

National News

House Dems grant 'amnesty' to dissidents

The House Democratic Caucus has agreed to an "amnesty" for fellow congressmen who strayed from party lines to support President Reagan's budget policy.

While rejecting formal censure of their colleagues, which had been rumored and threatened over the past months, caucus leaders warned that choice committee chairmanships would be allocated according to individuals' votes on certain "litmus-test" issues.

House Majority Leader Jim Wright of Texas said a distinction will be made between "occasional aberrations on the basis of conscience, conviction, or constituency, and a pattern of consistent conniving with the opposition." Toby Moffett of Connecticut, an advocate of stringent party accountability who has Socialist International ties, called the action "a step in the right direction."

Setback for gold at White House meeting

A Sept. 15 meeting between President Reagan and congressional leaders included gold remonetization as a major agenda item, but failed to impress the President that action should be taken on gold in the short run.

According to a White House aide, the different proposals before the Gold Commission, including Rep. Ron Paul's plan for a gold reserve system and proposals for a "gold exchange standard" were reviewed.

However, economists in the "supply-side" camp, which has made gold a central issue following passage of the tax cut, consider the meeting a "setback" for gold forces. The President, one economist said, has been persuaded to "maintain a steady course over the cliff."

The third meeting of the Gold Commission takes place on Sept. 18. Pressure by pro-gold commissioners led to opening of the meeting to the public. However, the meeting is expected to concentrate on essentially theoretical issues, rather than specific plans for implementation of a gold standard. Gold proponents see the meeting as an opening sally, rather than as a forum for political give-and-take to determine a concrete course of action.

Teamsters endorse Melcher resolution

The International Brotherhood of Teamsters, the nation's largest trade union, on Sept. 16 officially endorsed a resolution sponsored by Sen. John Melcher (D-Mont.) and several other senators, which demands action by the President and the Federal Reserve to lower interest rates.

"Teamsters General President Roy Williams has asked the U.S. Senate to approve a proposal that could lead to a reduction of interest rates," the Teamsters said in a press release circulated in Washington.

"Besides a letter to each of 100 senators," the release continues, "Williams wrote a letter to President Ronald Reagan pointing out that under the terms of the pending resolution, the President with congressional mandate, could 'begin consultations with the Federal Reserve Board to bring interest rates back to realistic levels.'"

"Our members," said Williams in his letter to the President, "are experiencing severe hardship in this era of 20 percent credit. Unless they have cash, they cannot make such basic purchases as shelter and transportation. They need relief."

"Williams said it was his belief and hope that the combined efforts of the Congress and the President could make it possible to 'begin a program to take the economy out of its present cash and carry crisis.'"

"He added that if Senate Joint Resolution 104 [the Melcher resolution] is not adopted, 'we will continue to see the Federal Reserve Board choking such vital industries as construction, auto manufacturing, and housing.'"

DNC's Manatt blocks anti-Volcker resolution

Democratic National Committee Chairman Charles Manatt intervened Sept. 17 at the DNC's Executive Committee meeting in Washington D.C. to amend a resolution passed by the DNC's Western States Caucus calling on Congress to "bring down the Federal Reserve Board's high interest rates." The wording was changed throughout to attack instead "Ronald Reagan's high interest rates."

Manatt's amendment came after two National Democratic Policy Committee representatives had distributed a press statement to all attendees documenting Manatt's own unsavory banking activities.

After some huddling of advisers, Manatt opened the meeting by announcing that "The group giving out literature is in no way officially affiliated with the DNC," but that because of "First Amendment rights," the distribution would be allowed. Manatt's decision contravened a resolution passed by the California Democratic Party which banned the NDPC from distributing literature at party meetings in Manatt's home state. "They even call me a flight capital banker," Manatt concluded in a weak joke.

The meeting voted up an "anti-Reagan" fight to protect Social Security, opposition to sale of the AWACS to the Saudis, support for the extension of the Voting Rights Act, and support for Solidarity Day.

Strongly implying that tax hikes are the only economic option, Manatt said: "We say no to further [budget] cuts, no to high interest rates, and no to being hung on a cross of gold by Kemp or any

of that crap.”

Although interest rates were not on the political agenda of the Executive Committee, the Western States Caucus reported that at their weekend meeting in Cody, Wyoming they passed a resolution stating in part: “Whereas, the high interest-rate policy of the Federal Reserve Board is crippling farmers and collapsing small business . . . and leading to the collapse of major industries like homebuilding and auto, and causing massive unemployment . . . and increasing prices for consumers, thereby increasing inflation . . . this body resolves that the Congress of the United States should adopt legislation to force the Federal Reserve Board to bring down high interest rates.” This was the resolution Manatt altered.

U.S. security and drugs seminar planned

“War on Drugs: A Matter of National Security and National Survival” is the title of a three-part seminar series that will begin on Capitol Hill on Thursday, Sept. 24, the National Anti-Drug Coalition announced on Sept. 3.

Sponsored by the National Anti-drug Coalition, which publishes the well-known monthly magazine, *War on Drug Coalition*, which publishes the publication, *Investigative Leads*, the Washington, D.C. seminars are designed to provide members of Congress, their staffs, administration officials, the armed services, and law-enforcement specialists with information required to initiate an effective war on illegal narcotics.

The seminars are scheduled for Sept. 24, Oct. 22, and Nov. 5, in a subcommittee room of the House Armed Services Committee. Guest speaker will be John Cusack, a retired U.S. drug enforcement official who is well known for his role in breaking up the notorious “French Connection.” Speaking with Mr. Cusack will be *EIR* Counterintelligence chief Jeffery Steinberg on “The Federal Role

in Fighting Drugs and Crime.”

The Oct. 22 seminar, titled, “Banking on Drugs,” will feature *EIR* Economics Editor David Goldman, co-author of *Dope, Inc.* and *The Ugly Truth About Milton Friedman*. The Nov. 5, Seminar, “Foreign Policy: Fighting Drugs Internationally,” will highlight case studies of Latin America, the “Sicilian Connection,” and the Golden Triangle.

Antinuclear demonstration flops in California

The siege of the Diablo Canyon nuclear plant launched by environmentalists Sept. 15 proved to be a large national setback to the antinuclear movement. Out of the originally planned 30,000 demonstrators, only 1,000 materialized, and arrests quickly began. Gov. Jerry Brown, under attack for trying to ruin the state’s agrobusiness with his own environmentalist policies, was unable to openly support the demonstrators, and stated that if they became violent he would call out the National Guard. Brown’s ally Tom Hayden also was obliged to distance himself from the siege.

Cartoons depicting environmentalists interviewing each other while reporters blocked the plant gates have appeared in newspapers all over California, ridiculing the national news media for spending a week trying to create “an action story” around the environmentalist activities. One policeman interviewed Sept. 16 said, “Our biggest problem is the press.”

National Democratic Policy Committee spokesman Will Wertz, in a press conference at the Plumbers and Pipefitters Hall in San Luis Obispo, near the site, documented Brown’s and Hayden’s ties to the antinuclear demonstrators and released telegrams of support for Diablo Canyon and nuclear power from France and Sweden, as well as endorsements of the plant from five California city councils.

Briefly

● **WASHINGTON, D.C.** city council members hand-delivered a letter to the White House Sept. 16 that rejected the proposed appointment of Abscam prosecutor Thomas Puccio as U.S. attorney for the district. Eleven of the 13 councilmen participated in the mission.

● **DR. C. EVERETT KOOP** was nominated by the President as U.S. Surgeon General on Sept. 16 after Congress cleared an age-limit provision that was used to stall his appointment since February. Koop opposes euthanasia, abortion on demand, and medical accommodation to a “useless eaters” policy.

● **ROBERT ROOSA**, the Brown Brothers Harriman banker who in the late 1960s offered foreign governments non-negotiable U.S. Treasury bills to cover America’s payments deficits, now proposes the same thing for taxpayers, who, instead of receiving the recently passed Reagan tax cut, he says, should be given five- to eight-year Treasury paper and let the government use the funds to service interest rates on the federal debt.

● **SEN. ALAN CRANSTON** firmly stated Sept. 13 that the Soviets “do not believe in limited nuclear war,” and declared, “I hope and pray we enter into negotiations to reduce the danger of nuclear holocaust.” The California Democrat recently held meetings with West German Chancellor Helmut Schmidt and with Soviet leaders.

● **SEN. DON NICKLES’S** office says the Oklahoma Republican would like to introduce a measure this session calling for full repeal of Davis-Bacon. “It would be a real show of strength against labor,” an aide commented. “We could have a good shot at repeal now, with everyone looking to save money.”