

## Capitol Hill Closeup by Barbara Dreyfuss and Susan Kokinda

### Senate to discuss Third World ties

Senator Charles Mathias (R-Md.), has announced that the Foreign Relations Committee will hold hearings on Feb. 25 and 27 on "The U.S. Stake in the Global Economy: Issues in Relations with Developing Countries." Mathias said, "The purpose is of the hearings is to examine U.S. interests in the developing countries and to consider alternative strategies to advance U.S. interests."

The hearings will include panels on the following subjects: Implications for the United States of the increasing foreign debt of developing countries; strategic implications of developing countries' mineral resources; prospects for increasing renewable energy resources and energy conservation in developing countries; the economic implications of developing countries' population growth and migration patterns; and alternative strategies for the United States in the global economy.

### Hearings on Iran deal planned

In an unexpected move, the Senate's Banking Committee chairman Jake Garn (R-Utah) announced that hearings on the U.S.-Iran agreement which freed the American hostages will be moved up from Feb. 24 to Feb. 19. The Banking Committee has had jurisdiction over aspects of the agreement since it passed the Emergency Economic Powers Act under which the financial aspects of the hostage release were negotiated.

Testifying at the hearings will be Harold Saunders, former head of the Carter State Department's Iran working group, and Robert Owens, legal adviser to the State Department. Two other panels are also scheduled, including representatives of the Bank of America and Citicorp, which are involved in the banking aspects of the agreement.

In a joint statement, Senator Garn and Senator Heinz (R-Pa.), who chairs the International Finance subcommittee, commented on the hearings, "There are many lessons to be learned from our conflict with the Iranian government and from any pieces of information which heretofore have been suppressed to ensure the safety of the hostages. It is appropriate for Congress and the American people to understand as much as possible about the details and implications of the agreement."

### Antitrust subcommittee definitely abolished

Senator Strom Thurmond (R-S.C.), chairman of the Senate Judiciary Committee, defeated efforts by Sen. Charles Mathias (R-Md.), and committee Democrats to revive the antitrust subcommittee Jan. 27. Thurmond promised that he would hold hearings in the full committee on any Democratic proposals on antitrust legislation, but he definitely did not want a subcommittee devoted to the issue. "If you put it back to a subcommittee, I will be the chairman."

Senator Edward Kennedy (D-Mass.), who was chairman of the Judiciary Committee in the last Congress, and Sen. Howard Metz-

enbaum (D-Ohio), who chaired the now-defunct antitrust subcommittee, have pushed hard for two antitrust bills in particular. The first would have allowed consumer lawsuits against companies to be extended "down the corporate chain" to include those companies' suppliers and vendors. As a result, companies not directly involved in the alleged offenses could be held liable for large sums of money. The second antitrust bill was aimed at banning certain oil company mergers. Had Mathias succeeded in reviving the antitrust subcommittee, it is likely he would have pursued the antitrust issue in a manner similar to Democrats Kennedy and Metzenbaum.

### Military assistance to drug enforcement bill

On Feb. 6, a group of senators led by Sam Nunn (D-Ga.) introduced S. 441, a bill to provide limited assistance by the military to civilian drug enforcement agencies. Companion legislation was introduced on the same day in the House by Rep. Billy Lee Evans (D-Ga.).

The legislation amends the doctrine of *posse comitatus* which prohibits the military from being involved in any way with civilian law enforcement. At hearings in December 1979 before the Permanent Subcommittee on Investigations which Nunn chaired, numerous witnesses pointed out that this doctrine prohibits the military from even informing civilian drug enforcement agencies when they pick up illegal drug flights into the country.

In introducing the legislation, Nunn said, "The thrust of the bill

we are introducing is to expand the areas in which military-support services could be provided to civilian law enforcement, such as the sharing of information and the loaning of equipment and facilities. But we would continue to prohibit the direct involvement of military personnel in narcotics seizures, arrests, or other civilian law enforcement responsibilities." Cosponsors are Senators Chiles (D-Fla.), Mattingly (R-Ga.) Hollings (D-S.C.), Schmitt (R-N.M.), Dixon (D-Ill.), DeConcini (D-Ariz.), Johnston (D-La.), and Sasser (D-Tenn.).

Senator DeConcini, one of the cosponsors, has put forth his own resolution for the establishment of a Select Committee on Narcotics similar to the one being reconstituted in the House.

## **Fight over Nuclear Nonproliferation Act?**

Capitol Hill sources have revealed that a major fight to change the Nuclear Nonproliferation Act of 1978 is in the offing. The act, better known as the Percy-Glenn bill after its two prime sponsors, effectively prohibits exports of U.S. nuclear fuel and technology by forcing importing nations to fulfill excessive and costly requirements. The bill represents the foreign-policy equivalent of crippling regulations imposed upon domestic nuclear power plant construction.

"We're hearing from a number of quarters that there will be a major fight on the act. Strategy sessions on the Hill are already mapping out who will introduce what amendments to the act," declared one aide involved with the issue.

The nuclear industry reportedly is gearing up for a fight, keyed to the early March release of a General Accounting Office evaluation of the Percy-Glenn bill's effectiveness. The GAO report was mandated by a provision of the act itself. GAO staff members assigned to the evaluation have reportedly visited 12 countries to interview officials of nuclear industries, utilities, and consulting firms.

Although the report is still confidential pending review by other government agencies, sources have indicated that it will both criticize and support the Percy-Glenn legislation. In particular, it will recommend changes on the grounds that the bill as now drafted has served as an irritant to U.S. allies.

Both Senators Percy (R-Ill.) and Glenn (D-Oh.) not only continue to back strict implementation of their bill, but Hill sources report they are working with closet environmentalist Alexander Haig to further limit nuclear-energy exports. Their efforts to direct international energy policy have recently taken the form of attempting to outflank Energy Committee Chairman James McClure (R-Id.), and Energy Secretary Edwards on the issue.

On Feb. 5, Senator Glenn sent a letter to President Reagan asking him to withhold sending the second part of the nuclear-fuel shipment contracted by the Tarapur plant in India. Glenn urged such action by claiming that India has proposed an "amicable end to its Agreement for Cooperation in nuclear matters." This statement was made despite the fact that Dr. Homi Sethna, chairman of India's Department of Atomic Energy, emphatically told journalists in early February that "we have an agreement which has

the force of a treaty." Nevertheless, Glenn is demanding that before more fuel is shipped, India must detail what it will do with its nuclear fuels and waste products.

## **Report warns of credit constraint**

The subcommittee on Consumer Affairs has just issued a report evaluating the effects of the Federal Reserve's Credit Constraint Program, put into effect March 14, 1980. Specifically, the subcommittee, under the direction of Rep. Frank Annunzio (D-Ill.), reviewed the actions taken by creditors to restrain lending as a result of the Fed's decision to allow them to impose more costly credit terms.

The study concluded that: "The Federal Reserve Board may have set up the Credit Program regulations in order to permit creditors to impose permanent, harsh new credit card terms on their customers. Had the Fed wanted merely to restrain credit it could have simply specified the changes to be made. However, then the creditors would have had to rescind the changes when the Credit Program ended. Also, then the changes would have had to directly relate to immediately restraining new extensions of credit.

"Although it was necessary, unethical and perhaps a breach of contract, 86 percent of the creditors who could do so, chose to apply drastic new credit terms retroactively to their customers' past purchases;

"Creditors used the Board's Credit Program as an excuse to impose new credit card terms to increase their profits."