

Congressional Closeup by William Jones

Clinton budget passes House

The House voted 223-175 on March 11 to approve the outlines of President Clinton's budget. It projects about \$1.514 trillion in spending and \$1.338 trillion in revenue, leaving a deficit of \$175 billion.

Republicans offered an alternate plan. Rep. John Kasich (Ohio), the House Budget Committee's ranking member, said their plan provided additional deficit reduction as well as a tax credit of \$500 for each child in households with income below \$200,000 a year. The Kasich plan was voted down 243-165. Earlier, on March 10, the House had also defeated an alternative sponsored by Rep. Gerald Solomon (R-N.Y.), which would have balanced the budget within five years by reducing spending an additional \$600 billion. Although the Republicans have been using budget balancing for the maximum political gain, 114 of the 176 House Republicans voted against the Solomon amendment.

The Congressional Black Caucus proposed an alternative which would have made additional cuts in defense and boosted domestic spending in such areas as health care, aid to the homeless, crime prevention, housing, and education. It was rejected by a vote of 81-326.

Edwards urges counsel for death row inmates

Rep. Don Edwards (D-Calif.), chairman of the Civil and Constitutional Rights subcommittee of the House Judiciary Committee, on March 15 urged members of the committee to insert into an omnibus crime bill provisions to guarantee competent counsel to death row inmates and to permit them to use statistics to challenge their

sentences as racially biased.

Edwards cited a just-released report that showed that blacks and Hispanics constituted 33 of 37 defendants (89%) of the accused murderers against whom the Justice Department has sought the death penalty under a 1988 law, reversing an historical trend at the federal level. None of the defendants has been executed.

Between 1930 and 1963, when the federal government last put someone to death, 85% of executed inmates were white and 15% were black, according to the report. Wade Henderson, director of the National Association for the Advancement of Colored People's Washington office, said the subcommittee staff's report found "a racially tainted abuse of discretion by U.S. attorneys."

Leach continues demand for Whitewater hearings

On "Face the Nation" on March 13, Rep. Jim Leach (R-Iowa) repeated his demands for committee hearings to investigate the "Whitewater affair," which involves alleged wrongdoing by Bill and Hillary Clinton. Leach has been among the most vociferous among Republicans trying to breathe life into the British-choreographed "scandal" in an attempt to undermine the power of the presidency.

Leach has accused House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) of a "power move," because he will not allow Republicans to hold committee hearings on the Clintons' dealings with Madison Guaranty.

"All the minority ever requested was a hearing to lay before the American people a small scandal of multi-thousand-dollar dimensions which precipitated a multimillion-dollar loss to the taxpayer, and to put it before

the public and then to put it behind us, and that is being refused," whined Leach.

Gonzalez has set oversight hearings on the Resolution Trust Corp. on March 24, which Republicans hope to use to probe Whitewater. Gonzalez said, however, that he would not allow Republicans to grill administration officials who have been subpoenaed by special counsel Robert B. Fiske. On March 4, Gonzalez also ruled that Leach would not have access to any materials made available to the Banking Committee regarding Madison Guaranty.

Interstate branch banking gets boost

Prospects for nationwide banking got a boost on March 3 after the House Banking Committee approved by a vote of 50-1 a bill to overhaul decades-old regulations that curb the ability of banks to operate branches coast to coast. Lawmakers defeated two amendments that were backed by consumers but opposed by bankers. Bankers had threatened to kill the bill if the amendments passed.

Interstate branching would allow consumers to deposit checks or obtain a loan anywhere in the nation where their home-town bank has a branch. Bankers say the bill would save them millions of dollars by allowing them to consolidate banking units that must now operate independently into a single-branch network.

The bill would permit healthy banks to acquire any bank in any state one year after enactment. After 18 months, banks with subsidiaries around the nation could merge them into a unified branch system. State legislatures would have three years to adopt laws that would exempt their state from the plan. Banks could es-

establish branches in any state that allows such a move.

The last attempt to pass an interstate bill failed in 1991, but the lopsided vote in the House committee and passage of a similar bill in the Senate Banking Committee with White House endorsement last month is likely to boost its prospects. "This action . . . should put this bill on the fast track toward enactment," said Ed Yingling of the American Bankers Association.

The committee vote, in which only Rep. Bernard Sanders (I-Vt.) dissented, came after the defeat of two amendments opposed by bankers. One would have required banks that branch across state lines to cash government checks and provide lifeline checking. The other called on regulators to ensure that banks maintain or improve their lending records to communities if they do branch into another state.

Consumer and community groups vowed to fight the bill on the House floor. "As it is now, it's pure special-interest legislation with no basic protections for consumers or communities," said Deepak Bhargava of the Association of Community Organizations for Reform Now, or ACORN. Consumer groups and small banks worry that large banks will enter communities and drain deposits now in community banks.

Gonzalez demands accountability from Fed

In several statements on the House floor during the first half of March, House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) decried attempts to undermine legislation which would place strict limitations on the Fed's regulatory authority.

"To understand what the Federal

Reserve is really talking about, I ask you to consider the scope of regulation in which the Federal Reserve is now embroiled," he said on March 8. "The Federal Reserve has complete authority to regulate bank holding companies, which are companies owning one or more commercial banks. This authority extends to banks with 93% of the assets in the private banking system."

Gonzalez is a key supporter of a Clinton administration bill which would bring the operation of the Fed under the purview of a Federal Banking Commission, and is the author of a measure which would allow greater congressional oversight over the Fed. "Accountability is the linchpin along with majority rule in our system of government since colonial times," he said. "Therefore, the Federal Reserve, having this awesome power, can decide in its secret open market committee whether or not a businessman will be able to live by having a line of credit that will not make him a servant. . . . So it becomes paramount that we have the information, and the reason why these decisions are being made in secret, so that the people, through their elected representatives and agents, will be able to establish the justification and the wisdom or folly of such policies."

Pell warns against change in ABM treaty

Liberal Senate Democrats warned on March 10 against any attempts to revise the 1972 Anti-Ballistic Missile (ABM) Treaty without Senate approval. At a Foreign Relations Committee hearing, Chairman Claiborne Pell (D-R.I.) complained that it looked like "the tail wagging the dog. . . . We're developing defenses that are outside the treaty, so we're attempting to adjust the treaty."

Under questioning from Sen. Paul Simon (D-Ill.), John Holum, director of the Arms Control and Disarmament Agency, admitted that without changes in the treaty, the United States could not deploy defensive weapons being developed by the Ballistic Missile Defense Organization (BMDO).

The Clinton administration is mooting such changes, and discussions have been under way for some time now with Russian counterparts to revise the 1972 treaty. The purpose of the revision has been to develop shorter-range systems to protect U.S. troops fighting outside the United States. "Concerted efforts are under way in several potentially hostile nations to enhance their tactical ballistic missile capabilities with longer-range missiles," Lt. Gen. Malcolm O'Neill told the committee.

The issue is whether mobile weapons systems aimed at intercepting such missiles in flight can be made compatible with the ABM treaty, which does not define the line between strategic defenses, which are prohibited, and "theater" defenses, such as those under development, which are permitted. The Pentagon is currently developing "upgrades" of the land-based Patriot and sea-based Aegis interceptors to use against short-range missiles, and the Theater High Altitude Area Defense (THAAD) program to find and stop longer-range weapons in flight. The Clinton administration has proposed to Russia that the treaty be changed to allow development of interceptors that could block incoming missiles with ranges up to about 3,500 kilometers.

Sen. John Kerry (D-Mass.), ignoring the fact that cost is expected to heavily favor the defense in systems based on new physical principles, reasoned that the proposed changes could be "counterproductive," because they would provoke hostile countries to beef up their arsenals to "overwhelm" the planned new defensive weapons.