

Congressional Closeup by Ronald Kokinda and Susan Kokinda

Conservative senators hit Kissinger policies

Two conservative senators who have backed President Reagan on key issues in the past have broken with him in apparent exasperation over the foreign-policy role of Henry A. Kissinger.

Jesse Helms (R-N.C.) voted with the Democrats on the Senate Foreign Relations Committee April 11 to kill the Kissinger Commission's \$8 billion recommendation for foreign aid for Central America.

The Helms vote deadlocked the vote at 9 to 9, which meant that the foreign-aid request was not reported out of the committee. Earlier, Helms had voted with the Republicans to kill a Democratic version of the Kissinger proposals. It is unlikely that the \$8 billion aid request can now be resurrected on the floor of the Senate.

Helms was not present for the vote, but instead delivered a proxy vote to committee chairman Charles Percy, who had assumed that Helms would vote in the affirmative. Percy and the committee were stunned when the proxy vote was read.

Capitol Hill sources report that Helms, who chairs the Western Hemisphere subcommittee and who is not known as an admirer of Henry Kissinger, has been excluded from the deliberative process on developing a Central American policy.

Helms has held hearings in his subcommittee which were strongly critical of the population-control recommendations of the Kissinger Commission.

Senator John Melcher (D-Mont.), a maverick who supports or opposes the President on the basis of his conscience and not on the basis of party line, on April 9 delivered a blistering

attack on President Reagan's policy of "benign neglect" of the Philippines. Melcher is an outspoken opponent of the current liberal drive to destabilize the government of President Ferdinand Marcos.

In a speech on the Senate floor, Melcher referred to President Reagan's call for bipartisanship and charged: "He is a hard President to communicate with, even when the purpose is a sincere fundamental desire to help him. Every President needs help, this one in particular. I have had experience with the President's lack of bipartisan interest in a special circumstance."

Melcher detailed his efforts to enhance security and economic cooperation with the Philippines and said: "Considering the long-time alliance of the Philippines with the United States, it was an ordinary request that should have been quickly expedited and fulfilled. . . . Not so. The President did not choose. He is a hard man to help in a bipartisan Philippines policy."

ASAT report shakes up Senate critics

A White House report to Congress on the prospects for arms control in the area of anti-satellite (ASAT) weapons, released March 31, has persuaded some reluctant senators to support the administration's rejection of an ASAT treaty with the Soviet Union.

Sen. John Warner (R-Va.) said April 12, in hearings of the Senate Armed Services Committee's subcommittee on Strategic and Theater Nuclear Forces: "I had hoped that outer space could be made a sanctuary from weapons. . . . But these classified hearings, this morning's and ear-

lier ones, and my own investigations, have shown the situation to be otherwise."

The White House report declared that there was no formulation for an ASAT arms control agreement which could be both verifiable and in national security interests.

The classified section of the report, which has been provided to Congress and which was described in executive session to the subcommittee on April 12, reportedly contains startling information about Soviet capabilities and intentions in the ASAT area.

Warner has indicated that Soviet directed-energy ASAT capabilities are a grave concern to him and necessitate a continuing U.S. program to develop its own ASAT system.

During the public portion of the hearing, the co-chairmen who had presided over the preparation of the President's ASAT report, Assistant Secretary of Defense for International Security Richard Perle and Dr. Henry Cooper of the Arms Control and Disarmament Agency, argued that there is no advantage to an arms-control treaty for the sake of arms control.

Asked Perle: "Is there an advantage in an agreement that prohibits one or two elements of ASAT systems, when a dozen others can accomplish the same mission? I think not." Cooper added that the United States must be on guard against a Soviet "break-out" from treaty restrictions and therefore must not curtail its own program.

While most members of the subcommittee have been shaken into support of the President's position on ASATs by the classified briefings, a few senators still seem interested in arms control for the sake of arms control.

Senators Carl Levin (D-Mich.) and

Jeff Bingaman (D-N.M.) expressed dismay over the administration's position. They were supported by John Steinbrenner of the Brookings Institution, who testified that the Soviets have shown "restraint" in the deployment of ASAT capabilities, thereby signaling their readiness to negotiate. Steinbrenner warned that the United States was provoking a "very hostile reaction" from the Soviets by planning an ASAT test in the fall and by talking about directed-energy weapons.

In the House Foreign Affairs Committee Subcommittee on International Security, Rep. George Brown (D-Calif.), the founder of the Coalition for the Peaceful Uses of Space, held forth once again April 10 on the need to keep space safe for Soviet ICBMs.

Kemp, Lott introduce phony anti-Fed bill

Seeking to capitalize on fears among conservative Republicans that interest-rate hikes will blow Republican reelection chances out of the water, a group of GOPers led by Rep. Jack Kemp (N.Y.) and House Minority Whip Trent Lott (Miss.) announced at a press conference April 11 that they will introduce legislation to modify the activities of the Federal Reserve Board.

The Lott-Kemp proposals would have no long-term effect on interest rates whatsoever, but would deliver fingertip control over the U.S. economy to the Mont Pelerin Society and the Swiss bankers who are behind the proposed "reforms." Mont Pelerin economist Robert Mundell is a prin-

cipal adviser to Kemp.

Kemp bent over backwards to emphasize that his move is by no means an attack on the "independence" of the Fed from the executive and legislative branches of government.

The first bill proposed by the group would establish a "price rule" for monetary policy, requiring the Fed and the Treasury to develop a price index of one or more commodities. If the index went above the target range, the Fed would be forced to adopt a restrictive monetary policy, and if it fell below the target range, the Fed would ease credit. Kemp suggested that gold be one of the commodities on the index.

This absurd proposal would unconstitutionally remove all control over credit policy from the U.S. government, subjecting it to the dictates of the Swiss-controlled "market."

The second bill, "The Federal Reserve Reform Act of 1984," would require the Federal Open Market Committee (FOMC) to announce its policy changes the day they are made rather than after the roughly two-month delay under current practice. The bill would also add the Treasury Secretary to the FOMC Board, reduce board member terms from 14 to 7 years, and make the term of the chairman of the Fed coterminous with that of the President, with a one-year delay before the President appointed the chairman of his choice.

The House Banking Committee has passed two bills on the Federal Reserve this week. H.R. 5278 would allow directors at the Fed district level to be chosen from thrift institutions, credit unions, and commercial banks that are not members of the Federal Reserve system. H.R. 4009 would, among other things, reinstitute the re-

quirement that detailed minutes of meetings of the FOMC be taken, but would not have to be released for four years. It would also make the Fed chairman's term coterminous with the President, with a one-year lag time.

House Banking Committee sources thought that it was "highly unlikely" that the committee would consider the Lott-Kemp proposals.

Israel's Lavie project pushed on Hill

One Senate subcommittee has scheduled hearings on expanding U.S.-Israeli strategic cooperation, and others are considering hearings on the same topic, Capitol Hill sources report. The hearings, backed by the Israeli lobby in the United States, will focus on "merging the U.S. and Israeli defense-industrial bases," the source said, including U.S. assistance to the Lavie jet project and various military co-production proposals.

The Ariel Sharon faction in Israel is pushing for greater U.S. assistance in the production of the Lavie jet, as a step in transforming the Israeli economy into all-out emphasis on military production.

The Sea Power and Force Projection Subcommittee of the Senate Armed Services Committee will conduct hearings April 24 on U.S.-Israeli strategic relations, featuring former Secretary of State Alexander Haig, administration officials, and various public witnesses.

One source described the hearings as the "AIPAC memorial hearings," referring to the role of the American-Israeli Public Affairs Committee in organizing the testimony.