

National News

Laborers Union attacks high interest rates

The Laborers International Union of North America (LIUNA) overwhelmingly passed a resolution condemning the high interest rates of Paul Volcker's Federal Reserve at their national convention in Hollywood, Florida, Sept. 18. The resolution reads in part:

"There is no doubt that one of the major obstacles to curing some of America's economic woes is the degree to which interest rates have soared over the last two years. The tight money policies of the Federal Reserve Board and the Reagan administration have seriously hampered the capacity of the economy to get back on its feet. . . . Housing has become unaffordable for most American families and the commercial institutional and industrial sectors of the construction industry are at a standstill. Unemployment in construction rose above 16 percent during the summer of 1981. . . .

"High interest rates have had a similar devastating effect on many other important sectors of the U.S. economy, including building materials, automobiles, agriculture, and thrift institutions. In addition, high interest rates have retarded the program of increased investment in new plant equipment widely recognized as necessary to restore the health of many basic industries. . . . Furthermore, high interest rates have been a major contributor to inflation, as the cost of borrowing was factored into prices of most goods and services produced in this country."

The resolution then calls on Congress, the President, and the Federal Reserve Board to lower interest rates, ensure adequate financing for new industrial capacity and housing, and reform the Fed to include representatives of industry, labor, and agriculture.

The LIUNA convention also passed resolutions supporting the maintenance of Social Security, attacking deregulation of trucking and other industries, attacking the proposed tax cuts as en-

couraging speculative ventures rather than productive investment, and supporting the Davis-Bacon Act, which is under attack in Congress.

Finally the Laborers convention also called for a public forum to investigate control of television networks, citing the media's "excessive influence and potential for abuse," which "carries immense power to mold public opinion, indoctrinate the young and distort human values."

Seminar brings 'war on drugs' to Congress

The first in a three-part Capitol Hill seminar series cosponsored by the National Anti-drug Coalition and *EIR's* biweekly newsletter on terrorism and law enforcement, *Investigative Leads*, was held Sept. 24 in Washington, D.C.

Aides attended from the offices of Senator DeConcini and Representatives McCollum, George Brown, Patman, Fautroy, Causen, and Minish, along with representatives from the National Rifle Association, Moral Majority, League of United Latin American Coalitions, Organization of American States, National League of Cities, American Legion, and the American Association of Retired Persons, Members of the International Association of Chiefs of Police, the metropolitan police of Washington, D.C., the Law Enforcement Officers Association, the National Association of Attorneys General, the Drug Enforcement Administration, and the federal Law Enforcement Assistance Administration were also at the seminar, along with representatives of the Justice and Treasury Departments, the Internal Revenue Service criminal investigations division, the Immigration and Naturalization Service, the Government Accounting Office, Interpol, the Senate Permanent Investigations Subcommittee, and the House Foreign Affairs Committee.

John T. Cusack, a former drug enforcement official known for his role in breaking up the "French Connection,"

outlined the history of drug enforcement with particular emphasis on the success in elimination of drug production and trafficking during periods of strenuous international cooperation among nations, "which I'm sure Schmidt, López Portillo, Gandhi and all other Third World leaders would back."

EIR Counterintelligence Editor Jeffrey Steinberg, co-author of the best seller *Dope, Inc.*, blasted the government for having no strategy to combat drugs, referring to the dismantling of the Drug Enforcement Administration in this regard.

A question from the audience on the proposed merger of the DEA and FBI was answered by Cusack, who gave an impassioned defense of the DEA's role and why it has recently been maligned. He said that with proper marching orders from the Reagan administration, proper financing, and proper support, the DEA could win the war against drugs.

New cuts slated for energy and space

The second round of fiscal year 1982 budget cuts forwarded to Congress last week promises to paralyze the Congressional budget process for the Department of Energy (DOE) and the National Aeronautics and Space Administration (NASA).

Congressional sources report that OMB Director David Stockman has demanded that \$1 billion be slashed from the fiscal 1982 DOE budget. Although DOE Secretary Edwards promised three weeks ago that no new cuts would come from the research programs, a cut that size leaves no choice. If Congress does not accede outright, no budget will be passed until another round of haggling in each committee is complete. Meanwhile, the DOE's fusion work will continue at the lower, fiscal 1981 levels, halting work planned for startup in the next few months.

The fiscal 1983 budget for fusion looks no better. The DOE requested \$532 million for fusion, but Stockman

now demands that \$2.5 billion be cut from the fiscal 1983 budget. Sources report that the Energy Department's Office of Fusion Energy is now undergoing "disaster exercises" and that scientists have been recalled from important international meetings to cope with a possible slash in the fusion budget to \$460 million.

Despite the spectacular success of Voyager and the Space Shuttle, Stockman is also demanding that additional cuts be made in the fiscal 1982 NASA budget, ensuring that America will have no space program in the future. Although it is not possible that these new cuts will be accepted by former astronaut Sen. Harrison Schmitt or the House, Reagan has stated that he will veto the fiscal 1982 NASA budget unless the additional cuts are made.

If the fiscal 1982 budget is tied up on the Hill in a dog fight with the administration, Stockman will get his cuts de facto.

Banker: Volcker trying to depopulate U.S.

At a Sept. 22 press conference held in Richmond, Virginia to demand the ouster of Federal Reserve Board Chairman Paul Volcker, the head of a large Virginia Savings & Loan Association charged that the Fed chairman is out to reduce the size of the American population.

William Patton's accusation startled the eight press representatives assembled outside the doors of the Federal Reserve Bank for the conference, jointly sponsored by A. L. Phillips of the Virginia American Agriculture Movement, Bruce Director of the National Democratic Policy Committee, and leading savings and loan bankers. All the participants demanded Volcker's resignation and an immediate lowering of U.S. interest rates to foster growth of productive economic activity.

NDPC leader Director began the conference by citing a document describing a scenario for the controlled collapse of U.S. savings banks

and their buyup by the large commercial banks.

Senate urged to 'be serious' on Williams case

Senator Malcolm Wallop (R-Wyo.), the chairman of the Senate Select Committee on Ethics, told Congress last week that he was concerned that less than one-third of the Senate had viewed the FBI videotapes used to convict Sen. Harrison Williams (D-N.J.) of "influence peddling" in the Abscam trials. The Senate must vote on a recommendation by the Ethics Committee to expel Williams, pending the Oct. 7 decision by Judge Pratt on whether Williams's due process rights were violated.

"The public has a right to know that the Senate is taking the Williams matter seriously. . . . There is no more valuable time that a senator can spend than fulfilling the constitutional role that is required of us to judge the fitness of a member of this body," Wallop said.

He warned the senators "not to use the Ethics Committee's expressed recommendation as a 'crutch,'" but to make their own independent judgment based on all the materials, including the briefs and responses by Senator Williams.

"The public perception of every sitting senator will hang on the judgment the Senate makes, and the Senate will be asked to defend that judgment," Wallop noted that the Senate had not expelled one of its members except for treason, and that during the Civil War.

Wallop's comments followed increasing exposure of the Justice Department's misconduct in the Williams trial. On Sept. 24 syndicated columnist Jack Anderson reported that the foreman of the jury that convicted Williams in May said it would have been a hung jury if Justice Department memos showing FBI pursuit of Williams through 13 months of no wrongdoing had been allowed into evidence. The jurors were troubled by the entrapment issue, the foreman said, but were not allowed by Judge Pratt to consider it.

Briefly

● **REP. JACK KEMP'S** office reports that the Reagan administration is currently working on a draft of its own legislation to establish "free enterprise zones." They expect a bill to be introduced early next year. Kemp's office says that they will try to pass the legislation "over the bodies of organized labor."

● **JERRY BROWN**, governor of California, brought a court action Sept. 22 to block the NRC-approved startup of the Diablo Canyon nuclear plant.

● **DAVID ROCKEFELLER** defended high interest rates but disavowed his influence over U.S. government policy in a series of speaking engagements in Seattle last month. He said that "interest rates are likely to drift downward but the Federal Reserve's tight money policy in face of huge credit demands by the U.S. Treasury will not allow interest rates to drop quickly."

● **ALBERT SHANKER**, head of the United Federation of Teachers, says that Paul Volcker is a great defender of America's poor. "You can't legislate low interest rates," explained Shanker. "Laws against usury are designed because minorities and others who can't get normal credit must pay very high interest rates. Laws against usury are designed to prevent those minorities from getting any credit at all."

● **MEYER RASHISH** says that *Global 2000* is a very humanist study in its approach." The undersecretary of state for economic affairs was answering an *EIR* question at a New York seminar Sept. 23. "I understand [*Global 2000*] is a document that can hardly be characterized as genocidal. It is a well-thought-out study that looks to the future on environmental and population issues," he asserted.