

Congressional Closeup by Ronald Kokinda and Susan Kokinda

Senate Dems blame Reagan for Volcker's economics

The de facto alliance between Federal Reserve chairman Paul Volcker and the Senate Democratic leadership is now out in the open. Senate Minority Leader Robert Byrd (D-W. Va.) took to the floor of the Senate on May 10-11 to defend Volcker and blame Reagan for the latest rise in interest rates.

Said Byrd: "In 1982 . . . we urged Mr. Volcker and the Federal Reserve Board to ease up on the money supply and let the economy grow. The Federal Reserve responded, the treatment worked, and the recovery started. . . . This administration wants to blame the Federal Reserve Board for the problem that supply-side economics created. Tuesday the White House attacked the Federal Reserve for the increase in the prime rate. How can the administration justify such an attack? Did Paul Volcker submit a budget calling for \$200 million deficits as far as the eye can see? Of course not—but President Reagan did."

Washington Post columnists Evans and Novak reported May 14 that a secret early-May meeting was held between the Federal Reserve and staffers of the Senate Democratic Policy Committee, at which the Democrats pledged to support Volcker, in the opportunistic belief that the Fed's high interest rates will help defeat Reagan's re-election bid. Shortly after that meeting, Sen. Lloyd Bentsen (D-Tex.), chairman of the Senate Democratic Campaign Committee, wrote an op-ed for the *Washington Post* attacking the Republicans for "scapegoating" Volcker, and blaming the GOP for causing the interest rate rise through Reagan's budget deficits.

Republicans, for their part, are either pleading with Volcker—as did

Senate Majority Leader Howard Baker at a recent breakfast with the Fed chairman—or rallying behind Rep. Jack Kemp's (R-N.Y.) impotent populist Federal Reserve reform legislation.

Kemp testified May 16 before the Joint Economic Committee in support of his legislation to restructure the Fed and force it to use specific guidelines in shaping monetary policy. Outside of cosmetic changes dealing with membership on the Fed Board and with procedures for reporting policy decisions, the most substantive proposal put forward by Kemp would direct the central bank to make long-term price stability a major goal in managing the nation's money supply. The Fed would be required to develop an index of commodity prices and then set target ranges for the index. Monetary policy would be geared to meet those targets.

Senate committees on the rampage against labor

The Senate's Permanent Investigations Subcommittee (SPIS) pursued its vendetta against the labor movement with hearings on May 15 during which the head of the Hotel and Restaurant Workers International Union, Edward Hanley, invoked the Fifth Amendment over 30 times.

SPIS, established in the 1950s as the vehicle to break unions such as the Teamsters, has been investigating the union while it is engaged in one of the bitterest strikes in recent years against Las Vegas hotels. The strike, which has been marked by violence, has revolved around hotel demands that the workers give back recent wage gains—demands seen by the unionists as an overt attempt to break the union.

The subcommittee claims that Hanley used union funds to make illegal loans to friends and organized-crime figures, that he became president of the union through organized crime influence in Chicago, and that he padded the payroll of the union.

Subcommittee vice-chairman Warren Rudman (R-N.H.) said in response to Hanley's refusal to answer questions: "I consider this outrageous. . . . It is the height of arrogance." The subcommittee is considering a contempt citation against Hanley.

The Hotel Workers Union issued a statement at the hearing claiming that the "evidence" against Hanley had been provided to the subcommittee by convicted perjurers and liars.

Between SPIS and the Senate Labor and Human Resources Committee, on whose staff sits the notorious FBI asset and witch-hunter Walter Sheridan, the following unions have been investigated in recent years: the Teamsters, the Laborers, the International Longshoremen's Association, the Boilermakers, and the Union of Operating Engineers.

Senate agrees to rotten compromise on MX missile

Senate Republicans took the first step May 17 to join the political capitulation of the Reagan administration to opponents of the MX missile. The Senate Armed Services Subcommittee on Strategic and Theater Nuclear Forces, chaired by Sen. John Warner (R-Va.), unexpectedly approved the figure of 21 missiles backed by the Senate Democrats, instead of the 30 which Senate Republicans had been demanding. The administration had

requested 40 MX missiles.

The Senate subcommittee action followed the House vote, to which the administration agreed, approving an amendment initiated by Rep. Les Aspin (D-Wis.) allowing for 15 additional missiles, with delays in construction contingent upon Soviet arms-control negotiating behavior.

Capitol Hill sources report that Warner was acting "like a wet noodle," as the Democratic position was allowed to prevail. Supporters of the MX had earlier hoped that the Senate would approve a higher number of missiles and then be able to negotiate a few of them away in conference with the House, in exchange for dropping the Aspin construction delays. The possibility still exists that the full Senate Armed Services Committee could reinstate the original number of missiles.

The Senate subcommittee also cut "only" \$150 million from the Strategic Defense Initiative. The Democrats had wanted to cut \$700 million from the administration's \$1.8 million request.

In the House on May 17, the administration was defeated by 247 to 179 in its bid to secure a chemical-weapons program. This was the only major weapons program which the administration failed to get through the Congress last year.

Pro-Life Caucus attacks Kissinger Commission

Several members of the congressional Pro-Life Caucus, led by Reps. Chris Smith (R-N.J.) and Henry Hyde (R-Ill.), have written President Reagan urging him to drop his request for additional "population control" funds for

Central America, as recommended by the Kissinger Commission. The members also asked the President to cut back on existing funds.

Channeled through the Agency for International Development and the United Nations Fund for Population Activities, the population control funds represent a "grave matter of human rights," the group declared, because the United States "is actively engaged in support of programs that have sterilized literally thousands of Salvadoran women, either against their will or without informed consent."

Continued efforts to "rid the administration of the depopulation lobby" are expected this year in floor fights over population control programs which will come up when the Foreign Operations Appropriations bills are considered on the House and Senate floors later in the session.

Guerrilla warfare over Central America policy

Democratic opponents of military aid to Central America are resorting to guerrilla-warfare tactics in their drive to win over enough conservative opponents of foreign aid to defeat the administration programs.

After the House approved the administration request for aid to El Salvador by the narrowest of margins, the House-Senate conference committee broke down May 17 as House opponents sought to force as many votes on the issue as possible. "We could lose on the House floor on this," Rep. Clarence Long (D-Md.) was quoted as saying, "but [the Reagan administration] can't take it to the well too many times. People are getting awfully tired of voting foreign aid to

El Salvador." Long is chairman of the Appropriations Foreign Operations Subcommittee and a major opponent of the aid.

The Senate version of the bill contains \$61.75 million in emergency aid to El Salvador and \$21 million to rebels fighting the Nicaraguan government. Aid to the rebels seems to have provoked the greatest opposition.

With no compromise in sight on either aid to the rebels or aid to El Salvador, another vote is expected in the House the week of May 21.

Rangel backs FBI attack on anti-drug operation

Rep. Charles Rangel (D-N.Y.), chairman of the House Select Committee on Narcotics, whose anti-drug credentials are questionable at best, took the side of the Federal Bureau of Investigation in its attack on the National Narcotics Border Interdiction System (NNBIS). The NNBIS is the most effective anti-drug operation existing today.

Rangel inserted two articles into the May 17 *Congressional Record*, from the *Washington Post* and the *New York Times*, giving favorable coverage to the FBI attacks on NNBIS.

"I was not surprised when I read articles in the *New York Times* . . . in which [Drug Enforcement Administrator Francis] Mullen called NNBIS a 'liability' and said that it could become the 'Achilles heel' of the Reagan administration's drug enforcement effort," Rangel said. He added that state and local drug enforcement officials have been telling the Select Committee that NNBIS "has confused their relationships and impeded their cooperation with Federal drug agencies."