

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

### **Hatch and Sheridan push Reaganate**

Despite concerns expressed by Sens. John East (R-N.C.) and Jeremiah Denton (R-Ala.), Orrin Hatch's Senate Labor Committee voted to investigate events surrounding the confirmation hearings of Labor Secretary Ray Donovan and to give committee investigators Walter Sheridan and Frank Silbey wide-ranging powers of independent investigation. Kennedy staffer Sheridan is intent on using the Donovan investigation to promote a "Reaganate" climate.

During the preliminary skirmish on July 21, East and Denton warned that the resolution was, in effect, creating "surrogate Senators" by allowing staff members to conduct independent questioning of individuals with only the precondition of a Senator's initial presence at the questioning. In an effort to block consideration of the resolution, East invoked a Senate rule which prohibits committees from conducting business while the Senate is in session, and the vote was delayed one day. Hatch reconvened the hearings the next morning at 8:30 a.m. and succeeded in passing the resolution.

The National Democratic Policy Committee (NDPC) has countered Hatch's efforts to get Donovan with a call to "investigate the investigators." In a memorandum circulated to the entire Senate, the NDPC documented Walter Sheridan's previous role in covering up the connection of the international assassination bureau, Permindex, to the murder of President Kennedy as well as Silbey's possible connections to the Israeli Mossad.

Denton and East also questioned the jurisdiction of the Sen-

ate Labor Committee in investigating charges that FBI officials withheld information from the Committee concerning Donovan during the confirmation process. That jurisdiction lies in the Senate Judiciary Committee which oversees the FBI, the Senators argued.

A mid-August target is set for completion of the investigation.

### **Bill on Joint Chiefs drafted in subcommittee**

The House Armed Services Committee Subcommittee on Investigations has drafted a bill regarding the much-discussed reorganization of the Joint Chiefs of Staff. The issue, raised prominently by proposals by recently retired Joint Chiefs chairman David Jones and by Army chief General Meyer, involves strengthening the Joint Chiefs' role.

General Jones has proposed enhancing the power of the chairman of the Joint Chiefs while General Meyer has emphasized creating a military policy body somewhat comparable to the German General staff.

The subcommittee bill, however, does not include any significant strengthening of the body. Subcommittee Chairman Richard White (D-Tex.) admitted following its drafting that the bill just does "minimal things" to the existing structure.

In opposition to these suggestions is retired Gen. Maxwell Taylor. Taylor, testifying before the subcommittee on July 1, made the following proposals: 1) dissolve the Joint Chiefs and send the chiefs back to their respective branches; 2) place the staff under the Secretary of Defense. Its chief would be

the senior officer in the armed forces, and would become a member of the National Security Council; and 3) the President and the Secretary of Defense would be advised by a National Military Council consisting of a chairman on five members selected from retired officers and one or more civilians. Taylor's proposals would clearly weaken military input into defense decisions.

### **Senate Abscam Committee: arms tied behind its back**

The Senate Select Committee created in the wake of the FBI's Abscam Operation began its public hearings July 20 with statements by some Senate members of the committee, including its chairman Charles Mathias (R-Md.), that indicated a vastly self-circumscribed role for the committee.

Mathias threw cold water on the anticipated investigation of executive branch wrongdoing and abrogation of constitutional rights in Abscam as he said, "Most emphatically that our mandate is this inquiry is *not* to punish the executive branch of government, *not* to exempt members of Congress from application of any proper and effective law-enforcement technique, and *not* to terminate the use of undercover operations."

The narrowly self-defined role has come from chief committee counsel James Neal, whose associations with Walter Sheridan and other corrupt elements of the Justice Department go back at least to his role as Chattanooga prosecuting attorney in the Jimmy Hoffa trial. At the July 20 hearings, Neal's big "story," obviously choreographed with the FBI and De-

partment of Justice to direct and shape the committee's work, was on just "how many FBI internal guidelines we've found since the committee began its work."

Patrick Leahy (D-Vt.) strongly reminded his colleagues and the press that they were in business to answer whether "the U.S. Government was out to stop crime or out to create crime, whether the U.S. government was out to catch known criminals or create new criminals. . . ."

Daniel Inouye (D-Hawaii) also motivated a thorough investigation as necessary to restore confidence in the institutions of government by relating how puzzled he was when several colleagues congratulated him on how "courageous" he had been to defend the Abscammed Senator Williams. "When I asked why they thought I was courageous," Inouye said, "they asked me 'aren't you afraid of being put on the FBI's hit list? To think,'" Inouye continued, "that this is an accepted way of thinking by members of the Senate!"

## **NDPC to House: 'water development is all-American'**

A National Democratic Policy Committee spokesman told the House Subcommittee on Water Resources of the House Public Works Committee July 21 that the \$200 billion North American Water and Power Alliance project coupled with the rest of Lyndon LaRouche's four-point program provides the only resolution of the economic crisis gripping the United States and the world.

This mini-educational on the economics of infrastructure was warmly welcomed by subcommit-

tee chairman Robert Roe (D-N.J.), who said, "You have made some very important points, and we appreciate your remarks. The generalized economic impact of these kind of project is often missed in the debate over their feasibility."

The NDPC testimony was preceded by a line of desperate Congressmen and local officials and businessmen pleading for pennies to carry on vital operations and maintenance, and flood-control projects in the current austerity climate. Some, including Wes Watkins (D-Okla.), attacked the administration's current emphasis on forcing local communities to share the cost of federally built infrastructure projects, warning that "this demand for cost-sharing will shut down water development—especially in rural areas. Over a period of time these projects pay for themselves, but communities just don't have the up-front money to contribute at the beginning."

The NDPC's call for the \$200 billion NAWAPA project pulled the group out of its hapless mood. "Some might think we have lost our senses in calling for a project of this magnitude at this time," said the spokesman. "There was a time when the average American citizen and Congressman knew that there was an American System of economics and that internal improvements were a cornerstone of it." The spokesman then detailed the analysis of the LaRouche-Riemann econometric model of the impact of infrastructural spending on overall economic productivity—speeding up the economy in thermodynamic terms.

The subcommittee is conducting hearings on national river and harbors in anticipation of the introduction of the first Omnibus

Rivers and Harbors bill in many years.

## **JEC hearings: bailout for banks, IMF rule for cities**

A full round of hearings on national urban policy, organized by Rep. Henry Reuss (D-Wis.) in his Joint Economic Committee, amounted to an organizing drive for the International Monetary Fund's plans for the U.S. economy.

The hearings were orchestrated by Reuss after a "draft urban policy" document had been leaked from the Reagan administration, who called for a "free market" abandonment of federal help for the cities. Witnesses at the hearings castigated that policy, proposing IMF dictatorship in its stead (see article, page 54). Sen. Daniel Moynihan (D-N.Y.), the author of the original "benign neglect" approach to the nation's minorities, shamelessly attacked the administration's current version of his own policy.

Chase Manhattan Bank's Philip Braverman was blunt about the nature of the new institutions needed to ease the troubled urban centers into the brave new world: "a national financial entity may be appropriate to provide assistance to the cities willing to make hard sacrifices. . . ."

It was left to Felix Rohatyn, author of New York City's Big MAC, to lay out the policy in detail. Royatyn argued that the national financial entity—a Reconstruction Finance Corporation-type institution, was also necessary to bail out the major banks, which could be hurt by, for example, "an unexpected default by a large debtor like Argentina, caused by political rather than economic events."