

Patman Probe Faces Opposition

By Drew Pearson
and Jack Anderson

Rep. Wright Patman of Texarkana, Tex., plans to dig into a very important, little known factor behind the 8½ per cent prime interest rate charged by the big New York banks.

Patman has been a lifelong foe of high interest rates and points out that the zooming rates have increased the national debt to a point where it costs the taxpayers \$15 billion per year.

But, in this case, Patman has tracked down the fact that the big New York banks had complained to the Federal Reserve Board that its anti-inflation measures were hurting them more than smaller banks. The big banks found it difficult to raise the money required by their blue-chip customers. So rather than risk a drop in their own profits, the big banks upped their interest rates to the highest point in American history.

They have also warned privately that there will be more rate increases if the Federal Reserve Board continues the tight-money pressure.

Patman proposes to probe this. He is worried over what higher interest rates will do to the instalment buying of homes, automobiles, refrigerators, TV sets, and other appliances. It could, he thinks, lead to a serious recession.

Whether Patman can stage a

probe, however, will be interesting. It so happens that at least 100 Congressmen own stock in banks. Several others conceal banking interests in the name of relatives. Even more Congressmen collect legal fees from financial institutions. A spot check of 50 Congressional law firms revealed that 40 of them represent banks.

In addition, the American Bankers Association, Mortgage Bankers Association, American Industrial Bankers Association, the U.S. Savings and Loan League, have been quite generous in handing out lecture fees to members of Congress. The U.S. Savings and Loan League, for example, paid Republican Senate Leader Everett Dirksen a whopping \$3500 fee for a speech.

Patman's own Banking and Currency Committee is also stacked with members who own stock in banks. It will be interesting to see whether he is able to get his investigation off the ground.

Reading for Rivers

Recommended reading to Rep. Mendel Rivers (D-S.C.): The new book "The War Business" by George Thayer. It reveals how the U.S.A. has fomented war by dumping \$50 billion worth of arms around the world in the last 15 years. The Pakistan-Indian war was fought with American equip-

ment on both sides. When an embargo was placed on arms to Pakistan, West Germany sold Pakistan 90 F-86s furnished it by the U.S.A. and with U.S.A. blessing . . . CBS, on the lookout for gun-running TV footage, underwrote an anti-Castro invasion force, then pulled out at an overall loss of \$100,000 . . . In many cases, nations got the wrong weapons, such as Saudi Arabia which purchased Lightning jets, though it had no pilots to fly them; and Guinea which purchased mobile antitank guns, though none of its neighbors operated tank units to threaten Guinea . . . Peru purchased two old cruisers for \$5 million each, though it had trained personnel to operate only one at a time . . . The demise of Chancellor Erhard's government in West Germany in 1966 was due largely to his purchase of American military equipment which Germany did not need, did not want and could not afford . . . Even Congressman Rivers, No. 1 protector of the military, will learn a few things from this book.

Pepsi-Cola Diplomacy

Generalissimo Chiang Kai-shek, president of Nationalist China, has vetoed the Nixon Administration's proposal to recognize Mongolia.

Mongolia is the pro-Russian desert country, once part of

China, which forms a buffer between China and Russia. The State Department wanted to have more American influence in this strategic part of the world. Our Asian allies also favored extending our influence there.

But there was one objector—namely, Chiang Kai-shek. And his influence with President Nixon was enough to override all the White House advisers and all our Asiatic allies.

When Nixon was a practicing lawyer he represented Pepsi-Cola. And when Coca-Cola was about to get its foot on the island of Formosa, Nixon flew to Formosa and persuaded Chiang Kai-shek to ban Coke, give Pepsi a monopoly.

Merry-Go-Round

Dean Acheson, the ex-Secretary of State, has a forgiving memory. He is about the only Democrat supporting Nixon in Nixon's criticism of the military critics. In the 1950s Richard Nixon, then Vice President, described Dean Acheson as presiding over "the college of cowardly Communist containment." . . . Sen. Stephen Young, the Ohio Democrat who says he's not going to retire at the age of 80, has a sharp memory. He is probably the youngest member of the Senate in point of vigor—and courage.

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