

Congressional Closeup by Barbara Dreyfuss and Susan Kokinda

Iran coverup brewing in Congress?

The House and Senate Foreign Relations Committees opened hearings on the U.S. Iran hostage release agreement on Feb. 17, amid signs that a coverup of the entire Iran episode is in the works.

Former Secretary of State Edmund Muskie and former Deputy Secretary of State Warren Christopher testified in the Senate committee, where committee Chairman Charles Percy (R-Ill.) announced that "with the permission of the State Department, I have advised my colleagues on the Foreign Relations Committee that the Reagan administration intends to fully implement the agreement reached with the Carter administration and the government of Iran and the government of Algeria."

Percy's announcement followed an early morning meeting, also attended by Sen. Jesse Helms (R-N.C.) and Secretary of State Alexander Haig at which the administration's decision to accept was communicated.

With the sole exception of California Republican S. I. Hayakawa, the entire committee stuck to the administration line, and occupied itself with praising the negotiating skills of Muskie and Christopher and asking minor questions about the implementation of the agreement.

Capitol Hill insiders had indicated that Helms would signal whether the New Right would demand a serious investigation of the entire Iran affair or not. Helms told Christopher, "I think you did a splendid job."

Only Senator Hayakawa attacked the agreement, saying, "I do not believe that our honor requires

that we adhere to this dreadful and disgraceful agreement with terrorists, extortionists, and hoodlums. . . . The fulfillment of an agreement made under duress does not uphold our honor, but it signals our utter humiliation." Hayakawa also drew out the fact that, under the agreement, the United States would act as policeman for the hoodlums in Iran in helping to locate the late Shah's assets.

Senate hearings continued on Feb. 18, with the testimony of five lawyers representing corporations holding claims against Iran. While there was widespread acknowledgement by lawyers and senators alike that constitutional questions were at stake, committee members indicated their intent to let the agreement with Iran ride and allow the courts to ultimately decide the issue.

The House Foreign Affairs Committee heard from chief negotiator Harold Saunders on Feb. 17. Chairman Clement Zablocki (D-Wis.) opened the hearings. "From the review I have made so far of the agreements, I offer my commendation.

"They preserve the honor of the United States and they secured the safe release of our hostages. No ransom has been paid and, most, if not all of the interests will be protected."

Other committee members occupied themselves with diatribes against the alleged Soviet and Palestine Liberation Organization role in Iran.

Pressure appears to be heavy to confine the investigations to a review of the actual hostage-taking and analysis of future relations with Iran, rather than an investigation of Carter administration

policy in setting up the Khomeini regime.

The only opposition to this approach has surfaced in the House with Rep. George Hansen (R-Id.), who is charging that "strong evidence now suggests that the hostages were trapped by big bank politics—that the crisis could have been avoided and that it could have been terminated honorably on several occasions during the ordeal. . . .

"America is entitled to know what happened and why—and what will be done to prevent special interest groups from again dragging the nation to the brink of disaster in the future."

Shortly after the hostage seizure, Hansen visited Iran. On his return, he denounced the complicity of Carter officials in "precipitating" the crisis.

SPIS relaunches war against labor

On Feb. 17, Sen. Sam Nunn (D-Ga.), reopened the Senate Permanent Investigations subcommittee with hearings concerning "Corruption on the Waterfront—The Gulf Ports and the East Coast." These hearings, which are a continuation of Senator Nunn's war against the traditional labor movement, specifically target the International Longshoremen's Association for "labor racketeering."

The targeting of the ILA on the East Coast is completely in line with information received by *EIR* from sources close to U.S. Attorney Thomas Puccio of the Southern District of New York, that indictments will be handed down shortly against both the Longshoremen and the Laborers Union

in a continuation of Puccio's Ab-scramming operation.

In his opening statement, Nunn, who chaired the hearing despite the fact that the chairmanship has officially passed over to Sen. William Roth (R-Del.), made it clear that he intended to introduce legislative reform designed to make it easier for the federal government to intervene in trade-union activities.

Should Congress, demanded Nunn, allow a union official to remain in his post while he was going through the lengthy appeal process, or should Congress make it easier for the federal government to put a union in receivership?

In the questioning that followed the testimonies of FBI Director William Webster and Miami Organized Crime Strike Force head Michael Levin, Nunn backed the latter approach by attempting to establish that it is the failure to remove a union official from his post, once convicted, that is responsible for the reluctance of both management and rank and file to cooperate with the FBI "organized crime" investigations.

Informed sources in Washington believe that the hearings will additionally be used to feed into ongoing attempts to "watergate" President Reagan.

According to these sources, Walter Sheridan, Senator Kennedy's staff director on the Senate Labor and Human Resources Committee, is attempting to orchestrate a series of exposés designed to trap Secretary of Labor Ray Donovan into some kind of "coverup" of his knowledge of organized-crime activities in business and labor. This is intended to feed into an atmosphere

of allegations that President Reagan's supporters are connected to the mob.

At his confirmation hearings, Donovan was repeatedly accused by Senator Kennedy of having organized-crime connections.

These allegations, however, resulted in an FBI investigation of Donovan that completely exonerated him.

During the course of the Permanent Investigation hearings, Nunn made it clear that he would play into this scenario by attempting to box Donovan in on this precise issue through forcing the Department of Labor to investigate his allegations of labor racketeering. If the DOL fails to do so, Nunn intimated, the subcommittee would have to look into the reason why.

Melcher introduces alternate farm bill

Montana Democrat John Melcher, a member of the Senate Agriculture Committee, introduced the Food and Agriculture Act of 1981 on Feb. 16. Melcher's bill, S. 480, is meant to serve as an alternate approach to the yet-to-be introduced administration omnibus farm policy bill from the administration.

Melcher seeks to "return some market stability and certainty to the farmers' lives, and to ensure that as we export millions and millions of tons of grain, we do not sell it overseas for less than it costs to produce."

In a floor statement accompanying introduction of the bill, Melcher attacked the "budget balancing" and "free enterprise" pol-

icies which have undercut agriculture in the past.

"You will hear from some that such an approach [of price supports] will increase federal spending when the budget must be balanced.

"We will hear from the naysayers who say it is time for Congress and the country to ignore agriculture producers and the prices they receive. Well, to that I say nuts. . . .

"We Americans have sacrificed our steel industry, our auto industry, our shoe industry, our electronics industry—we have sacrificed these all on the altar of the free market. Those markets are not free, and they have not been for many years."

The budget-balancers came under attack two days later in Senate Agriculture Committee hearings held on the appointment of Richard Lyng to be deputy secretary of agriculture. Senator Mark Andrews (R-N.D.) asked Lyng what input the U.S. Department of Agriculture had into the budget recommendations.

He cited Office of Management and Budget Director David Stockman's assertion that increasing the interest rate on certain categories of Rural Electrification Association loans from 2 to 5 percent would save the federal government \$175 million over the next year.

Andrews charged, "I was the sponsor of that loan program and I can tell you that it will only save the government \$4.5 million. I don't know what kind of stuff they have been smoking over at OMB, but I want to know if you had any input into the generation of those estimates?" Lyng was unaware of the estimates.