

Congressional Closeup by Ronald Kokinda and Susan Kokinda

Senate continues dereg hearings

The Senate Banking Committee, chaired by Jake Garn (R-Utah), held omnibus oversight hearings on the condition of the U.S. financial sector through early June.

At the June 8 hearings, Assistant Attorney General William Baxter presented the furthest-reaching proposals for the total deregulation of the U.S. banking structure yet.

Baxter, who said that he was speaking only for the Justice Department and not for the administration as a whole, called for the repeal of the McFadden and Douglas Acts and repeal of certain sections of the Glass-Steagel Act.

These laws, which prohibit interstate banking, and proscribe banking activities and the purchase of banks by other financial entities, have protected American regional banks from being absorbed by Wall Street, the insurance companies, and investment houses. Regional banks account for the bulk of productive lending in the United States, as *EIR* has documented.

While Senator Garn, who had just finished floor-managing the Senate's approval of the International Monetary Fund's quota increase, told Baxter that complete repeal of these provisions was impossible, because only 30 senators would support it. Garn has announced that he intends to make 1983 a year in which to conduct hearings on the state of the banking industry and 1984 the year to enact further deregulation.

Senator William Armstrong (R-Colo.), when asked what he thought about the deregulation proposals, replied, "I share your concern about this.

My idea of a bank is the small local bank serving the needs of the community. But the reality is that our financial institutions are being deregulated by the market place and there is nothing we can do about it but adapt to it and make the best of it."

In other words, the "invisible hand" can sweep away the institutions that built America, and no one should take action.

What Congress said about Lebanon troops

The Congress, directed by the Senate Republican and House Democratic leadership, has put strict restraints on the Reagan administration's capacity to take future military actions to stabilize war-torn Lebanon.

Language restricting the future extent and role of U.S. troops in Lebanon without full congressional approval was added to the Lebanon Emergency Assistance Act of 1983, passed by the House on June 1.

The bill has already been passed by the Senate.

The relevant section demands that "The President shall obtain statutory authorization from the Congress with respect to any substantial expansion in the number or role in Lebanon of U.S. Armed Forces, including any introduction of U.S. Armed Forces into Lebanon in conjunction with agreements providing for the withdrawal of all foreign troops from Lebanon."

Democratic Rep. Lee Hamilton of Indiana noted that the Foreign Affairs committee thought that "several hundred" troops over the 1,200 now in Beirut and 600 on ships offshore would be a "substantial increase."

He also said that placing U.S. troops in any area of Lebanon with a higher potential for actual combat was considered a change in their "role" in Lebanon.

Representative Richard Durbin (D-Ill.), a pro-Israel member who received wide support from around the United States for his 1982 congressional race against Trilateral Commission member and PLO supporter Paul Findley, complained that the administration should already have had to seek congressional approval for the use of U.S. troops under the War Powers Act of 1973.

"I wonder if, in creating new categories that would require congressional approval," said Durbin, "we are not virtually surrendering the War Powers resolution and our power in Congress to approve the stationing of those troops in the first instance."

Hamilton pointed out that the Democratic leadership was jealously guarding the War Powers Act by specifically writing in a provision that "nothing in this section is intended to modify, limit, or suspend" it.

Additional funds to help rebuild Lebanon were included in the FY83 appropriations: \$150 million in grant economic support fund money; \$100 million in foreign military sales loans guarantees; and \$1 million in international military education and training.

House committee votes to curb covert operations

The House Foreign Affairs Committee voted up a bill sponsored by committee chairman Clement Zablocki (D-Wisc.) and House Intelligence Committee chairman Edward Boland (D-

Mass.) to halt U.S. covert operations in Nicaragua.

The bill, which passed by a vote of 20 to 14 on June 7, was backed by the Democratic Party leadership and passed on what amounted to a party line vote. Democrats and Republicans commented after the vote that there has not been such a partisan split on foreign policy in many years.

The committee also voted for a substitute approach of giving "overt" assistance to Central American nations seeking to cut off the flow of arms to guerrillas fighting in El Salvador.

According to press accounts, the "overt interdiction" program is designed to include sea blockades, cordons sanitaires on the ground, and monitoring assistance to stop the arms flow. However, these specifications were not written into the bill.

Capitol Hill observers say there is scant chance that the House Democrats' bill will actually become law, because of both executive branch opposition and doubts of Senate acceptance.

Opponents in the House generally think the program is an ineffective attempt at dealing with the arms flow alone, rather than bringing direct pressure on the Nicaraguans who are funneling the arms.

These representatives promise a strong battle on the House floor

Rep. Dante Fascell (D-Fla.), in an unusual move, voted with the Republicans against the cut-off of covert operations.

While he is often cited as the liberal Democrats' favorite to replace Zablocki as chairman of the Foreign Affairs Committee, Fascell is reported to have voted in opposition to Za-

blocki because he is anxious to maintain administration support for "Project Democracy," a program whose effect would be in truth to heat up "hot spots" to enmire the President in crises.

Club of Rome's Pell calls Soviets no threat

Rhode Island Democrat Sen. Clairborne Pell's commencement address to Columbia University May 17 made the senator's allegiance clear.

The address was read into the *Congressional Record* by Sen. Robert Stafford (R-Vt.), the man who helped the William Ruckelshaus appointment through the Senate, on June 7. Pell is the only member of Congress who belongs to the Club of Rome.

"Long before our [Pell's and his father's] time, we had an historical connection with this wonderful institution of learning, then called King's College. . . . I would add that my Tory origins have eroded a bit with the passage of time. . . .

"The fact is that the United States and the U.S.S.R. have so entangled their opposing defense policies in outdated rhetoric that it is doubtful that either side has an accurate understanding of the other's true objectives.

"It is entirely possible, for example, that the Soviet Union is motivated far more by fear of its adversaries than by a compelling desire for territorial or ideological expansion."

Pell declared, "We fellow passengers on spaceship Earth are starting to say 'Nuclear war is too important to leave to governments' and seeking to seize more reins of power for ourselves."

Pell also cited urbanologist Con-

stantine Doxiadis's concept of ekistics, for reducing urban settings to a "human scale." Doxiadis was trained at Mount Athos, the centuries-old Gnostic "think tank" in Greece.

Trap set for Reagan on IMF quota

According to sources on the House Banking Committee, chairman Rep. Ferdinand St. Germain (D-R.I.) plans to sit on the quota increase for the International Monetary Fund "until President Reagan sticks his head in the noose." St. Germain has said that the Democratic leadership will help push the bailout package through the House only after the President publicly urges quick passage and demands backing from House GOP members. In the June 8 Senate vote, only 17 GOP members voted for the bailout.

"We want Reagan to show that this is *his* legislation, that he stands behind the IMF," said one aide. "That will undermine any serious opposition to the bill. It will get Reagan more personally hooked into the process of rescuing the system.

"Reagan is operating under the delusion that the quota will be all that is needed to save the day," said the Banking Committee source. "He believes the garbage that the recovery will take care of things. Once he stands solidly behind the IMF, he is going to look like a fool later on when it becomes obvious that the IMF debt restructuring is not working. Brazil already shows this. It will only get worse and worse. We [the Democrats] are going to say that we passed the quota because the President asked for it."