

Congressional Closeup by Kathleen Klenetsky

Treaty battle to top Senate agenda

The battle over ratification of the INF Treaty will top the Senate's agenda when it reconvenes in mid-January. The Foreign Relations Committee begins hearings on the pact Jan. 25, while two other panels, intelligence and armed services, also plan to take testimony on specific aspects of the treaty.

The pro-treaty faction got a boost Dec. 17, when Sen. Bob Dole (R-Kans.), ending months of fence-sitting, finally declared that he would not only support the treaty, but, as minority leader, would also lead the fight for its approval.

In a display of his vaunted "leadership" capabilities, Dole rounded up 10 fellow Republican senators for a meeting at the White House Dec. 21, where they, too, endorsed the treaty. One, Sen. John Danforth (R-Mo.), predicted that the pact would be ratified by votes of either 85-15 or 87-12, while Dole himself claimed the Senate would ratify by an "overwhelming margin."

It would be a mistake to take these statements at face value, however. With the euphoria from the Gorbachov visit beginning to wear off, there is a palpable increase in skepticism about the treaty, as well as Gorbachov's overall intentions, both on Capitol Hill and in the general population, which could mean the treaty's rejection.

Treaty opponents have already formulated several potential amendments, which, if adopted, would mean that the treaty would have to be renegotiated—something Gorbachov has already said is unacceptable.

On Dec. 15, Sen. Larry Pressler (R-S.D.) filed the first formal amendment to the treaty. It provides that the pact "shall not be put into effect unless and until the President has certified to the Senate that an agreement has been

reached that the conventional force imbalance does not exceed a ratio of 3:2 in favor of the U.S.S.R. and Warsaw Pact." That, Pressler said, would require deep reductions in the forces of the Warsaw Pact, which presently holds an approximate 4:1 superiority over the West in conventional armaments.

Judge dumps Dems' War Powers suit

Democratic efforts to apply the War Powers Resolution with respect to America's naval escort deployment in the Persian Gulf hit rough seas in mid-December, when a federal district judge dismissed a lawsuit brought by 110 Democratic members of Congress seeking to force President Reagan to invoke the resolution.

In a ruling handed down Dec. 19, U.S. District Judge George H. Revercomb said it would be both "inappropriate and imprudent" for the courts to rule whether the War Powers Resolution should be applied to the Persian Gulf operations. The dispute is essentially a "political question" which should be resolved in Congress, Revercomb argued, noting that Congress itself had failed several times in 1987 to adopt measures requiring that the resolution be invoked. "Although styled as a dispute between the Legislative and Executive branches of government, this lawsuit evidences and is indeed a by-product of political disputes within Congress," the judge said.

Filed Aug. 7, the suit called on the court to force Reagan to comply with the resolution's requirement that Congress be notified when U.S. forces are introduced into situations where hostilities are "imminent." Unless Con-

gress authorizes the operation, the President then has 90 days to withdraw the forces.

Judge Revercomb's action brought an angry response from the Democratic plaintiffs, who had hoped to use the courts to curtail the Persian Gulf deployment. Key sponsors of the suit, among them, Rep. Mike Lowry (D-Wash.) say they will file an appeal.

Apartheid act leads to dependence on Soviets

Congress's adoption in 1986 of the Anti-Apartheid Act, which bans the import of most commodities from South Africa, has already resulted in a dangerous increase in U.S. dependence upon the Soviet bloc for strategic minerals, according to Rep. Larry Craig (R-Idaho.).

In remarks on the floor of the House Dec. 17, Craig spoke out against a proposal favored by some members of Congress to extend the Act's import prohibitions to include strategic and critical materials. This ignores a dangerous reality, he said, namely, that outside of South Africa, the only source for many of these materials is the Soviet Union.

Craig noted that even though the act currently exempts critical materials from the import ban, there has been a dramatic increase in exports of these materials from the Soviet Union since the act took effect. Citing information provided by the Department of Commerce and Office of Strategic Resources, Craig reported that in the 12-month period since Congress overrode President Reagan's veto of the Anti-Apartheid Act, U.S. imports of key metals from the Soviet Union have risen as follows: platinum sponge, 17%; chrome ore, 157%; platinum bars, 321%; ferrosilicon, 377%; rhodium, 386%; antimony, 4,783%; and

industrial diamonds, 4,900%.

Hearings conducted by the House Subcommittee on Mining and Natural Resources Dec. 10 highlighted some of the probable reasons for the increase, said Craig, among them, that the act, with its threat of future sanctions, has engendered such uncertainty that American buyers have been forced to seek diversification of their sources.

Craig also cited testimony by Robert Dale Wilson, executive director of the National Critical Materials Council, who told the hearings that it was easier to trade with the Soviet Union than with South Africa, because there was less domestic political opposition.

Senate adopts Moynihan 'pain and agony' amendment

Responding to Wall Street pressure for huge cuts in Americans' living standards, the Senate adopted a measure Dec. 15 to create a "National Economic Council" to shape U.S. economic policy.

Brainchild of Sen. Daniel Patrick Moynihan (D-N.Y.), the proposal's central idea is that constituency pressure on Congress must be eliminated, if the enormous reductions in domestic and military spending demanded by Wall Street are to be implemented.

Moynihan said as much (although in characteristic gibberish), in remarks on the Senate floor Dec. 10. The National Economic Council, he said, would ensure "that critical economic issues are not relegated solely to the realm of election-year politics and sloganeering that can result in rigid positions that foreclose the realistic responses required when the campaigning ends and governing begins."

In other words, since most of the members of the NEC wouldn't be elected officeholders, they would feel free to recommend Social Security cuts, for example, or the elimination of farm price supports, without having to worry about voter backlash. Congress could then legislate the recommendations—and avoid the political fallout by blaming the NEC.

The proposed commission would be made up of businessmen, labor leaders, and other private citizens, with representation from Congress chosen by the President, President-elect, and the congressional leadership. The NEC would have a year, beginning March 1988, to come up with "methods to reduce the deficit, promote economic growth, and encourage savings and capital formation," and develop "the institutional arrangements required to achieve the appropriate coordination, within the United States, for the making and implementation of economic policy."

On the surface, this may not sound so bad—until you find out who's behind it. Congressional sources report that those involved in formulating the Moynihan proposal were Lazard Frères' Felix Rohatyn, infamous for the "pain and agony" he imposed on New York City as head of the "Big MAC" bankers' dictatorship there beginning 10 years ago; and Peter Peterson. Founder of the Bipartisan Budget Commission, Peterson insists that U.S. wages and consumption must be slashed in order to make the United States "more competitive."

At least one of the bill's sponsors, Sen. Frank Murkowski (R-Alaska), who recently introduced legislation to freeze cost-of-living adjustments for Social Security and veterans benefits, believes that Peterson should serve on the NEC.

Moynihan cited New York Gov. Mario Cuomo as an inspiration for the

bill. Cuomo has been promoting the idea of handing over economic policy to the bankers and economic "experts" for at least a year, and has already established his own economic council—with Rohatyn a member.

Score proposal to allow thrift takeovers

The chairmen and leading members of the Senate and House banking committees have harshly criticized a proposal put forth by Federal Reserve chairman Alan Greenspan to allow bank holding companies to buy up healthy savings and loan institutions, charging that this would effectively wipe out the thrift industry in the United States.

House Banking chairman Fernand St Germain (D-R.I.) and ranking Republican Chalmers P. Wylie (Ohio) warned Greenspan in a Dec. 15 letter that his proposal "could further exacerbate an extraordinarily difficult situation" for the ailing S&Ls.

Similar warnings came from Senate Banking committee chairman William Proxmire (D-Wis.), and Rep. Frank Annunzio (D-Ill.), chairman of the House consumer affairs subcommittee. They told Greenspan that the proposal would undercut the multibillion-dollar recapitalization of the FSLIC, which insures thrifts. The lawmakers expressed concern that if holding companies were allowed to buy healthy S&Ls—something which they are not currently permitted to do—they would then desert the FSLIC for the Federal Deposit Insurance Corp., which charges lower premiums.

The recapitalization plan, "was predicated on having a large number of healthy institutions to build up the premium base in the insurance fund," Annunzio said.