Congressional Closeup by William Jones

Zaire's Mobutu to ask for end to interference

Mobutu Sese Seko, the President of Zaire, attacked the "interference" in his country's affairs by certain members of the U.S. Congress. Rep. Ron Dellums (D-Calif.) has recently proposed a measure which would condition further economic aid on improvements in Zaire's human rights situation. The measure has 37 co-sponsors. American assistance consists of $3 million in military aid and $60 million in economic aid. President Mobutu is in the United States, where he is expected to discuss debt relief in talks with President Reagan.

Zaire is one of the Central African countries heavily hit by the AIDS epidemic. President Mobutu is one of the Third World leaders who has been targeted as an opponent of the "New Yalta" deal between the Soviets and the United States.

Mobutu emphasized that Zaire, a very impoverished nation, is becoming a net exporter of capital. Congressman Dellums is claiming that governmental corruption and mismanagement, not the IMF-imposed austerity conditions, have undermined Zaire's ability to pay off the debt.

South Africa sanctions could be election issue

Democratic leaders in the House of Representatives are pressing hard for new sanctions against South Africa that would impose a major trade embargo and would practically abolish all American investment in South Africa. Under the present timetable, the bill is expected to reach the floor in mid- to late-June and come up in the House—probably not coincidentally—right before the Democratic convention which begins on July 18.

Voting to approve the legislation in committee has pretty much occurred along party lines, with Republicans voting against the bill and Democrats voting for. The bill has passed both the House Foreign Affairs Committee and the House Banking Committee. Certain parts of the bill will also be subject to the scrutiny of several other committees before the bill is brought to the floor.

The Democrats claim that the bill will significantly increase the pressure on the Pretoria government to eliminate apartheid. Opponents, like Rep. Dan Burton (R-Ind.), say, however, that the bill will actually benefit the white majority and harm South African blacks.

The bill would ban American exports to South Africa, although exceptions would be made for agricultural commodities and products, publications, and United States private aid for "disadvantaged" South Africans. The legislation would bar American-owned, -controlled, or -registered ships from transporting oil to South Africa, and United States military cooperation and intelligence sharing with South Africa would be prohibited.

The bill specifies that the President is required to retaliate economically against individuals or companies which take significant commercial advantage of the American sanctions. American direct investment has been significantly reduced—to $1.4 billion in 1986 from $2.6 billion in 1984. The new legislation would expand the definition of "loans" used in the current sanctions law to prohibit short-term trade financing, sales on open account, and rescheduling of existing loans.

U.S. exports to South Africa in 1987 totaled $1.25 billion, consisting mainly of computer and electronics products, other capital goods, chemicals, and aircraft. All of these would be prohibitid under the proposed sanctions, although, in the hope of attracting more House support for the bill, Democrats agreed to allow American exports of agricultural products. South African exports to the United States, which also totaled $1.25 billion in 1987, are composed mainly of strategic minerals which will be exempt from the trade ban.

The question remains, however, how much this would serve to change the apartheid system in South Africa. Many fear that such moves might push the South African government closer to their traditional adversaries, the Soviets. The new regional superpower agreements in the area could create the Soviet-South African relationship which too many of our policy-makers have deemed impossible. South Africa, a producer of many strategic raw materials vital to our defense capabilities, could decide to just peddle their wares elsewhere. Few seem to understand that danger, or the cleverness of the Soviets in utilizing such an opening. But a more fundamental objection to the sanctions policy is the absurdity of trying to establish economic and political justice in the Republic of South Africa by pushing the whites up against the wall and thrusting the blacks into ever more miserable and desparate economic conditions. Such a policy can only lead to disaster.

Congress to debate closing of military bases

The House Armed Services Committee has decided to require the Defense Secretary's new commission on base closings to also include facilities overseas. The decision was taken at the beginning of June at an informal meeting of the Armed Services Committee. As Rep. Dennis Hertel (D-Mich.) expressed it, "It's going to be tough closing bases at home when 40% of the costs of our bases are overseas."

The base-closing commission held its first session in June with testimony from the secretaries of the Navy, Army, and Air Force, and is due to prepare a list of U.S. military bases to be closed or realigned by the end of this year.

Senate fails to override trade bill veto

The Senate voted June 8 to try to override the President Reagan's veto of the trade bill, but fell short of the required two-thirds majority. Senator Byrd, however, by switching to the side of the minority in what he saw as a failed effort, thereby left open the possibility of voting again on the veto, perhaps after having convinced the necessary number of people to switch sides and to vote for the override.

President Reagan would like to see a trade bill passed this session, without the plant-closing amendment, which would require an employer giving 60 days notice to his employees before closing a plant. Sen. Lloyd Bentsen (D-Texas), who led the fight for the trade bill in the Senate, said that the chances for a new trade bill this year are "about 50-50."

Ethics committee continues investigation of Wright

The Ethics Committee met for eight and a half hours in closed session on Thursday, June 9, to examine the accusations against Speaker Jim Wright for abusing his position for personal gain. According to government documents, the Texas Democrat transferred $97,700 from his 1976 re-election committee to the Wright Campaign Debt Fund and then used the money to pay personal debts.

Federal Election Commission regulations allowed such transfers in 1977, although House ethics rules required that they be disclosed as personal income. According to a former Wright campaign treasurer, the transaction occurred when the Speaker was coping with financial difficulties caused by failed business ventures and alimony payments to his former wife.

According to Federal Election Commission reports, a total of $35,860 owed by Wright to Continental National Bank of Fort Worth, Texas, was paid from the transferred funds. Those reports also show that $48,250 of the transferred funds were paid to a Wright Tax Escrow Account. Committee sources say that an investigation would probably go far beyond Newt Gingrich's allegations that Speaker Wright circumvented outside earnings limits through an unusual book royalty arrangement with an agent who had earlier been convicted of tax evasion. If an outside counsel were called in to conduct the investigation, an option which the committee has, the investigation could last up to and through the Democratic Convention in Atlanta, for which Wright was to be the chairman.

Texas Democrat warns of bank collapse

Rep. Henry B. Gonzalez (D-Texas) warned in comments on the House floor on June 3 of an imminent banking crisis, if serious measures are not taken. Making comparison with the 1929 crash, Gonzalez pointed out how it did not really make itself felt until 1932. Describing the financial system today as "a giant bubble with a bunch of bubbles inside these other bubbles," Gonzalez warned of efforts to try to postpone a financial crisis without resolving the underlying problem.

"It does no good to believe," said Gonzalez, "as some would have us believe, that let us hold things together until November and then after that let us worry about the deluge then, because time and events are not going to wait for that. Even if they wait until the day of election and the night thereafter, all bubbles burst."

He admonished commercial banks not to take a smug attitude to the predicament of the savings and loans institutions. "If there is any banker either in Texas or anywhere else in the United States that wants to indulge in the illusion that it is the S&Ls' problem, I have a caution for them: 'You will be in the middle of it, and water may go past your nose.' "

He attacked the lax attitude of the regulatory institutions, who snuggle up to the S&Ls instead of regulating them. "They just turned around in a common bed and continued to snooze." Gonzalez ridiculed the attempt to put some of the bankrupt S&Ls together, saying that it was like "tying all the dead corpses together," but they "will stink more than the individual corpses" and prolong the cost to the American people. In a challenge to his fellow congressmen, Gonzalez said, "I will not idly stand by silent and watch the crisis develop where it will imperil the stability and the well-being and the safety of the insurance funds." Hopefully, the congressman will not be alone on that issue.