

Congressional Closeup by Carl Osgood

Hill reacts to Clinton's Social Security proposal

President Bill Clinton's proposals to reform Social Security began generating a buzz on Capitol Hill even before he delivered them in his State of the Union address on Jan. 19. The President proposed that a portion of the projected Federal budget surplus to be set aside for shoring up the Social Security Trust Fund, should be invested into the private sector, "just as any private or state government pension would do." He said that this would earn a higher return and keep Social Security on a sound footing for 55 years. He also proposed a new pension plan, called universal savings accounts, with which "Americans can invest as they choose, and receive funds to match a portion of their savings, with extra help for those least able to save."

House Ways and Means Committee chairman Bill Archer (R-Tex.) told reporters hours before the speech that he was "stunned" that the President was going "to propose that the Federal government invest sacred Social Security trust fund monies not in government bonds, but in the private sector, where the Federal government will then potentially own controlling interest in major corporations in this country."

Sen. Don Nickles (R-Okla.) said, "I think it's a terrible idea." The GOP supports the idea of "personal retirement accounts," in which a portion of the payroll tax is placed into an individual account to be managed by the taxpayer himself. Legislation to this effect has been introduced by Senate Finance Committee chairman William V. Roth (R-Del.).

The House Democratic leadership, by way of attacking GOP plans for across-the-board tax cuts, supported President Clinton's proposals.

At a Jan. 21 press conference, Minority Leader Richard Gephardt (D-Mo.) charged that Republican tax cuts benefit the richest Americans while short-changing working families. Bob Matsui (D-Calif.), a member of the newly appointed Democratic retirement legislative task force, played down concerns about government investment in the equity markets, pointing out that several states invest as much as 10% of their state pension plans in the equity markets.

A second group of Democrats, led by Dennis Kucinich (D-Ohio), and that includes Socialist Bernie Sanders (I-Vt.), while conditionally supporting the President's plan, warned that it also "opens the door to the privatizers."

Not factored into the debate, however, is the onrushing global financial crisis, which will wipe out any projected budget surplus.

Dems take up unfinished business from 105th

The Democrats' legislative agenda for the 106th Congress is a mixture of many proposals, including some from President Clinton's State of the Union address and unfinished business carried over from the 105th Congress. Foremost among the unfinished business is the Patients' Bill of Rights, which the President called on Congress to pass. The bill has been re-introduced in both houses. However, unlike in 1998, the new Speaker of the House, Dennis Hastert (R-Ill.), while supporting the GOP approach, has promised that the issue will be taken up through committees, rather than through a task force like the one he headed last year, which excluded Democrats from the process of formulating the bill.

The other key bills on the Democrats' agenda include a managed care reform bill, a public school modernization bill, a crime bill, and a bill to allow people aged 55 to 64 who otherwise do not have health insurance, to enroll early in Medicare. On this last bill, Sen. Edward Kennedy (D-Mass.) said that it "will offer help and hope to more than 3 million Americans aged 55 to 64 who have no health insurance today. They are too young for Medicare, and unable to obtain private coverage they can afford."

Also on the agenda is a \$1 an hour increase in the minimum wage that has been endorsed by President Clinton, and campaign finance reform. No less than 12 pieces of legislation dealing with campaign finance reform have so far been introduced, by both Democrats and Republicans.

GOP agenda: tax cuts, tax cuts, and tax cuts

Congressional Republicans have introduced their legislative agenda for the 106th Congress, and not surprisingly, it focuses heavily on tax cuts, including an across-the-board 10% tax cut and reductions in the capital gains tax. It also includes an education bill, a bill to increase military pay and benefits, and an anti-drug bill. Sen. Mike Dewine (R-Ohio) called the anti-drug bill "the beginning of a critical and comprehensive examination of our entire anti-drug strategy."

Sen. Rod Grams (R-Minn.) was given the privilege of introducing the official GOP tax-cut bill in the Senate on Jan. 19. He motivated the bill with the usual Republican rhetoric about the bad effects of taxes on working people. This was highlighted by the claim that the typical family pays more in taxes, including the hidden effects

of government regulation, than on food, clothing, and shelter combined. "We have entered an era of budget surplus," Grams said, "and it is our moral duty as well as our fiscal responsibility to lower taxes on those hard-working Americans who pulled us out of the era of budget deficits." At least 13 other bills containing tax cuts of one form or another have also been introduced.

Bill number one in both houses is reserved for a Social Security reform plan—the President's plan, the GOP plan, or some other. Nine different bills have been introduced in the House, mostly variations on setting aside and investing some part of the alleged budget surplus or some part of the Social Security trust fund into the private markets.

Supreme Court rejects sampling in census

Congressional Republicans declared victory, when the Supreme Court ruled 5-4 on Jan. 25, that statistical sampling methods could not be used as part of the year 2000 census. The Clinton administration had hoped to use sampling methods to avoid an undercount, as occurred in the 1990 census when an estimated 4 million people were not counted. However, the GOP had been blocking funding for sampling and had forced the White House to accept a compromise that funded the Commerce Department, which oversees the Census Bureau, only through June 15, until a court decision was reached on the matter.

Writing for the majority, Justice Sandra Day O'Connor concluded that the 1976 Census Act "prohibits the proposed uses of statistical sampling in calculating the population for purposes of apportionment." Left open, however, is whether sampling violates

the Constitutional requirement for an "actual enumeration," and whether sampling can be used for other purposes, such as distribution of Federal funds based on population.

However, there was no doubt among Republicans as to what the decision means. "The Supreme Court reaffirmed a basic constitutional principle," said House Speaker Dennis Hastert (R-Ill.). "The census must not be a poll and everyone must be counted. The administration should abandon its illegal and risky polling scheme and start preparing for a true head count."

Democrats and administration officials, while disappointed with the ruling, remain hopeful about using sampling for other purposes. But that depends on Congress providing the necessary funding, which is unlikely, given the opposition of the Republicans to the use of sampling for any purpose.

Steel industry crisis prompts legislation

The growing crisis in the steel industry has led to the introduction of two pieces of legislation in the Senate which are intended to cushion the effect of cheap imports being dumped onto the American market and to protect jobs in the American steel industry. The bills and the companion legislation sponsored in the House by Ralph Regula (R-Ohio), which have bipartisan support, fail to address the global financial breakdown as the cause of the crisis, even though supporters of both bills admit that it is the global crisis that has triggered the surge in cheap imports from Russia, Korea, and elsewhere.

One bill, sponsored by Senators Mike Dewine (R-Ohio), Ernest Hol-

lings (D-S.C.), and six others, would transfer duties and fines on imports dumped onto U.S. markets collected under the Tariff Act of 1930 directly to injured U.S. companies, rather than to the U.S. Treasury. Dewine said that, under his bill, foreign producers would get "a double hit from dumping," i.e., not only paying a fine, but also seeing the fine go to aid their American competitors.

The second bill, introduced by Senators Arlen Specter (R-Pa.) and John D. Rockefeller IV (D-W.V.) with 11 other co-sponsors including Dewine and Hollings, would lower the threshold in U.S. trade law for determining when injury has occurred to U.S. industry as a result of foreign dumping. It also establishes a reporting program which will allow the Commerce Department to monitor the flow of imports into the United States in a "timely" manner, which it cannot now do until long after import-related damage to U.S. industry has occurred. Specter said that his legislation is "essential to allow the President to respond promptly to the current steel import crisis. It will allow steel companies to compete in a more fair trade environment, preventing bankruptcies that would cause the loss of thousands of high-paying jobs in the steel industry."

Both the Clinton administration and the source countries of the imported steel targeted by the legislation, came in for criticism at the press conference where the bills were announced. Sen. Barbara Mikulski (D-Md.) called the administration's response to the crisis "tepid and anemic." Sen. Rick Santorum (R-Pa.) accused the administration of allowing "the steel industry to become the foreign aid package to bail out a bunch of countries that are having tough times economically."