

Congressional Closeup by Carl Osgood

Bush Tries End-Run on Power of the Purse

Both the House and the Senate completed action on April 3 on President Bush's supplemental appropriations request to fund the war against Iraq, the Senate passing it by a vote of 93 to 0, and the House by a vote of 414 to 12. The \$78.7 billion bill included \$62.6 billion for the Defense Department, \$7.8 billion for the State Department, and \$4.6 billion for homeland security spending.

The most contested part of the bill had to do with the additional "flexibilities" requested by the Bush Administration. In the original request, the White House had asked for almost all of the Pentagon spending to be put into a defense emergency response fund, which would have allowed the Defense Department to spend the money with almost no oversight—in effect taking away the Constitutionally mandated power of the purse from Congress. The Senate bill provided \$11 billion of that amount, with the rest appropriated into specific accounts, including operations and maintenance, personnel, and to replenish munitions stockpiles. Sen. Robert Byrd (D-W.V.) told the Senate, "These 'flexibilities' startle me. . . . We have been at war before, but the nation never wandered, never sought to wander away from the Constitution, never sought to impinge upon the Congressional power of the purse as we have seen in this instance."

Also contested was the White House notion that Iraq reconstruction should be funded through the Pentagon, rather than the State Department. Byrd noted that the Senate bill "stipulates that funds may not be transferred to the Department of Defense, and that all funds available under this appropriation shall be subject to the regular prior notification procedures." House

Foreign Operations Appropriations Subcommittee Chairman Jim Kolbe (R-Ariz.) indicated that the House bill included similar language, directing money for reconstruction and humanitarian relief in Iraq to the State Department and related agencies, rather than the Pentagon.

The differences between the two bills were sufficient, however, to cause House Appropriations Committee Chairman Bill Young (R-Fla.) to warn, on April 8, that compromise might be difficult. The Senate added some extra money for homeland security, though not enough to satisfy the Democrats.

House Reverses Itself Over Budget Cuts

On April 1, the House approved by a vote of 399 to 22 a non-binding motion to instruct members of the conference committee on the fiscal 2004 budget resolution to eliminate those parts of the House version of the measure that would mandate large cuts in mandatory and discretionary programs. John Spratt (D-S.C.) said that most of the cuts could have been restored during consideration of the resolution on the House floor. "Since everyone knows that they would have emasculated Medicare and Medicaid, I think" Democratic amendments to restore the cuts "would have passed," he said. "But we were not allowed to make such an amendment."

Spratt said that the cuts called for in the resolution were not part of President Bush's budget request, nor were they included in the Senate version of the bill. "They are wrapped up in ambiguity, written in language so evasive that no one can know where the cuts may fall," he said, adding that cutting veterans benefits when there is a war

under way, and cutting Medicaid when the states are facing collapsing budgets, "is just wrong; callous and wrong."

The large bipartisan vote in favor of the motion may have been signaled by House Majority Leader Tom DeLay (R-Tex.), who announced to the House that, while he was concerned about the extra spending the motion supported, it also appeared to support a tax cut of \$514 billion. While it was not the full amount that the House voted for, "I think we could do some really good stimulative effect with \$514 billion," he said. Spratt retorted that "in no way can this resolution be construed to support a tax cut of \$514 billion." It remains to be seen, however, what effect, if any, the vote will have on the conference negotiations.

Congress Paralyzed as U.S. Hits Debt Ceiling

On April 4, Treasury Secretary John Snow notified Congress, in a letter to the leadership of both parties, that due to the statutory debt limit, the Treasury Department would not be able to invest that portion of the Civil Service Retirement and Disability Fund which not immediately required to pay beneficiaries. The Treasury needs the cash, because it cannot issue new debt without an increase in the debt ceiling, now set at \$6.4 trillion.

Congress has been struggling with the problem. On April 2, Senate Appropriations Committee Chairman Ted Stevens (R-Ak.) introduced an amendment to the war supplemental appropriations bill to increase the debt ceiling "by the total amount of funds appropriated" for the war on terrorism and military operations in Afghanistan and Iraq. Sen. Robert Byrd (D-W.V.) expressed surprise that Stevens would

propose such a thing, complaining that it was open-ended. Stevens replied, "I wanted people to understand I believe it is my duty to see to it that this subject is addressed during consideration of this bill." He offered to put a hard number in the amendment so it would not appear open-ended, but wound up withdrawing it without a vote.

While Stevens never said what that number might be, Sen. Kent Conrad (D-N.D.) later calculated that it would be in the range of \$887 billion. Senate Minority Leader Tom Daschle (D-S.D.) noted that such a large increase in the debt limit, "ironically, is about the same amount of increase in the tax cut that is proposed by this administration."

Republicans generally try to bury the debt limit issue in other legislation to avoid a vote on it. Both Daschle and House Minority Leader Nancy Pelosi (D-Calif.) professed, on April 2, that they had no knowledge as to how the GOP intended to address the issue.

Airline Aid Added To Supplemental

The House and Senate leadership included aid packages for the financially troubled airline industry in the supplemental appropriations bill, even though such aid had not been requested by the White House. The Senate package totalled \$3.5 billion and the House package \$3.2 billion. The House plan would return taxes and fees that the airlines have paid for security since Sept. 11, 2001 and free them from paying those costs until Sept. 30, 2003. The Senate plan gives the airlines a holiday on those taxes from April 1 to Sept. 30, reimburses them for specific security measures, extends unemployment benefits for

airline employees, and provides \$475 million for airports. The industry is projecting losses of up to \$7 billion in 2003, excluding the impact of the Iraq war.

Senate Majority Leader Bill Frist (R-Tenn.) told reporters on April 1, "The purpose of this is to respond to the impact of the war on terror. It's not to solve all of the problems that the airline industries have today." Later in the day, however, White House spokesman Ari Fleischer said that while the Bush Administration does not oppose some assistance for the airlines, "we believe that the level of airline assistance recommended by the House and Senate committees is excessive," a charge denied by at least one GOP leadership aide.

On April 8, President Bush announced that he would oppose the extension of unemployment benefits for the airline industry. The House responded by voting 265 to 150, with 67 Republicans joining all the Democrats, for a motion to instruct House members of the conference committee on the bill to support the Senate provision on unemployment benefits. Rep. David Obey (D-Wisc.), the ranking member on the House Appropriations Committee, told the House that if Congress is going to bail out the airlines and their executives, then it should also ensure that "at least some of those taxpayers' dollars wind up trickling down to the workers who keep the airlines moving in the first place."

Tax Cut Dispute Threatens Budget Resolution

According to the April 8 *Washington Post*, House Majority Leader Tom DeLay (R-Tex.) told reporters after a meeting of the House-Senate confer-

ence committee on the budget resolution that, if the Senate refuses to reach an acceptable compromise on the tax cuts, conservative House members would reject the resolution. "It probably would not be the worst thing in the world to not have a budget resolution," he said.

The irony is that Republicans have repeatedly excoriated the Democrats for their failure, last year, to pass a budget resolution, when they controlled the Senate.

Procedurally, failure to pass a resolution would also jeopardize chances of passing any tax cut this year, because under Senate rules, tax cuts under a budget resolution can be passed with simple majority votes. Without a budget resolution, the Senate would need 60 votes to pass any tax cuts. To get them, the GOP would need the votes of nine Democrats—an unlikely scenario.

While DeLay was telling anybody who would listen that he could do without a budget resolution if it did not include the entire \$726 billion tax cut package, President Bush and the Senate Republican leadership have been arm-twisting the four moderate Republicans who are standing in their way: George Voinovich (Ohio), Olympia Snowe (Me.), Lincoln Chaffee (R.I.), and John McCain (Ariz.). Sen. Rick Santorum (Pa.) told reporters on April 8, "We are continuing to work to see if we can maximize" the tax cut package, which the GOP keeps calling a "growth package."

But Santorum frankly admitted, "If we had the votes, I wouldn't be out here saying we're still talking about it." Senate Minority Leader Tom Daschle (D-S.D.) expressed confidence that the \$350 billion figure voted up by the Senate would hold. "I don't think the votes are there for a higher figure," he said.