

Congressional Closeup by Ronald Kokinda and Susan Kokinda

IMF orders Senate hearings on Third World debt

With two of its staff members fresh from the Toronto meeting of the International Monetary Fund, the Senate Foreign Relations Committee's International Economic Policy Subcommittee is preparing hearings on the world debt situation at the end of September. The hearings, according to sources, were ordered by the IMF to create a climate in which bankers would exercise more "caution" in lending to the Third World. The subcommittee, headed by Sen. Charles Mathias (R-Md.), has been one of the leading propaganda outlets for the *Global 2000 Report* and this "caution" must be translated as credit clamps, austerity, and mass murder.

The hearings will feature Treasury Secretary Regan, New York Federal Reserve President Anthony Solomon, Carter administration State Department official C. Fred Bergsten, and numerous commercial bankers. The hearings will focus on demanding that banks cut their lending and put the new regulations proposed by the Bank for International Settlements into effect to enforce this. While U.S. banks' foreign lending is to be cut, their head offices in the U.S. are to be bailed out, to "keep the system solid," according to Senate sources.

Helms wants British solution for Mexico

Just four short months after he distinguished himself as the only U.S. Senator with enough intelligence to attack British neo-colonial operations in the Malvinas war, Sen. Jesse Helms (R-N.C.) took the floor of the Senate Sept. 13 to advocate an Adam Smith, made-

in-Britain, neo-colonial approach to Mexico. Claiming Mexican President López Portillo's step of nationalizing the banks Sept. 1 to protect the Mexican economy from speculators and supranational looters was evidence of "moves toward socialism," Helms introduced a resolution which would cut off U.S. lending to Mexico until the Sept. 1 reforms are rescinded.

Specifically, the resolution calls for the U.S. government, and all U.S. representatives to international organizations, to lend "no substantial assistance to the government of Mexico" until the Mexican government: 1) lifts its exchange controls; 2) restores the banks to their former owners or establishes a new private banking system; and 3) ties the peso's value to "something of value, in this case, the U.S. dollar."

Committees look at budget reform

Not content with the level of austerity now being imposed by the Congress, the House and Senate Budget Committees are beginning a review of the existing budget process, with an eye toward strengthening it in coming sessions of Congress. Nearly identical hearings convened during the week of Sept. 13 in the two committees, who heard from the co-chairmen of the Committee for a Responsible Federal Budget, from Rudolph Penner (now of the American Enterprise Institute and probably the next head of the Congressional Budget Office), and from various members of Congress.

The clear theme running through the testimony was that Congress must be further broken from its historic role in representing the anti-austerity desires of their constituents.

In his opening remarks on Sept. 14, Senate Budget Committee Chairman Pete Domenici (R-N.M.), located the ultimate austerity weapon in the Balanced-Budget Constitutional Amendment (which has been passed by the Senate) and cited the need to "identify transition arrangements that will prepare Congress for the day when the Constitutional amendment is in effect." As proposals worthy of discussion, Domenici suggested more vigorous enforcement mechanisms, a two-year budget cycle, and strengthening the impoundment process "to help limit growth of hard-to-control federal expenditures, such as entitlements."

While Domenici's penchant for the balanced-budget amendment was not shared by most of the other witnesses, who warned that it was an unworkable fiscal strait-jacket, they all agreed that "fine-tuning" of the budget process was necessary in the future. Former Sen. Henry Bellmon (who was ranking member of the Senate Budget Committee) and former Rep. Robert Giaimo (who was chairman of the House Budget Committee), the co-chairs of the Committee for a Responsible Federal Budget, supported the recently introduced Jones-Foley budget reform bill, which takes some of the provisions of the constitutional amendment, such as the need for a three-fifths majority to waive congressionally-set spending ceilings, and would enact them instead as statutory law. The committee, which includes such austerity-minded personages as Edmund Muskie, Peter Peterson, Robert Strauss, and Alan Greenspan, also supports legislation which would establish a "credit budget" so that the federal government could ration credit to entitlements and into such programs as the Export-Import Bank and

the Commodity Credit Corporation. That proposal is supported by the Federal Reserve Board.

Several witnesses warned against any action on budget reform during the remaining weeks of this session, citing the growing frustration of members of Congress over the usurpatious role that the budget process has already attained in limiting the ability of legislators to legislate.

Barnes: cut Ibero-American population

Michael Barnes (D-Md.), Chairman of the House Subcommittee on Inter-American Affairs, invited an official of the United States Agency for International Development and representatives of private population control agencies which receive tens of millions of dollars annually from that agency, to testify before his committee on the urgency of paying them more to stop an allegedly dangerous "population explosion" in Latin America. Marshall Brown, the Deputy Assistant Administrator of AID for Latin America and the Caribbean testified that unemployment is the result of human reproduction. "More people—more unemployment," he summarized his argument.

AID's approach to this alleged problem was further elaborated by Leon F. Bouvier of the AID-financed Population Reference Bureau. He argued that, contrary to arguments generally presented for mass dissemination of contraceptive measures, reducing fertility by means of birth control will not be adequate to stop the "population explosion" in Latin America. He stated that Latin America's problems began in the post-war period when "mortality fell dramatically,

particularly infant and child mortality. Thus, more births survived to adulthood than had previously been the case." He complained that this trend is accelerating. "In such places as Haiti and Honduras . . . life expectancy at birth is still on the rise and . . . there is yet room to considerably reduce infant mortality rates." He went on to echo the racial purity argument associated with Averell Harriman and Adolf Hitler in arguing that this posed a "problem" for the United States because "these nations depend on out-migration to deal with their excess population." He was followed by Jill W. Sheffield of the London-based International Planned Parenthood Federation, whose current contracts from AID total over \$71 million in funding. She described the process whereby her federation establishes private "Family Planning Associations" in developing nations as a base for compelling national governments to support her London-directed population reduction programs.

Anti-Japan trade legislation pushed as election nears

A flurry of protectionist bills and hearings are occurring as the November elections approach, and members of Congress join up with the UAW and the AFL-CIO in blaming the Japanese, and not Paul Volcker, for massive unemployment in the United States. Both the House Ways and Means Committee and the Energy and Commerce Committee engaged in mark-up sessions for several pieces of anti-Japan legislation during the week of Sept. 13. For good measure, the Senate Foreign Relations Committee held a full day of hearings on Sept. 14,

featuring administration trade representatives and embattled companies such as Motorola and Borg Warner, to further set the climate for charges of "unfair Japanese trading practices."

The only legislation which it might be possible to pass during the waning weeks of this session, however, is the Reciprocal Trade and Investment Act of 1982. This bill establishes the principal of "reciprocity"—that is, of forcing the Japanese to drop some of their dirigist domestic practices and open their economy to the United States. While the legislation does more by way of "establishing the principle" than specifying actual mechanisms, it contains several dangerous provisions and precedents. The administration backs the legislation and it was passed by the Senate Finance Committee last June. The House Ways and Means Committee marked up and reported out similar legislation on Sept. 16. However, floor action on any proposal which is not a clear legislative priority, is questionable at this time.

Another bill which has no chance of passage, but is intended to give its sponsors their share of pre-election political mileage, is the Fair Practices in Automotive Products Act, sponsored by Rep. Richard Ottinger (D-N.Y.) and reported out of the House Energy and Commerce Committee on Sept. 15 by a vote of 24 to 17. While proponents of the bill hope for speedy Ways and Means Committee and House floor action before the recess, a Senate companion bill, sponsored by Sen. Wendell Ford (D-Ky.), is unlikely to move this session. The legislation is aimed chiefly at Toyota and Datsun auto imports, and establishes a requirement that cars sold in the United States be built with a significant proportion of U.S. parts and labor.