

Congressional Calendar by Barbara Dreyfuss and Susan Kokinda

Cannon introduces trucking deregulation bill

On Feb. 1, Senator Howard Cannon (D-Nev.), chairman of the Senate Commerce, Transportation and Science Committee introduced the Motor Carriers Reform Act of 1980, S. 2245, along with the committee's ranking Republican, Bob Packwood (R-Ore.). While Cannon in his statement accompanying the introduction of the bill claims that "I have personally concluded that deregulation of the trucking industry is not in the public interest," industry and labor sources report that the "reform" bill is a large step toward deregulation, and goes much further than they expected. Indeed, Cannon's cosponsor Packwood revealed the true intent of the deregulation forces in a speech given earlier this year. Packwood stated that this legislation would be only a first step and that further legislation completing the deregulation moves would follow next year.

The reason for Cannon's introduction of such radical legislation despite his professed opposition to deregulation was made clear on Feb. 6 when national newspapers broke a "scandal" involving Cannon and the Teamsters Union. The newspapers alleged that Cannon stalled deregulation legislation over the past year in exchange for favors from the Teamsters Central States Pension Fund. The appearance of this scandal has a distinct ring of blackmail, putting Cannon in a position where he must push radical deregulation of the trucking industry in opposition to the Teamsters, in order to prove that he has not been bought.

Cannon has announced that the committee will move very rapidly on this legislation, scheduling only three days of hearings on it at the end of February and moving immediately into committee mark-up in March. Cannon cites extensive hearings held in 1979 as the reason for the abbreviated hearing schedule on this new bill, but observers note that the appearance of the alleged scandal is the real reason for his haste.

Identical legislation has been introduced in the House by Public Works Committee Chairman Biz Johnson (D-Calif.) and Transportation Subcommittee Chairman Jim Howard (D-NJ). Trucking industry sources report that both the industry and the Teamsters were caught completely off-guard by the radical nature of the legislation. They had been ready to support what they expected to be minor reforms of the motor carrier industry and on that basis Cannon had hoped to push the legislation through the Senate by early summer. However, this timetable is now in doubt.

Hearings on Fed membership resume

Hearings resumed in the Senate Banking Committee Feb. 4 on the issue of mandatory membership in the Federal Reserve System. On Nov. 7, the committee voted 9 to 5 that S. 353, a bill proposing to retain optional affiliation with the Federal Reserve for reserve-setting purposes, should be the basis for further discussion. Senator Tower (R-Texas) has amended S. 353 since

Nov. 7 to set reserve requirements at 3 percent on the first \$35 million of member bank transaction accounts and from 3-10 percent as determined by the Fed on that portion of transaction accounts over \$35 million. Member banks would be required to hold reserves from 1 to 7 percent on savings deposits and time deposits of less than 180-days maturity.

It is expected that an amendment will be offered to S. 353 which will require all depository institutions, upon a unanimous vote of the Fed, to maintain an emergency supplemental deposit of up to 3 percent of the total of its first \$35 million in transaction accounts and up to 5 percent on transaction accounts over \$35 million. The emergency supplemental deposit could be required only after consultation by the Fed with the FDIC, FHLBB and NCUA boards of directors, plus a finding by the Fed that emergency conditions exist and that such emergency deposits are the only means available to the Fed to maintain effective control over the growth of the monetary base as adjusted for changes in reserve requirements.

Senate panel calls Miller to answer SEC allegations

The Senate Banking Committee on Feb. 5 summoned Treasury Secretary G. William Miller to appear before the committee on Feb. 8 to explain contradictions between testimony given at his confirmation hearings and allegations made in a Securities and Exchange Commission complaint against Textron,

Inc., the company he had headed. Senate Banking Committee Chairman Proxmire (D-Wisc.) told Miller "because the SEC report does raise questions we feel we ought to have you back to answer questions."

At the same time, Senator Lowell Weicker (R-Conn.) called for the creation of a special prosecutor and attacked Attorney General Benjamin Civiletti's ruling that a special prosecutor was not necessary.

The issue of Textron's previous unethical payments to overseas officials and its entertainment of Pentagon officials came up in 1978 at Miller's original confirmation hearings. At that time, the committee found no substantial evidence that Miller had known about these payments. The SEC says they now have evidence that Miller did indeed know about Textron's unethical practices.

Hearings on banking reform underway

The House and Senate conference committee working on the banking reform bill H.R. 4986 are scheduled to meet March 4 to work out a final version of the very controversial legislation.

The Senate-passed proposal on banking reform had included a 10-year phase-out of Regulation Q, a provision that allowed thrift institutions to have an interest rate differential over commercial banks. This interest rate differential allowed the savings and loan institutions to attract capital which they in turn lent at low interest rates for primarily mortgages.

The House refused to pass a measure including the elimination of Regulation Q. However, the House version of the bill included a Fed membership aspect, maintaining optional federal reserve membership for banks only if the deposits subject to the Fed's control are over 67.5 percent of all insured commercial bank deposits. That level is now 70 percent.

Earlier efforts to resolve the differences in the two bills failed and the Congress voted up an extension of automatic transfer services offered by banks, remote service units of S & L's, and share drafts offered by credit unions through April 1, 1980. This extension was granted because House members stated that they could not vote on anything regarding Regulation Q unless they held hearings on the issue. Thus the House Banking Committee Subcommittee on Financial Institutions began hearings Jan. 24 on proposals to phase out Regulation Q. The hearings will also discuss a number of provisions contained in H.R. 4986. Specifically, the subcommittee will be discussing a proposal by Congressman Barnard (D-Ga.) that would call for interest rate ceilings to be eliminated by July 1, 1985. The subcommittee is not expected to mark up any new bill. The Senate will also review the question of Fed membership.

Jackson holds hearings on geopolitics of energy

Senator Henry Jackson's (D-Wash.) Energy and Natural Resources Committee is holding a series of mostly closed hearings on

the "geopolitics of energy." The hearings began on Jan. 28 with top-secret closed hearings on the political, strategic situations in Algeria, Libya and Iran. Testimony came primarily from the CIA and State Department officials. This was followed on Jan. 31 with further closed hearings on Saudi Arabia and Kuwait. Closed hearings on Venezuela, Mexico, China, the Soviet bloc and the oil-producing capacity of the less-developed countries are slated to follow.

One open hearing has been held, and that featured testimony from Princeton Professor Bernard Lewis. Lewis is best known for his "prediction" that the Middle East and Southwest Asia would be wracked by an uprising of Moslem fundamentalism and tribal rivalries, what Arab newspapers have angrily labeled as the "Bernard Lewis Plan" for undermining Middle East stability. Lewis's testimony before the Senate committee was in effect a demand that the U.S. intervene into the region whether invited or not. Lewis said, "What is needed now is a policy which will deter the Russians and restore some courage and confidence to the peoples of the Middle East. They not only need it, they are ready for it. Let us not be misled by all the talk about a great wave of anti-American feeling."

Capitol Hill veterans remember Henry Jackson's previous foray into the geopolitics of energy when last year he released a report based on a top security study which advocated the use of U.S. military force to secure Middle Eastern oil fields. Jackson, who has been a leading supporter of Israel, has not been known for his pro-Arab sympathies.