

Congressional Closeup by William Jones

Bush S&L plan comes under scrutiny

As the Congress reconvened after the July 4th holiday, the House and Senate conferees agreed to eliminate special interest provisions from the savings and loan bailout legislation, but have not yet agreed on how to do it. The House has removed most of the special interest provisions from its version of the bill, and the Senate is under pressure to do the same.

Secretary of the Treasury Nicholas Brady said at a press conference on July 10, that he expected the bill to be brought out of conference before the scheduled August congressional recess. Brady expressed concern that the House proposal would place the cost of the S&L bailout directly on the shoulders of the Treasury. If Bush were not to renege on his pledge not to raise taxes, this would lead to an increase in the budget deficit by some \$50 billion, overriding the budget parameters set by the Gramm-Rudman legislation. If Gramm-Rudman were not to be violated, the provisions would require a waiver for the S&L bailout funds.

Brady feared that such a violation would cause a reaction in the markets because it would be interpreted as the government trying to wriggle out from under the thumb of Gramm-Rudman. Brady was undoubtedly even more concerned that a Gramm-Rudman waiver would cause a reaction among the international banking elite who are demanding even more drastic budget cuts from the Bush administration.

Congressional conferees gave their support to most of the police-state measures in the legislation directed against S&L executives, allowing the government to impose fines of as much as \$1 million a day in criminal and civil penalties for bank fraud, and pro-

viding \$75 million in additional funds to the Justice Department to prosecute fraud.

Foley warns Bush: no pay, no play

President Bush's proposal to raise the wages of federal judges and top executive branch officials has run into some flak from Congress. House Speaker Thomas Foley warned the President on July 10 that the Congress will not approve the President's proposals for a federal pay raise without a link to higher pay for members of Congress.

Speaking at a luncheon with executives and reporters of the Associated Press, Foley said that even though the previous pay raise proposals had been supported by two Republican Presidents, the Congress had been politically mauled by Republican campaign operatives, using it as a tool against their Democratic colleagues. "I don't want to get into something where the President says yes, and the congressional campaign committee says no," said Foley.

Bush has said he will work with Congress toward a pay raise but has not submitted a plan for boosting lawmakers' salaries.

NASA budget cut by \$1 billion

Expectations of an announcement by President Bush for a lunar mission on the anniversary of the Apollo moonshot on July 20, were dampened somewhat by a \$1 billion cut in the 1990 NASA budget by a House Appropriations subcommittee July 11.

The National Space Council, headed by Vice President Dan Quayle,

met July 13 to discuss various options available under the new budgetary constraints. The administration has been examining NASA proposals for establishing a lunar base and mounting a manned mission to Mars by the year 2010, using the planned space station as the platform.

Reports have been circulating that Quayle and the space council staff are urging the President to announce such an initiative. But David Beckwith, a spokesman for the vice president, tried to tone down expectations, saying that he "doubts there will be a dramatic announcement" by Bush next week. Mark Albrecht, director of the space council, said that he didn't want to commit to anything that didn't have a "plausible plan for implementation."

NASA Administrator Adm. Richard Truly said in a press conference July 12 that "our commitments must match our resources." He said that NASA was not scaling down its plans for a space station, although it is studying alternative options because of the threat of further cuts the NASA budget. Truly said he had made his intentions to continue with the space station known to the White House and said he believes he "will get the help from the White House that I need."

Abrahamson: first SDI weapon on the pad

Gen. James Abrahamson, former head of the Strategic Defense Initiative Organization, in remarks to congressional interns on June 30, said that "sitting on the pad today is the first particle beam to be launched in space."

Abrahamson said that sometime in August there will be a space test of a particle beam below weapon size. He furthermore said that they have oper-

ated brief tests with the largest laser the U.S. possesses. He noted that the mirror for a practical laser system exists today, and added that the "Brilliant Pebbles" concept was the most fruitful working concept at the present moment with all the parts of the system already in existence.

In response to *EIR*, he said that the recent SDI cuts made by the House Armed Services Committee would seriously hamper the program, adding that "no program has suffered from budget cuts as much as the SDI."

Prof. Lowell Wood, appearing with Abrahamson, said that all of the pieces in the "Brilliant Pebbles" program had shown themselves to be functional in an SDI system, and that the next step over the next two years is to put the parts together. If this is successful then the government could begin taking a decision on whether to test shooting down a missile in flight—a move which would violate the ABM Treaty.

"Brilliant Pebbles" consists of several thousand small interceptor space satellites, floating separately in several different orbits. Each interceptor would have its own "eyes" to be able to track the rocket plume of a ballistic missile, and when activated would head for the nearest missile and ram it at high speed, destroying it with the simple force of impact.

In response to a question from *EIR*, Wood admitted that the directed energy system is far preferable to brilliant pebbles and would be the "weapon of choice" if it were feasible today. Wood said that ballistic missile technology will not advance much further than it has in the last 50 years, but that data processing and computer systems are doubling their performance every 18 months, indicating the advantages for the defensive kinetic and directed

beam systems will increase with time over ballistic missile offense.

Senate votes to allow Chinese students to remain

The U.S. Senate on July 11 voted 97-0 to allow Chinese students in the U.S. to remain in the country for three years with the right to work.

The amendment, offered by Sen. George Mitchell (D-Me.) and Sen. Robert Dole (R-Kan.) to the Immigration Act of 1989, would allow the approximately 40,000 Chinese students in the U.S. to stay here until June 5, 1992 or until their residency status has been changed.

Mitchell, who had met with Chinese students the day before, told the Senate the administration's one-year departure deferment had caused concern among students because it required them to indicate they were unwilling to return home. This would brand them as traitors in the eyes of the Beijing government. In other legislation, the regulations for granting permanent residence status were liberalized in order to cover certain non-immigrant nationals of the People's Republic of China.

Congress moves to pull troops out of Korea

Legislation recently introduced by Sen. Dale Bumpers (D-Ark.) would require pulling 10,000 troops out of Korea over three years. Sen. Carl Levin (D-Mich.), a member of the Armed Services Committee, has urged that all but 3,000 troops be withdrawn from Korea.

Secretary of Defense Richard Cheney maintains that there are "no

current plans" to reduce American forces in Korea. But, he noted recently, that with respect to President Bush's proposed withdrawal of 30,000 troops from Europe, it might be possible that "such a proposal would be ultimately be developed in connection with Korea." The Pentagon is in fact working on ways to reduce U.S. commitments in Asia.

Dems try to bypass flag-burning amendment

Old Glory has become the center of major political jockeying with an eye on the 1990 elections.

Since President Bush proposed to introduce a constitutional amendment to ban flag-burning, Republican congressmen have been painting Democratic opponents as unpatriotic for not supporting such an amendment. Opponents of a constitutional amendment fear that implementing the rather complicated amendment process could pave the way for all sorts of minor issues, thus transforming the Constitution from a fundamental law of the land into a grab-bag for all sorts of special interest legislation.

Troops in Europe about to be slashed

Cuts of as much as 15,000 in the U.S. troop presence in Europe have been approved by the House Armed Services Committee. Funding has also been cut for a U.S. base in Italy.

The committee acted with no discussion. "We cut 15,000 troops and there is not a peep of protest from the committee," Rep. Patricia Schroeder (D-Colo.) commented gleefully. "We cut \$230 million off the base in Italy and there is not a peep."