

Congressional Closeup by William Jones

Congress conciliatory, but tough road ahead

The 101st Congress convened on Jan. 3 on a generally conciliatory note. The political pundits have it that President Bush will be able to establish a much more favorable rapport with the Congress than was the case for President Reagan.

George Bush opened the session with the formal counting of the electoral votes from the presidential election. Speaker of the House Jim Wright (D-Texas), who has often been accused by his Republican colleagues of ruling the House with an iron hand, also struck a conciliatory tone. "There is a need for greater consultation and cooperation between the two political parties in the House of Representatives," said Wright.

This tone will no doubt soon prove to be the calm before the storm. In spite of calls for cooperation and bipartisanship, skeptical voices have already been raised. "I would be very surprised 90 days from now if anyone's convinced of serious bipartisanship," said Georgia Republican Newt Gingrich, a leading critic of Jim Wright.

More significantly, it is generally admitted that the 101st Congress will have to grapple with what is perhaps the worst economic crisis in the country's history.

The Savings and Loan crisis will be the first question on the agenda, with hearings of the House Banking Committee already well under way. As the financial structures start to unravel amid rumblings of new attacks on the dollar, it's certain that there will be no smooth sailing for this Congress, but rather lots of toil and turmoil.

The first signs of conflict will be on the budget question. Many expect

President Bush either to back down on his promises of "no new taxes," or to come up with a vicious austerity budget, for which he would bear the political opprobrium. If he does not, the austerity-prone Congress is well-prepared to force him to his knees on the issue.

Anti-defense liberals gain new strength

A combination of deaths and retirements could put some important House posts in the hands of some downright anti-defense, perhaps KGB-run, congressmen.

The death of Rep. Bill Nichols (D-Ala.) on Dec. 20 was the latest event to shake up the Armed Services panel. Two other Armed Services subcommittee chairmen, Reps. Dan Daniel (D-Va.) and Mel Price (D-Ill.), died earlier this year.

Another pro-defense subcommittee chairman with long tenure, Rep. Sam Stratton (D-N.Y.), is retiring this year. Another veteran Democrat, Rep. Charles Bennett (D-Fla.), who heads the seapower subcommittee, is 78 and is not expected to play a leadership role for much longer.

The ultra-liberal Ron Dellums (D-Calif.), who now chairs the military installations and facilities subcommittee, may want to switch to Stratton's procurement or Nichols's investigations subcommittee. Unilateral disarmament advocate Pat Schroeder (D-Colo.) is also said to want one of those two currently available Armed Services subcommittees, on condition that she be allowed to hire her own subcommittee staff.

A Pat Schroeder in the defense procurement post does not exactly

strike fear in the hearts of the military planners on the Soviet general staff!

S&L crisis first agenda item

The House Banking Committee began hearings the first week in January to investigate the rush of year-end deals negotiated by the Federal Home Loan Bank Board to sell or merge dozens of insolvent savings and loan associations.

In a letter to Bank Board chairman M. Danny Wall, new House Banking Committee chairman Henry B. Gonzalez (D-Texas) and Rep. Chalmers Wylie (R-Ohio) noted that there had been "numerous questions raised on Capitol Hill and in the media about the Bank Board's rush to close billions of dollars of assistance packages in December."

The Bank Board was working late on New Year's Eve trying to wrap up the final stages of a program which shut down 217 savings and loans associations. After Dec. 31, federal tax advantages for purchasers of S&Ls were essentially to be halved.

Senate Banking Committee chairman Donald Riegle (D-Mich.) called on the General Accounting Office to review all of the Bank Board's December deals, to see if the bidding process was fair and the new owners can manage an S&L, and to determine how generous the tax benefits and assistance packages are for the new owners.

In their letter, Gonzalez and Wylie asked the Bank Board to provide estimates of the total cost to the federal government, to name the source of Federal Savings and Loan Insurance Corporation funding in the assistance packages, to give an analysis of the

tax benefits in each deal, the amount of capital being provided by the new owners, the quality of the new management teams, and the method of valuing assets in the institutions being purchased.

The chairmen of the House and Senate banking committees have both just taken over their posts. Gonzalez, who prides himself on being something of a maverick, is no friend of high interest rates or big banks. Gonzalez considers himself to belong to a long line of populists whose main concern is the "allocation of credit."

In 1981, he tried to use the impeachment procedure against then-Federal Reserve chairman Paul A. Volcker, introducing a resolution to eject him from office for pushing up interest rates.

The chairman of the Senate Banking Committee, Donald W. Riegle, Jr., has been an active member of the Senate Banking Committee, heading the subcommittee on securities. He has played his cards close to his vest, and declines to comment on where he thinks he will take the Banking Committee.

Both Gonzalez and Riegle acknowledge that the thrift crisis will be the first item on the agenda during January.

Dornan offers Bush advice on AIDS

Rep. Robert Dornan (R-Calif.) sent a letter to President-elect George Bush with advice on how to deal with the AIDS question. Dornan's remedy: Launch a just-say-no campaign involving sex, and make experimental drugs available to people with the disease. Basically, don't do anything.

It is heartening that the good con-

gressman is concerned about the nation's biggest and most catastrophic health problem. There are, however, tried and true public health measures which can be utilized to deal with this 100% fatal epidemic disease.

Congressman Dornan should consult with his fellow congressman and Californian, Republican William Dannemeyer, who has done his homework on the issue, before writing another letter to the President-elect.

Expect attack on agricultural 'pollution'

A renewed attack on agriculture for "pollution" is expected in the new Congress, especially with William Reilly now to head the Environmental Protection Agency.

At a water projects meeting in Oklahoma in December, Rep. Mike Synar (D-Okla.) and the World Wildlife Federation, which Reilly headed, attacked run-off of fertilizers and chemicals as a major pollution source, and the current system of commodity support payments as antithetical to pollution control.

Synar claimed that 95% of water pollution is caused by "non-point sources," i.e., farm run-off.

Bank regulator seeks new powers

L. William Seidman, chairman of the Federal Deposit Insurance Corporation, has proposed that the Congress institute a number of changes in the structure of banking insurance.

Seidman recommended that the Federal Home Loan Bank Board, which charters and regulates federal savings and loan associations, be separated from the insurance function.

Seidman, referring to the close relationship between the Bank Board and the FSLIC, said that when the insurance function "gets mixed up with other duties, such as promoting housing, it tends to weaken the insurer's resolve to protect his fund."

Senate Banking Committee chairman Donald Riegle thought that such an idea would be well-received by the Congress. "I think in the course of structuring an answer for the S&L problem, separating those two functions is something that may very well be done."

'Work makes free' bill soon to be introduced

Democratic Senators Sam Nunn (Ga.) and Chuck Robb (Va.) will soon introduce legislation that will set up a thinly disguised slave labor program, in which unemployed or underemployed youth will be given a \$10,000 voucher for job training or college tuition, if they work for a year as "volunteers" in community service projects. The \$10,000 voucher will be the only pay which enrollees in the program will receive, raising questions about how they will survive for that year with no pay.

Robb and Nunn are touting the bill—which they say will become "one of the top bills in both the House and the Senate," as one which will "reestablish basic values" in the U.S. population.

"Many of us think that it's important that we reinstall a sense of values and a sense of understanding that there are not only entitlements that the government gives to its citizens, but reciprocal obligations on the part of the citizens to their government," Robb told a television interviewer Jan. 4.