

Congressional Closeup by Carl Osgood

Campaign finance reform debate scheduled

On Oct. 30, Senate Majority Leader Trent Lott (R-Miss.) announced an agreement with Senate Democrats in which the McCain-Feingold campaign finance reform bill will be brought up for debate again on March 6, 1998. Democrats, in turn, agreed to let the Senate proceed in regular order, ending the logjam that had held up several bills, including the Transportation reauthorization bill and the fast track trade legislation.

Meanwhile, House Democrats are also trying to force floor action on campaign finance reform. There are now 187 signatures, including six Republicans, on a discharge petition filed on Oct. 24 by Scott Baesler (D-Ky.). The petition would free up six bills for consideration that have been bottled up by the GOP. House Speaker Newt Gingrich (R-Ga.) indicated, on NBC's Meet the Press on Nov. 2, that there would probably be a vote in the House on campaign finance reform in March or April.

Line-item vetoes overridden by Senate

On Oct. 30, the Senate voted 69-30 to override President Clinton's use of the line-item veto on 38 projects in the Military Construction Appropriations bill. The Line Item Veto Act requires that both Houses vote up disapproval bills that would go to the President, in this case presumably to be vetoed and then overridden in the regular way.

The disapproval bill was co-sponsored by Ted Stevens (R-Ak.) and Robert Byrd (R-W.V.), a staunch opponent of the line-item veto on Constitutional grounds. Stevens argued that Clinton's use of the line-item veto violated both the Line Item Veto Act and

the spirit of the Balanced Budget Act. He said that the projects Clinton vetoed did not meet the criteria for use of the line-item veto, that the projects were all supported by the Pentagon, and that construction could begin on all of them during fiscal year 1998.

Others who spoke in favor of the disapproval bill, including Dirk Kempthorne (R-Id.) and Pete Domenici (R-N.M.), defended specific projects cancelled in their states. Both Domenici and Kempthorne are supporters of the line-item veto.

Dale Bumpers (R-Ark.) got to the nub of the matter, saying, "A lot of people who got a lot of political benefit for their support of the line-item veto are now complaining." Those people aren't saying it was a mistake, but rather, "they say that the trouble is that the President has abused his authority." Bumpers said he "was not surprised" at their protests. "This is precisely what we told them they could expect if they passed the line-item veto. It is a bad idea and plainly unconstitutional in the way that it transfers the power of the purse [from Congress] to the President."

Education bills get bogged down

On Oct. 31, the Senate fell four votes short of breaking a filibuster against a bill that would, in effect, create IRA-like education savings accounts. The bill, passed by the House on Oct. 23, is also facing a possible veto threat from the Clinton administration.

Paul Coverdell (R-Ga.), one of the bill's chief sponsors, claimed the accounts created by the bill would become "a tool that empowers parents to deal with particular or peculiar deficiencies of the child."

Opponents complained that sup-

porters were trying to ramrod the bill through with as little debate as possible. Carol Mosely-Braun (D-Ill.) pointed out that there haven't even been any committee hearings on the bill. "As far as I know," she said, "there is no precedent for bringing a House-passed tax bill to the Senate floor without any committee consideration whatsoever."

The House passed a procedural motion by a vote of 214-198 on the same day, to bring to the floor two more bills on education: One would establish a voucher system, and the other would expand the charter schools program. The GOP-controlled rule for debate on the voucher bill will not allow for any amendments, a provision the Democrats objected to strenuously.

Harkin forces debate on Fed nominees

Tom Harkin (D-Iowa), perhaps the Senate's strongest critic of Federal Reserve Board Chairman Alan Greenspan, forced debate on two Fed nominations on Oct. 30. Harkin's purpose was not to contest the nominees (they were both approved by voice vote), but rather to expose the fact that "their economic philosophy and their positions on what the Fed ought to be doing are just too much in line with the present thinking at the Fed," a fact which is "going to cost us dearly in the years ahead."

Harkin repeated arguments he had made in June 1996, when he forced debate on the renomination of Greenspan as Fed chairman, especially his attack on non-accelerating inflationary rate of unemployment (NAIRU), a concept that argues that unemployment cannot go down below a certain percentage of the labor force without

triggering runaway inflation. Harkin called this an “arcane” notion that has resulted in “unduly high interest rates.” He pointed out that only the top 20% of income earners benefit from high interest rates. “If you have money,” he said, “you like high interest rates.” But people in the low- to middle-income brackets suffer with higher rates, because costs of borrowing for a new car, a new home, or a college education have increased substantially under Greenspan’s interest rate policy.

Harkin reported that on the day that the Dow Jones average lost 554 points, he was called by someone in the Clinton administration who complained that “the fact of my holding up these two nominees sent the wrong signals to the financial markets. I said what about the signals we are sending to working families? What about those people out there working hard with maybe two jobs, or maybe three jobs, with the husband and wife trying to make ends meet, trying to borrow money for a home or a car? We are not sending them any signals,” except that they are going to pay more for credit.

Thompson ends campaign finance hearings

In an implicit acknowledgment that the hearings into 1996 campaign financing have failed, Fred Thompson (R-Tenn.), the chairman of the Senate Governmental Affairs Committee, announced at a press conference on Oct. 31 that he is suspending his committee’s public hearings, and admitted that he does not have the votes in the Senate to extend his probe beyond a Dec. 31 cutoff date. “We have recessed the hearings,” he said. “We do not have the caliber of witnesses and information [which we would like].

... And I’m not going to have hearings just for the sake of having hearings.”

Majority Leader Trent Lott (R-Miss.) and other GOP leaders have signalled their displeasure with the way the hearings have gone, which led Thompson to say: “I can count. The likelihood of getting 60 votes [to continue the investigation] is pretty remote.” The Senate probe cost \$2.6 million, and the committee held 32 days of hearings.

Thompson justified his initial focus on alleged influence-buying by the Chinese government, even though his committee came up with little evidence to substantiate the charge. He read quotes from an Oct. 19 *Los Angeles Times* article, “Money Trail in Probe of China Funds Turns Cold,” to explain how the committee was thwarted in its effort to prove that there was a Chinese government plot to influence the 1996 U.S. elections.

What Thompson danced around, is what most observers are saying about the hearings: that they backfired on the Republicans, because for every instance of alleged wrongdoing by Democrats, the Democrats on the committee were able to present evidence of the same activities having been conducted by Republicans.

D’Amato targets Gazprom-Iran deals

Senate Banking Committee Chairman Al D’Amato (R-N.Y.), at a hearing on Oct. 30, demanded that the Clinton administration impose sanctions—under the Iran-Libya Sanctions Act passed in July 1996 shortly after TWA Flight 800 exploded off the coast of Long Island—against the Russian Gazprom natural gas company, the French Total oil company, and the Malaysian Petronas oil firm, because they signed a \$2 billion deal to develop the

South Pars oil field in Iran. D’Amato is targeting Export-Import Bank credits for Gazprom in particular.

In his opening statement, D’Amato claimed that if Gazprom receives ExIm Bank credits, “then we are contributing to a growing Iranian menace,” because Iran’s oil profits allegedly go to finance terrorism. Joining with D’Amato was Foreign Operations Appropriations Subcommittee Chairman Mitch McConnell (R-Ky.), whose subcommittee oversees ExIm Bank funding. McConnell said he viewed Russian-Iranian cooperation, in the oil business and on nuclear technology, as a threat to U.S. national security interests, and he is putting pressure the ExIm Bank to take these factors into consideration when considering which projects to support.

The witnesses from the Clinton administration, ExIm Bank President James Harmon, Director of the Treasury Department Office of Foreign Assets Control Richard Newcomb, and William Ramsay, Assistant Secretary of State for Energy Resources and Economic Sanctions, were noncommittal on what the oil deal means, but all assured the committee that they would adhere to the law after such a determination had been made. Harmon noted that the ExIm Bank cannot “take into consideration foreign policy goals of the government in making its decisions on what exports to support,” because, by law, only the President and the secretary of state can make foreign policy decisions.

Harmon remained firm on that point under questioning from Sam Brownback (R-Kan.), an ally of D’Amato. Brownback said, “I hope the [ExIm Bank’s] board [of directors] will review this as well, because it seems to me that on its face, as circumstances present this, that your own legal counsel would say this is an illegal transaction.”