

Congressional Closeup by Ronald Kokinda and Susan Kokinda

FBI funding to be cut?

Congress may take "an option" of cutting the budget of the Federal Bureau of Investigation if the Bureau does not explain precisely how it intends to operate under the recently issued, liberalized domestic security guidelines which went into effect on March 21, according to Capitol Hill sources.

FBI Director William Webster was "recalcitrant" in answering congressional concern over potential FBI abuses that may arise under the new guidelines. Webster was also reluctant to explain why the new guidelines were necessary when he testified before the House Judiciary Subcommittee on Civil and Constitutional Rights April 27, sources added.

The new guidelines, the first major revision since the Levi guidelines were issued in 1976, allow the FBI to begin investigations of persons based on their making statements advocating criminal acts (see *EIR*, April 26). An injunction barring such FBI activity has already been issued by a federal judge in Chicago. Subcommittee chairman Rep. Don Edwards (D-Cal.) said that "the ambiguity of these guidelines and the possibility that some future FBI may place a different interpretation on them are legitimate cause for concern."

Edwards thinks that no case has been made as to why the Levi guidelines would not work, that no significant justification has been made for the change.

Most congressional objections to the FBI have so far been made over "civil rights" concerns, and have avoided the issue of criminal conspiracy in FBI operations such as Abscam and Brilab.

The National Democratic Policy Committee testified on this issue to the Subcommittee on Commerce, State, Justice, and the Judiciary of the House Appropriations Committee on April 25. "The FBI functions as an unconstitutional criminal conspirator whose connections with sections of foreign intelligence agencies . . . must be thoroughly investigated," the NDPC representative stated. Until these steps are taken, the "FBI budget must be drastically cut and . . . its remaining funds frozen until full and open congressional investigations have expelled the contaminated elements within the FBI."

The NDPC cited five immediate cases of FBI work against the national interests of the United States: "pardoning of known terrorists," subsidizing the organized crime-linked Anti-Defamation League, the "white-collar crime scams," and the "cover-up of the Billy Carter-Libyan affair."

Clinch River funding threatened again

The House Science and Technology Committee voted 24 to 16 April 26 to stop federal funding of the Clinch River Breeder Reactor (CRBR) for fiscal year 1984. Nearly all freshmen Democrats, including Representatives Durbin (Ill.), Andrews (Tex.), MacKay (Fla.), Reid (Nev.), Torricelli (N.J.), and Boucher (Va.), voted against continued government funding, so the margin of opposition to CRBR was wider this year than in previous votes.

CRBR also faces serious tests in the Senate, which approved funding and succeeded in getting the funding retained in conference with the House.

If private financing cannot be found, some on the Hill claim, then the government should not support such a non-viable project.

Just before this vote, the Committee had defeated, 21 to 19, a proposal by chairman Rep. Don Fuqua (D-Fla.) to continue site preparation, without specifying precisely the type of facility to be built.

The Subcommittee on Energy Research and Production, chaired by Rep. Marilyn Lloyd (D-Tenn.), will soon begin hearings on H.R.2455 for "alternative" financing for CRBR.

Hearings continue on banking deregulation

The Senate Banking Committee continued its oversight hearings into the state of U.S. financial institutions on April 26 and 27, receiving testimony from Federal Reserve Board Chairman Paul Volcker and other federal bank regulators. The hearings were convened by committee chairman Jake Garn (R-Utah) as the first phase of a two-year process aimed at revising the entirety of U.S. bank legislation, including the Glass-Steagel Act, the McFadden Act, and the Bank Holding Company Act.

Garn has argued that "the market" has forced interstate banking and deregulation upon the United States, and that Congress must now adapt by breaking down the barriers which have protected the small commercial banks and thrift institutions.

In his April 26 testimony, Volcker "welcomed" the Garn hearings, noting that the changes taking place in the "depository institutions environment" are "healthy, but are proceeding without public direction." While Volcker

took pains to paint himself as more "cautious" than others in proceeding with wholesale deregulation, the specifics of his proposals portend major changes in U.S. banking law.

For example, Volcker argued that the traditional regulatory powers that states have exercised in determining the nature of banking within their borders and which have defined the uniquely American "dual banking" structure, should be abrogated. "Technology has caught up with us and interstate banking is a reality except for the narrowly defined retail bank."

Several senators, including Chic Hecht (R-Nev.), Alan Dixon (D-Ill.), and Frank Lautenberg (D-N.J.), expressed the concern that such changes would spell the demise of the locally oriented banking institution which has served U.S. industry and agriculture, as opposed to fostering speculation. Lautenberg said, "I worry that we will eliminate the small entrepreneurial-based bank . . . and that the only criterion upon which lending will be based is greed."

Volcker pointed to the example of Switzerland as a place where both "financial giants" and numerous other financial institutions can coexist.

Teamsters subdued, hotel union stalked •

A two-year investigation of the Hotel Employees and Restaurant Employees International Union (HEREIU) conducted by the FBI through the Senate Permanent Investigations Subcommittee (SPIS) moved into high gear on April 27, with hearings featuring the notorious FBI informant Joseph Hauser.

The subcommittee, which provided much of the publicity and support for the more recent prosecutions of now-resigned Teamster president Roy Williams, has apparently decided that it is time to escalate the witchhunt against other national unions.

Hauser, a former insurance company wheeler-dealer on the FBI payroll since 1979, testified that the former head of the Los Angeles local of the Hotel Workers union, "Blackie" Leavitt, as well as HEREIU International President Ed Hanley, were and are controlled by Chicago-based organized crime networks. He implicated Leavitt in the bombing of a California restaurant and the murder of a Nevada HEREIU local official.

Hauser asserted that Sidney Korschak, the Dope, Inc.-connected lawyer who is a social contact of the Jerry Brown-Charles Manatt hierarchy of the California Democratic Party, was introduced into California through Leavitt's connections!

Hauser concluded by alleging that "the organized criminal element in this country has manipulated and controlled the insurance coverage for the majority of the members of these three large International unions [Hotel Workers, Teamsters, and Laborers]."

Hearings on the Hotel Workers will continue over the next several months.

Roth and subcommittee ranking Democrat Sam Nunn (Ga.), who chaired the Teamster investigation several years ago, are pushing for passage of S.336, the Labor-Management Racketeering Act of 1983, which would force union leaders to leave office upon conviction of a felony. Under present law, a union official can remain in office until the appeals process has been exhausted.

Companion legislation was intro-

duced in the House of Representatives April 20 by Rep. John Erlenborn (R-Ill.), who is also a major opponent of the Davis-Bacon Act providing area union-scale wages on federal construction projects.

McClure attacks arms controllers

Sen. James McClure (R-Idaho) released extensive documentation on Soviet violations of the SALT treaty in an April 25 press-conference, and warned that "the arms control process has, so far, not protected [our] security interests."

McClure, a member of the Senate Republican leadership and an often-mentioned possibility to fill the Senate majority leadership post that Howard Baker is vacating in 1984, has not been an outspoken figure on strategic policy.

At his press conference McClure declared: "The arms control process has not produced stability around the world. It has not produced better relations between the United States and the Soviet Union. And it has not enhanced security, or put an end to the growth of nuclear arms."

In particular, McClure singled out the Hart amendment to the FY 1983 Extended Continuing Resolution. McClure said, "The United States is prohibited by the Hart Amendment from flight-testing the MX ICBM and from planning the development of a new small ICBM for a possible first flight test in 1989. The Hart amendment was justified to the Senate for the express purpose of complying with the SALT II treaty."

But, he continued, "the Soviets are doing precisely what the U.S. is prevented from doing."