

## Congressional Closeup by Ronald Kokinda and D. Stephen Pepper

### House passes reform of Joint Chiefs

The old adage, "If it ain't broke don't fix it," does not apply to the American military as far as the U.S. Congress is concerned. So it is no surprise that for the third time in recent sessions, the House passed a reform of the structure of the Joint Chiefs of Staff, the "Joint Chiefs of Staff Reorganization Act of 1985," H.R. 3622, on Nov. 20 by a vote of 383 to 27. But this year is the first time that the Senate is expected to act. A Senate Armed Services Committee staff report recommended far more sweeping changes in the military structure than does the bill passed by the House.

The House bill contains significant changes in structure: The chairman of the Joint Chiefs of Staff becomes the sole person to advise the President and secretary of defense, rather than the JCS as a whole; he controls the Joint Staff, serves for four years instead of two, and assumes sole responsibility for "second-order" joint military issues, leaving only first-order issues to the entire Joint Chiefs of Staff.

The chairman also assumes daily supervision over the specified and unified commanders, currently the responsibility of the secretary of defense; the chairman consults them for advice, and acts as their spokesman.

The defense secretary may also put the chairman into the chain of command. A deputy chairman of the Joint Chiefs position is newly created to fill in for the chairman in his absence and to assume various "administrative" functions.

Representative Bill Nichols (D-Ala.), a chief sponsor of the bill, ad-

vised against eliminating the Joint Chiefs altogether. But he said it was the committee's intention that the chairman give special attention to "programs and budgets, roles and missions, etc."

Among the main critics of the bill were three prominent members of the House Armed Services Committee, Reps. Charles Bennett (D-Fla.), Samuel Stratton (D-N.Y.), and John McCain (R-Ariz.).

Bennett pointed out areas in which the bill "is likely to prove disappointing and possibly damaging." He asked whether it would "make life easier or harder for the fighting man to succeed in combat." He said that the bill did nothing to end parochial disarray or improve command efficiency by directing the chairman to recommend "a single undivided commander for each combat operation or theater." An amendment to establish such operational command authority was defeated.

Bennett also asked whether the bill would "strengthen or weaken civilian control of our nation" by making the chairman the "single military voice" and giving him the power to "quietly suppress interservice disagreements." "What secretary of defense, or even President, would find it possible to repeatedly overrule the single-voice recommendation of the entire military establishment, no matter how faulty those recommendations might be," Bennett asked. "And what does that do to the U.S. Constitution?" Stratton and McCain both strongly emphasized the difference between an operational command where a single authority is desired, to developing ideas and strategy, where controversy is desired.

### Bailout of farm credit planned

When it comes to financial institutions, the Congress prefers to adopt the adage, "don't fix it until it's broke." So only now is the broken-down Farm Credit System getting congressional attention. A major bailout is planned, which will, however, offer no relief to the hundreds of thousands of debt-strapped farmers. The bill, H.R. 3792, will be marked up in the House Agriculture Subcommittee on Conservation, Credit, and Rural Development on Dec. 3.

The bill contains the worst of both possible worlds. It does not save any farmers from bankruptcy, in a situation where as many as 400,000 of the nation's 2.2 million farmers are facing extinction in the immediate future. At the same time, it puts the federal government, using taxpayer money or borrowed funds, in the position of guarantor of billions in bad debt.

The bill would streamline the Farm Credit System, which holds about one-third of the nation's over \$200 billion farm debt, by using funds from different segments of the system to shore up weaker segments. It would remove the Farm Credit Administration from management of the system and make it an arms-length regulator.

According to testimony of Donald Wilkinson, governor of the Farm Credit Administration, there is now \$13 billion worth of non-performing debt. He estimates that a \$5 to \$6 billion cash infusion will be required over the next two years to keep the system afloat.

The third section of the bill creates the mechanism for unlimited federal buy-up of bad debt. A Farm Credit

System Capital Corporation is created which can buy up the paper at the discretion of the Secretary of the Treasury. The administration for the first time implicitly acknowledged the impending bankruptcy when Assistant Secretary of the Treasury Charles Sethness, testifying for the Treasury, limited his opposition to the third section to the grounds that financial assistance is not needed this instant.

At Nov. 21 hearings on the bill, Rep. James Weaver (D-Ore.) warned against a bailout that could theoretically buy up the entire value of the Farm Credit System. With land values collapsing like the 1930s, and no prospect of improvement in farm income, Weaver warned that people "should not be so sure" that the government would not have to do just that. Treasury would have to borrow in the public bond markets to finance any buy-up, directly increasing the federal deficit.

Representative Lindsey Thomas (D-Ga.) complained during hearings that, despite the potentially massive bailout provisions in the bill, all witnesses were accepting as an inevitable fact that another wave of bankruptcies was going to decimate the farm sector.

## **Kemp, Wallop confirm EIR's 'Global Showdown'**

In a letter sent to the President shortly before his departure for Geneva, Sen. Malcom Wallop (R-Wyo.) and Rep. Jack Kemp (R-N.Y.) express views reflecting the assessment of superpower relations found in *EIR's Global Showdown* report.

The two legislators write: "Contrary to popular misconceptions, the

strategic imbalance to which you pointed when you first sought the presidency has not been eliminated. Indeed, even if every program you proposed to Congress had been fully funded, the Soviet Union's edge over us in counterforce weapons would continue to grow indefinitely. By 1988, our relative strategic position is projected to be worse than it was in 1980. The Soviets are now deploying mobile missile systems unlike anything we ever plan to build. As Soviet strategic forces become mobile, the tasks demanded of our few counterforce weapons, due in the late 1980s and 1990s, will become ever more difficult. In other words, under present plans, defending the U.S. against Soviet missiles is the only opportunity we have of preventing Soviet strategic superiority from becoming permanent."

Wallop and Kemp urge the President to move as quickly as possible in deploying an anti-missile defense system in the United States and to ignore the arms-control lobby's call to respect the "integrity of the ABM treaty." "As we see it," they conclude, "the noble goal of protecting rather than avenging lives is precisely opposite to what has been called 'the integrity of the ABM treaty,' when that 'integrity' presumes the defenselessness of the American people."

## **Congress tries its hand at currency reform**

Representative Jack Kemp (R-N.Y.) and Sen. Bill Bradley (D-N.J.), both of whom entertain presidential ambitions, co-hosted a conference on international monetary issues on Nov. 12-

13, entitled "U.S. Congressional Summit on Exchange Rates and the Dollar" (see *EIR*, Nov. 22, 1985, "Congressional 'summit' admits the system is broke"). Both of these former athletes feel the need to swim in deep waters, because to seek the presidency these days you have to prove you can live among the sharks.

Now we are reaping the benefits of this new congressional enlightenment. Congress wants to take over the regulating of international monetary matters. The House Banking Subcommittee on International Finance, Trade, and Monetary Policy began hearings November 19 on two bills, H.R. 3498 and H.R. 3573, that would force the Reagan administration toward adoption of a currency "snake," or target zone for international currency exchange rates. The bills would also mandate that the administration convene an international conference on monetary reform, and create a "Strategic Capital Reserve" of \$3 billion for currency purchases.

Both bills were introduced by Rep. Stan Lundine (D-N.Y.), a participant in the Kemp-Bradley conference.

Other congressional activity on exchange rates included introduction of H.R. 3771 by House Chief Majority Whip Rep. Bill Alexander (D-Ark.), who also attended the conference. The bill would create a "U.S. Dollar Valuation Board" to start an ongoing process to "reach an international accord on monetary exchange rates." Alexander characterized this as a long-term policy step to help the American farmer, whom he characterized "as an economic serf in a system of capitalistic fiefdoms which causes the farmer to be enslaved to the present policy."