

## Congressional Closeup by Ronald Kokinda

### Burton considers mandatory AIDS tests

Rep. Dan Burton (R-Ind.) took to the floor of the House of Representatives on March 3, to continue to bring information on the deadly AIDS virus to the attention of his colleagues. Burton said that he and others in the House are considering setting up a program for mandatory national AIDS testing, as a means of helping to bring the epidemic under control.

"People ask me what should be done," Burton said, "and I and my staff and others in the Congress are looking at the possibility of mandatory AIDS testing, not just for a select few people in this country, but for everybody of school age and older. The reason for that, is that we do not believe everybody has AIDS, but we need to find out who does, we need to track it, and we need to let the people who have it, know that they have the AIDS virus in their systems, and submit to them that they have to change their habits and not be involved with people who have not been exposed to the disease, because even though you do not have an active case of AIDS, if you have the virus in your system, it can be communicated to other people and is being communicated on a daily basis."

Burton described it as a "tragic state of events," where "people who do not know they have the virus are infecting other people."

Burton denounced the false information being given to the American people, that use of condoms promised "safe sex." "People of this country are carrying out their daily activities based upon this information, and it could very well kill many of them. . . . People who tell us that you cannot get the AIDS virus because you are using

condoms, simply are not telling us the truth," he said. Burton described a study of condom use among San Francisco homosexuals conducted from 1980 to 1985, which reduced the rate of venereal disease by 70%. At the same time, "the AIDS epidemic increased from 12 to 67%," he pointed out.

### House rejects cuts for VA hospitals

The House Veterans Affairs Committee, led by chairman Rep. Sonny Montgomery (D-Miss.) and ranking member Rep. Gerald Solomon (R-N.Y.), and with strong bipartisan support, succeeded in getting House approval for H. Con. Res. 27 by voice vote on March 3. The resolution says that "Congress strongly opposes the policy contained in the Veterans Administration budget for FY 1988 to reduce the capacity of the VA to provide health care to eligible veterans through a reduction in funding levels."

Montgomery said that the proposed cuts would put the VA about \$246 million below current services, would necessitate a 3,800 staff reduction, would deny hospital care to 13,548 veterans, and would reduce outpatient visits by at least 113,000.

Both Montgomery and Solomon noted the increasing demands for treatment of AIDS cases among veterans, now numbering more than 1,000 nationally. "Hospitals who administer to these patients should be receiving additional funds," Montgomery said. "The VA is conducting several AIDS research projects and we should do more. The VA has made major medical breakthroughs in other

areas of medicine, and we hope VA researchers will find a way to cure this dreaded disease."

Rep. Roy Rowland (D-Ga.) attacked the Office of Management and the Budget (OMB) for coming up again and again with proposals "with potentially devastating effects," and while these are often rejected by Congress, "they aren't giving up."

### McCain asks 'reduced commitment' to NATO

Freshman Sen. John McCain (R-Ariz.) on Feb. 26 demanded, in a statement on the Senate floor, that the Congress adhere to the Gramm-Rudman-Hollings balanced budget target of \$108 billion for FY 1988, even if this means a reduced commitment to the defense of the NATO alliance. He condemned Budget Committee chairman Sen. Lawton Chiles (D-Fla.) for seeming to abandon the Gramm-Rudman target "before Congress has had a chance to tackle it."

McCain gained notoriety in Europe recently, with the publication of a letter to the editor of the German daily *Die Welt* on Feb. 25, predicting that U.S. budget and trade deficits will lead to an American troop withdrawal from Europe "within the next few years."

In his Senate speech, McCain declared, "The challenge we face is to ensure the freedom of our NATO allies if we reduce our commitments. . . . There have been several crises in NATO's four decades; Europeans should be aware of the approach of another."

McCain's staff reports that he believes that Europe will react to U.S.

cutbacks by assuming a greater defense burden to protect their national interests, rather than by seeking accommodation with the Soviets, even while the Reagan administration prepares to pull U. S. intermediate-range missiles out of Europe in the face of massive Soviet conventional superiority.

McCain is a former Navy captain, who was wounded and made a POW in Vietnam.

## Study calls for further steel shutdown

A Congressional Budget Office (CBO) study prepared at the request of the House Science and Technology's Investigations and Oversight subcommittee, titled "How Federal Policies Affect the Steel Industry," calls for further elimination of steel production capacity.

"If capital markets are correct in seeing investment in the steel industry as an inefficient use of scarce resources, then any federal effort to stimulate such investment would be at the expense of other, more valuable economic activities," the report states.

Among the areas which the report then recommends that the government involve itself in are: to encourage research and development; to provide incentives for the industry to "restructure," a code word for plant shutdowns and eradication of capacity; and "smoothing the transition to a smaller industry."

Excess capacity, the report argues, is inhibiting the ability of the industry to make the best use of the investment capital it has.

Subcommittee chairman Rep.

Robert Roe (D-N.J.) endorsed the report, stating that "government assistance should be directed to helping industry retire excess capacity while assuring that it honors its pension commitments to steelworkers." Roe also called for cooperation from the labor force "for the targeted retraining and relocation programs mentioned in this study."

One Hill source said that many members may just decide to ignore the report, since they feel that a steel industry is still necessary.

## Who will bail out the bankrupt S&Ls?

Congress continues to struggle with the issue of the Federal Savings and Loan Insurance Corporation's (FSLIC) growing difficulty insuring roughly \$900 billion in deposits. While Congress took preliminary action last year, final legislation was not passed. What was expected to be rapid passage by the 100th Congress, is now an issue dragging on longer than expected.

H. R. 27 was introduced on Jan. 6, authorizing \$12-15 billion for FSLIC, to be generated out of the Federal Home Loan Bank Board system, and House Banking Committee Democrats were expected to meet at the beginning of February to schedule action. Instead, they were caucusing on March 5 to try to reach agreement on a timetable for action.

Similarly in the Senate, Banking Committee chairman Sen. William Proxmire (D-Wisc.) introduced a package of banking measures including closing the "non-bank banks," and scheduled a Feb. 25 meeting of the committee. This was postponed to

March 5, and then postponed again until March 10.

Ironically, as the condition of the FSLIC is shown to be worsening, the latest efforts in Congress are to give the FSLIC less money than previously proposed. The U. S. League of Savings Institutions expressed its fear to a House Banking Committee hearing March 4, that money given to FSLIC would be used to close down the S&Ls. The League is urging \$5 billion to be raised over two years. It costs less money to keep bankrupt S&Ls open, than to shut them down and pay off depositors who are insured up to \$100,000 per depositor, if a buyer for the bank cannot be found.

In addition, a fight is going on in Congress over "forbearance," i.e., whether regulatory standards should be eased in order to try and let bankrupt institutions keep operating. Most agree that S&Ls that got in trouble because of fraud should be shut down. But many in Congress urge that S&Ls should be allowed to "wait for the economy to recover."

The Banking Committee was told by the Government Accounting Office that a preliminary audit showed that the FSLIC ended 1986 with a \$3 billion deficit—technical bankruptcy. A Texas-based federal regulator told the committee that 9% of the S&Ls in his jurisdiction were "brain dead," i.e., would never recover.

While this rearguard action is ongoing to forestall FSLIC shutdowns, some, such as Rep. Gerald Kleczka (D-Wisc.), are urging more money for FSLIC now, warning that bailouts with taxpayers' dollars would be requested otherwise. Either way, however, the question of bailouts for the bankrupt system will be on the congressional agenda soon.