

Congressional Closeup by William Jones

Gramm-Rudman ax poised as budget hits impasse

On Oct. 16, the Office of Management and Budget will implement a Gramm-Rudman sequestration, barring a last-minute resolution of the budget disagreements between Congress and the administration. The cuts are estimated to be about \$16 billion, to be evenly divided between defense and domestic programs.

The deficit reduction package has become intermeshed in the fight between the administration and the Congress over the capital gains tax. The White House has insisted that the hotly contested capital gains measure be included in the deficit reduction package. Senate Majority Leader George Mitchell (D-Me.) accused the White House on Oct. 10 of trying to torpedo congressional agreements on the deficit reduction. Mitchell was reacting to a statement from White House press spokesman Marlin Fitzwater earlier in the day, that the President still wanted the capital gains tax reduction included in the reconciliation bill. "It's been part of the deliberations from the beginning," said Fitzwater, "and we urge that it be included."

Mitchell disagreed. "He [Fitzwater] is completely wrong. . . . Capital gains was never included as part of the budget summit agreement." House Speaker Thomas Foley (D-Wash.) offered to strip the extraneous measures from the reconciliation bill in the House the week before. House Minority Leader Robert Michel (R-Ill.) agreed, but the White House objected. Foley said that the President was pursuing a capital gains tax cut "like a mad dog after a bone," a slip of the tongue which Foley later denied uttering.

The House had approved a capital gains tax cut in its version of the deficit

reduction package, but the Senate Finance Committee refused to do so. The child-care tax credit proposal and the catastrophic health care plan are also points of contention.

Recriminations fly as Panama ops backfire

The White House, stung by accusations by yahoos on Capitol Hill of indecisiveness in recent attempts to oust Panamanian Defense Forces commander Gen. Manuel Noriega, claimed that the Senate Select Committee on Intelligence would not approve additional money for their attempts to overthrow Noriega.

The *Washington Post* reported on Oct. 11 that administration officials are saying that the negative response they received from Congress with regard to the additional funds, influenced their decision to react cautiously during the coup attempt against Noriega on Oct. 3. An Executive Order bars the Central Intelligence Agency from political assassinations. Administration officials cited by the *New York Times* on Oct. 9 claimed that they have interpreted the Senate's view on assassinations to bar intelligence officers from providing guidance or help to any coup that might include the death of its target.

National Security Adviser Brent Scowcroft said that "micromanagement of the executive branch going clear back as far as the Executive Order prohibiting assassinations, which was forced by the Congress, has, by its actions and its demeanor, certainly leaned us against the kinds of things now they're saying we should have done."

Select Committee on Intelligence chairman David Boren (D-Okla.) said

that his committee had approved "every single penny." The administration was then faced with heavy criticism from Congress for wimpishness. President Bush is reported to have been "enraged" by the criticism and ordered his top advisers to put a stop to internal criticism of the administration's handling of the coup attempt, according to unnamed administration officials.

Congress retreats on catastrophic insurance

The Medicare Catastrophic Coverage Act is now a thing of the past, as frightened congressmen scrambled to roll back this once-popular social welfare measure.

"We're not confused," said Senate Minority Whip Alan Simpson (R-Wyo.), during Senate debate on the measure on Sept. 29, "we're terrorized." Passed only last year, congressional offices have been swamped by protests from elderly citizens, many of whom would not benefit from the program, who objected to paying the surtax that was to help finance the program.

The House voted to repeal the law, while the Senate kept the program intact, but sharply reduced the benefits. Rarely has Congress misjudged constituency reaction to a program so thoroughly. Increased medical care, where average medical costs are onerous and sometimes inhibit people from seeking care, is needed. But with the economy in such an advanced state of collapse, such New Deal programs can only be financed by squeezing more out of the dwindling income of the individual recipient of medical care—in this case, pensioners living on a fixed income.

The bill is now in conference committee to iron out the differences between the two versions. But the net result will be increased costs for the 21 million elderly Americans as the expenses of their private health care insurers rise and costs are passed on to policy holders. The taxpayers, including the elderly, will end up paying about \$10 billion in doctor, nursing-home, and hospital bills through various state and federal programs other than expanded Medicare. Employers who provide group medical coverage for retired workers will pay an estimated \$750 million to \$1 billion additionally each year in their share of increased premiums.

Committee revolts against clean air bill

Rep. John Dingell (D-Mich.), chairman of the House Committee on Energy and Commerce, and Rep. Norman Lent (R-N.Y.), the two chief sponsors of President Bush's clean air bill, are now leading a committee revolt against a key provision calling for 1 million alternative-fuel cars by 1997.

Administration officials have characterized the alternative-fuels provision as critical, if cities are to clear the skies of smog by early in the next century.

The opposition of the leading sponsors of the bill is creating the unusual situation of a slim majority of Republicans and conservative Democrats opposing the President's bill, while liberal Democrats and environmentalists are lobbying for the measure. The President's supporters feel that the White House has not done enough to rally Republican support behind the bill.

The Bush proposal would man-

date there be 1 million cars by 1997 capable of running on a non-gasoline alternative which burns as cleanly as pure methanol, in the most polluted cities. A less draconian alternative has been presented in the way of an amendment by two oil-state congressmen, Ralph Hall (D-Tex.) and Jack Fields (R-Tex.), which would require a performance standard equal to a gasoline blend containing 85% methanol. Oil companies would be able to reformulate conventional gasoline to burn as cleanly as M-85. Auto makers also prefer an M-85 blend because they would have to do less to retool engines. The Environmental Protection Agency claims, however, that M-85 is a poor substitute for pure methanol, since it releases 30% more of the ingredients of smog. The Hall-Fields amendment is now undergoing final drafting by Dingell and Lent's staff for inclusion in the bill.

Bill introduced to restructure Fed

Reps. Lee Hamilton (D-Ind.) and Bryon Dorgan (D-N.D.) have introduced a bill to "reform" the Federal Reserve Board that would put the Secretary of the Treasury on its Board of Governors and compel its Open Market Committee to immediately disclose its decisions, instead of waiting six weeks as it now does.

Despite its appearance of being a "hostile bill," both Hamilton and Dorgan told the *New York Times* that they think Fed chairman Alan Greenspan is doing a "fine job." According to the *Times*, some Democrats believe that Secretary Brady does not want to be on the Fed's board, since the Bush administration would prefer to use the Fed as a scapegoat as the economy unravels. On the other hand, the Fed,

in spite of *pro forma* protests, would actually like the Treasury Secretary to be on the board so that blame for the ongoing financial blowout can be shifted to the administration.

Aircraft shutdown defeated in Senate

An anti-drug amendment introduced by Sen. Mitch McConnell (R-Ky.) to allow federal drug interdiction agencies to shoot down aircraft that do not respond when instructed to identify themselves, was tabled on Oct. 5 by a 52 to 48 vote.

Opponents of the proposal voiced concern that this legislation would lead to disasters, with amateur pilots not understanding law enforcement signals, and paying for their confusion with their lives. Sen. Dale Bumpers (D-Ark.) called the proposal "a disaster waiting to happen."

House relaxes Medicaid abortion rule

In a major shift in sentiment, the House voted 216-206 on Oct. 11, to accept Senate language that would permit federally funded abortions for victims of rape or incest. Previously the House had only allowed federally funded Medicaid abortions when they were needed to save the woman's life.

The heated debate over abortion in the aftermath of the Supreme Court's recent abortion ruling has forced some pro-life congressmen concerned with their careers, to shift to a pro-abortion stance. Rep. Barbara Boxer (D-Calif.), who introduced the motion to liberalize abortions, was greatly surprised by the victory, believing that she would not be able to mobilize more than 209 votes.