

Congressional Closeup by Barbara Dreyfuss and Susan Kokinda

Back funding for laser weaponry

By a vote of 91 to 3, the Senate on May 13 agreed to add \$50 million to the Defense Department's airborne and space-based laser weapons programs. The added funding was made in an amendment by Senators Malcolm Wallop (R-Wyo.) and Harrison Schmitt (R-N.M.) to the Defense Authorization Act of 1982. In addition to the added funding, the amendment also calls upon the Defense Department to submit to Congress a detailed report on the costs, schedule, and identification of the risks of the laser program.

In introducing his amendment, Senator Wallop declared that he had originally planned to propose an amendment to increase funds by \$250 million and dramatically accelerate the development of laser weapons. However, opposition from other senators forced the compromise measure with \$50 million.

The space-based laser beam weaponry would be able to destroy enemy missiles while they are still in flight. The program is highly controversial, not mainly because of cost, but because it would mean the development of a whole range of new technologies which would revolutionize industrial production.

Wallop lamented the fact that the current space-based laser program aims at a possible in-orbit demonstration by 1992, while estimates by those working on the program predict that the first weapon could actually fly as early as 1987.

"In addition to my cosponsors," declared Wallop, "many others in this body feel that we

should put a laser weapon in space as soon as possible. . . . It is possible for this country to meet or beat the Soviet schedule in space laser weaponry. . . . Indeed, high technology is this country's great strength."

Banking deregulation advocated at hearings

The Senate Banking Committee continued hearings on the state of the banking industry on May 19 with testimony from an academic panel which advocated complete deregulation of American banking. Columbia University professors Silber and Edwards attacked the McFadden and Glass-Steagal Acts, which prevent interstate banking and ensure against diversification of banking functions into different kinds of institutions. Silber and Edwards denounced the acts as "wasteful regulations" which maintain "artificial divisions" in the banking industry.

Edwards predicted that complete deregulation of banking would mean that large money-center banks and foreign banks would be able to take over savings and loan associations and smaller commercial institutions, which would then become affiliates of such institutions as Citibank, Lazard Frères, or Bank Leumi. Silber added that investment banks in particular could move in and offer a whole new range of services, including becoming a primary source for mortgage money.

Queried by one senator as to how deregulation could ensure the survival of the endangered savings and loans, one professor remarked, "Well, the large banks could let

the smaller ones handle their Visa and Mastercard accounts."

Banking Committee Chairman Jake Garn (R-Utah), who has often been looked to as the last line of defense against the wholesale destruction of the small commercial and thrift institutions, commented that "philosophically, I've been committed to deregulation for years."

Exim funding restored in House

A coalition of business, labor, Democrats, and Republicans voted to restore some of the money cut by the Reagan administration from the Export-Import Bank's direct loan authority for fiscal 1981. By a vote of 237 to 162, the House restored \$376 million in direct loan authority to the Export-Import Bank on May 14.

The Reagan administration originally requested that the Carter budget of \$5.148 billion in fiscal 1981

\$752 million, with further cuts in direct loan and loan-guarantee levels over the next four years. The administration's argument is that business has to take its fair share of subsidy cuts in the current austerity drive.

However, both the Democratic-controlled House Appropriations Committee and the Republican-controlled Senate Appropriations Committee voted to restore some of the funds.

The House restoration of \$376 million in direct-loan levels was sent to the House floor on May 13. There, an odd coalition of liberals and Stockmanite Republicans, led by Rep. David Obey (D-Wis.) pre-

sented an amendment to cut the \$376 million and return to the original Reagan request.

Self-annointed friend of labor, Rep. Jack Kemp (R-N.Y.), apparently ignored organized labor's argument that each \$1 billion in exports creates 40,000 jobs, and supported the cut. Kemp argued that "the Exim Bank distorts the markets."

The Obey amendment passed by a vote of 231 to 166 on May 13. However, overnight, a coalition led by the International Association of Machinists and Boeing mobilized support to maintain Exim funding, and the Obey amendment was overturned the next day by a vote of 237 to 162 and the House committee request of a \$376 million increase was restored.

Despite that show of muscle, the FY81 request restores only one-half the money cut by the Reagan administration.

The Senate Appropriations Committee has voted an increase of only \$250 million over the Reagan request, leaving the funding still \$500 million short of the Carter request.

Abscammed senator attacks DOJ

Senator Harrison Williams (D-N.J.), responding to the Senate Ethics Committee decision to file formal charges against him following his Abscam conviction, has sent a letter to his Senate colleagues, warning that a "precipitous judgment" on his case could have serious constitutional implications.

In the letter, released on May 11, Williams said, "In defending myself, I have always felt that I am

also defending the executive. When one member is subjected to the whims of a prosecution determined to make a case by any means necessary, then all members are jeopardized. . . . A hasty decision to expel me from membership in the Senate or to pressure me to resign would foreclose an opportunity for the full Senate to register an objection to this kind of prosecution."

Williams has sought to retain former Sen. Robert Morgan (D-N.C.) as his counsel in the Ethics Committee investigation. Before his defeat last November, Morgan had spoken out strongly against the unconstitutionality of the Abscam entrapment operations. However, restrictions against a former senator's participating in certain kinds of actions before the Senate may prevent Morgan from accepting Williams's requests.

Labor racketeering legislation introduced

The Senate's self-styled watch-dog over organized labor, Sen. Sam Nunn (D-Ga.), has introduced the Labor Racketeering Act of 1981 (S. 1163), along with senators Warren Rudman (R-N.H.), Lawton Chiles (D-Fla.), and Don Nickles (R-Okla.). The main thrust of the bill is to make kick-backs and illegal payoffs a felony instead of a misdemeanor and to expand the disbarment provisions for union officers convicted of a felony. The current disbarment provisions (under 29 U.S.C. 504 and 29 U.S.C. 1111) would be expanded in the following ways:

- Enlargement of the criminal offenses which would result in disbarment.

- Enlargement of the categories of persons affected by disbarment provisions.

- Increasing the duration of time barred from office or position from 5 years to 10 years.

- Providing for disbarment immediately upon conviction rather than after appeal.

Nunn's legislation came as a result of an "investigation" and subsequent "dog and pony show" into organized crime's alleged influence on the waterfront. Commenting on the investigation's findings, Nunn said, "Especially disturbing is the fact that the evidence clearly suggests that, through that system of payoffs, recognized leaders of the traditional organized crime families influence and effectively dominate the International Longshoremen's Association and large segments of the American shipping industry."

ILA President Ted Gleason had attacked the subcommittee investigation at the time, charging that "the subcommittee has received and apparently accepted the hearsay testimony of informers, accomplices, and convicted criminals—all persons of low credibility with every motive to distort the facts."

Observers noted that there was undoubtedly a direct relationship between the introduction of Nunn's legislation and the probable ascension to the presidency of the International Brotherhood of Teamsters of Roy Williams, an international vice-president and currently interim Teamsters president, who has been under attack by Nunn for years. The Reagan Labor Department is under pressure to go after Williams or face an "organized crime" scandal around Secretary Ray Donovan.