

## Capitol Hill Closeup by Barbara Dreyfuss and Susan Kokinda

### Dorgan introduces 'Volcker Retirement Act'

On Feb. 2, North Dakota Democrat Rep. Byron Dorgan introduced a bill he dubbed the "Paul Volcker Retirement Act" that will allow Congress to remove the Federal Reserve Board chairman if 60 percent of the House and Senate agree to such action.

Representative Dorgan, North Dakota's tax commissioner for 11 years, declared that "the policies of the Federal Reserve are counter-productive. They increase inflation. . . . They are creating havoc with small businesses and family farms. . . . Volker's 20 percent interest rates represent economic malpractice." Dorgan said he expects bipartisan support, because many Republicans are supply-side economists and "high interest rates are the antithesis of supply-side economics. Low interest rates increase money for investment in plants."

### House committees now being organized

Since the new Congress convened in January, the House has been busy organizing its committee structures. Over the past week a number of important subcommittee changes have occurred.

Liberal Democratic congressmen on the House Foreign Affairs Committee succeeded Feb. 3 in capturing two unexpected subcommittee chairmanships. Rep. Michael Barnes (D-Md.), a close associate of the McGovern wing of the Democratic Party, and only a second-term congressman, suc-

ceeded in unseating Rep. Gus Yatron (D-Pa.), the incumbent chairman of the Inter-American Affairs subcommittee. No second-term congressman has been elected to a subcommittee chairmanship on Inter-American Affairs in 30 years. Barnes said he plans to focus on human-rights issues in the Western Hemisphere.

At the same time, Rep. Howard Wolpe (D-Mich.) beat moderate Rep. Dan Mica (D-Fla.) for the subcommittee on African Affairs.

Another, although expected, victory for the liberals was the election of Rep. Stephen Solarz to head the Asian and Pacific Affairs subcommittee.

Sources close to the committee reported that the liberal move was "extremely well orchestrated," and pointed to Rep. Jonathon Bingham (D-N.Y.) as the point man for the operation. Twelve of the Democrats on the committee were expected to vote with committee chairman Clement Zablocki (D-Wisc.) who had lobbied for both Yatron and Mica, but both lost by 10 to 9 votes.

One thing the moderates are finding particularly irksome is the fact that Wolpe has promised to retain Representative Solarz's chief aide Stephen Weissman on the Africa subcommittee. Weissman's 1978 book *Dirty Work Two, The CIA in Africa* was a notorious attack on the CIA and included a list of several hundred undercover operatives in Africa. Weissman is close to former CIA agent Philip Agee, who has spearheaded the effort to "expose" CIA agents and make them vulnerable to attack.

Another important committee change occurred in the Interstate and Foreign Commerce Commit-

tee, now chaired by Representative Dingell (D-Mich.). Dingell, whose committee will now handle most of the energy programs in the House, has split the Energy and Power subcommittee in two. Representative Richard Ottinger (D-N.Y.) will take charge of the subcommittee dealing with conservation, renewable energy sources, and nuclear energy, while Rep. Phil Sharp (D-Ind.) has taken charge of the subcommittee that will handle fossil fuels and synthetics. Congressmen like Phil Gramm of Texas were angered at the decision to split the committee in two because they feel they now have to sit on both subcommittees to protect the interests of the oil and gas producers and the nuclear industry from these liberal, antinuclear subcommittee chairmen.

### Senate confirms labor secretary

By a vote of 80 to 17, the Senate confirmed the nomination of Ray Donovan as Labor Secretary on Feb. 3, despite the efforts of Sen. Ted Kennedy (D-Mass.), his chief aide Walter Sheridan, NBC-TV, and convicted murderer Ralph Picardo to publicly smear Donovan as an associate of organized crime. Those voting against Donovan included Kennedy, minority leader Robert Byrd (D-W.Va.), Howard Metzenbaum (D-Ohio), Don Riegle (D-Mich.), and Paul Tsongas (D-Mass.).

Even as the Senate was voting up the Donovan nomination, Sheridan, who is well known for his role in the "get Hoffa" hearings in the Senate two decades ago, brought forth several other sources

charging Donovan with corrupt activities relating to organized crime figures. Kennedy has promised to bring any further allegations to the FBI for investigation, indicating that efforts to smear the labor secretary are not over. Since he was not able to prevent the confirmation, Kennedy and Sheridan are known to plan to hold their allegations over Donovan to force him to continue Labor Department and Justice Department investigations against key unions such as the Teamsters.

### **Senate to hold hearings on trading company bill**

Senator John Heinz (R-Pa.) introduced S. 144, the Export-Trading Company Act, on Jan. 19, along with 55 cosponsors. The bill, identical to that passed by the Senate last September, would allow banks to join industry in establishing export-trading companies. The bill was vigorously opposed last year by Rep. Fernand St. Germaine (D-R.I.), now head of the House Banking Committee. St. Germaine objected to the linkup of banking and commerce

At the time, a number of local banks opposed the bill because they feared it as a foot in the door for repeal of the McFadden Act, which prohibits interstate banking. The Heinz bill would allow banks to join the trading companies across state lines. Small regional banks also feared they could not compete with large New York banks in these companies.

Senator Heinz, a leading member of the Anglo-American establishment, will hold hearings on his bill Feb. 17-18 in the subcom-

mittee on International Finance and Monetary Policy of the Senate Banking Committee. The House Banking Committee is watching the Senate actions carefully and Representative St. Germain is said to still have strong reservations about the Senate bill.

### **House calls for bipartisan collaboration**

In a speech to the National Rural Electric Cooperative Association Jan. 26, House Majority Leader Jim Wright (D-Texas) declared that "a Democratic House and a Republican President must find avenues of mutual accommodation through which the nation's interests can be served." Noting that there are areas where "cooperation, not confrontation" will be his goal, Wright cited bipartisan support for efforts to strengthen the nation's defenses and certain economic issues.

In particular Wright said he would advise the President that he must immediately "talk turkey to the Federal Reserve Board and establish clearly who is going to be President. Further reliance on high interest rates could easily plunge us into a deep recession from which it might take much time and money to recover. The President of the United States will not be a helpless bystander while the economic policies that can make or break us are made and carried out by a group of unelected and socially isolated people."

While Wright did call for bipartisan collaboration on a tax program to channel private investment into modernizing industrial plant and equipment, he also sup-

ported development of such inefficient energy boondoggles as synthetic fuels programs and solar energy development. Wright called for more oil, gas, and coal production, but did not mention nuclear energy.

### **Nunn to investigate Longshoremen**

During Senate floor discussion on the confirmation of Labor Secretary Raymond Donovan, Sen. Sam Nunn (D-Ga.), announced that the Permanent Subcommittee on Investigations will begin to hold extensive hearings on the International Longshoremen's Association (ILA) Feb. 17. Nunn, who is no longer chairman of the subcommittee by virtue of the Republican electoral sweep, has been given a free hand by subcommittee chairman William Roth (R-Pa.) to continue investigations into organized labor.

In his floor statement, Nunn said, "We have been looking into this investigation [of the ILA] now for over 12 months, during most of which I was chairman. One look at the ILA indicates that in the last two years more than 100 persons, including ILA officials and corporate executives, have been convicted of various racketeering, obstruction of justice, extortion, income tax evasion, and labor law violations. . . . The subcommittee has expanded on the Justice Department's outstanding work. We expect to show in our hearings a much more pervasive influence of the waterfront industry by organized crime, working through the ILA, than was presented by the department in various criminal trials."