

Congressional Closeup by William Jones

'Even LaRouche won't want to deal with crisis'

In comments made on the Senate floor on May 27, Sen. William Proxmire (D-Wisc.),

Banking Committee, said that we were facing a major depression in 1989 or 1990, a depression so severe that it would be unfortunate if the Democrats won the 1988 presidential elections.

Outlining his crisis scenario, Proxmire stated, "in October 1989, the country suffers a banking crisis. American financial institutions that hold much of the debt of bankrupt American businesses are in a painful quandary. With every passing week that the banks forebear and refrain from foreclosing insolvent businesses and home mortgages, the regulators press for prompt foreclosure. The banks protest that foreclosure is no answer. The collateral for their business loans is the building, the equipment of corporations that have failed because their markets disappeared, and, of homes that no one can afford. . . . The regulators call for mergers of failing banks with healthy banks. But where are the healthy banks? There are few."

Proxmire goes on to describe how the President then would introduce a major spending program on construction to create employment opportunities, and announces a major tax cut. Such measures have an effect for a short period of time, but the country plunges quickly again into an even deeper depression. "Unemployment has risen to 25%. A record-breaking 30 million Americans are out of work. The national debt has zoomed to \$8 trillion. . . . It is time for a revolutionary political change. The country gets just that. For the first time in his-

tory literally no one, not Harold Stassen, not Lyndon LaRouche, no one, will agree to run for President. The incumbent President who had been first elected in 1988 calls the presidency the worst job on Earth."

Sen. Proxmire may be way too pessimistic about the possibility of resolving the economic crisis, but his description of the magnitude of the crisis, although belying the pundits of the academic establishment, is probably pretty much on the mark.

Wright may be probed by ethics committee

On June 2, the House ethics committee began deliberating on whether they should conduct an investigation into Republican charges that the Speaker of the House, Jim Wright, has engaged in improper financial activities. The panel, the Committee on Standards of Official Conduct, which does not make its agenda public, did not directly confirm that they would begin studying the Wright case, but said that they would deal with "pending business."

Accusations against Wright were initially raised by Rep. Newt Gingrich (R-Ga.), charging 55% royalty which Wright had received from the publication of his book, *Reflections of A Public Man*. The printer of the book, Carlos Moore, had received large printing fees from Wright's re-election campaign, and Gingrich and others claim that the royalty was a way of improperly converting the Speaker's campaign funds to his personal use.

Common Cause, an ultraliberal

lobbying organization, said that the charges warranted an investigation by the ethics panel. At the end of May, Gingrich and 73 Republican House members called for an inquiry.

Wright has denied any wrongdoing and has charged that the Republicans timed their accusations so that an investigation by the ethics panel would coincide with the Democratic national convention in July, over which Wright is scheduled to preside. The Speaker has hired a lawyer, William C. Oldaker, to represent him before the committee.

House supports 'drug-free workplace'

On June 1 the House of Representatives overwhelmingly approved a measure that some legislators said could become a model for requiring federal contractors to maintain a drug-free workplace. The House voted 382-0 to require that state agencies or private organizations receiving federal money for such programs have a specific policy for keeping drugs out of the workplace.

The sponsor of the amendment, Rep. Robert S. Walker (R-Pa.), initially sought to require the government to withhold grant or contract money to any organization in which an employee was convicted of a drug offense that occurred in the workplace. The bill was initially met by shouts, boos, and catcalls, when Walker tried to tack his measure onto a bill covering spending for the legislative branch.

House leaders, unwilling to appear soft on drugs during an election year, put up little opposition to the

bill, however, after the language was modified somewhat. The compromise language would require contractors to the federal government to certify that they have a specific policy prohibiting the manufacturing, distribution, or possession of a controlled substance in the workplace.

Bush wants 'flexible freeze' on spending

Congressional advisers to the vice president say that George Bush would confront Congress on his first day in the White House by threatening to blame lawmakers for a recession if they don't agree to negotiate deficit-reduction proposals without tax increases. Right from the beginning, Bush is going to demand blood, sweat, and tears from the Congress to get down the budget deficit and ram through austerity measures.

Rep. Lynn Martin (R-Ill.), Bush's congressional advisers, said that Bush would "immediately on assuming his presidency meet with leaders of Congress to try to force the consensus necessary to run this country." That "consensus" would involve major cuts in the federal budget, with "everything on the table," except Social Security, taxes, and defense. "Farm subsidies along with the rest of the table for negotiations," said Sen. James McClure (R-Idaho congressional adviser to George Bush.

Although Bush, for political reasons, says he will make exception to Social Security, the National Economic Commission, which was set up by the Congress and the White House

to work out a bipartisan solution to the deficit problem, are pointing to Medicare as one of the areas where significant cuts would have to be made.

Reagan's START euphoria not shared by Congress

Sen. Robert Dole (R-Kansas) Robert Byrd (D-W.Va.), leaders of the Senate, were rewarded for their excellent collaboration in railroading the INF treaty through the U.S. Senate by being brought to Moscow to witness the signing of that historically tragic document.

The two, however, were not quite as optimistic about the chances of signing a START treaty during the last year of the Reagan administration as was the President. "My suggestion," said Byrd in a press conference in Moscow, "would be that we make haste slowly—do not go too fast, because the aim of the START is not just to cut nuclear weapons. But it is to enhance nuclear deterrence. And there are big problems—verification, nuclear force structure, and so on."

"Summits are fine," Byrd continued. "They're good headline media events, but the devil is in the details." When asked if he thought it would be possible to get a START treaty before Reagan left office, Byrd replied, "I think it's very difficult for that to happen. . . . The difference in the work and the probing and the investigation and the questioning in connection with a START treaty—from what we saw in connection with the INF treaty—will be like day and night."

However, significant steps were already been taken during the summit

to advance a framework for a START treaty. If the administration goes ahead with its insane plans, will there again be a gross discrepancy between the West Virginia senator's words and deeds, as we saw so plainly during the INF debate—or will the senator, and the majority of his colleagues, bend over for the détente rush if the price is right. This question remains for the future to answer.

Vietnam interest section campaign gains momentum

Sen. John McCain (R-Ariz.) prisoner of war in Vietnam, has been leading a low-key campaign in the Congress to establish a permanent interest section in Vietnam. Confronting opposition from both the administration and the State Department on the issue, McCain has succeeded in gaining 17 co-sponsors for the proposal in the Senate, some of whom are Vietnam veterans.

The State Department refuses to establish any formal diplomatic relationship with Hanoi, while Vietnamese troops remain in neighboring Kampuchea.

McCain has noted that there is something of a dialogue under way with Hanoi, conducted by a "stream" of his fellow legislators. "It depends," domestic prog said McCain, "on whether this dialogue is a sporadic one conducted by congressmen and senators who are not the best informed on the issues or, should we have a permanent presence so that we can have a constant dialogue. . . . Somebody's got to move us off the dime."