

## **Congressional Closeup** by Barbara Dreyfuss and Susan Kokinda

### **Volcker Democrats move to defend monetarism**

Anticipating a collapse in the negotiations seeking a budget "compromise," two pieces of legislation were introduced into the Congress at the end of April designed to defend monetarist policies. Senator Alan Cranston (D-Calif.) introduced S.2147 to amend the Federal Reserve Act to "provide for the increased responsiveness and accountability of the Federal Reserve System." And in the House, Rep. Fernand St. Germain (D-R.I.), Chairman of the House Banking Committee, introduced legislation to extend the Credit Control Act of 1969 which is due to expire on June 30, 1982.

Among the requirements of the Cranston bill are provisions for the Chairman and Vice-Chairman of the Fed to be coterminous with the term of office of the President of the United States, that the Secretary of the Treasury be on the Board of Governors of the Fed, and that the Fed get its operating funds through a congressional appropriation. While appearing at first glance to begin to call the devastating high-interest-rate policies of the Fed into account, Cranston made his intentions clear by saying in introducing his legislation, that "monetary policy is important, and to paraphrase Milton Friedman, it is too important to be left in the hands of central bankers . . . the present high-interest-rate policies of the Fed may be right or wrong; that is arguable." The net effect would be to involve the President, the Congress, and the American population in the process of "deciding" which among different

monetarist policies will prevail, leaving the credit-generating criteria of the Fed untouched.

In motivating the extension of the Credit Control Act, St. Germain said its powers could be used in "controlling the inflationary uses of credit. . . . The legislation would also allow the credit-control powers to be used to slow the uses of credit for nonproductive purposes such as unnecessary corporate takeovers." St. Germain totally ignored the major dislocations caused by invoking the act under the Carter administration.

### **Helms quizzes Weinberger on space weapons**

Senator Jesse Helms (R-N.C.) interjected the only element of reality into Senate Foreign Relations Committee hearings on nuclear freeze proposals by questioning Defense Secretary Caspar Weinberger on U.S. capabilities and intentions in the sphere of space-based weapons.

The April 29 hearings on the "Global Strategic Situation" were the first of a series of hearings called by Senate Foreign Relations Committee Chairman Charles Percy (R-Ill.) to "explore" the issues raised by the myriad of nuclear freeze and arms-control resolutions introduced into the Senate. In his opening statement, Percy said that he hoped, after hearing from "all sides," the Committee would be able to report out an arms control resolution which could command the overwhelming support of the Senate. Percy indicated that he felt that something less definitive than a ratification of SALT II, but reaffirming U.S.

commitments to abide by the SALT II limitations, might be a useful approach.

While Percy, and "freeze" supporters such as Mathias (D-Md.), Pell (R-R.I.), Tsongas (D-Mass.), and Dodd played cat and mouse with Weinberger over whether the United States or the Soviet Union were strategically superior and over what form of arms control is desirable, Helms alone brought up the question of frontier space system technologies which would give the United States the capacity to shoot down Soviet missiles—before these missiles re-enter the atmosphere—the ultimate form of arms control. Citing Retired Air Force Gen. Daniel Graham's call for a full U.S. effort in the area of space-based laser and other weapons systems, Helms asked Weinberger if Graham were right. Weinberger snidely replied that Graham might be right by the year 2000, but not at present: "There is no indication we can rely on such capabilities in the near future." When Helms asked if Weinberger's experts agreed with his assessment of the year 2000, Weinberger replied that his experts would probably think he was being overly optimistic.

Helms continued the questioning by asking Weinberger if enough money was going into this form of research and development. Weinberger said "well, with all the talk around about reducing our money, we have to devote our efforts into getting what we have now in terms of deterrence, not something we aren't going to know about." Joint Chiefs of Staff Chairman David Jones concurred with Weinberger's assessment.

## **Abscam denounced as 'totalitarian' tactic**

The Abscam operations of the Justice Department represent "a dangerous and unwarranted venture into a type of law enforcement heretofore reserved for totalitarian regimes," Richard Ben-Veniste, a federal prosecutor and defense lawyer for 14 years, told the House Judiciary Subcommittee on Civil Rights April 22. The Committee, chaired by Rep. Don Edwards (D-Calif.) was continuing its investigation on the conduct of FBI undercover operations and heard witness blast the total lack of procedures and guidelines for such operations, the use of agent provocateurs, and the totally uncontrolled and unsupervised nature of the Abscam scheme. "The FBI wasn't crazy enough to go after the judicial branch of government," Ben-Veniste declared, "but this attack on the legislative branch is a first step and if it's not stopped here then [George Orwell's] 1984 will come early to this country."

Michael Tigar and Samuel Buffone, attorneys for Abscam target and former Rep. John Murphy (D-N.Y.), directed their testimony to refuting the statements FBI director William Webster and then Assistant Attorney General Philip Heymann made at Congressional hearings March 4. Webster then claimed that a series of precautionary steps, enforced by an elaborate review procedure, had been utilized throughout Abscam to ensure that the potential for constitutional violations was minimized.

Buffone and Tigar outlined point-by-point how the Murphy case was a "nearly total failure of

the safeguards, guidelines, and review system." Buffone charged that Murphy was lured into the Abscam setup "based on information [coming from] an unreliable middleman. . . . There was no effort made to verify the information . . . no attorneys were present to monitor the transaction. . . . FBI agent Amoroso, contrary to Webster's testimony, had not been instructed in the law of entrapment . . . and no clear and unambiguous offer of criminality was made and no other indication was given to Congressman Murphy of the illegal nature of the meeting." Buffone further charged that Webster's view that the Abscam meetings were so sleazy that only the guilty would attend marked an "insensitivity to the basic nature of our representative form of government" where public officials must be ready and willing to assist constituents.

Subcommittee ranking Republican Henry Hyde (Ill.) asked Tigar who "besides Judge Webster should be held accountable for these overreachings." Tigar identified Irv Nathan, Mr. Margolis from the Eastern District of New York, and Thomas Puccio, the prosecutor. Tigar added, "I am not suggesting that this is the first time the FBI has gone off the rails."

National Democratic Policy Committee spokesman Susan Korkinda testified to the Senate appropriations subcommittee against cuts in the Drug Enforcement Agency budget, on the grounds that "Official investigations in Italy have implicated sections of the Departments of Justice and State with elements tied to drug-running in Italy. What is our law enforce-

ment policy, when we give those departments more money to run political entrapment operations like Abscam?"

## **Senators propose collective NATO conventional force**

Senator William Roth (R-Del.) is circulating a sense of the Senate resolution which would call on the President to propose at the upcoming June NATO summit a "collective conventional force" for NATO and a collective NATO industrial base. The proposal is to subjugate the conventional forces and military-industrial base of the NATO nations to control by the NATO civilian command, thus undermining the national sovereignty of the member NATO nations.

Roth is circulating the resolution for co-sponsorship by other Senators and already has as two principal co-sponsors, Sens. John Glenn (D-Ohio) and Sam Nunn (D-Ga.). These Senators plan a press conference May 3 to announce their proposal.

Roth, a member of the Trilateral Commission, has the support of a number of the Trilateral Commission members for his proposal, and sent letters to Commission members prior to their early April meeting in Tokyo on the plan.

In addition to being an attack on national sovereignty, the proposal is a component of the anglophile plan to retool NATO away from highly sophisticated weaponry to forces capable of fighting in regional wars in the Third World.

Sources confirm that this proposal is being actively organized for by leaders of the British government and Belgian oligarchy.