only Sen. Jesse Helms (R.-N.C.) voting against it. But now Helms, joined by Sens. Paul Laxalt (R-Nev.), Jacob Hecht (R-Nev.), and William Armstrong (R-Colo.), has sent a letter to the White House and to Secretary of State George Shultz objecting to the Lord appointment, because Lord does not agree with or understand the Reagan administration’s policy on birth control, nor its opposition to forced abortion, which is practiced in China.

The senators are also uneasy about Lord’s role as head of the New York Council on Foreign Affairs and his role as top aide to Henry Kissinger.