

## Congressional Closeup by William Jones

### **Economic holocaust looms from Clean Air Act**

Although the Senate on April 3 voted 89 to 11 to approve the Clean Air Act and the House Committee on Energy and Commerce passed its own clean air bill on April 5 by a vote of 41 to 1, there is growing concern on Capitol Hill that this particular piece of legislation could create an economic holocaust in the U.S.

In comments on the House floor on May 8, Rep. Tom DeLay (R-Tex.) said he considered it "very frightening when we have scientists in our country that are more interested in the emotionalism and firing people up than being effective, than being honest." Noting that much of the debate around the Clean Air Act consisted of "a lot of rhetoric, a lot of hysteria, a lot of emotionalism" and "little or no scientific facts," DeLay warned that the Clean Air Act had the potential "of shutting down America's economy and for putting up to 3.7 million jobs at risk."

### **Brady proposes top-down control of economy**

In a dramatic move on May 8, Treasury Secretary Nicholas Brady and Undersecretary Robert Glauber told the Senate Agriculture Committee that the administration wants to remove control over stock index futures from the Commodity Futures Trading Commission and give it to the Securities and Exchange Commission.

Currently, the CFTC regulates the Chicago futures markets, while the SEC oversees the stock market. Brady said the administration would file a bill to that effect during the coming week.

In a letter from the Treasury Secretary to the committee, Brady said

their goal was to make the SEC the one regulator over both stocks and stock index futures, since having one regulator, it is claimed, would help prevent fraud. As the Bush administration is faced with a general collapse of U.S. financial markets, they are making a frantic attempt to install top-down control, hoping thereby to avoid the full brunt of a ratchet-collapse—a move which would toll the death-knell for this administration.

"If we do not take the necessary steps to correct the problem now," said Brady, "we are more likely to see minor events trigger major market disruptions like the ones we experienced in October of 1987 and October of 1989."

Senate Agriculture Committee members seemed to give a rather cold reception to the proposal. CFTC Chairman Wendy Gramm, a strong opponent of the move, warned that such "jurisdictional gerrymandering will disrupt our markets."

### **Congress irked by Supreme Court tax ruling**

More than 70 members of Congress announced on May 3 they are sponsoring legislation to block a recent Supreme Court decision that allowed judges to order local government officials to raise taxes.

In the recent case of *Missouri v. Jenkins*, the Supreme Court ruled that the judge in the case had exceeded his authority in raising taxes himself. But a 5-4 majority said the judge did have the power to make local officials raise taxes—even when the tax increases violated Missouri law.

"A local government with taxing authority may be ordered to levy taxes in excess of the limit set by state statute where there is reason based in the

Constitution for not observing the statutory limitation," wrote Justice Byron White.

In a dissenting opinion, Justice Anthony Kennedy said the majority's ruling "disregards the fundamental precepts for the democratic control of public institutions."

Some congressmen, anxious also about the constitutional implications of this decision, are preparing to take the court on. Sen. Charles Grassley (R-Iowa) called the decision "a frontal assault on the separation of powers."

"We expect to oppose this decision," said Sen. Strom Thurmond (R-S.C.), the ranking Member on the Senate Judiciary Committee and one of the bill's co-sponsors. "We expect to go all the way with it."

"It's time for us to send a message to the Supreme Court: We are in charge of this country and not you," said Rep. Tommy Robinson (R-Ark.).

The bill would prohibit federal judges from issuing any judicial decree requiring the federal or any state or local government to impose any new tax or to increase any existing tax or tax rate.

### **Congress told of Soviet INF treaty violations**

In testimony before the Senate Foreign Relations Committee on May 3, Ronald Lehman, Director of the Arms Control and Disarmament Agency, said that the Soviets may be violating the Intermediate Nuclear Forces agreements. Lehmann explained how his agency had "found SS-4 related equipment at an undeclared site."

Lehman said his agency is investigating the discovery of the missile parts and would not "prejudge" whether it was a violation of the 1987

INF treaty. An administration official explained to the *Washington Times* that a spy satellite filmed two SS-4 missile launchers and four transporters last month at Kotovsk, near the Soviet border with Romania. The Soviets claimed the equipment is "junk," according to the official.

Lehman also said the Soviet transfer of several SS-23 short-range missiles to Eastern Europe, in violation of the INF agreement, is being investigated by ACDA "very, very seriously."

Sen. Jesse Helms (R-N.C.) said the SS-23 missiles in East Germany, Czechoslovakia, and Bulgaria are "clear-cut examples of the existence of Soviet covert INF forces."

## **Battle over Red China MFN status looms**

With the approach of the anniversary of the massacre in Tiananmen Square, President Bush is scheduled to make a decision on whether to renew the People's Republic of China's Most Favored Nation (MFN) trade status. The MFN issue will again bring to the fore the question of whether there has been any positive change in China with regard to human rights as a result of President Bush's Chamberlain-like appeasement of the Chinese butchers.

The British embassy in Washington has already begun lobbying Congress not to withdraw MFN status, warning that its removal could strip Hong Kong of several billion dollars worth of business. Even Winston Lord, a Kissinger protégé who opposed Bush's sending of National Security Adviser Brent Scowcroft and State Department official Lawrence Eagleburger to China to toast the butchers of Tiananmen in December of 1989, is proposing a go-slow atti-

tude with regard to withdrawing MFN status.

Senate Majority Leader George Mitchell (D-Me.) strongly opposes the renewal of MFN status for the P.R.C., and opposition is expected to be intense. Outrage in Congress over the Tiananmen massacre led to a series of sanctions imposed on China, but these were vetoed by the administration.

## **Senate resolution supports Latvia**

As the nation of Latvia declared its independence on May 4, a Senate resolution was introduced by Sen. Dennis DeConcini (D-Ariz.) to the Senate Foreign Relations Committee backing the Latvian move.

The resolution urges that the government of the United States "1) immediately offer its moral support for the Latvian decision to seek its independence from the Soviet Union, and 2) urge the Government of the Soviet Union to respond to the Latvian offer to enter into negotiations with the elected officials of the Republic of Latvia leading to full independence for the Republic of Latvia."

## **Bush War on Drugs found ineffective**

A report issued by the Senate Judiciary Committee on May 10 said that the Bush administration was undercounting the cocaine-addict population of the U.S. by a factor of almost 3 to 1, fueling charges that the administration's claims of success in the drug war are overstated.

The report, described by committee staffers as the most comprehensive yet, concluded that about 2.2 million

Americans use cocaine at least once a week—nearly three times previous official estimates. The report also indicated that there are about 2,000 "hard-core" cocaine abusers in the District of Columbia, 53,000 in Virginia, and 47,000 in Maryland.

Committee Chairman Sen. Joseph Biden (D-Del.) said the figures suggest that the nation's hard-core cocaine problem is "far worse than any previous guesses," and justifies a "massive new effort" to increase spending for drug treatment, aid for austerity-plagued cities, and building more prisons with treatment facilities. No new proposals were contained in the report, although Biden has recommended spending as much as \$14.6 billion next year to combat drugs. The administration wants to spend \$10.6 billion.

## **Frank denies knowledge of prostitution ring**

A former female prostitute testified for three hours on May 11 before the House ethics committee about a sex-for-hire ring that she claimed was run from the home of Rep. Barney Frank (D-Mass.) with the knowledge of the congressman. Frank called the woman's statements "complete lies and fabricated stories about events which did not happen."

Frank has submitted an affidavit to the committee from his former landlady, who said she did not believe that Frank knew of the activities of his homosexual lover, Stephen Gobie, who was operating the ring. In her sworn statement, the landlady, Mary Jo Daugherty, said she complained to Frank about Gobie entertaining visitors in the summer of 1987. Frank, she said, "seemed stunned," and subsequently she "never saw Gobie again."