

## Congressional Closeup by William Jones

### Johnston introduces trigger price on oil

Senate Energy Committee Chairman Bennett Johnston (D-La.) and Sen. Bob Krueger (D-Tex.) introduced legislation on Jan. 28 which would establish a variable tariff fee on crude oil imports as a tool for promoting domestic oil production and raising federal revenues. The measure was partly in reaction to discussions in the Clinton administration on imposing an "energy tax."

Johnston indicated that, in addition to raising needed revenue, his proposal would serve to reduce U.S. reliance on foreign oil. Under the legislation, the fee would be phased in whenever the price of internationally traded crude oil falls below \$25 per barrel, and would equal the difference between \$25 and the existing world market price. The bill provides an additional differential for product imports and petrochemical feedstocks, creating a floor price of \$27.50 for those products.

Based on projections developed by the Energy Information Administration, a floor price of \$25 per barrel would raise approximately \$50 billion through the year 2000. In proposing the fee, Johnston and Krueger noted that a long-term decline in domestic oil production has resulted in the loss of 400,000 jobs in the oil and gas industry, despite the fact that U.S. consumption of oil has increased.

### Rostenkowski attacks prosecutors for leaks

Rep. Dan Rostenkowski (D-Ill.), chairman of the House Ways and Means Committee, moved to have prosecutors held in contempt of court because of news reports concerning a Department of Justice (DOJ) investigation of him in connection with the

so-called House Post Office scandal.

Numerous media have reported that the DOJ investigation of the House Post Office has been significantly expanded, and is now seeking Rostenkowski's tax, financial, and campaign records and looking at alleged attempts to obstruct the probe.

Rostenkowski asked Judge John Garrett Penn for a court order to halt further disclosures. U.S. Attorney Jay Stephens denied that he or any of the prosecutors have leaked information. But on seeing the evidence submitted by Rostenkowski, Penn ordered Stephens to explain the apparent leaks from a grand jury investigation.

### Gonzalez would increase oversight on Fed

House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) introduced legislation on Jan. 5 entitled "The Federal Reserve System Accountability Act." While far short of federalizing the Federal Reserve, the bill would nevertheless increase congressional oversight over the Fed.

The bill would change the selection process of the members of the Federal Open Market Committee (FOMC), the body with ultimate authority over the U.S. money supply. The FOMC is now composed of the seven members of the Federal Reserve board of governors (all positions subject to presidential appointment and Senate approval) and five of the 12 presidents of the regional Federal Reserve banks. Now, the presidents of the regional Federal Reserve banks are elected by the nine-member board of directors at each bank (three of whom are appointed by the board of governors). The bill would require the U.S. President to nominate the presidents of the regional Federal Reserve, and these would be subject to Senate

confirmation.

The bill would make the Fed subject to the Civil Rights Act of 1964, and thereby encourage diversity in the selection of its officials.

The bill would also require the FOMC to videotape its meetings and release the footage 60 days after the meeting occurred. Since 1936, the FOMC had kept minutes of its meetings, but discontinued the practice with the passage of the "Government in the Sunshine Act" during the Carter administration, which made such minutes public.

The bill also calls for a regular General Accounting Office audit of all Fed operations and for making the Federal Reserve swap fund for international currency transactions (now financed from internal Treasury transactions) subject to congressional budget authority. The bill also requires that the Fed be subject to the Freedom of Information Act, which would allow the public access to Federal Reserve documents.

### GOPers fail to gag Banking chairman

At the first meeting of the House Banking Committee of the 103rd Congress on Jan. 26, Rep. Bill McCollum (R-Fla.) tried to change committee rules under the pretext of attempting to prevent disclosure of information deemed vital to national security. The McCollum proposal was in reaction to the disclosures by House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) of pre-Persian Gulf war collaboration between the Bush administration and the government of Iraq.

McCollum wanted to require a full committee vote on classified disclosures (which now applies only to the Select Committee on Intelligence) and

to give the President the opportunity to object to any disclosure, with an objection bringing the matter before the full House for a vote. "This is a George Bush protection amendment," commented Rep. Joseph Kennedy (D-Mass.). A proposal that would require a straight committee vote before a disclosure can be made, was also defeated.

## **D**ems reintroduce balanced budget amendment

In a signal to the Clinton administration that concrete measures must be taken to bring down the budget deficit, austerity Democrats are reviving the constitutional amendment for a balanced budget.

In the Senate on Jan. 27, Sen. James Exon (D-Neb.) reintroduced the balanced budget amendment which had been narrowly defeated last year. On the House side, austerity Democrats like Rep. Charles Stenholm (Tex.) have indicated that they would wait to reintroduce such an amendment until late this year, in order to give Clinton a chance to come up with his own austerity program.

The austerity Dems may have been strengthened a great deal this term with the appointment William Natcher (D-Ky.) as chairman of the House Appropriations Committee.

## **B**ill would keep ban on homosexuals in military

After being deluged with calls in opposition to the lifting of the ban against homosexuals in the military, Republican senators are considering tagging a reinstatement of the ban for a six-month period on to the family-leave bill, which President Clinton wants passed.

The tenuous compromise reached between Clinton and the Joint Chiefs of Staff would discontinue the ban on homosexuals for a six-month period while congressional hearings were held. The GOP proposal would continue the ban during this period.

It is doubtful that Republicans have the votes to prevent passage of the family-leave bill or to maintain the ban, but a filibuster is possible. Republicans are divided, however, on the wisdom of delaying the family leave legislation.

## **O**utcry hits proposed cuts in Social Security COLAs

The Clinton administration stepped on what Sen. Daniel Moynihan (D-N.Y.) characterized as a "land-mine," when Office of Management and Budget Director Leon Panetta proposed cutting the cost-of-living adjustment (COLA) for Social Security at a White House meeting with Democratic congressional leaders on Jan. 27.

Interviewed on "This Week with David Brinkley" on Jan. 31, Moynihan, chairman of the Senate Finance Committee, said that there would be no limit placed on the COLA. He was backed by Sen. Trent Lott (R-Miss.), Senate Republican Conference chairman, who said that cuts should be considered in every area "except Social Security."

Although there are differences, and politicians are seeking to minimize public uproar, it's clear that cuts in Social Security are definitely on the table.

Senate Majority Leader George Mitchell (D-Me.) opposes the proposed cuts, but instead wants to tax a greater portion of Social Security benefits. Similarly, Moynihan said he would consider increasing, from the present level of 50%, the amount of

Social Security benefits that are subject to taxation.

Senate Minority Leader Robert Dole (R-Kan.) preferred the COLA cuts. Interviewed on NBC News "Meet the Press" on Jan. 31, Dole said that he would rather "reduce the COLA 1% or 2%" than increase taxation on benefits.

Reaction from elderly groups to the proposals were immediate. Max Ritchman, executive vice president of the 6 million-member National Committee to Preserve Social Security and Medicare sent out letters to all 535 members of Congress the day after the Moynihan's comments opposing any COLA freeze. The 34 million-member American Association of Retired People, while not taking a formal position, has made it clear to the administration that they should look for their budget cuts elsewhere.

## **C**IA chief: economic espionage a hot potato

New CIA director-designate R. James Woolsey indicated at his nomination hearings on Feb. 2 that reviewing U.S. intelligence agencies' role in economic spying is "the hottest current topic in intelligence policy issues."

With the "demise" of the Soviet Union, pressure is being exerted to utilize the intelligence services in various types of "economic espionage," teaching U.S. corporations how foreign nations spy on American trade secrets. Woolsey said that such a re-orientation was "fraught with complexities," since even our allies "are involved in economic intelligence against our corporations."

Woolsey said that he did discuss "economic espionage" with National Security Adviser Anthony Lake and Robert Rubin, director of the National Economic Council.