

Congressional Closeup by William Jones

House approves aid to Nicaraguan rebels

House Democrats joined forces with Republicans to approve an aid package of \$47.9 million for the Nicaraguan Contras at the end of March—an issue which had bitterly divided the parties in a stand-off battle a couple of weeks earlier. In the meantime, however, the Contras and the Sandinistas have signed a cease-fire accord, thus eliminating, at least temporarily, the problem of whether to provide military or humanitarian aid.

The aid bill, approved 345-70, provides \$17.7 million for food, clothing, and medical supplies for the Contras, and an identical sum to provide medical assistance for Nicaraguan children who are victims of the seven-year civil war. \$1.5 million will go to provide communications equipment for the Contras, and \$10 million will cover expenses of the verification commission established under the truce.

The question of military aid, in case the cease-fire accords fall through, was one bone of contention during the debate. The Republicans wanted an "expedited" congressional vote on military aid, which would allow a quick vote on aid to the Contras should the cease-fire break down. A compromise was reached in which Speaker of the House Jim Wright (D-Texas) pledged to assure prompt consideration of any future aid request from the White House.

Floor fight expected on INF treaty approval

In spite of a total of some 46 amendments being proposed for the INF treaty during the various committee

hearings, the treaty was approved by the Senate Foreign Relations Committee on March 30, the last stop on its month-long odyssey through the various committee hearings. By a vote of 17 to 2, the panel sent the pact to the Senate, amid predictions that it would win final approval in time for a formal exchange of ratification papers by President Reagan and Soviet leader Mikhail Gorbachov at their Moscow summit conference starting May 29.

The situation on Capitol Hill is, however, not as euphoric for the treaty supporters as some of the media would like one to believe, and one Senate staffer predicted a "wild and woolly" floor fight still to come in the Senate.

On March 29, a closed session of the entire Senate was held in the old Senate Chamber, on the initiative of Sens. Steven Symms (R-Idaho) and Jesse Helms (R-N.C.), for an intelligence briefing on the intermediate nuclear force capabilities the Soviets may *really* have—capabilities which are far greater than those they reported as the basis of the INF agreements.

Senator Symms himself expressed skepticism as to whether the closed briefing had changed one single INF vote, but it nevertheless seems that the briefing served to create an air of caution in the general euphoria which had still lingered on in the aftermath of the Gorbachov visit. It has also led to a number of senators, favorable to the INF treaty, warning of any rush to judgment on the START strategic force negotiations, or trying to push the INF treaty through the Senate without the necessary time for deliberation. The White House is anxious to have the treaty ratified before the Moscow summit.

But the INF treaty has by no means been brought into port. There are snags awaiting it which could delay ratifi-

cation, or even stop it.

Majority Leader Robert Byrd (D-W.Va.) on March 23 repeated his earlier warnings that he was not going to rush through the ratification debate simply to meet the political needs of the White House. "There seems to be," said Byrd, "a great rush today to sign treaties, to enter into treaties, and they can appear to be dictated by the calendar all too much, by deadlines that have to be met, by summits that have to be held. Our own security interests are too important for that. This Senate is not going to be jerked around and hastened overly in order to meet summits, in order to put the imprimatur on something, because it has been signed, that we have got to go along with it."

The Senate Foreign Relations Committee approved the treaty with only one amendment regarding treaty interpretation. The amendment, proposed by Senate Democrats, would make treaty interpretation dependent on what was told the Senate by government representatives during the committee hearings. This proviso would also have serious implications for the Anti-Ballistic Missile treaty, where testimony from government witnesses during the ABM hearings could be used to force current and future administrations to adhere to the narrow interpretation of the treaty, and thus significantly limit experimentation on the Strategic Defense Initiative (SDI). Sen. Daniel Evans (R-Wash.) called it a "jab in the eye of the administration."

Several Republican senators, who otherwise have been supporters of the treaty, like Senator Evans and Sen. Rudy Boschwitz (R-Minn.), have said that they would vote against the treaty unless this proviso were modified.

The other bone of contention is whether the INF treaty would ban "fu-

turistic weapons," including lasers, with an intermediate range. This question obviously has implications for the development of the SDI. Whether it is stated that the INF treaty bans or does not ban such weapons, either the supporters or the opponents of the SDI may very well vote against the treaty because of that proviso.

Other amendments that are being considered are one proposed by Sen. Dennis DeConcini (D-Ariz.) and others which would put some form of pressure on the Soviets on the issue of human rights. Another, by Sen. Ernest Hollings (D-S.C.), would allow the deployment of conventionally armed ground-launched cruise missiles. These are explicitly banned by the treaty, and could require a renegotiation of the treaty if passed.

Senator Helms will undoubtedly bring up several amendments during the floor debate. Whatever surprises may be in store, the INF ratification debate will be, in the words of Sen. Richard Lugar (R-Ind.) "a real battle."

Budget slashing hits domestic programs, housing

In line with the austerity budget regulations worked out at the end of last year between the Congress and the President, the Senate Budget Committee approved a \$1.1 trillion spending plan for 1989.

The plan includes a 27% spending increase for the space program, about equal to what President Reagan proposed, but which is much too small to meet the necessary requirements of the Mars program outlined at the beginning of the year by the President as the next goal of the space program.

The proposed budget plan calls for

massive cuts in subsidies for housing and local development, at a point when the homeless have become one of the country's biggest social problems. Sen. William Armstrong (R-Colo.), referring to the old saying, "No guts, no glory," said, "This is a no-glory budget."

But in viewing a Senate fully prepared to implement murderous austerity measures instead of an industrial recovery program, one can only conclude: "Neither guts nor glory."

Senate allows banks to deal in securities

In what is generally considered only the first step in a general overhaul of U.S. financial structures, the Senate approved on March 31, in a 94-2 vote, the Proxmire Financial Modernization Bill, largely the work of Senate Banking Committee Chairman William Proxmire (D-Wis.). The bill amends the Glass-Steagall Act, passed in the aftermath of the stock market crash of 1929, which barred a mingling of the securities and banking business. It was the intertwining of the banking and more speculative securities sector which was blamed for the speculation which preceded the crash.

The Glass-Steagall Act provided a "firewall" between the fast-moving and often volatile securities markets and the world of commercial banking. In principle, it would prevent violent fluctuations on the stock markets from immediately affecting the banking sector. As the "firewall" is torn down, even a small brush-fire on the other side of the fence could threaten to burn the whole house down.

The authors of the bill maintain that there are safeguards built into the

amendment. A bank would be allowed to own a securities company, as long as the two subsidiaries were operated separately. Such a thin wall, under conditions of a stock market crash equal to or greater than that which we experienced on Oct. 19, 1987, would provide little protection to our regional banking system.

The greatest opposition to a repeal of Glass-Steagall has come from the House, where the savings and loan institutions have strong representation.

Senate proposes ban on purchases from Toshiba

The Senate proposed on March 30 a three-year ban on use of federal funds for any purchases from the Toshiba corporation of Japan, in retaliation for alleged sale of sensitive material to the Soviets. The measures would be incorporated in the upcoming trade bill.

A couple of years ago, certain computer equipment had been sold to the Soviets through Toshiba in Japan and Kongsberg Vapenfabrik in Norway. The equipment was alleged to have been utilized in a Soviet program of quiet submarines. Spokesmen from Kongsberg have said that the computer was of an older vintage and therefore could not have been of great value to the Soviets. Nevertheless, as a result of violent congressional reaction, Japan and Norway passed tough export control laws to prevent such diversions in the future.

President Reagan has threatened to veto the trade bill if this provision is included. The White House has also threatened to veto the bill if the Gephardt amendment, calling for retaliation against countries that have a large trade surplus with the United States, is included.