

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

### **Fed admits to control by Congress, which punts**

Congressman Henry Reuss (D-Wisc.) told the House on June 10 that he had received a letter from Federal Reserve Chairman Paul Volcker confirming that indeed the Congress controls the Fed. "I was asked to confirm to you the full understanding of all members that the Federal Reserve is a creation of Congress and responsible to it, that the Congress plainly has the constitutional authority and the right to determine the control of money, that the [Federal Reserve] system is subject to congressional oversight and, of course, will follow the law," declared Volcker in his May 24 letter.

Nevertheless, when Volcker testified before the Joint Economic Committee June 15, not one of those present declared that he or she was prepared to force the Fed to lower interest rates. Clarence Brown (R-Ohio) even told Volcker that he hopes Congressmen don't use "these tumultuous times to extend the power of the Congress or the administration over the Fed."

Senator Ted Kennedy (D-Mass.), aware that he is one of those responsible for the current economic crisis because of his refusal to deal with Volcker, tried to cover for himself by laying the blame on President Reagan. Kennedy demanded to know how many times Reagan had met with Volcker and then, when told it was not since January, asked with mock incredulity, "So you are saying that there has been no intervention, no directive by this administration?"

Volcker watched the charade

and told the spineless Congressmen, "It would be shortsighted for the Fed to abandon its monetary discipline to bring about a short-term lowering of interest rates."

### **Senators urge 'crime control' legislation**

Lawton Chiles (D-Fla.) took the floor of the Senate on June 14 to urge speedy action on two crime-control packages sponsored by over 53 Senators.

Both bills, the Crime Control Act of 1982 (S.2543), introduced by Chiles and Sam Nunn (D-Ga.), and a bill introduced by Senate Judiciary Committee Chairman Strom Thurmond (R-S.C.) titled the Violent Crime and Drug Enforcement Improvement Act of 1982 (S.2572), have been placed directly on the Senate floor calendar, evading committee action.

Chiles warned, however, "I am deeply concerned because time is running out on this session of the Congress; there are as few as 53 legislative days left before we adjourn. If we are truly determined to fight crime and drug smuggling, we must act quickly. . ."

Chiles was assured by Majority Leader Howard Baker that, while consideration of the bills was unlikely before the July 4 recess, he would make every effort to schedule Senate consideration.

Both initiatives are a compromise effort following the failure earlier this year of an Omnibus Crime Control bill which would have substantially overhauled U.S. criminal codes. The current bills took the "least controversial aspects of the previous bill," as reported by a Senate Judiciary staff-

fer, incorporated them into new legislation in a last desperate attempt to have the 96th Congress go on record as being "tough on crime." These "least controversial aspects" include bail and sentencing reform, increase of drug crime penalties, and criminal forfeiture provisions and amendments to the Currency and Foreign Exchange Act.

The strongest sections of both bills are those which toughen the laws related to illegal drug activity.

In S.2572 under the Comprehensive Drug Penalty Amendments section anyone caught "in or on, or within 1,000 feet of an elementary or secondary school" distributing controlled substances would face increased penalties.

Finally, a criminal forfeiture section of S.2572 would provide for federal law-enforcement officials "to claim the proceeds from certain crimes," thereby ensuring that the drug-trafficking profit and infrastructure, such as planes and luxury boats, are wiped out. While many of these initiatives are helpful, they do not address 'Dope, Inc.'s control over large portions of the world economy.

### **A new kind of budget process**

Behind the pitching of Rep. Ronald Mottl (D-Ohio), Congressional Democrats defeated the Republicans by a score of 7 to 5, at the 21st annual Congressional Baseball game on June 16. Earlier in the day, Republican coach Silvio Conte (R-Mass.) noted that the outcome of the game could have far-reaching implications if Congress decided to adopt as its second

concurrent budget resolution the version proposed by whichever party's team won the game. Motivating his proposal, Conte said, "We would definitely get results; and the side that loses can go home and campaign on the fact that it was not the issues, but a game that decided the outcome, so no one can be held responsible; and finally, this method makes about as much sense as our present budget process anyway."

Astute Washington observers noted, however, that the Democratic victory will be a transient one, since winning pitcher Mottl (a vociferous opponent of Federal Reserve Board chairman Paul Volcker) was recently defeated in his primary race by a liberal candidate who had the de facto backing of the Democratic National Committee. There is a lesson there somewhere for the Democratic Party.

## Senate Ag Committee OKs mandatory workfare

The Senate Agriculture Committee voted June 14 to require food-stamp recipients to take jobs as menial agricultural workers or to replace municipal workers at low wages, or else lose their food stamps. The proposal was added to the Food Stamp Authorization bill by Senator Hayakawa (R-Calif.) and pushed through the Committee by its chairman, Jesse Helms (R-N.C.).

"We've got to stop giving in to the food-stamp recipients here and there, and start considering the rights of the millions of hard-working Americans who pay the bill," declared Hayakawa dema-

gogically. Hayakawa brought the head of the Fresno California Farm Bureau to the Committee to lobby for the plan, on the grounds that farmers had been having difficulty getting low-wage seasonal employees.

The bill mandates that a recipient take a job at minimum wage, regardless of the salary he might have previously earned. If the recipient has not taken one after getting food stamps for six months, his stamps would be cut off. Only the elderly and those under 18 or with small children are exempt, but the Secretary of Agriculture can waive the requirements.

The proposal was introduced in the House by Rep. Larry Craig (R-Idaho), and is being pushed by Trilateral Commission member Rep. Paul Findlay (R-Ill.).

## Law of the Sea comes under fire

A panel of Congressmen opposing the Law of the Sea Treaty dominated a June 17 hearing of the House Foreign Affairs Committee, forcing a postponement of testimony by witnesses, including Elliot Richardson, who support the treaty, until after the administration makes a decision on future U.S. policy.

Led off by John Breaux (D-La.), and including Don Young (R-Ark.), and Jack Fields (R-Tex.), the panel detailed the provisions of the treaty which they find inimical to U.S. interests, including failure to provide assured access to deep-seabed minerals, questionable guarantees of navigation rights, and mandatory sharing of

technologies with other nations.

The United States recently voted against the adoption of the text of the Law of the Sea treaty at the United Nations, and the President will shortly decide whether the U.S. will continue the negotiating process in hopes of improving the treaty or reject it altogether.

While these opponents of the treaty apparently fail to recognize that the driving force behind such supranational schemes is not the Third World but such institutions as the zero-growth Club of Rome, their basic objection to abrogation of national sovereignty is sound.

As Fields stated, "The Law of the Sea treaty has been drafted so that Third World states would be empowered to compel transfers of material resources from developed states through multinational institutions and procedures. . . . [The treaty] would have the United States yield significant sovereign rights it now possesses and is fully capable of exercising; [the treaty would] provide for a review conference that would have the power to impose treaty amendments on the U.S. without its consent."

Breaux, Young, and Fields, all of whom were active in the negotiations, have urged that the President reject the treaty and begin the process of negotiating bilateral reciprocal agreements governing seabed mining and other economic activities. Despite this sound orientation, the treaty opponents are preoccupied with safeguarding critical resources for the West and keeping them out of the hands of the Third World and the Soviet bloc; they have fallen prey to the supranationalists' notion of a diminishing resource base.