

## Congressional Calendar by Barbara Dreyfuss and Susan Kokinda

### Congress, Defense Sec'y clash on Stealth program

"Mr. Secretary, do you think the relationship between this committee and the Department of Defense should be closer than the relationship between the Defense Department and the news media?" House Armed Services Committee member Larry Hopkins (R-Ky.) asked Defense Secretary Harold Brown at Sept. 4 hearings of the committee's Investigations Subcommittee. When Brown replied yes, Hopkins shot back, "Then why did you give information to a magazine editor on the declassification of the Stealth Program prior to coming to this committee?"

That was one of the more pointed exchanges that occurred during a raucous subcommittee hearing on Defense Department activities surrounding leaks to the press and the subsequent declassification of the Stealth research and development program. The Committee is looking into why leaks on this new technology, which allows aircraft to fly undetected by radar, have surfaced in the press, and why the Defense Department chose to declassify the existence of the project rather than simply issue its standard denials.

The ranking subcommittee Republican, Robin Beard (R-Tenn.) virtually charged that the leaks were orchestrated by the administration to coincide with the Democratic convention to show the administration's concern about a strong defense. He pressed Secretary Brown to elaborate on his discussions with the White House over this matter. Brown would only say that his orders were to keep the existence of the Stealth program secret as long as possible. He then

refused to say who gave that order, and said: "I will not discuss any discussions I had with the White House."

Despite angry exchanges between subcommittee members and Brown, sources close to the investigation indicated that "unless something else comes up to hang this on, like evidence of a direct leak by Brown to George Wilson of the *Post*, we may have trouble proving political motivation."

### Fight brewing for Armed Services chairmanship?

The retirement of House Armed Services Committee chairman Price (D-Ill.) may provoke a battle within the committee next January over his successor. Sources close to the committee report that committee members may not automatically accept Rep. Charles Bennett (D-Fla.), who is next in line on the basis of seniority. They report that Bennett would continue what they consider Price's "rubber stamp" tradition of accepting administration strategic and military policies.

There is extreme concern that a continuation of current strategic trends would leave the United States irreversibly inferior to the Soviet Union. The sources noted that some committee members are looking for a committee chairman who would have a strong commitment to restoring aggressive advanced research and development programs for the military.

### House Speaker worried about his loss of control

House Speaker Tip O'Neill, obviously concerned that his secret files on members are no longer

enough to keep them in line, sent a sharp note to 44 House Democrats who deserted him on an important procedural vote last month.

Rep. John Ashbrook (R-Ohio) had offered an amendment to the Treasury Department appropriation bill forbidding the Internal Revenue Service from withdrawing tax-exempt status from private schools found to have discriminated against minorities. The presiding officer ruled Ashbrook's amendment out of order as legislation on an appropriations bill. But Ashbrook appealed the ruling and forced it to a full House vote. Although the ruling was upheld, there was a large defection of Democrats, almost unheard of in the House.

O'Neill warned the Congressmen not to go against the administration. He stated that in a parliamentary system, if a vote to sustain the chair had failed, the government would have fallen. He admitted that at a recent meeting of the Democratic whips and the House Steering Committee there was considerable discussion about what to do with Congressmen who seek to make policy on their own. One member even called for taking away committee chairmanships if a Congressman tries to implement his Constitutional duties.

### Senator calls for hearings on Bolivian cocaine coup

Sen. Dennis DeConcini (D-Ariz.) charged on Aug. 12 that the ruling junta in Bolivia maintains intricate involvement in that nation's extensive cocaine trafficking, and asked for a Senate Appropriations subcommittee investigation. Sen. Daniel Inouye (D-Hawaii), chairman of

the Foreign Operations Subcommittee has agreed to a closed door hearing with State Department officials on Sept. 4.

DeConcini said that he had information, largely substantiated press accounts, that the Bolivian coup of July 17 was a cocaine coup. He called the junta's activity in cocaine trafficking "a threat to all nations concerned with the drug problem." DeConcini called on Inouye to "join me in the hope that other governments will see the wisdom of withholding recognition of the García Meza regime until its reputed involvement with international drug conspiracies can be properly assessed."

## **F**arm Export Credit Bill advances

By a unanimous vote of 42 to 0 the House Agriculture Committee reported out the Federal Conservation and Farm Credit Act amendments (H.R. 7548) on Aug. 26. The legislation upgrades the ability of Farm Credit System (FCS) institutions to finance agricultural activities on several fronts. But the one provision which has thrown the American Bankers Association, and behind it the major grain companies, into frenzied opposition, is the one that allows the FCS to engage in export financing.

The Farm Credit System, composed of the Federal Land Bank, the Bank for Cooperatives and the Production Credit Association, operates on the basis of private capital. With an annual loan volume of about \$50 billion the System is the largest lender to agriculture.

The legislation, spearheaded by Agriculture Credit subcommittee

chairman Ed Jones (D-Tenn.), allows the System to finance cooperative activities in food processing; it allows the Production Credit Association to finance aquaculture, and reaffirms the System's exemption from state usury laws. Exemption from state usury laws is essential to the System's ability to provide stable credit sources to the farm sector.

Perhaps most important, the amendments allow the System to finance agricultural exports for the first time, which has provoked strong opposition from the ABA. Currently grain exporting has been almost totally monopolized by major grain companies who receive their financing from major banks. Small banks and small producers have not had the credit base to engage in direct export activities. This new amendment could very well break the domination of the export market by the grain companies.

Similar legislation has already passed the Senate, but whether the House bill makes it to the floor depends on whether the ABA's hard lobbying against the bill succeeds in convincing the House Rules Committee to keep it bottled up.

## **S**enate backs export trading companies

The Senate unanimously passed a bill Sept. 3 to promote U.S. exports by allowing banks to invest in export trading companies. It also instructs the Commerce Department to facilitate the creation of such trading companies. The bill puts some limitations on activity, requiring that banks invest no more than 5 percent of their capital in the operations, and that bank-controlled companies engage exclu-

sively in international trade.

Sen. Adlai Stevenson (D-Ill.), sponsor of the bill who managed it on the floor, declared that the U.S. trade deficit was mounting with no end in sight "while 20,000 American companies which could export do not" because they are not able to handle the costs and risks.

Sen. William Proxmire (D-Wisc.), chairman of the Senate Banking Committee, threatened to filibuster the bill, claiming that "the country is not in an export-import crisis." Proxmire feared that bank financing for exports could get out of control of the small group of Eastern Establishment policymakers that Proxmire represents. He introduced an amendment to the bill which would have restricted banks to 20 percent ownership in the trading companies unless the banks met certain restrictions and gained prior approval by the Federal Reserve Board. Proxmire described his amendment as: "The so-called Federal Reserve amendment recommended by the Federal Reserve and they feel strongly about this because of the profound effect this bill can have on banking." Opponents of the amendment charged that it would have "effectively foreclosed most banks from participation in trading companies." It was defeated by voice vote.

The bill now goes to the House, where the Ways and Means Committee, the Banking Committee and the Judiciary Committee all have to pass on it. Henry Reuss (D-Wisc.), chairman of the House Banking Committee, has promised to have his committee review the bill as soon as the Senate passes it. House staff members backing the bill hope to have it moved before the October recess.