

## **Congressional Closeup** by Barbara Dreyfuss and Susan Kokinda

### **M**attox warns of banking 'plutocracy'

In the tradition of the late Wright Patman, Rep. Jim Mattox (D-Tex.) took to the floor of the House on April 20 to warn that Treasury Secretary Donald Regan "is waging an undeclared war against the thousands of smaller depository institutions of the United States." Mattox became the first member of Congress, since North Carolina Democratic Senator Robert Morgan was defeated in 1980, to recognize the nature of the across-the-board assault on the traditional "dual banking structure" of the United States by the major corporations and money-center institutions.

The Congressman, who is retiring from the House this year to run for Texas Secretary of State, points out that the Reagan administration has a very "odd" method of implementing the New Federalism. Charged Mattox, "According to the former head of Merrill Lynch [Treasury Secretary Regan], the New Federalism is great, except when it allows the sovereign states to have a meaningful say in the structure of local financial institutions or how to protect local business and local economies from the predatory big-money interests favored by the Secretary. Their idea of deregulation is decimation of statutory safeguards which protect local economies and consumers and which have precluded the possibility of financial panics during the last five decades. They advocate the destr[uction of] the dual banking system. . . . Competition in this context means setting community-based banks and thrifts at each other in deadly com-

petition, which a relatively few money-center institutions and non-banking corporations gain even greater control of our entire national financial system."

Mattox detailed the various legislative and regulatory fronts upon which he thinks the Treasury Secretary is operating toward his goal of a "centralized plutocracy," including attacking the Glass-Steagall Act, the Home Owners Loan Act, the McFadden Act, and the Douglas Amendment. He concludes his extensive analysis of administration action by charging that "the plight of thrift institutions, the creation of money-market funds, and all the other developments which have raised the issue of change for our financial system were not inevitable, but are symptoms of the maladies called inflation and high interests rates."

Mattox failed to acknowledge that the "undeclared war on American banking" began under the Carter administration. He seemed to leave Federal Reserve Board Chairman Paul Volcker relatively unscathed in his comments.

### **M**elcher introduces emergency farm bill

Senator John Melcher (D-Mont.) has introduced the Emergency Agriculture Act of 1982 (S.2288), a bill designed to stave off the decimation of U.S. agriculture by Paul Volcker's usurious interest rates. In introducing his bill on March 29, Melcher warned his fellow Senators that farm income, rumored, said Melcher, to now be only \$13.2 billion this year "has never been that low since the Department has been keeping track of net farm

income."

Melcher's bill would set the rate at which wheat farmers can project the value of their crops to solicit loans from the Commodity Credit Corporation at \$4.20 a bushel and for corn growers at \$2.90. Melcher emphasized that the marketplace would respond to this by establishing a grain price 50 to 75 cents above the loan rate. "This will assure that grain farmers do not go broke," stated Melcher.

The bill would also direct the Secretary of Agriculture immediately to make loans available to farmers and ranchers under the already authorized economic emergency loan program of the Farmers Home Administration, which is not now being aggressively implemented.

It would increase the food for peace assistance for international distribution, and would "help those abroad while helping American farmers and ranchers," in Melcher's words. And the bill would seek programs to prevent soil degradation.

A more comprehensive proposal for restoring U.S. agricultural production was made by a spokesman for the National Democratic Policy Committee before the Senate Appropriations Agriculture Subcommittee on April 20, warning that Paul Volcker's interest rates are destroying the farm sector and paving the way for foreign takeovers. He outlined a program of low-interest credit and infrastructural development as an immediate necessity.

Secretary of Agriculture John Block told representatives of leading farm organizations in Minnesota April 17 that his solution for the farm crisis is a worldwide dis-

aster which would bring up farm prices.

## **Rhodes: 'technology key for defense and development'**

Congressman John Rhodes (R-Ariz.), the former House Minority Leader, declared April 20 that developing new technologies is the key to America's military defense and international economic development. Rhodes also proposed that American defenses rely on sophisticated orbiting beam weaponry which would destroy missiles before they re-enter the atmosphere, a proposal also urged by National Democratic Policy Committee Advisory Board Chairman Lyndon LaRouche, Jr.

In his floor speech, Rhodes stated that: "The strength of America is in our scientific and technological capabilities. We have the capability now of putting satellites in orbit which would be able to defend themselves either with conventional weapons or beams, and which would also have the capability of killing hostile intercontinental ballistic missiles before they can reach the point of reentry into the atmosphere. . . .

"The day of the 'mutually assured destruction' should end. . . . Operations in space are now being downgraded. They should not be. . . . I was on the . . . subcommittee when we committed the great acts of faith which resulted in funding manned space flight, served to encourage and develop the various planetary probes which NASA has accomplished so brilliantly, and resulted in the capability to produce reusable manned space vehicles. . . . Energy, plus

technology, plus raw materials, plus a good labor supply, plus good management can make an industrialized nation out of an underdeveloped one in just a few years. . . .

"For the next several years, we will have to continue to rely on deterrence of aggressors. But after that period of time, we should have the most sophisticated defensive systems in the world in earth orbit, and we should by then have been able to recruit most of the nations in the world in a mutual undertaking to provide cheap energy so that all the people of the globe can share in its wealth and its affluence. This is the new frontier. In years past when populations became restive and people got bored, there was always new land to be utilized and put to the plow. This is the new land, and American science and technology are the plows which we must use to create a peaceful, better world for all of humanity. The time to put our hands to that plow and begin the task is now."

## **Congressmen say U.S. should back Britain**

Larry Pressler (R-S.D.), a former Rhodes Scholar trained at Oxford, was the first Senator to stand up and demand that the United States back British colonial claims in the South Atlantic. Pressler introduced Senate Resolution 364 on April 19, which states that the United States should "express support of the efforts of the United Kingdom to reclaim the territory of the Falkland Islands and should condemn the illegal occupation of the Falkland Islands by the military forces

of Argentina and should urge the prompt withdrawal of those forces from the British territory of the Falklands." The resolution has been referred to the Senate Foreign Relations Committee, but aides there say that at this point there is no plan to hold hearings on the resolution.

Senator Patrick Moynihan (D-N.Y.), who poses as an anti-British Irish nationalist although he was trained at the London School of Economics, introduced another resolution calling on the President to join with the Common Market countries to back Britain by imposing economic sanctions on Argentina.

In the House five liberals have sent a letter to the President urging that he back the British. The letter was initiated by Rep. Stephen Solarz (D-N.Y.), a protégé of Averell Harriman, the stepfather of Winston Churchill III. The letter, sent April 13, terms Britain our "loyal ally" and urges that the United States back her. It was co-signed by Jonathan Bingham (D-N.Y.), Benjamin Rosenthal (D-N.Y.), Michael Barnes (D-Md.) and Millicent Fenwick (R-N.J.). An aide to Fenwick, who is tied to Wall Street bankers, said the Congresswoman is convinced that the United States "owes Britain loyalty."

Solarz is now reviewing Congressional sentiment to see if a resolution calling on the President to back Britain can be introduced as a non-controversial one, thus requiring no committee review and getting quick floor action.

Jesse Helms (R-N.C.) has been the only Senator to prominently defend U.S. interests against British designs.