

Congressional Calendar

Carter wheat resolution "railroaded" through Senate

In what one opponent termed a "railroading," the Senate passed S. Res. 163 relating to an international wheat exporters conference by a vote of 80 to 15 on May 23. Sen. Richard Lugar (R—Ind) called the McGovern-sponsored resolution "a request to the President of the U.S. to take leadership in setting up a cartel arrangement for wheat in the world," despite the attempts of its supporters to pose the resolution as a nonbinding and innocuous call for "discussion" between the world's major wheat exporting countries.

S. Res. 163 is seen as a preliminary step to eventual enactment of Sen. Henry Bellmon's (R—Okla) legislation to create an international grain exporting stabilization commission (S. 356). The commission would license all grain exports—in effect replicating the Canadian government's wheat board—and thereby create the institution through which the U.S. could wage food war against OPEC and the less developed countries. Bellmon admits as much in the legislation, declaring that the ensuing higher prices would:

- Give developing countries "an important new incentive through higher prices to meet future in-country food demands," and
- Require the OPEC countries "to pay a more nearly equitable price for grain imports."

Lugar noted the relation of S. Res. 163 to the food war thrust of Bellmon's legislation in remarks during the May 23 floor debate: "A cartel arrangement is not one entered into by people who want to go flat out in terms of agricultural

production or who are encouraging an overabundance of supply and therefore a decline in price....So, we are prepared apparently to do that (control supply) even in the face of the fact that a great number of people in this world are not only hungry, but are starving and although we would not have confronted precisely the idea of deliberate withholding of food for food power arrangements, that, in fact, will be the effect."

Sources reportive push—which has prompted the spread of bumper stickers in the farm belt saying "A Bushel of Wheat for A Barrel of Oil"—was initiated over a year ago, when Senators McGovern, Bellmon, and John Melcher (D—Mont) met with representatives of the Canadian wheat board and the Canadian parliament who are a dominant element in the British-sponsored drive for commodity cartelization. S. Res. 163, which surfaced earlier this session, was "railroaded" through Frank Church's Senate Foreign Relations Committee in a hasty session and sent to the floor of the Senate without a hearing by the Senate Agriculture Committee, according to Lugar.

Opposition to the resolution came from Senators Lugar, Adlai Stevenson (D—Ill), and Charles Percy (R—Ill) from grain-exporting states and from ardent free trade supporters such as Jesse Helms (R—NC), Orin Hatch (R—Utah), Harry Byrd (I—Va), and John Warner (R—Va).

Reuss to revive monetary control bill

Congressman Henry Reuss (D—

Wis) will attempt to revive the Monetary Control bill at a meeting of the House Banking Committee June 5. The measure was defeated by the Committee in March because of tremendous opposition by the banking community. The legislation is aimed at greater Federal Reserve Bank control over the U.S. banking institutions. The new version of it will require that all financial institutions hold reserves at the Fed on 11 percent of the amount above \$35 million in their demand deposits. It would also eliminate existing reserve requirements for time and savings deposits at commercial banks, except for short-term commercial deposits. Although the new measure, Reuss hopes, will meet American Banking Association objections to it, this is by no means certain. The ABA will meet June 2 and 3 to review this free enterprise-tinged proposal which could spell havoc for the banking system. A spokesman for the ABA said that the ABA "knows the new bill departs in significant ways from our policy. First we have resisted statutory, mandatory reserves. We have said if a bank is not a member of the Fed they should not have to have reserves. We have also maintained that the \$35 million exception for the reserves would mean it exempts savings and loan and mutual banks so our competitors are exempted." However, there is reason to believe that some in the banking business recognize the graver implications of the measure—that is, impeding credit for needed industrial expansion, creating in effect a speculative banking system.

According to one such spokesman, "the Fed is in fact trying to force each and every bank in the country under mandatory Fed

membership, to break its correct flow of capital in scale and the ability to put together consortia would be seriously hurt by this.... What is particularly frightening is that Miller is running the Fed like a business, with regard only for the profitability and growth of the business, and no regard for the economy as a whole. I'm not against efficiency in government, but the government's prime responsibility is service."

New resolution introduced for Mexican oil grab

On May 21 Senator Robert Dole (R-KS) and Rep. Arlan Strangeland (R-Mn) introduced joint Resolution 27 into the *Congressional Record* proposing that the U.S., Mexico and Canada establish a common link based on energy coordination. The proposal would have President Carter invite Canada and Mexico's heads of state for a summit meeting to consult on energy problems.

Dole's proposal fits with National Security advisor Zbigniew Brzezinski's assessment that Mexico's oil and gas reserves—which the Mexicans have refused to put at the disposal of the U.S.—are a national security issue. The proposal has been referred to both the House and Senate Foreign Relations Committee.

The proposal has already been rejected by the Mexican government which has shown determination to use its oil resources to rapidly develop the country. The government has stated its intent to pursue an international policy along the lines of energy growth which is diametrically opposed to what the

bill offers. What the Mexicans would be given under this proposal according to an aide to Strangeland would be "joint ventures," an arrangement where the U.S. would offer alternate technologies in return for their oil. "Mexico has all this oil and they want things from us," he said.

Senator Dole is said to be preparing to have the proposal placed before Congress and is hoping to get the backing of business and other interest groups for it.

While Dole, a presidential candidate, may hope the bill builds his image with conservative Republicans, he is taking his cues from the Democrats' resident kook, California Gov. Jerry Brown. Said Strangeland's aide of Dole: "He has been following Brown's suggestions on this for over a year."

Legislation to "Hong Kongize" New York City may go to Hill

The proposal to make New York City an international free trade zone for banking may surface as legislation on the Hill this year. However, the Federal Reserve Board—which has no legislative mandate—will not pass favorably on the proposal if the opposition to it is too strong.

In response to a question from New York Republican Senator Jacob Javits, who supports the move, during hearings of the Foreign Economic Policy Subcommittee of the Senate Foreign Relations Committee on May 24, Fed Chairman William Miller cautioned Javits that he could not assure him of a favorable Fed ruling in the weeks ahead but added, "we have the option of going the legislative, rather

than the regulatory route." Look for Javits to sponsor the legislation if a Fed turn-down does emerge.

Effort to put NSC under congressional control

The Senate has approved an amendment to the State Department authorization bill which would make the National Security Council advisor and his deputy subject to Senate confirmation. The amendment was voted on May 15 as part of a block of amendments to the bill. It was introduced into the Senate Foreign Relations Committee by Senator Edward Zorinsky (D-Neb) and endorsed by the Committee in a three-to-two vote by Senators Hayakawa (R-Calif) and Helms (R-NC) April 26. Sources close to Zorinsky declared that he decided to propose the amendment because he has been particularly enraged that NSC Director Brzezinski has refused to give the Senate an NSC memorandum on the fact that Mexican oil and gas is a national security issue for the U.S. Zorinsky himself declared: "The National Security advisor plays a crucial role in policy formulations and execution. We must come to grips with that fact." There is no similar measure in the House version of the authorization bill so that a Conference Committee will now resolve the issue. The Carter Administration, which opposes it, will try to defeat it in conference next month.

—Barbara Dreyfuss and Susan Kokinda