Congressional Closeup by Carl Osgood

Oil price bill called ineffective

On March 22, the House passed by a vote of 382-38 a bill intended to cut off assistance to oil-producing countries that engage in "price fixing." The bill was sponsored by International Relations Committee Chairman Ben Gilman (R-N.Y.), and is a response to the recent run-up in crude oil prices. The wide margin of passage does not, however, reflect a broad consensus in the House that the bill would provide effective measures to deal with the latest oil shock.

The bill doesn't require that sanctions be imposed against a country that is determined to be involved in "price fixing," although such measures are implied. The bill directs the President to "undertake a concerted diplomatic campaign to convince any country . . . engaged in oil price fixing . . . that the current oil price levels are unsustainable and will negatively affect growth rates in oil-consuming and developing countries." Gilman said, "We need to send a strong message to the OPEC [Organization of Petroleum Exporting Countries] price cartel that continued price-fixing efforts to prop up the price of oil will be an important consideration in our nation's foreign policy."

A number of amendments Democrats had planned to offer were not allowed by the rule. Gilman explained that the bill has a narrow focus and "cannot be a vehicle for the overdue reform of our entire policy in energy." The amendments the Democrats wanted to offer included one to stop the export of Alaskan North Slope oil, to call on the President to draw down the Strategic Petroleum Reserve, to encourage energy conservation, and to repeal the 1993 tax increases on motor fuels, including the 4.3¢ a gallon tax increase on gasoline. The last one was considered by the GOP leadership earlier in the week, but they abandoned it on the grounds that it would have little impact on pump prices of gasoline.

Partisan sniping dominates budget debate

On March 23, the House narrowly passed the GOP budget resolution by a vote of 211-207, with six Republicans crossing party lines to vote against it and two Democrats voting for it. The tone was set during debate on the rule, when Louise Slaughter (D-N.Y.) complained that the resolution that was coming to the floor was not the one approved by the Budget Committee, but rather was crafted in secret by the GOP members of the Rules Committee at 3 a.m.

Democrats also complained that the budget plan is not much different from those of the last two years, when the appropriations process ended in large omnibus spending bills well into the fiscal year. "The definition of folly," Slaughter said, "is to repeat what has failed and expect it to succeed, and that is just what this resolution does."

The Democrats were allowed to offer a substitute resolution which differed from the GOP's in certain significant respects. John Spratt (D-S.C.), the ranking member on the Budget Committee, said that, while the Republicans claim otherwise, "We recognize our liability to Social Security and Medicare. They do not." Spratt explained that the Democratic plan puts debt savings that accumulate as a result of budget surpluses into the Social Security Trust Fund for the next ten years so that the life of the fund is extended another 15 years. "We are extending the life of both programs," Spratt said, "and that is the main difference between us and them." The Democratic alternative was defeated, as were four others, by a vote of 233-184.

Senate to repeal Social Security earnings limit

On March 22, after three days of debate, the Senate voted 100-0 to repeal the Social Security earnings limit, following up on similar House action three weeks earlier. The day before, Judd Gregg (R-N.H.) argued that "repealing the earnings limitation is a very important step to assist people who have reached eligibility age for retirement to have a better lifestyle. It allows them to work harder, work longer, work at their option versus at the government's option, and keep the proceeds of what they earn versus losing it because of this artificial reduction in benefits." President Clinton has said he will sign the bill.

Several Senators put the debate in the context of comprehensive Social Security reform, however, which the bill did not address. Gregg referred to the demographic crisis that's going to hit Social Security when the Baby Boomers start retiring in 2008. He warned that this demographic problem is going to cost the next generation of earners $7 trillion to cover the shortfall. While repealing the earnings limit is necessary, he said, "We should be addressing the fundamental problems that are facing us . . . the most fundamental of which is an unfunded liability."

In a related development, the Senate GOP leadership announced on March 28 their version of a bill to repeal the so-called marriage penalty, which is much more generous than the bill passed by the House in February. The House bill was projected to cost $182 billion; the Senate version will cost $240 billion over ten years. The bill widens the lowest 15% income tax bracket, and allows more couples who itemize to take advantage of it. It also provides a standard deduction for married couples that is twice that of single taxpayers.