

Congressional Closeup by Barbara Dreyfuss and Susan Kokinda

Banking Committee punts on Volcker

Representative Fernand St. Germain (D-R.I.) has announced that the House Banking, Finance and Urban Affairs Committee, which he chairs, will conduct "grass-roots" hearings on interest rates during October, November, and December. Field hearings have been announced, however, for only the following times and places: Minneapolis-St. Paul, 9:00 a.m., Oct. 19; Seattle, Nov. 6; Tucson, Nov. 7; Chicago, Nov. 9; Atlanta, Nov. 13; and Providence, Nov. 23.

But most congressmen have already gotten the message that America is fed up with Paul Volcker and will be addressing the issue one way or the other before the Banking Committee gets around to holding its hearings. Sen. John Melcher (D-Mont.) intends to put onto the Senate floor on Sept. 28 his resolution to bring down interest rates as an amendment to the debt-ceiling bill.

House Speaker Tip O'Neill (D-Mass.), who's working with Robert Byrd on the Senate side to delay any such action, gave his formal endorsement to the Banking Committee's belated hearings at the Sept. 16 House Democratic Caucus meeting, more or less confirming that the hearings are a stalling tactic.

O'Neill told Congress when it reconvened after the August recess that legislation to force a lowering of interest rates is unnecessary. He claims his stalling game will help the Democratic cause by showing up the President's economic incompetence. If we all go into bankruptcy in the process, Tip figures it

will help the Democrats.

Not everyone on the Democratic side is sitting still. One aide close to the moderate Democratic leadership indicated that hearings on interest rates are being organized by other committees. And he added, "We don't want to hear about everyone who is destroyed. We already know that. We want to focus on what long-term solutions could be effective."

Federal marijuana farm proposed

Congressmen Stewart McKinney (R-Conn.) and Newt Gingrich (R-Ga.) on Sept. 16 introduced H.R. 4998, which would put the federal government into the business of cultivating marijuana.

The House bill would allow doctors to prescribe marijuana to cancer chemotherapy and radiation patients and to glaucoma sufferers.

It would also establish a government office in the Department of Health and Human Services to cultivate, manufacture, and distribute marijuana to doctors. McKinney's office estimates that about 1 million people would be eligible to receive marijuana under this law.

There are nine other co-sponsors of the bill, including Rep. Richard Ottinger (D-N.Y.), one of the staunchest advocates of the Carter administration's Global 2000 policy to decrease the world's population by 2 billion by the year 2000.

The bill was drafted in collaboration with the Alliance for Can-

nabis Therapeutics, a spin-off of NORML, the marijuana legalization lobby.

The Alliance is headed by Bob Randall, a board member of NORML. Although they claim that the McKinney bill is a "conservative" one, pertaining only to medical uses of marijuana, NORML spokesmen gloat that it is a beginning toward full legalization.

"It is a step in the right direction. It would allow people to become more familiar with marijuana and that will allow us to begin to realize full legalization."

Senators rap Volcker, offer no solution

Republicans and Democrats on the Senate Small Business Committee gave administration spokesman Jerry Jordan a difficult time on Sept. 23 when he tried to defend the administration's continuing support for the Federal Reserve's tight money policy. However, the Democrats in particular, failed to suggest any serious alternative.

"Small business is going belly up in an unprecedented way," the committee chairman, Lowell Weicker (R-Conn.), told Council of Economic Advisers member Jordan. "You may have a great policy for big companies and rich people, but who's going to be left standing in the small business community?"

Weicker was joined by fellow Republican Al D'Amato (R-N.Y.) who charged that the administration's support for these monetary policies "won't do the dead business community any good."

Democratic members of the committee, who include Sam Nunn (Ga.), Paul Tsongas (Mass.) and Max Baucus (Mont.), attacked the effects of high interest rates, but offered equally bad solutions, echoing the proposals of Federal Reserve Vice-Chairman Frederick Schultz, who told the committee that lowering tax cuts is the way to bring down interest rates.

The Fed maintains that budget deficits, and not Paul Volcker, are responsible for high interest rates. It seems that a number of Democrats have accepted the Fed's lie.

The final witness, Republican economic adviser Alan Greenspan, made a surprisingly sharp statement concerning the depth of the financial crisis. Greenspan said, "The probability that the financial system will crack is never large. Nonetheless, at the current level of interest rates, the risks of breakdown, though still small, are no longer insignificant." Greenspan's prediction was probably the most accurate heard all day.

Rep. Rangel: no aid for poppy growers

Representative Charles Rangel (D-N.Y.) introduced legislation in the House Sept. 22 that would prohibit U.S. assistance to nations that produce or export opium. Aides to the congressman said that the main country involved would be Pakistan, although Thailand and Burma also would be affected by passage of the bill.

"I just find it astounding that this administration would consider

a \$3 billion military and economic aid package to a country that's one of the largest suppliers of heroin to the United States," declared the congressman.

"I'm incredulous," he said in reference to the Reagan administration's proposed military sale to Pakistan.

"I can understand the reasons for the package, the administration's concern about the Soviets and communism. But given the administration's stated concern with drug abuse, the fact that they've done nothing to cover narcotics control at all borders is criminal neglect.

"We've done this successfully with Turkey and Mexico. It works. It's necessary. Why not Pakistan?" Rangel asked.

Rangel noted that deaths attributed to heroin in New York, his home city, climbed 117 percent over a one-year period. He revealed that while the influx of heroin from other countries holds steady, in 1981 Pakistan is expected to produce 100 metric tons of opium, which equals 10 tons of heroin.

Although sources close to the congressman say they do not expect quick action on the legislation, they hope that it will provoke much debate.

Bill would protect naval production

Congresswoman Claudine Schneider (D-R.I.) has introduced H.R. 3464, a permanent amendment to the United States Code to ensure that vessels of the United States

Navy are built in domestic shipyards.

Since 1968 such an amendment has always been added to appropriations bills, but Schneider declared that such an important issue should not be left to chance every year. What had specifically prompted her action, she said, were statements made over the past several months by Navy Secretary John Lehman that he would look to foreign shipyards to produce some U.S. ships if the problems at the domestic shipyards were not quickly corrected.

The House Armed Services Subcommittee on Seapower and Strategic and Critical Materials held hearings on the legislation Sept. 24. Written or verbal testimony came from both Rhode Island senators; the governor of Rhode Island; Frank Drozak, the president of the Seafarers International Union; Page Groton, assistant international president of the International Boilermakers; the assistant secretary of the Navy for shipbuilding, and others.

All the witnesses supported the bill, except the Navy representative, who called it overly restrictive and inadvisable as a permanent measure. He stated that the Navy has no current plans to use foreign shipyards, but that this may change in the future.

The subcommittee voted up the bill with an amendment that provides exemptions if it is deemed in the national security and if the President provides 30 days' notice of a decision to use a foreign shipyard. The full committee is expected to act this month. At present there is no comparable legislation in the Senate.