

Congressional Closeup by William Jones

Gejdenson says U.S. headed for depression

Rep. Sam Gejdenson (D-Conn.) said that the U.S. economy was "heading not for a recession but for a massive depression," in comments on the floor of the House on Sept. 17.

Gejdenson said it is time to "stimulate the American economy back to life. We need to make low interest loans available for housing, and we need to put our construction industry back to work. We need to revive this economy or all the attempts at debt reduction will only further slow this already devastated economy.

"In those states with the most economic activity and the most population," continued Gejdenson, "we are already deep into a recession."

Bush threatens veto of GRH suspension

The White House has made it known that President Bush intends to veto any budget agreement which suspends the Gramm-Rudman-Hollings deficit reduction law. House and Senate Republican leaders believe that although any vote would be close, they would be able to uphold the President's veto.

"With a sequester . . . the heat becomes intense," commented Rep. Jerry Lewis (R-Calif.), the chairman of the House Republican conference. "And the voice becomes a scream in a district back home."

The sequester would make across-the-board cuts and is scheduled to go into effect on Oct. 1 if no agreement has been reached. Senate Minority Leader Robert J. Dole (R-Kan.), in the hope of finding a compromise, suggested that the capital gains tax cut be put into a bill separate from spending cuts and tax increases. Other Republicans and the White House disagree. "We can't find anything in the

talks that has anything to do with growth except capital gains," said Rep. Bill Frenzel (R-Minn.), the House Budget Committee's ranking Republican.

White House press spokesman Marlin Fitzwater claimed that the capital gains tax issue was not the problem. "The Democrats have been able to focus attention on the capital gains provision to the overall detriment of the progress of the negotiations," he said. Capital gains taxes are levied on profits from sales of stocks, bonds, property, and other assets.

Both sides have tentatively agreed to defense cuts of \$170-200 billion; net tax increases of \$130 billion; and net domestic spending cuts of \$90-120 billion.

In the light of the failure of negotiators to come to a budget agreement, an omnibus spending bill which would include a 20-day delay of the Gramm-Rudman sequester will be introduced in the House.

Cranston, civil rights groups oppose Souter

Sen. Alan Cranston (D-Calif.) has declared his intention to oppose the nomination of Judge David Souter to the U.S. Supreme Court when it comes to the Senate floor. Citing Souter's refusal to acknowledge that the Constitution guarantees abortion rights, Cranston said, "I will vote 'no' because Judge Souter will not reveal his views on a fundamental constitutional issue—the right of privacy," the buzzword used for abortion.

The Leadership Conference on Civil Rights, an umbrella organization of civil rights and civil liberties groups, has also announced that it will oppose the Souter nomination. The conference, which helped defeat Bush U.S. Supreme Court nominee Robert

Bork, said Souter's testimony before the Senate Judiciary Committee failed to allay the "concerns and fears" the group had about the nominee based on his record as the New Hampshire Attorney General and on the bench. The conference cited in particular Souter's comments that New Hampshire "does not have racial problems" as "perhaps the most upsetting" part of his testimony.

But the Souter nomination appears headed for approval as two Democratic members of the Senate Judiciary Committee, Sen. Dennis DeConcini (D-Ariz.) and Sen. Howell Heflin (D-Ala.), have said that they will vote in favor of the nomination.

Souter testified before the committee earlier last month and said little on most controversial issues.

Budget Office: Carbon tax would be devastating

The Congressional Budget Office warned in a report that a tax on carbon-based fuels would result in "dislocation and the possible slowing of economic growth." By the year 2000, the tax on coal would be twice the selling cost of the fuel, at \$60.50 per ton; the tax on oil would be \$12.99 per barrel, and would be \$1.63 per million BTUs for natural gas.

The report, prepared at the request of the Senate Energy and Natural Resources Committee, examined the effect of the tax proposed by Rep. Fortney Stark (D-Calif.) to limit the burning of fossil fuels, an alleged cause of the so-called ozone hole.

Industries such as steel, glass, rubber, aluminum, and chemicals would face higher costs that would undermine their ability to compete in international markets, the report warned. The coal industry would be

devastated. "Production would fall by 70% below the baseline, to less than half the current levels," the CBO report said.

The National Coal Association said the measure would have a "negligible" impact on pollution, yet cost consumers \$41 billion per year.

Saudi arms sale to be pared down

The White House announced on Sept. 21 that it would seek congressional approval for a "significantly" pared-down, immediate arms sale to Saudi Arabia, to be followed by a second request in January to meet the longer-term military needs of the desert kingdom.

The White House backdown on the Saudi arms deal came after congressional leaders objected to the original \$21 billion proposal that the Defense Department had circulated on Capitol Hill. The White House statement on the Saudi arms package contained no details of the components or costs.

"The specific items to be provided in the first phase are still being determined and will encompass equipment and training requiring early action," the statement said.

Dems call on Bush to tap oil reserves

House Democrats urged President Bush to tap the nation's oil reserves, in a letter circulated on Sept. 24 seeking Member endorsements. Referring to the rapid price rise of oil, the letter states that "clearly this is the kind of economic hardship the Strategic Pe-

troleum Reserve was designed to reduce."

"Economists are not debating when, but how serious the recession will be," the letter noted. The Bush administration had refused to tap the massive crude oil stockpile, but on Sept. 26, authorized the "test" sale of 5 billion barrels. The reserve has been accumulating since 1977 in six underground salt caverns in Louisiana and Texas. White House spokesman Marlin Fitzwater said, "We want to make it clear to those speculators that we have oil to put on the market."

Some experts are concerned that opening the reserve's spigots will expose its structural and administrative weaknesses. The system has not been tested and there is worry that the amount of crude oil needed cannot be physically pumped out. Energy officials also acknowledge that emergency oil distribution to mid-Atlantic and New England refiners could be slowed by a lack of American-flag tankers. A congressional act prohibits the use of foreign-flag tankers to operate between U.S. ports.

Robb seeks to quash book on cocaine links

Sen. Charles Robb's (D-Va.) campaign committee filed a complaint on Aug. 28 with the Federal Election Commission to stop publication of a book alleging that Robb attended parties where cocaine and other illegal drugs were openly used.

One-time GOP congressional candidate Lewis H. Williams helped finance investigations by Norfolk detective Billy Franklin over fear of a Robb presidential bid, the Sept. 25 *Washington Times* reported. Franklin has announced plans to publish a book about his findings which he claims

verify the allegations.

In the letter to the FEC, excerpted in the Sept. 22 *Richmond News Leader*, Robb attacked U.S. Attorney for the Eastern District of Virginia Henry Hudson for political use of a grand jury in an attempt to smear him. Robb has denied that he was aware of drug use at parties he attended while he was governor from 1981 to 1985.

Congress moots action on War Powers Act

Sen. William Cohen (R-Me.) called on President Bush to schedule a congressional vote "in support or rejection of American forces being placed in circumstances involving imminent hostilities" in the Persian Gulf in accordance with the War Powers Act, in a commentary in the Sept. 24 *Washington Post*.

"If the War Powers Act is unworkable," said Cohen, "it should be immediately modified or nullified. Until that occurs, Congress should insist upon executive compliance."

Senate Foreign Relations Committee chairman Sen. Claiborne Pell (D-R.I.) also called for a vote on invoking the War Powers Act, stating that "so far the President has resisted the calls for war and instead counseled Americans to be patient as the economic embargo, designed to pressure Iraq to withdraw from Kuwait, squeezes the Iraqi economy. But the pressure and temptation to attack may mount inexorably as the military buildup is completed and the standoff continues."

Opponents of military action in the Gulf are, however, afraid that a vote on the War Powers Act could give Bush a *carte blanche* to move militarily, as did the Gulf of Tonkin resolution during the Vietnam War.