

## Congressional Calendar by Barbara Dreyfuss and Susan Kokinda

### **T**rucking deregulation passes Senate

By a vote of 70 to 20, legislation to substantially deregulate the trucking industry passed the U.S. Senate on April 15. While the vote on final passage of the legislation was never in doubt, the industry and the Teamsters union hoped to pass several amendments which would ameliorate some of the effects of radical deregulation. Under heavy administration arm twisting, the amendments lost.

Capitol Hill sources pointed out that Senate passage of the legislation occurred in the same atmosphere of thuggery that had marked its introduction. Commerce Committee chairman and the bill's sponsor, Howard Cannon (D-Nv), is widely perceived to have changed his position from anti-deregulation to pro-deregulation under the orchestrated pressure of the "Brilab" scandal which allegedly tied him to the Teamsters union. However, despite the array of a blackmailed Cannon, the administration, and Senator Kennedy and his machine lined up against them, the trucking industry and the Teamsters were reported to be making headway in a last minute lobbying mobilization to secure passage of key amendments by Senators Ernest Hollings (D-SC), and Warren Magnusen (D-Wa) which would maintain some order and regulation in the industry. Recognizing this, the administration pushed the vote on the legislation up by 24 hours, leaving many industry and teamster supporters caught out of town because of travel during the Easter Recess. That plus the loss of a vital 24-hours in which to mobilize spelled the critical margin of defeat for deregulation's opponents.

The Magnusen Amendment which would have forced the Interstate Commerce Commission to continue keeping tight control over the ability of new firms to enter the market was defeated by a vote of 56 to 34. And the Hollings amendment which would have restored regulated status to the shipment of processed foods (currently, unprocessed foods are deregulated and the Cannon bill added processed foods to that list) was defeated by a vote of 47 to 39.

The battle now moves to the House side where Public Works Committee Transportation Subcommittee chairman James Howard (D-NJ) has to decide whether to mark-up the Senate bill or his own bill which is considered much milder than the Senate version. However, on occasion, Howard (who was mentioned, but not directly implicated in the Abscam scandal) has threatened to push complete deregulation of the industry—even beyond the Senate version. With a self-imposed deadline of June 1 looming before the Congress, Capitol Hill observers predicted that the arm-twisting and blackmail of the administration will continue.

### **I**owa Senator opposes Fed nominee

The growing opposition to the Federal Reserve Board's tight money policy coalesced around a fight to prevent the nomination of Lyle Gramley to a 14-year term on the Federal Reserve Board's Board of Governors. Led by Senator John Culver (D-Iowa) who is facing a tough reelection fight and whose

state is tottering on the edge of a Fed-provoked economic disaster, the battle is drawing widespread support from Democratic and Republican senators alike.

In testimony before the Senate Banking Committee on April 16, Culver said "the impact of present government monetary and agricultural policies on the Midwest threatens the very survival of the economy of the nation's greatest food producing region ... monetary policy is a highly complex tool of economic policy and ... it is not a tool to be placed under the control of narrow special interest. By the same token, the exercise of monetary authority should not be concentrated in the hands of a group of narrowly focused individuals with homogeneous experience, philosophies and intellectual backgrounds."

Culver's opposition to Gramley, who is currently a member of President Carter's Council of Economic Advisors and who was faulted for not having small business or agricultural background and sensitivity, was echoed by other members of the banking committee. Senator Donald Stewart (D-Al), an early opponent of Volcker's tight money regime, announced that he would support Culver and oppose Gramley. In an exchange with Culver, Stewart recognized that one appointment would not change the make-up of the Fed, but stressed that this was a political message that needed sending. Ranking Republican on the committee, Jake Garn of Utah, said that he was leaning in the direction of supporting Culver because he was tired of stacking the Fed with "liberal, northeastern, Harvard-trained economists."

## **British gold standard pushed at banking hearings**

Senator Jesse Helms (R-NC), a long-time advocate of a return to the gold standard, and J. Louis Lehrman, advisor to Reagan supporter Jack Kemp, testified before the Senate Banking Committee April 16 and urged a return to the gold standard. Helms, who apparently only understands the value of a gold-backed currency in a mystical way, has fallen into the trap of supporting Lehrman's proposal for a rigid fixing of the value of the dollar, and hence, the amount of available credit for international trade, to the amount of gold mined in the world. Such a proposal would result in a deflationary collapse of world trade immediately, and would ironically strengthen the stranglehold of the International Monetary Fund over credit-starved nations. Helms is a long time opponent of the IMF.

Submitted for inclusion in the hearing record, was Democratic Party presidential candidate Lyndon LaRouche's proposal for a return to the gold exchange standard which would use gold to settle trade imbalances between nations and as a backing for development bonds to the Third World, but would not rigidly fix the amount of credit available in the world to existing gold stocks.

## **Reuss's next legislative thrust revealed?**

A private dinner meeting between Citibank President Walter Wriston and 15 members of Con-

gress may provide the key to Henry Reuss's future legislative goals. Speaking at a gathering of the Congressional Clearinghouse for the Future on "The Future of Banking," Wriston advocated complete, unfettered deregulation of the commercial banking industry, saying that "commercial banks are losing customers to American Express, Merrill, Lynch, Pierce, Fenner and Smith, and the Sears Roebuck Finance Company because those entities can offer services which regulated commercial banks cannot. If commercial banks are to survive, Wriston counseled, they must be completely transformed by total deregulation.

House Banking Committee chairman Henry Reuss (D-Wi) was the organizer behind Wriston's appearance before the group, the first in a series of "corporate dialogues" which the Clearinghouse is sponsoring.

Reuss's sponsorship of Wriston's appearance is believed to be the opening salvo in a campaign to deregulate banking completely and allow for unfettered competition between all credit and investment entities. In his introductory remarks to Wriston, Reuss lauded Citibank's recent circumvention of regulations which prevent interstate banking, by opening up a credit card center in South Dakota. Reuss also praised Wriston as a modern-day Rothschild.

The inevitable result of deregulation of the banking industry would be the swallowing up of small heartland banks which specialize in agricultural and small business lending by the giants such as Chase Manhattan and Citibank.

Reuss invited members of his Banking Committee to attend the

dinner and contemplate the future of banking as Wriston described it.

## **Unemployment legislation awaiting action**

Congressman Brodhead (D-Mich.) has introduced several bills that would extend the length of unemployment insurance coverage and give the federal government an increased role in funding unemployment insurance funds. While Brodhead has endorsed legislation introduced in the Senate by Senator Reigle (D-Mi) which would extend the length of unemployment insurance from 39 weeks to 52, he has also introduced H.R. 6540. This legislation extends the unemployment benefits to 52 weeks, but also mandates that recipients be paid 100 percent from federal funds. Aides to the Congressman stated that he included this provision because the unemployment problem is now a national issue. At the same time, some states are finding that their funds are running out of money because of the economic crisis, which has increased the unemployment rolls.

Brodhead has also introduced H.R. 6324 which would eliminate the changes the Carter administration made earlier in the criteria for extended benefits. In order to extend benefits, the state unemployment figures had to reach 5 percent. The administration move ensured that the 5 percent unemployment figure did not include those people currently unemployed, too discouraged to look for work, or holding only part-time jobs, thus making it more difficult to claim the extended benefits.