

Congressional Closeup by William Jones

House committee kills space station

The House Appropriations Subcommittee on HUD and Independent Agencies voted 6-3 on May 16 to kill Space Station Freedom. The subcommittee cut all but \$100 million of the projected \$2 billion from the space station budget, which will be used to close down the project.

Supporters of the space station admit that the subcommittee vote will be very difficult to overcome when it comes to the floor of the House.

Rep. Robert Walker (R-Pa.), a strong advocate of the space station on the committee, called the vote "a serious blow." The subcommittee has redirected much of the "savings" to veterans' medical care and community development programs.

Subcommittee chairman Rep. Bob Traxler (D-Mich.) said the decision to terminate the space station "reflects the fact that our federal government's budgeting has hit a dead end."

CIA says Soviet economy continuing to decline

The Central Intelligence Agency and the Defense Intelligence Agency said in their annual report to Congress on the state of the Soviet economy, that the Soviet Union faces a decline in output of 10% and an inflation rate exceeding 100%.

In an accompanying presentation to the Technology and National Security Subcommittee of the Joint Economic Committee, DIA analyst C. Patrick Duecy said that the Soviets had made little headway in converting military industries to civilian production. Duecy noted that although the Pentagon expects the Soviet Union to continue modernizing its forces and weapons systems, they would have to make further cuts in military programs.

The report also notes a decline in productivity because of strikes, and a continued decline in oil output, following a 6% decrease last year.

Fight brewing over MFN status for China

On May 16, Senate Majority Leader George Mitchell (D-Me.) introduced legislation which would force President Bush to declare that China has discontinued its violations of civil rights if the U.S. were to continue to grant Most Favored Nation status.

The move by Mitchell was in reaction to a statement by Bush on May 15 that he would seek a one-year extension of MFN status for China. Other resolutions are expected to be considered when the issue comes to the Senate floor.

Congress makes deep cuts in SDI program

The House began debate on May 21 on the Defense Authorization Bill, and supporters of the bill were forced to withdraw an amendment which would have restored the bulk of the \$5.2 billion in funding for the Strategic Defense Initiative sought by the administration. At the same time, opponents of the SDI were defeated in their attempts to gut the SDI program by turning it into a \$1.1 billion research effort.

The House Armed Services Committee had already whittled funding down to \$3.5 billion and redirected funding away from the more technologically advanced space-based defense system, which President Ronald Reagan had put forward in his original proposal for a defense against nuclear weapons, to a ground-based system capable of protecting against

short-range missiles.

The Persian Gulf war and the present economic chaos in the Soviet Union have created the illusion that there is no longer a danger of total nuclear attack from any "superpower." A ground-based effort would be ideal for the type of U.S. military operations as seen in the war against Iraq.

House Dems give okay to Iran-Contra probe

The House Democratic leadership has approved a preliminary staff investigation into whether the 1980 Reagan-Bush campaign conspired to delay the hostage release by the Iranians until after the 1980 election in order to assure a Reagan-Bush victory.

House Speaker Thomas Foley (D-Wash.) met with Majority Leader Richard Gephardt (D-Mo.) and the chairmen of several committees during the week of May 13, to discuss the issue and authorize a review of available evidence. A group of House members conducted interviews with Richard Allen, Reagan's national security adviser, on May 16. Allen denied the allegations. They also met with former Iranian President Abol Hassan Bani-Sadr, when he was in the United States on a tour to introduce his book on the Irangate affair, *My Turn To Speak*, which was recently published in English.

These moves to revive an investigation into the Iran-Contra scandal have Republicans concerned. House Minority Leader Bob Michel (R-Ill.) has complained that they were not briefed about the General Accounting Office investigation into the allegations of a secret Reagan campaign deal. Michel sent a letter to GAO Comptroller Charles Bowsher demanding to know who requested the

investigation, when the investigation was completed, and what members of Congress had been briefed on the final report.

Move to pass banking deregulation bill

The Bush administration's attempt to deregulate the banking sector overcame its first hurdle on May 21 when the Financial Institutions Subcommittee of the House Banking Committee approved an administration-backed measure.

The bill includes provisions that would allow banks to enter the securities business for the first time in nearly 60 years. The subcommittee also left intact the measures which would permit banks to expand into the insurance business.

Other provisions of the bill would allow commercial companies such as Sears and General Motors to own banks. These provisions were not contested by the subcommittee.

The measure will now go to the full committee where the deregulation measures are expected to meet greater opposition. As was pointed out by Rep. James Moran (D-Va.), who attempted to place limitations on the merging of banking and securities functions, the banking and securities sectors were separated in 1933 because of the abuses which led to the crash of 1929.

New civil rights bill causes consternation

Congress is now preparing another civil rights bill after George Bush vetoed a civil rights bill last year, because he claimed it placed minority "quotas" on hiring by employers. The Senate failed to override the Bush veto of the

Civil Rights Act of 1990 by only one vote. The House fell 17 votes short of the two-thirds needed to override.

The Democrats, sensitive to the administration's fomenting of racial tensions by their attacks on quotas, are working overtime to find a compromise. The new bill is deemed necessary in order to reverse recent Supreme Court decisions which make it more difficult for people to bring and win discrimination lawsuits.

Part of the compromise is a \$150,000 cap on punitive damages that women and religious minorities could receive in such lawsuits. Racial minorities now can receive unlimited damages under a post-Civil War law, while women and religious minorities are protected under Title 7 of the 1964 Civil Rights Act, which does not provide for damages.

The Bush administration hopes to capitalize off racial tensions in the 1992 election campaign. The White House had sabotaged discussions between members of Congress and the Business Roundtable who were trying to work out a compromise which would be satisfactory to employers.

Senate okays loan guarantees for Soviets

The U.S. Senate voted 70-28 in favor of a "sense of the Senate" resolution sponsored by Minority Leader Bob Dole (R-Kan.) in mid-May, urging President Bush to approve an additional \$1.5 billion in loan guarantees for grain shipments to the Soviet Union, as Soviet President Mikhail Gorbachov has requested. The resolution links U.S. aid to progress on political reform and Soviet interest payments on previous loans.

The resolution is aimed at lifting congressional restrictions on credits to the Soviets, which President Bush

said a few weeks ago were impeding his ability to extend new food aid to Moscow. Dole said that Bush had expressed enthusiasm for his resolution at a lunch with Republican senators before the vote.

DoJ targets Gulf war foe for alleged fraud

The FBI has begun an investigation into the alleged failure of Sen. Mark O. Hatfield (R-Ore.) to disclose the receipt of nearly \$9,300 in gifts from the former president of the University of South Carolina. The accusation is that Hatfield received the gifts while the university was seeking committee approval for \$16.3 million in federal funds from the Appropriations Committee of which Hatfield was the chairman.

Hatfield was the only Republican Senate opponent of the Persian Gulf deployment. He was the only senator who was both against the deployment of U.S. troops to the Gulf and the policy of "strangulation" of Iraq through economic sanctions. The Justice Department inquiry began in March, two months after the critical vote on the Persian Gulf resolution. Hatfield has the reputation of being the "conscience of the Senate."

Cheney stalls on Persian Gulf withdrawal

In testimony before a House subcommittee on May 21, Secretary of Defense Richard Cheney was besieged by complaints from committee members that U.S. Army Reserve troops had not yet been brought home from the Gulf.

Cheney said that there was a timetable for bringing these troops home, but he would give no dates for their return.