

# The record of the 97th Congress: failure to counter depression

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While various left- and right-wing political action committees and the national media would have 1982's voter judge Congress on the basis of its performance on the budget, taxes, and various social lightning rods, more fundamental issues defined the 97th session—either by commission or omission. *EIR's* capsule view of what has really occurred over the past two years on critical policy fronts and the controlling forces shaping the congressional environment follows.

## Interest rates and the Federal Reserve

Under the tight control of the international financial Malthusians, mediated through the Harriman wing of the Democratic Party, the Democratic leadership in the House and the Senate moved successfully from a strategy of opposition to one of cooptation in their efforts to protect Federal Reserve Board Chairman Paul Volcker from a campaign to bring down interest rates. By mid-1981, populist and moderate Democrats in the House and Senate—including Sens. John Melcher (Mont.), David Boren (Okla.), James Sasser (Tenn.), and Edward Zorinsky (Neb.) and Rep. Jim Wright (Tex.) and Bill Alexander (Ark.)—had introduced resolutions calling on President Reagan to meet with Volcker on bringing down interest rates. Senate Minority Leader Robert Byrd and House Speaker Tip O'Neill refused to mobilize the party behind these resolutions, fearing that they would rightly shift the blame for the impending depression from the hapless Ronald Reagan to the shoulders of Paul Volcker. Neo-liberals such as Sen. Gary Hart (D-Colo.) and Rep. Richard Gephardt (Mo.) openly attacked the approach. Isolated from effective party support, the Melcher resolution came up for a vote only once in 1981-82.

Democrats and Republicans continued to accept the manufactured lie that the budget deficits were the cause, rather than the result, of high interest rates until the 1982 passage of the budget resolution and the tax increase. Then the Fed came under political attack from both parties, and Robert Byrd and House Banking Committee chairman Fernand St. Germain (R.I.) were retooled in September 1982 to “reform the Fed” and introduced the “Balanced Monetary Policy Act of 1982.” Packaged as legislation to bring interest rates down, and written in consultation with Volcker, the legislation is a sham which keeps the independence of the Fed intact and

provides a different mechanism through which the Fed can control credit and selective reflation to bail out certain financial institutions. Byrd and St. Germain were joined by Swiss bank flunky Jack Kemp (R-N.Y.), who introduced a Republican version of the same legislation in late September.

The financial oligarchy intend to have the Byrd and Kemp initiatives as the major “interest rate” efforts in the 98th Congress.

## Foreign policy

The President's decision to sell the AWACS to Saudi Arabia and the subsequent Congressional vote dominated the foreign-policy activity of Congress in 1981. With presidential prestige still at a high point, and with a core of independent Democrats such as Boren, Mississippi's John Stennis, and Melcher able to buck the Harriman-dictated policy of their party, the Senate upheld the President by an October vote of 52 to 48, and threw a roadblock into the British plans to diminish U.S. influence in the Mideast.

But that flicker of independence, as a body of Congress voted to uphold U.S. interests, was all too brief. Foreign, and primarily British, domination of U.S. international policy was never more manifest than during the Malvinas war, six months after the AWACS vote. As various British bought-and-paid-for Rhodes scholars, London School of Economics graduates, and assorted hangers-on, such as Sens. Bill Bradley (D-N.J.) and John Tower (R-Tex.) and Rep. Stephen Solarz (D-N.Y.), extolled the need to defend our “oldest” ally, Congress fell in line behind the British defiling of the Monroe Doctrine. Only one Senator, Jesse Helms of North Carolina, who cited the Monroe Doctrine, voted against the resolution supporting Great Britain in May, and only a handful of Congressmen, including Eldon Rudd (R-Ariz.) spoke out against the House passage of an identical resolution.

The right-wing agents of the British have not been inactive, and under their influence the independent Helms and his few co-thinkers recently attacked Mexican President López Portillo's nationalistic moves against the international financial oligarchy, stupidly terming those actions a step toward socialism.

Outside of an occasional knee-jerk and generally impotent reaction of conservatives against a “Kissinger agent”

here and there in the administration, Congress has been successfully tamed.

## **Abscam**

National Democratic Policy Committee Advisory Council Chairman Lyndon LaRouche's warning in early 1982 that Senate capitulation to the Abscam railroad of former Sen. Harrison Williams (D-N.Y.) would spell the death knell of that institution, has been proven resoundingly accurate. In opposition to Williams, Ethics Committee Chairman Malcolm Wallop (R-Wyo.), related to the British royal family and a sometime host of Prince Philip, waged the floor fight on behalf of the forces seeking to further castrate constitutional government. Despite extensive proceedings on the Senate floors, during which "defense counsel" Sen. Daniel Inouye (D-Hawaii) and others raised issues of fundamental constitutional import the Senate never rose to face the issues of the corrupt drug- and terrorist-connected network in the Justice Department which ran Abscam and similar political terror operations. When it became evident that not enough moral fortitude existed in the Senate to clear Williams, he resigned after extracting a commitment for a full Senate investigation into Abscam and related stings.

But the committee set up to investigate the Abscam abuses immediately prostituted itself by hiring as its chief counsel James Neal, a Nashville attorney straight from the Walter Sheridan-connected networks in the Justice Department which ran Abscam. The committee investigation was practically run as an internal housecleaning operation by the FBI and Justice Department themselves. The final report of the committee is expected to conclude that political figures were not targeted by the FBI and that whatever "excesses" occurred, occurred because "corrupt" middlemen such as Mel Weinberg were not subject to close enough supervision.

## **Science and technology**

Congress has so far been unable to establish itself as an institution capable of taking up an aggressive fight for scientific and technological progress. In a number of cases, there has been a defensive battle to preserve important programs.

The administration policy to halt the engineering phase of magnetic fusion energy development, mandated by law in the Fusion Engineering and Research and Development Act of 1980, has not been reversed. Two resolutions, H.J.R. 513, sponsored by Rep. Marilyn Bouquard (D-Ten.), which has 52 cosponsors in the House, and S.J.R. 202, with 20 cosponsors in the Senate, express the sense of Congress that magnetic fusion is "ready to move into a significant engineering development phase." Barring exceptional constituent pressure, it is reported unlikely that the House will take up H.J.R. 513 during the lame-duck session, while it is possible the Senate may consider S.J.R. 202, but not yet certain. However, once Congress reaffirms the engineering effort on fusion, the greater money commitment for an expanded program must also be made.

A bruising battle continues to keep the Clinch River Breeder Reactor under development. The Senate passed funding by one vote, 49 to 48, in the continuing resolution, and will vote on it again when the energy and water appropriations bill comes up during the lame-duck session. The House, which approved CRBR funding by a close 20-vote margin in 1981, will vote on it then. Opponents led by Rep. Lawrence Coughlin (R-Pa.) and Rep. Robert Edgar (D-Pa.) have been recharged by a Government Accounting Office report critical of CRBR.

## **Agriculture**

Those Democrats and Republicans who have remained committed to ensuring a stable food supply were able to partially deflect the all-out assault launched against the farm programs when David Stockman ideologues who want to dash the American farmer on the rocks of the "free market," openly allied with zero-growth "consumerists" such as Rep. Barney Frank (D-Mass.), who sponsored much of the anti-farm legislation. But to a farm sector that is facing low prices, high interest rates, tremendous indebtedness combined with collapsing real estate values, and a rate of bankruptcies not seen since the 1930s, this was not much consolation.

Early in 1982, over 25 Democrats and over 25 Republicans took to the House floor to outline the "emergency crisis" facing the farm sector, and posed the question as to whether the American farmer would survive until next year. A band-aid approach of small but nevertheless important aid to various farm programs was taken in tandem with an insidious effort to decrease farm production output, such as land-retirement and production-diversion programs, as a means of boosting farm prices.

From the positive standpoint, the Congress has tried to force the administration to live up to its export-drive commitments and utilize the Export Credit Revolving Fund. In the House Agriculture Appropriations bill which will be considered in the lame-duck session, is an additional \$500 million for "direct export credit" to promote purchase of U.S. agricultural goods overseas. The House and Senate have similar legislation for "loan deferment" provisions for the Farmers Home Administration loan programs that will prevent foreclosures on many farms at or near the point of bankruptcy. The economic emergency loan program is also expected to be extended into 1983.

Significant damage was done to the dairy program however, as, first, the 75 percent of parity was ended, and then a 50 cent per hundredweight government levy, with provisions that could raise it to a dollar, was imposed or will be imposed on dairy farmers on Dec. 1.

But the failure to take on the status of the Federal Reserve Board and Paul Volcker's high interest rates, leaves the door open to disaster in the farm sector, and to a propaganda offensive to cut farm production, such as was seen this summer as Agriculture Secretary Block commented that the best thing that could happen was a crop failure.