

## **Congressional Closeup** by Carl Osgood

### **N**ortheast lawmakers hit high heating oil prices

On Feb. 9, Sen. Chris Dodd (D-Conn.), and six other Senators from Northeast states, introduced a bill to create a heating oil reserve to be available when prices rise "because of anti-competitive activity," or when there is a supply shortage during periods of severe winter weather. Heating oil prices have risen to as high as \$2.10 per gallon in the Northeast.

Dodd reported that retailers in Connecticut are struggling to meet the demands of their customers and that supplies at oil terminals are at "dangerously low levels." Dodd said that icy conditions and isolated supply problems have been a factor, but "many analysts believe that the precarious petroleum situation was precipitated by a calculated decision by OPEC [the Organization of Petroleum Exporting Countries] and others to cut back production, and by major oil companies adhering to a practice of just-in-time inventories." Dodd's bill would authorize the creation of a heating oil reserve of 2 million barrels in the New York area, and 4.7 million barrels in one of the four caverns currently used by the Strategic Petroleum Reserve (SPR). It would be available for stabilizing prices "during critical periods."

For several weeks, Sen. Charles Schumer (D-N.Y.) has been pressuring the White House to release part of the SPR to provide some price relief. Energy Secretary Bill Richardson told reporters after a meeting on Capitol Hill with members of Congress from the Northeast, "We are not prepared to use the Strategic Petroleum Reserve in the current context of the market. We don't believe this is a supply emergency."

The Clinton administration has expressed a preference to use the Low Income Heating Assistance Program

to aid families hit hard by the oil price spike. In January, the administration released \$45 million for this program, and Richardson announced that the administration would soon be announcing another targeted initiative.

### **M**arriage penalty tax cut passed by House

On Feb. 10, the House passed a GOP bill to repeal the so-called marriage tax penalty, by a vote of 268-158. Despite the bipartisan support for cutting the marriage tax penalty, the House Democratic leadership strongly objected to the bill, and it has drawn a veto threat from President Clinton.

D.C. Delegate Eleanor Holmes Norton (D) summed up the Democrats' complaints. "When Republicans and Democrats support basically the same idea," she said, "the people expect us to come together and get together. Instead, the Republicans have drafted their bill in secret, as if this were a one-party state." The reason why they did this, Norton said, is because "half their bill goes to couples who pay no marriage penalty."

Democrats also charged that this bill was only the first in a GOP strategy to push through their entire \$800 billion to \$1 trillion tax cut package, piece by piece. "The real problem with this bill," said Bob Matsui (D-Calif.), "is we have no budget." What is going to happen as a result of all these "little tax bills," he said, is that "all of a sudden it is going to affect our ability to fix Medicare and Social Security, the two most pressing problems in America today."

Republicans generally repeated their standard anti-tax rhetoric. Jerry Weller (R-Ill.) ran off the statistics of how many couples are paying the marriage penalty. Ways and Means Com-

mittee Chairman Bill Archer (R-Tex.) said that, contrary to Democratic assertions, the bill largely is aimed at middle-income families because it doubles the 15% tax bracket and increases the range for the earned income tax credit by \$2,000.

### **S**enate panel conducts Seattle WTO post-mortem

On Feb. 10, the Senate Finance Committee held its first hearing on last December's Seattle World Trade Organization (WTO) ministerial meeting. Committee chairman William Roth (R-Del.) put the blame for the failure of the summit squarely on the shoulders of the Clinton administration. "It began," he said, "with the President's ambivalence on trade issues from 1992 to the present." Not having any prior agreement on a negotiating agenda was "a prescription for disaster." Then, the United States became isolated by Europe and Japan, and was at odds with developing countries over labor and environmental standards. "What we did not achieve," he said, "was any progress on market access."

Defending the administration's record on trade was U.S. Trade Representative Charlene Barshefsky. She admitted that a number of WTO members "were reluctant to commit themselves to a negotiating agenda covering difficult issues." However, in her view, "it was not the U.S. who was isolated; it was Europe and Japan who were isolated, but refused to accept the agriculture text that was negotiated in Seattle." She admitted to an "erosion of public support" for the multilateral trade institutions, which suggests that labor and environmental issues "should at least be discussed in the context of trade policy."