

Congressional Closeup by Ronald Kokinda and Susan Kokinda

Key House members push Soviet line on SDI

Both the chairman of the House Foreign Affairs Committee and the chairman of the Subcommittee on Europe and the Middle East have raised the Soviet propaganda line that development of a strategic defense for the United States will force the decoupling of Europe from America. In Sept. 14 remarks placed in the *Congressional Record*, committee chairman Dante Fascell (D-Fla.) declared that the Strategic Defense Initiative (SDI) "could well lead to the decoupling of Europe from the U.S. strategic nuclear umbrella."

"The thrust of the SDI is to someday make the transition from offensive to defensive forces. . . . Without a U.S. strategic offensive force, however, the United States could no longer provide a credible deterrent for Europe. . . . The allies view the SDI as presenting the Soviets with another opportunity to drive a wedge between the United States and its allies. The fact that the SDI debate will continue for some time to come just aggravates the division and ironically serves one of the Soviet Union's primary foreign policy objectives: to create discord and dissension within the Western alliance."

Fascell, who has heard Administration witnesses testify time and again that the SDI is to include the defense of Europe, appears to be taking lessons in Soviet disinformation tactics.

Fascell's colleague Lee Hamilton (D-Ind.), who chairs the key subcommittee on Europe, reprinted in the Sept. 6 *Congressional Record* similar comments of Andrew Pierre, who heads the Project on European-American Relations for the Council on Foreign Relations: "The SDI could ultimately lead to the real decoupling of Europe and the United States. There is nothing that, if not handled well, could be

more destabilizing to American-European relations, not to mention Soviet-American relations." Pierre added, "In my view, the Alliance will not support the SDI."

Congress avoiding issue of banking crisis

Senate consideration of banking deregulation and a House Committee examination of the failure of the Continental Illinois Bank, America's eighth largest, have both been, at best, exercises in avoiding the real issues facing the U.S. and international banking system. At worst, the two respective bodies are debating methods to restructure a post-crash, cartelized banking system.

The Senate, under the leadership of Senate Banking Committee Chairman Jake Garn (R-Utah) is tilting toward allowing a deregulated "free market" route to cartelization. The House Banking Committee, meanwhile, would prefer to allow for a regulated monopolization of the industry.

Hearings were held in the House Banking Committee on Sept. 18 and 19 to review the events which lead to the massive government bailout of the bankrupt Continental Illinois Bank. Focusing on testimony from bank examiners, federal regulators and one of the bank's own loan officers, the hearings treated the Conti failure as an isolated incident of over-aggressive lending and too-lax banking regulation, rather than the tip of the iceberg of an international banking and debt crisis which threatens the entire world economy.

Committee chairman Fernand St Germain (D-R.I.) stressed the failure of the regulators, criticizing U.S. Comptroller of the Currency C. Todd Conover for taking on "more the role of a cheerleader for the industry rather

than . . . a regulator." St Germain, the author of the notorious 1981 Garn-St Germain bank deregulation bill who has always safeguarded the interests of the international banking elite, has suddenly been converted to bank regulation: "I am firmly convinced that we must start sending a stronger and clearer message about the need for non-nonsense, hard-nosed regulation of financial institutions that utilize government insurance and enjoy other federal subsidies."

St Germain's remarks were echoed by Rep. Buddy Roemer (D-La.) in a Sept. 12 floor statement. Roemer pointed out that federal government policies aimed at preventing disruptive bank failures meant that deregulation could not work: "If some banks cannot fail, all banks must be regulated; fairly and with common sense, but regulated."

The Senate spent the first two weeks of its September session debating the Financial Services Competitive Equity Act (S.2851) before tabling it. The deregulation legislation, pushed by committee chairman Garn, was opposed by many senators who actually support deregulation but who found the bill seriously flawed. Capitol Hill observers have suggested that Garn brought the bill up for preliminary skirmishing this year, in order to better prepare for a serious effort in 1985.

Congress defeats legalized heroin bill

NORML and the rest of the drug-lobby suffered an important setback on Sept. 19, when the U.S. Congress killed a bill that would have legalized the use of heroin for terminally-ill cancer patients. The bill, supported by the *New York Times* and such liberal congressmen as Rep. John Dingell (D-

Mich.) and Henry Waxman (D-Calif.) would have allowed the use of heroin for pain relief in cancer patients.

The 355-55 vote came after an emotional, day-long debate in the House. Supporters of the bill claimed that heroin sometimes may be the only way to stop pain associated with cancer, whereas opponents argued that other painkillers are available and even the slightest legalization of the drug would lead to more abuse.

"We'll just let another serpent out of the box," said Rep. Harold Sawyer (R-Mich.), while another foe of the legislation, Rep. Clay Shaw (R-Fla.), predicted that if the bill were passed, "The supply of heroin will increase. It will increase in the streets."

Rep. Charles Rangel (D-N.Y.), who also voted against the proposal, said that the bill would confuse U.S. allies who have agreed to cut drug production.

Waxman, besides being a proponent of the legislation, also pushes the argument that high-technology medical care is more costly than human lives are worth. Commenting on the defeat of the bill, he said, "People were afraid to vote in any way, shape or form for anything that sounded like legalization of heroin. They were afraid they would be campaigned against on the issue."

Congressional destabilizers turn sights on Philippines

Hearings before the Senate Foreign Relations Subcommittee on Asia, held on Sept. 18, featured an outburst by Sen. John Glenn (D-Ohio) directed against the Marcos government in the Philippines. Glenn declared that "we have to get agreement with the Philippines government before putting more taxpayer dollars in there."

While the content of Glenn's

blackmail threat is not yet clear, the anti-U.S. opposition in the Philippines is waiting for the United States to decrease the amount of aid to the country, as the signal that Washington is letting Marcos go. It is known that on the same afternoon as the hearings, Senator Glenn was scheduled to attend a private meeting of a new Pacific Basin-oriented organization led by Richard Sneider, Jimmy Carter's Kissingerian ambassador to South Korea. On Sept. 2, the Reagan administration voted against a World Bank loan to the Philippines.

On Sept. 20, the companion House Foreign Affairs Subcommittee on Asia and the Pacific held similar hearings on the Philippines. That subcommittee is chaired by Rep. Stephen Solarz (D-N.Y.), an implacable opponent of Marcos and a leading proponent of the international anti-growth lobby.

Testifying at the Senate hearings was Undersecretary of State for the Far East Paul Wolfowitz, who reported that the United States and the IMF are working together to force the restructuring of the Philippines' economy, "especially the agricultural sector where monopolies and other distortions have prevented the full exploitation of the nation's potential."

O'Neill kills MX, with help from Kissinger

On Sept. 20, the Reagan White House capitulated to the demands of House Speaker Tip O'Neill (D-Mass.) and to the Soviet military junta, and postponed production on the next round of MX missiles until sometime in the second half of 1985. But the White House collapse may mean the death of the vitally needed strategic system, as O'Neill gloated following the negotiations between himself and Senate Majority Leader Howard Baker. O'-

Neill characterized the "compromise" as "a victory for the House. . . . For all purposes, it is my belief the defeat of the MX is well at hand. . . . In my opinion, the MX will never be deployed."

The administration apparently felt that it had garnered a small but symbolic victory in the negotiations by gaining a defense bill spending figure of \$297 billion, close to its final request of \$299 billion. However, the appropriations bill will only total \$292 billion, which is the ceiling at which money can actually be spent. The administration will also be able to carry out two tests of its anti-satellite (ASAT) system, down from the five it wanted but more than the House-imposed moratorium. In addition, the administration will not be precluded from deploying sea-launched cruise missiles, another target of House anti-defense forces.

The kind of negotiating strategy which the White House adopted would have done Henry Kissinger proud, and, indeed, Kissinger's friends in the administration and the Congress must have played a major role in convincing President Reagan to sacrifice the MX, which was the major target of Moscow's fellow-travelers.

Under the compromise, the production of the next round of 15 MX missiles will now be postponed until next April, at which time both the Senate and the House must vote to proceed with the missile. O'Neill is confident that he can kill the missile in the House at that time. President Reagan had originally requested 40 new MX missiles for production this year.

O'Neill and his allies in the Senate, such as Kissinger-crony Sen. Sam Nunn (D-Ga.), had been holding the defense authorization bill, the defense appropriations bill, and a congressional budget resolution hostage to their position on the MX.