

Congressional Closeup by Ronald Kokinda

Wright, Byrd host 'competitiveness summit'

House Speaker Jim Wright and Senate Majority Leader Robert Byrd cohosted a "competitiveness summit" on Capitol Hill Jan. 21, providing a high-profile kickoff for a trade bill which they intend to pass during this session of Congress.

Participants included over 50 corporate executives, labor union officials, and university and other economic and engineering specialists. About 60 members of the House and Senate also attended, including several committee chairmen and the leaders of the Congressional Competitiveness Caucus, which announced its formation Jan. 14 with 155 House members.

Discussion represented a mish-mash of outlooks concerning the cause and remedies for the massive trade deficits. While Wright emphasized the need for "bold action" and Byrd promised an omnibus trade bill this year, Rep. Buddy MacKay (D-Fla.), co-chairman of the competitiveness caucus, doubted that an omnibus package would be passed. "We're not going to get out of it [trade imbalance] in the 100th Congress," MacKay said. Sen. John Chafee (R-R.I.), another co-chairman, claimed that remedies would be "a whole series of small steps," a process clearly inadequate to solve current problems.

Wright mocked the economic dogmas of Adam Smith. "No invisible hand builds the roads, the airports, and the bridges necessary to keep our economy running," Wright said. "No invisible hand builds the research laboratories necessary to increase the productivity of American industry. This country urgently needs more

public investment." Howard Beasley III, chairman of Lone Star Steel Co., seconded Wright, noting that after technology investment and voluntary cuts in salaries by management and labor, they were still unable to compete, as other governments provided infrastructure.

In a *New York Times* op-ed Jan. 22, Wright proposed a "Build America Trust Fund" for a national rebuilding program.

From here, the quality of the proposals issued went quickly down hill. The Democratic Leadership Council, supposedly the moderate-conservative Democrats, in a paper handed out at the summit, reported accurately enough that over half of the decline in U.S. competitiveness during the 1980s was not due to the dollar but to declines in "productivity growth and the factors that underlie it—private savings, interest rates and civilian R&D," with wage declines actually offsetting the competitive decline.

But their proposed remedies included more of the futile deficit reduction exercises, and a new buzz-word called "democratic capitalism," a scheme for labor-management "co-participation" and social engineering—techniques for the enforcement of austerity perfected during Mussolini's fascist regime.

Third World debt faulted in trade decline

The role of Third World debt in the decline of U.S. exports may be the subject of congressional action this year. Rep. Bruce Morrison (D-Conn.), a member of the House Banking Com-

mittee, predicted that legislation "will go forward" either as part of trade legislation or through some other vehicle.

A platform for airing schemes to keep the debt crisis within manageable bounds, was provided by the Bretton Woods Committee's annual meeting Jan. 21, the organization which oversees the International Monetary Fund and World Bank, which have imposed genocidal austerity on nations, drying up export markets.

Sen. Bill Bradley (D-N.J.), who first proposed some debt forgiveness, has now been given the chairmanship of a new Senate Finance Subcommittee on International Debt. At the Bretton Woods meeting, a proposal by Sen. Paul Sarbanes (D-Md.) and Rep. David Obey (D-Wisc.), and another by Sen. Carl Levin (D-Mich.) and Morrison sought a new facility in the IMF or World Bank to buy up Third World debt at a discount, passing the benefit along to the debtor nation.

Sarbanes proposes that the Japanese and Germans finance this facility. While the banks would "take a hit," Sarbanes said, "a good deal of the problem of trade imbalance could be greatly eased if you could resume growth in the Third World." Attacking the austerity approach, Sarbanes and Morrison claimed that paring back the debt overhang was necessary to resume development.

Morrison said that in preparing concrete proposals, ensuring that the banks agreed, and limiting the annual payout but not reducing overall debt, were his guidelines.

The anti-austerity rhetoric seeks only to manage the looming debt catastrophe, and has not produced any serious recovery proposals.

But even these inadequate propos-

als were rejected by Fed chairman Paul Volcker as "schemes of desperation" which could lead to a "politicization of the process" of debt management.

Aspin stays chairman of House Armed Services

Rep. Les Aspin (D-Wisc.) succeeded in winning back the support of enough liberals in the House Democratic Caucus to keep his chairmanship of the House Armed Services Committee Jan. 22, by a vote of 133 to 116 on the third ballot.

The outcome was a disappointment to pro-defense advocates who had hoped that the Democratic Caucus rejection of Aspin on Jan. 7 would lead to a more conservative Democrat taking over the chairmanship.

Aspin will now, according to most Hill observers, have been taught to be more responsive to liberal demands. Liberals were upset at his support for the MX missile and his support of aid to the Contras.

However, forcing Aspin to operate in a more openly liberal fashion will strip away the media-created image that Aspin was somehow giving Democrats a pro-defense image.

Aspin has been upstaged in this role anyway, as Sen. Sam Nunn (D-Ga.) has begun a series of 15 hearings in the Senate Armed Services Committee, whose thrust is to set the stage for U.S. withdrawal from various international strategic commitments because of budgetary constraints.

Aspin succeeded in beating his strongest challenger, Rep. Marvin Leath (D-Tex.), a "Boll-Weevil" conservative Democrat, after Reps. Nicholas Mavroules (D-Mass.) and Charles Bennett (D-Fla.) were elimi-

nated in the balloting. The strongest point working in Aspin's favor, according to his supporters, was Leath's more conservative voting record.

Helms beats Lugar for Foreign Relations post

Senator Jesse Helms (N.C.) defeated Sen. Richard Lugar (Ind.) by a vote of 24 to 17 in the Senate Republican Caucus Jan. 20 to become the ranking Republican on the Senate Foreign Relations Committee.

Helms attributed much of his success to senators' commitment to the seniority system. Liberals such as Sen. Lowell Weicker (Conn.), who feared that he would get dumped from committee positions if the vote hinged on ideology and popularity, circulated a letter on Helms's behalf. Helms claimed that the State Department worked against him.

According to sources, however, Helms got crucial backing from elements within the administration committed to support for the Contras and the arming of Iran.

Congressional sources confirmed that Helms will attempt to steer the Iran arms investigation. His office had introduced representatives of drug and weapons trafficker Sadeq Tabatabai (Khomeini's son-in-law) and Iranian Speaker of the House Hashemi-Rafsanjani to the National Security Council, and assisted in contacts with Iranian "moderates." Over two years ago, Helms became allied with the Israeli Mossad elements of Ariel Sharon—the same who have now been caught running the arms supplies to Iran and the Contras.

The Senate Foreign Relations

Committee is now the point at which far left views meet far right. Helms is battering U.S. allies in Central America such as Panama, while Committee chairman Claiborne Pell (D-R.I.) and the radical left Democrats on the committee will batter them from the left, charging human rights violations and cozying up to the Sandinistas.

Oil import tariff to get consideration

Imposing a tariff on oil imported into the United States in order to protect domestic U.S. production from international oil prices below the cost of production, is getting serious attention in the new Congress.

Sens. David Boren (D-Okla.) and Jeff Bingaman (D-N.M.) have introduced legislation which would impose a tariff equal to the price difference between the cost of the imported oil and a set price of \$18 per barrel. Senators Bennett Johnston (D-La.) and Pete Domenici (R-N.M.) have introduced similar legislation, but which limits the tariff to a maximum of \$5 per barrel.

While similar legislation was not even reported out of committee in the last Congress, this year Senator Boren is chairman of the Finance Energy and Agricultural Taxation subcommittee which has jurisdiction over the legislation. Boren has scheduled hearings for Jan. 30, and Finance chairman Lloyd Bentsen (D-Tex.) is optimistic that a bill will get out of committee to the Senate floor for debate. Speaker Jim Wright (D-Tex.), on the "Face the Nation" television program in early January, stated that "chances are good" for House action on the matter as well.