

## Congressional Calendar by Barbara Dreyfuss and Susan Kokinda

**C**ongressman warns of world war over Iran. Rep. George Hansen (R-Idaho), who recently returned from an unofficial Teheran mission, warned of the danger of World War III erupting from the Iran crisis in a speech on the House floor Dec. 5—a speech totally blacked out by the news media. “I do not know if there are people in this country who really want to provoke this crisis to a point of war,” he told the House, “but I must caution you that what we are talking about is a confrontation with a fairly large nation having vast resources, with a lot of military given to them by our own government—a country in an area where there are many other nations with elements hostile to the U.S. . . . There are combined hundreds of millions of people and a threat to a considerable amount of resources that would be most disruptive to us and to Western Europe, and this is all on the doorstep of the Soviet Union.

“This is Armageddon territory,” Hansen warned. “It has World War III possibilities, and it seems that if we do not want to find ourselves in a fight of this proportion over an argument of where a deposed ruler gets his medical treatment, we had better start talking. It seems that somebody had better start getting better intelligence.”

Hansen charged that the administration was at best failing miserably in its intelligence and diplomatic efforts concerning the hostages. Hansen reported that the State Department had made no ef-

fort to debrief him on his trip to Teheran and his meeting with some of the hostages. Two lower level State Department functionaries were dispatched to his office at his request and at the prodding of other Congressmen. Hansen stressed that the kind of unofficial diplomatic liaison which he established could undoubtedly be reproduced by the State Department if they wanted to.

Hansen concluded, “I challenge members of this body and the administration to insist that they get the intelligence that is available from people who have been there.”

Sources on Capitol Hill report that Hansen has put out feelers to establish a bipartisan task force to investigate all aspects of the crisis.

**B**anking reform legislation stalled. Conceding defeat, Senator William Proxmire (D-Wisc.) said on the Senate floor Dec. 10 that his attempt to railroad sweeping banking reform legislation has been stalled until at least February 1980. Proxmire, who is chairman of the Senate Banking Committee and House Banking Committee chairman Henry Reuss (D-Wisc.) had engineered the passage of H.R. 4986 through the House and Senate. The Senate version of the bill would have repealed Regulation Q, the effect of which would destroy the interest rate differential allowed between savings institutions and commercial banks. This differential provides slightly higher interest

rates for savings banks, making them attractive for depositors and providing revenues enabling them to offer, for example, low-cost home mortgage loans. Regulation Q also provides a certain hold on skyrocketing interest rates.

The House version of the bill, while not tinkering with Regulation Q, imposes mandatory Federal Reserve membership requirements in the Federal Reserve System for commercial banks of a certain size, thus destroying the concept of a dual banking structure in the United States.

Reuss and Proxmire were eyeing a Jan. 1 deadline for railroading both versions of the bill through a House-Senate conference following a U.S. Court of Appeals decision declaring improper the existence of NOW accounts. The court said that on Jan. 1 banks can no longer offer these accounts without Congressional legislation.

However, lacking Senate support for mandatory Fed membership, and House support for repeal of Regulation Q, Reuss and Proxmire were forced to retreat and have instead proposed a ninety day extension on the use of NOW accounts. In conceding defeat Proxmire said, “unfortunately the House conferees state they need time to address the Reg Q issue in hearings in February. Therefore no resolution of H.R. 4986 can be arrived at by the end of this year.”

Jake Garn (R-Utah) and ranking Republican on the Senate Banking Committee, noted that “the Senate Banking Committee

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has failed to complete its consideration of that [Fed membership] issue."

**S**enate Judiciary Committee endorses criminal code bill. The Senate Judiciary Committee, headed by Senator Ted Kennedy (D-Mass.) voted 14 to 1 on Dec. 4 in support of the Omnibus Crime Bill introduced by Kennedy. The bill is better known as S.1, its designation last year when it in fact passed the Senate, only to be stalled in the House. The legislation has been widely criticized for its tendency to place the criminal justice system on a basis of retributive justice, not reform of the criminal. The bill would eliminate all paroles and hand down sentencing guidelines for judges.

The bill also effectively decriminalizes marijuana with the penalty for using small amounts being a \$500 fine and 5 days in jail. The one Senator to vote against the bill in the Judiciary Committee, Mathias (R-Md.) did so because he objected that the marijuana provisions did not provide strict enough penalties.

The bill will be filed with the Senate before the Christmas recess Dec. 21 and action by the full Senate is expected shortly after their return in January.

The House Judiciary subcommittee, working on a similar bill, will finish mark-up by Dec. 18 and then go to full committee. House action is expected by June.

**T**ax Social Security checks? The Social Security Advisory Council submitted a report on Dec. 7 to the House Ways and Means Committee proposing major changes in tax policies. Their suggestion is that half of every Social Security recipient's benefits be taxed at normal income tax rates. According to staff members on the committee, social security benefits are already so low that many of the recipients will not even be in the taxable bracket.

The Social Security Advisory Council is constituted every four years by the Secretary of the Department of Health, Education and Welfare to review the social security system and make recommendations. The Council is headed up by Henry Aaron of the Brookings Institution, the Washington, D.C. think tank associated with the Council on Foreign Relations. Another Brookings Institution member is Joseph Pechman, an economics advisor to Senator Ted Kennedy (D-Mass.) who is also a Council member. Another Council member, Melvin Glaser, was a leading figure in the United Autoworkers Union.

The Committee plans to issue the report shortly as a House document and begin hearings on it next year. But already Congressman Young (R-Alaska) has moved to preempt taxation of social security benefits. On Dec. 6, Congressman Young introduced legislation preventing such a taxation. "I had heard that the Council would come out in the report advocating taxing

social security benefits and that's why we introduced our bill. It is a preventative thing," declared an aide to the Congressman.

**O**mnibus anti-drug legislation on the agenda? Sen. Sam Nunn (D-Ga.) announced at Dec. 11 hearings of the Permanent Subcommittee on Investigations that he intends to introduce a package of legislation early next session aimed at strengthening law enforcement against narcotics trafficking and dirty money laundering. Nunn's statement came in the midst of hearings covering six days of testimony.

While Nunn will be addressing the health implications of drug usage, including marijuana, his central thrust against the international financing apparatus for drug traffic is unique to Congressional investigations in recent memory. The highlight of the hearings came Dec. 11 when real estate specialist Charles Kimball presented evidence showing that large portions of Florida's legitimate economy is based on dirty money.

Other witnesses include investigators from the Drug Enforcement Administration, the Justice Department, Treasury, Customs and the Internal Revenue Service. Nunn has indicated that his legislative initiatives will concentrate heavily on giving these agencies the tools they need to conduct investigations of drug traffic financing.