Congressional Closeup by Carl Osgood

Brownback badgers Indyk on sanctions against Iran

Sam Brownback (R-Kan.), chairman of the Senate Near Eastern and South Asian Affairs subcommittee, at a hearing on May 14, demanded that the Clinton administration go ahead with sanctions, under the Iran-Libya Sanctions Act (ILSA), against the French Total oil company and Russia's Gazprom, because of their involvement in natural gas development in Iran.

Assistant Secretary of State for Near East and South Asian Affairs Martin Indyk acknowledged that a State Department report identifies Iran as "the most active state sponsor of terrorism." But, he said, "we believe the prospects for change are there." He pointed to the election of President Seyyed Mohammad Khatami, and numerous other changes, including Iran's efforts to "turn a new page" in its relations with other nations in the region, as evidence that "change is afoot" in Iran.

Indyk refused to say whether sanctions would be imposed, because no decision had yet been made (though rumors abound that President Clinton will waive the sanctions). To discuss it in an open hearing, Indyk said, would be "inappropriate." He assured Brownback, however, that "whatever decision is made, the assessment will be based on how best to promote the purposes of the legislation."

The hostility of other nations toward the ILSA was revealed when Charles Robb (D-Va.) asked Indyk about how they view such secondary boycotts. Indyk replied, "They do not see why their companies should be punished for things which they consider to be the right thing to do in terms of international commerce, and they view the legislation as an issue of extra-territoriality, where we are trying to extend our law to other countries and other companies."

Bankruptcy reform is a boon to credit card firms

The markup of the Bankruptcy Reform Act (H.R. 3150) in the House Judiciary Committee on May 12, was a good demonstration of the bad that can result when the incessant propaganda claiming that the U.S. economy is the strongest it's been in 30 years, is not challenged. Proponents of H.R. 3150, such as Rep. Bill McCollum (R-Fla.), argued that because of the "strength" of the economy, the record 1.4 million personal bankruptcy filings in 1997 can only be attributed to "abuse of the system." Therefore, the system has to be reformed in order to make Chapter 7 bankruptcy more difficult. This the bill does.

H.R. 3150 is also sponsored by George Gekas (R-Pa.), Rick Boucher (D-Va.), and Jim Moran (D-Va.). However, not all Democrats on the committee are enamored of this bill. John Conyers (D-Mich.) said, "We've taken a law which has always worked to balance the needs of debtors and creditors and skewed it to the benefit of unsecured creditors." Jerrold Nadler (D-N.Y.) said that the underlying assumption of the bill is that millions of Americans are deadbeats, which, he said, is a "slander" against the middle class. He said that it was the credit card industry which is seeking the changes in the bill.

Nadler and Conyers complained about the speed with which the bill is being moved. The last major reform of the bankruptcy code, passed in 1978, involved 50 hearings over five years. The House GOP wants to pass this bill in a few months, and with only four hearings. McCollum said, "We don't need five years to do a good bill, and this is a good bill." The committee approved the bill by a voice vote after two more days of debate.

Tobacco legislation taken up by Senate

On May 18, the Senate began consideration of legislation to implement last year's agreement between state attorneys general and the tobacco industry. The bill has followed a tortuous path to get to the Senate floor, and has exposed ideological splits within the Republican caucus. The legislation is the result of a compromise worked out by Commerce Committee Chairman John McCain (R-Ariz.), which is supported by Senate Democrats.

The GOP leadership, however, has weighed in against the bill. Majority Leader Trent Lott (R-Miss.) predicted on May 12 that the bill would not pass. Two days later, John Ashcroft (R-Mo.) and Rod Grams (R-Minn.) trotted out a collection of neo-conservative ideologues from groups including the National Taxpayers Union, the Cato Institute, and the Heritage Foundation, who complained that the bill "is the most massive, comprehensive tax increase imaginable," as one of them put it.

However, the vote in the Finance Committee on May 14 showed a deep split among Senate Republicans. The committee approved the tax portions of the bill by a vote of 13-6; Republicans were split 5-5, giving Democrats hope of passing the bill. Minority Leader Tom Daschle (D-S.D.) said the day after the vote, "We feel we've picked up some momentum." He forecast that there would be 60 votes for the bill, enough to shut down any filibuster. By May 18, Lott had indicated a change of heart, telling reporters that the bill now "has a chance," assuming it is amended with some GOP alternative.

A similar bill is pending in the House, sponsored by James Hansen (R-Utah), Marty Meehan (D-Mass.), and Henry Waxman (R-Calif.), which has already been endorsed by President Clinton. However, the House GOP leadership has indicated that the bill will not come to the floor.

Agreement reached on transportation bill

On May 18, a House-Senate conference committee announced that it has agreed on a highway bill that had been under negotiation for more than three weeks. The $200 billion plan sets aside $158 billion in outlays and $167 billion in contract authority over six years for highway construction, with the remainder going to safety programs and mass transit.

The compromise guarantees that gasoline taxes will be used solely for highways and mass transit, rather than for other programs or for budget balancing. This has long been a priority for House Transportation and Infrastructure Committee Chairman Bud Shuster (R-Pa.). The agreement also waters down a drunk driving provision that was in the Senate bill, and protects $9.3 billion in the House bill that is earmarked for 1,467 specific projects.

Differences with the White House were apparently ironed out. Office of Management and Budget Director Franklin Raines had warned in a letter to Congressional leaders on May 12 that he would recommend that President Clinton veto the bill if it is financed by "spending the surplus, by reducing the domestic discretionary caps, by using unacceptable offsets, or by forcing cuts in domestic priorities." However, after the agreement was announced, the White House indicated that the President will likely sign the bill when it comes to his desk.

Helms introduces Cuban humanitarian aid bill

Senate Foreign Relations Committee Chairman Jesse Helms (R-N.C.), joined by a bipartisan collection of 21 co-sponsors, introduced a bill on May 14 to authorize up to $100 million of U.S. humanitarian aid to civic organizations, such as the Catholic Church, operating in Cuba. Helms compared Pope John Paul II's visit to Cuba earlier this year to the Pope's June 1979 visit to Poland. Helms declared, "The United States must now help the Cuban people cultivate those seeds of liberation just as the United States worked with the Pope in helping the Polish people in their struggle against Communist oppression nearly two decades ago."

The bill, entitled the Cuban Solidarity Act, would allow direct flights to Cuba to deliver private and U.S. government donations of food and medicine, and mandates a pro-active U.S. policy of support to opposition groups inside the country. Helms said that the bill would "add a new dimension to the U.S. policy regarding Cuba." He emphasized that the U.S. embargo against Cuba will not be otherwise affected by the bill.

Sen. Bob Graham (D-Fla.), one of the co-sponsors, said that the bill will have three important effects. "First," he said, "it will assist in providing the humanitarian assistance directly to the Cuban people, particulary those most in need. Second, it will strengthen the position of the non-governmental society in Cuba," including the Catholic Church. "Third, it will help to undermine Castro's policy of denying food and medicine as a means of achieving political control." Graham added that it was "U.S. support for democracy movements in Poland and other countries in eastern Europe that helped millions of people win their freedom. . . . We should not deny the same opportunities for liberty and freedom to the people of Cuba."

Financial services bill clears House

On May 13, the House passed H.R. 10, the so-called financial services modernization bill, by a vote of 214-213. The close vote, and the fact this was the third attempt to bring the bill to the floor, reflect widespread uncertainty about the consequences of breaking down the firewalls between banking activities and securities and investment activities. The bill allows the affiliation of banks, securities firms, and insurance companies by repealing the Depression-era Glass-Steagall Act.

Many of those who had doubts about the bill, such as Ed Markey (D-Mass.), were mollified by amendments that increased "protections" for depositors and investors. He said, "Tearing down Glass-Steagall is a good idea if we build in the proper safeguards, firewalls to protect investors and depositors and taxpayers."

However, Bruce Vento (D-Minn.) pointed out that "those that need . . . this measure are the Citibanks and Travelers that have basically entered into agreements which are not permitted under current law. Therefore, this bill is a must-pass measure for them." The fact that such institutions as Citibank and Travelers are violating current law, makes protections built into the bill of questionable effectiveness.