

National News

Senator Morgan hits Abscam 'conspiracy'

Senator Robert Morgan (D-N.C.) charged that Abscam is "an executive conspiracy" against Congress in a speech Dec. 5 in the Senate.

Morgan charged that the institution of Congress itself, rather than individual members, was the target of the Department of Justice.

The outgoing senator stated: "Constant surveillance and temptation of members of Congress could introduce into the norm of its everyday life a secret police under the control of the executive department. . . . Members of Congress would be unable to carry on the vast body of constituent business without fear of being framed."

In response, Attorney General Benjamin Civiletti denied that there was any "intention by the Bureau [FBI], the Justice Department, or FBI director Webster to come anywhere near the House or Senate."

Anti-Volcker measure passed in New Jersey

In a voice vote Dec. 8, the New Jersey State Assembly unanimously resolved to call for the resignation of Paul A. Volcker as Federal Reserve chief and a reversal of his policy of credit restriction and high interest rates.

The resolution was motivated by its sponsor, Democratic Banking Committee Chairman James Bornheimer of Middlesex County, who noted: "Every day the prime rate is changing, every day the rate on bonds changes. One person should not set policy for the economy by manipulating the interest rates of the U.S. Therefore, I move this resolution."

The New Jersey State Senate was expected to pass a similar resolution at its meeting Dec. 11.

In New Jersey's largest city, Newark, the City Council also passed an amended version of the resolution, deleting the

phrase calling for Volcker's removal after one city councilman found it objectionable to place the blame for the entire economic crisis at Volcker's feet.

A unanimous motion, incorporating the repudiation of Volcker's high interest-rate policies, was then passed. It will be sent to the New Jersey League of Municipalities, which meets Dec. 18.

Is Lane Kirkland linked to Joe Hauser?

Washington sources say that an investigation has begun into reports that AFL-CIO President Lane Kirkland has had a close relationship with convicted swindler Joe Hauser, the Justice Department's star fingerman in FBI sting operations against U.S. trade union leaders.

According to these reports, Kirkland actually introduced confidence man Hauser to leading labor figures at the time Hauser was peddling his phony insurance scam on behalf of the Justice Department's efforts to set up union officials for indictment under operation Brilab.

The *EIR* learned of the investigation into the reported Kirkland-Hauser connection at the same time it was rumored that a nationally syndicated columnist with a reputation for muckraking plans to carry an item on Kirkland's surprisingly strong reaction against the activities of the Committee Against Brilab-Abscam, a group of labor and community leaders which has taken the offensive against the Justice Department's entrapment operations.

Senator Boren: high rates 'insane'

A continuation of the current high interest rate policy of Federal Reserve Chairman Paul Volcker "amounts to economic insanity," Sen. David Boren (D-Okla.) stated on Dec. 11. "If interest rates stay at their present high levels, our country will be on the brink of economic collapse

before the new President even has a chance to work toward a long-range cure," Boren said.

Boren, who is a former governor of Oklahoma and the current head of the Senate Finance Subcommittee on Unemployment and Related Problems, urged President-elect Ronald Reagan to take quick action to reduce interest rates, increase savings, reduce Federal spending and establish plans to help financial institutions in the event of panic or defaults on international loans.

Also joining the crescendo of voices criticizing the Fed was Michael Sumichrast, chief economist of the National Association of Home Builders, who spoke before the National Economists Club on Dec. 10. "We [the housing industry] have no money, we have no cash. We can't bring people to the settlement table; we are about to die. . . . I am very upset about the way the Fed has been messing with money rates. . . . They [the Fed Board] overreacted, and brought us to the brink of our industry going down the drain."

In a major development, United Auto Workers Union Subcouncil No. 9, meeting Dec. 11 in Milwaukee, Wisc., voted up a motion directed to the UAW's executive board that the union call for Volcker's immediate resignation, undertake a one-day shutdown of all union-organized workers to protest the Fed's policies, and organize a mass demonstration against the Fed chairman outside the Federal Reserve Building in Washington, D.C.

Alabama Farm Bureau to Fed chief: 'Quit'

The Alabama State Farm Bureau Federation voted overwhelmingly to urge Federal Reserve Chairman Paul Volcker's resignation at its statewide meeting in Mobile, Ala. on Dec. 7-8.

The resolution was strongly endorsed and motivated by state Farm Bureau President Goodwin Myrick, who said: "If Volcker is not removed, he'll bankrupt this country. In cooling this inflation, he'll put the fire plumb out if he

doesn't ease this credit."

"Alabama farmers shudder to think of beginning this next crop year with interest rates at 19 percent or more," said Myrick, a dairy farmer.

High interest rates and rising production costs for farmers are disastrous, he stated, because "everyone has to eat and there's an expanding world population."

Myrick added that despite the dismal economic outlook for 1981, he was encouraged because of the "new conservative philosophy on the national political scene."

The full convention of 1,500 people, including 500 voting delegates, passed a resolution calling for Volcker to resign and pledging their resources to carry out an emergency program to ensure stable, low interest rates and orderly marketing arrangements for agriculture.

The Alabama Farm Bureau has a membership of 231,590 member families and represents 40 to 50,000 family farmers in the state.

The North Carolina Farm Bureau on Dec. 9 passed a resolution against high interest rates, urging Congress to exert control over the Federal Reserve.

Washington suspends meat import quotas

Department of Agriculture Undersecretary Dale Hathaway has announced that the Carter administration will lift quotas on imported meat for 1981 on the basis of information indicating that "the supply of meat in the U.S. for calendar year 1981 will be inadequate to meet domestic demand at reasonable prices."

Spokesmen for the National Cattlemen's Association (NCA) immediately charged that when the administration did the same thing in 1978, the result was "a severe cutback in the nation's beef cattle herd that is still limiting supplies and keeping prices to consumers high." The cattle industry has been depressed since 1974.

NCA president Merlyn Carlson emphasized that due to rapidly escalating production costs and reduced cattle

prices, cattlemen have been recently losing money.

Although the amount of additional meat to be imported with the quota suspension is not large, the action will feed the uncertainty prevailing in the industry. The effect could be a further reduction of herds.

Carlson also countered the propaganda about beef prices, asserting that the "price problem" cited by the government is largely the result of the inflation fostered under the current administration.

Will Chicago's Byrne be muzzled?

Chicago's pugnacious and vituperative Mayor, Jane Byrne, who is now finishing her first year in office, is getting unmistakable pressure from her backers to, in the words of one supporter, "shut up."

According to the "Chicago expert" of a leading real-estate law firm instrumental in installing Byrne in office, the recent resignation of Edmund Yeo, Byrne's top budget cutter, was meant to pressure her to cool out the fights in the city's Democratic Party. "The factionalization is so deep that there is absolutely no way to turn it off. What we are worried about is next fall, when we pick the 1982 [Democratic] candidates."

Byrne's intra-party opponent, Richard Daley, son of the late mayor, recently dealt the Byrne forces a series of bodyblows, the most important of which was his November victory as Cook County State's Attorney. Byrne backed his Republican opponent, Bernard Carey, then tried to fire Democratic officials loyal to Daley.

Last week, Byrne lost a court decision that enforced the 1976 Shakman decree prohibiting political firings.

The Byrne group was further unsettled when 15,000 Chicagoans showed up Dec. 1 to celebrate Daley's victory, despite the Cook County party fundraiser Byrne had scheduled for the same night.

The liberal/real-estate crowd hopes to prevent any political showdowns until a teachers' strike next fall, for which preparations are now under way.

Briefly

● **BOB MICHEL** (R-Ill.) defeated Guy Vander Jagt for the post of House Minority Leader in elections held Dec. 8 by House Republicans. Capitol Hill sources claim that Michel, a professional parliamentarian who has been an active whip, will be a far better combatant for the Reagan administration's legislation than Vander Jagt, who lacks experience.

● **TRENT LOTT** was elected Republican whip Dec. 8, defeating moderate Republican Bud Shuster (R-Pa.) Conservative Democrats say that Lott, a Mississippian they know well, is ready for a bipartisan approach to policy-making.

● **RONALD REAGAN** is said to be less than enthusiastic about the new multi-billion dollar Synthetic Fuels Corporation and even less enthusiastic about its chairman, John Sawhill. While Reagan is now considered likely to give a cautious go-ahead to the corporation, he will probably dump its wildly pro-synfuel chairman.

● **GERALD FORD** paid tribute to his former Secretary of State, Henry Kissinger, at a reception by the Daughters of the American Revolution, Dec. 10. Former President Ford declared that Kissinger was in the tradition of Judah Benjamin, secretary of state for the Confederacy under its president, Jefferson Davis.

● **LAURENCE COUGHLIN** (R-Pa.) and Newt Gingrich (R-Ga.), speaking Dec. 9 on the House floor, called on Democrats to join with Republicans in ousting Tip O'Neill as Speaker of the House. "If the majority leadership persists in trying to foist upon this House opposition to the mandate of the American people, both in Congress and in the election of a new president, at least from the standpoint of this Republican, there is no reason why Republicans cannot unite with like-minded Democrats to change the leadership of this House," declared Coughlin.