

Congressional Closeup by William Jones

Congressional fears grow over 'Europe 1992'

Sen. Max Baucus (D-Mont.) and Rep. William Frenzel (R-Minn.) were featured speakers on Feb. 24 at a conference of several hundred American businessmen held in Washington to discuss "Europe 1992." The conference was the first in a series of meetings and discussions to be held in the coming months on the plans for European integration.

Under the Single Europe 1992 Act adopted by the European Commission in Brussels, all barriers to the movement of capital, goods, and people among the 12 member-nations of the European Community will be dissolved in 1992. It is the first step in not only creating a regional trade bloc, but in eliminating the sovereignty of European nations—at least according to the intentions of the European commissioners.

Accolades for European integration were heard at the Washington conference, but under the surface, there was an air of uncertainty and trepidation as regards what European integration would mean for U.S. business.

There was also a not-so-subtle undercurrent of warnings that Europe 1992 could become a bastion of protectionism. The threats were of a rather subtle nature in the remarks made by Commerce Secretary Robert Mossbacher, who spoke at the conference luncheon. "An economically stronger, more competitive, and technologically innovative Europe is in our strategic and economic interests."

Even so, he added, "There is still a substantial minority who will seek to maintain or increase their protection." In regard to what he called the isolated "strongholds" of protection-

ism, Mossbacher stressed that the Bush administration will "work to eliminate these where we find them."

Senator Baucus, the co-chairman of the American-European Community Association Roundtable and a key player in the "beef caucus" in the U.S. Senate, was more blunt. Expressing concern that the enlarged EC agreements might lessen European willingness to negotiate in the next round of General Agreement on Tariffs and Trade (GATT) talks, Baucus said that the United States "should not hesitate to use our 'crowbars' [the U.S. Trade Act] to keep the EC open to U.S. business."

He also said that if Europe 1992 leads to a "Fortress Europe," then the United States should increase its trade relations with the nations of Asia and create a "Fortress Pacific." "We must leave no doubt in anyone's mind that the U.S. will defend its interests."

During the question period, Baucus was asked if he thought a "Fortress Pacific" would be any match militarily for a Europe pushed into the arms of Moscow in such a decoupling scenario. Baucus declined to comment.

Tower nomination goes to the floor

The dossiers are coming out from all sides as John Tower's nomination to become defense secretary becomes the focus of a power struggle between the Democratic-controlled Congress and the Bush administration.

The *Washington Post* on March 2 relates how Michele G. Markhoff, Tower's principal aide on arms control, interviewed senior members of

the U.S. delegation in Geneva at their offices about the negotiations and other topics, while Tower was under contract with LTV, Rockwell International, and another defense consultant. A spokesman for Tower said that the interviews were part of a project to collect information for a book Tower was writing on the relations between the Executive and Legislative branches of government—a project he later abandoned.

A report issued by the Armed Services Committee's Democratic majority said the incident "created the appearance of using inside information for private gain."

The *Post* reports that three members of the U.S. negotiating team who knew about these meetings did not recall any attempts by the consultants to garner details which might be of interest to their clients.

In response to the scandal-mongering of the liberal media about the Tower affair, the *Washington Times* published a March 2 lead article detailing a number of "sex and booze" scandals involving congressmen leading the fight against Tower. Tower himself had launched a counterattack against congressional hypocrisy the previous day at a luncheon speech at the National Press Club.

"Is it an acceptable standard," said Tower, "for senators to accept honoraria, PAC contributions, and paid vacations from special interests who have a vested interest in the legislative process? . . . I think in the course of formulating a standard for the secretary of defense or indeed for any other cabinet officer, that it is time that the Congress articulated what its own standards are."

The *Washington Times* article provides the gory details that Tower him-

self only intimidated:

- It speaks of a three-way extramarital affair which Sen. Donald Riegle (R-Mich.) was carrying on while a member of the House of Representatives.

- It relates the case of Sen. Edward Kennedy (D-Mass.) of Chapquiddick fame, who was discovered having sex with a woman on the floor of a private dining room at a Capitol Hill restaurant.

- Sen. David Durenberger (R-Minn.), then-chairman of the Senate Intelligence Committee, had a well-publicized fling with his young secretary, which led Sen. Barry Goldwater to complain that Durenberger's sexual shenanigans posed a risk to national security.

Numerous other incidents are reported in the article, as well as the excessive drinking habits of Sen. Daniel Moynihan (D-N.Y.) and others.

A Pandora's box has been opened in both the Executive and Legislative branches. In the heated partisan climate now building up, a lot more threatens to surface about our nation's political leaders.

Bank Board admits \$1 billion fled S&Ls

M. Danny Wall, chairman of the Federal Home Loan Bank Board, in testimony before the Senate Banking Committee on March 1, said that the nation's 2,950 S&Ls suffered net withdrawals of \$4 billion to \$5 billion in February, \$1 billion to \$2 billion of it at the 220 institutions earmarked for takeover by the Federal Deposit Insurance Corp.

The magnitude of withdrawals represents a continuation of the "silent run" on S&Ls that began gathering steam with a \$7 billion outflow in November and a record withdrawal of \$8.1 billion in December.

Wall claimed that such overall withdrawals were normal, in an economic climate where depositors could easily get higher interest rates elsewhere.

Treasury Secretary Nicholas Brady, also appearing before the Banking Committee, said news accounts of the industry's problems were triggering the outflow. Brady said S&Ls have been forced to increase interest rates on savings by an average of three-fourths of a percentage point because of the increased public attention focused on the industry's problems. Brady claimed that the rates will drop once public confidence is restored.

Webster, Helms join German-bashing campaign

In testimony before the Senate Foreign Relations Committee on March 1, CIA Director William Webster said that Libyan efforts to acquire an airborne refueling capability for their Soviet-made MiG jets make the chemical weapons plant at Rabta a strategic threat to the region. Webster said that he favored laws to impose trade sanctions on Western corporations that help Third World nations develop chemical and biological weapons.

Sen. Jesse Helms (R-N.C.), ranking Republican on the committee, jumped right on the bandwagon, claiming that the West German government has not moved to block companies from selling parts and services

to the Libyans, including technology for the chemical weapons plant and MiG refueling.

"For all we know," said Helms, "Germans are still in Libya helping Qaddafi get his poison gas plant on line or the delivery systems up and operating."

Helms is sponsoring legislation to punish countries that use chemical arms and penalize Western companies that deal in the components of chemical and biological arms.

Byrd warns Bush of budgetary 'train wreck'

Senate Appropriations Committee chairman Robert Byrd (D-W.Va.) said the congressional budget process will end in a "train wreck" this fall if President Bush doesn't send specific amendments to former President Reagan's budget.

While administration officials continue to pressure congressional leaders to accept early budget negotiations, Byrd joined the ranks of the many Democratic lawmakers who have rejected the call for a budget summit.

In a further expression of the tug-of-war now going on between the Congress and the Bush administration, Byrd accused the administration of proposing a "political budget."

"We can't rush into negotiations without having hearings," Byrd told White House budget director Richard Darman. "Unless the administration fills in the blanks . . . we will be facing a massive continuing resolution this fall," said Byrd—i.e., a resolution to temporarily continue funding of government operations, etc. pending approval of a budget.