

Congressional Closeup by William Jones

Dingell opposes Glass-Steagall repeal

The House Energy and Commerce Committee, chaired by Michigan Democrat John Dingell, is preparing a banking bill which will be more restrictive than that drafted by the House Banking Committee.

Dingell has been highly critical of Banking Committee proposals to change the Glass-Steagall Act, the 1933 legislation that established a wall between banking and securities. The Banking Committee bill would give commercial banks and their parent companies the power to underwrite and sell commercial paper, mortgage-backed securities, municipal revenue bonds, and securities backed by consumer-debt like auto loans. It would effectively be a repeal of the Glass-Steagall "firewall."

Dingell denied speculation that he would like to delay final passage of banking legislation until the next session of Congress, but one House aide said that the congressman's plan "won't help the process of getting a bill passed." Dingell has also expressed concern over the recent FSLIC deal, which allowed the Bass group to acquire the American Savings and Loan Association of Stockton, California. Dingell seems concerned by the fact that the agreement assists the Bass group in financing merchant banking activities, which have come under fire from his committee in the investigations of the Drexel Burnham junk bond operations.

House votes no waiting period for gun purchases

In a blow to gun-control advocates, the House voted on Sept. 15 to strike

from major drug legislation a measure establishing a seven-day waiting period for gun purchases. By a vote of 228-182, the House voted to substitute an alternative provision for the waiting period, to be worked out by the Attorney General.

Law enforcement officials lobbied in favor of the waiting period, which 22 states already require. In the Senate, legislation calling for a seven-day waiting period on gun purchases is stalled in the Judiciary Committee, but it will be offered as a floor amendment when the Senate begins debating its own drug bill.

Bill will extend veterans' right to appeal

On Sept. 15, the House Veterans' Affairs Committee approved a bill that would give veterans a limited opportunity to appeal to the federal courts over denial of benefits. A similar bill has also been introduced in the Senate.

The bill would give claimants access to a new Court of Veterans Appeals that would sit in Washington. Veterans' judicial review bills have passed the Senate five times since 1979, but each time the conservative majority of the House committee succeeded in resisting the change.

Protectionist textile legislation passed

A Senate bill sponsored by Sen. Ernest Hollings (D-S.C.), which would significantly restrict U.S. imports of textiles, apparel, and shoes, passed the Senate on Sept. 9 with a vote of 57-32, but without the margin of votes needed to override an expected presi-

dential veto. "A veto, which will undoubtedly come if the bill reaches the President's desk, should clearly be sustained," said U.S. Trade Representative Clayton Yeutter. "We will do everything in our power to make sure that it does not become law."

White House spokesman Marlin Fitzwater commented, "The bill the Senate passed today is protectionism at its worst. It would bring retaliation against U.S. exports, harm U.S. international competitiveness, and cost American jobs."

The Senate bill, like a House bill passed last year, but also without the margin of votes needed to override a veto, would restrict the overall growth of textile and apparel imports to 1% a year, and hold non-rubber footwear imports at 1987 levels. Since the Senate bill is somewhat different from the House bill, the House and Senate would have to agree on a single version before it would be sent to the President.

The Senate debate on the bill had some interesting attacks on the "free trade doctrine" of David Ricardo and the Capitol Hill followers of Milton Friedman, as Senator Hollings invoked Alexander Hamilton and Abraham Lincoln in support of his protectionist bill. "America's industrial might was not some happenstance, serendipitous by-product of free trade," said Hollings. "Entirely to the contrary. America's economic might was fostered and nurtured by the intelligent use of government. The British tried to choke us off. We battled back for our political and economic independence. And one vital tool in our arsenal was—yes, use the dreaded word—protectionism."

Hollings mentioned Lincoln's dirigist policies to build the transconti-

mental railroad, and his own experience as governor of South Carolina. "I started 30 years ago with a state that resembled an undeveloped country—poor education, low income, no skills. We created a development board at the state level. We built technical training colleges to gain worker skills. I put in a business development corporation to finance it. In short, I proudly used the creativity and leverage of government to build South Carolina's economic strength. I say we must use government as Hamilton did."

If the senator from South Carolina would propose such policies in order to build up our collapsing industries, instead of punishing the Asian nations for following these same policies, we would be able to pull this country out of the depression. Hollings is a sponsor of the Gramm-Rudman-Hollings legislation, which mandated a federal balanced budget, no matter what it takes to get there.

Senate committee backs South Africa sanctions

The Senate Foreign Relations Committee approved in a 10-9 vote a bill which would end all U.S. investment in South Africa, requiring corporations and individuals to divest themselves of their holdings, and would ban most imports from that country. The House passed a similar bill in August by a 244-132 vote.

The bill's supporters see it as a follow-up to a milder sanctions bill that was passed by Congress in 1986, over President Reagan's veto.

This year's bill, which will certainly be vetoed by President Reagan, lacks the broad bipartisan support that drove the 1986 measure. Liberal Re-

publican Sen. Richard Lugar (Ind.), who helped steer the 1986 bill through the Senate, opposes the new bill, as he believes that cutting all economic ties to Pretoria is not an effective way to attempt to influence policy there.

Sen. Alan Cranston (D-Calif.), a key sponsor of the bill, noted that the election season could ignite interest in the measure if there were to be a sudden, violent eruption in South Africa. The Democrats would like to use the sanctions issue to embarrass George Bush.

Senate slaps sanctions on Iraq

On Sept. 9, the Senate passed an amendment, sponsored by Sen. Claiborne Pell (D-R.I.), which demanded that the secretary of state bring up at the United Nations Iraq's alleged use of poison against the Kurds, and that "appropriate and effective measures" be taken against Iraq for repeated use of chemical weapons.

The government of Turkey, where doctors have examined Kurds who charge that chemical weapons were used against them, maintains that there is no evidence supporting their claims.

The "appropriate and effective measures" include a ban on the sale of Iraqi oil to the United States, a freeze on all assistance and sales of military equipment to Iraq, as well as a cancellation of all credits or guarantees of credits to Iraq. No item subject to export controls "by any agency of the United States" would be sold to Iraq.

The act was hypocritically called the Prevention of Genocide Act of 1988 by the Rhode Island senator, himself a member of the malthusian Club of Rome. The U.S. State De-

partment claims that it is "convinced that Iraq has used chemical weapons in its military campaign against Kurdish guerrillas," although they gave few details of their "evidence."

Dream along with Proxmire . . .

Sen. William Proxmire (D-Wis.) fell into an Indian summer reverie on the floor of the Senate Sept. 13, musing on the economic future of the country. "This senator," he said, "has fallen into the trap of searching for what's wrong with our federal government policies and what dangers those policies may have for our country's future, while ignoring what's right about our policies and what's rosy and bright about the nation's future."

He pointed to advances in information technology and robotics, and concluded, "All this is why the future of America is far brighter than our past or our present. Whichever party wins the presidential election in 1988, come recession or depression, America will enjoy a better, more abundant life."

Proxmire continued his reflections the following day, reflecting on how we are starting to deal with the cholesterol problem and how people are smoking less, and getting control over heart disease and cancer. And above all, we are learning to exercise more. "Exercise not only increases your resistance to disease," says Proxmire. "It not only stimulates our energy. It helps us to relax more easily. We sleep better. Our tension lifts. Our troubles blow away. We laugh more easily and more often. No recession, no economic depression can take that away from Americans."