

Congressional Closeup by Carl Osgood

White House, GOP inch toward budget agreement

On Nov. 17, House Speaker Dennis Hastert (R-Ill.) announced to reporters that President Clinton had "tentatively" accepted a GOP proposal for a 0.38% across-the-board budget cut, late the night before. The crucial element of the cut is some flexibility for the President to determine how the cuts are to be distributed throughout the government. "You don't have to ding every line item in the account," Hastert said, "so long as the overall goal was achieved." However, Hastert conceded that Clinton won't make a final agreement until he discusses it with House Minority Leader Richard Gephardt (D-Mo.).

Senate Minority Leader Tom Daschle (D-S.D.), in comments later the same day, indicated that Democrats may accept the cut if "the President has the discretion to make the decision as to where those reductions would take place." Daschle emphasized that the President "would talk to the Democratic leadership and that he would be guided by our positions and that of our caucuses."

GOP negotiators and Office of Management and Budget Director Jack Lew have been working toward an omnibus bill which would wrap up the five remaining appropriations bills into one package. One element already agreed upon between the White House and the GOP is compromise language that places restrictions on U.S. support for international family planning programs that promote abortion, in return for the payment of almost \$1 billion in arrears to the UN. However, this agreement has been drawing fire from members of both parties who see it as either too restrictive or as giving too much to the President.

Other sticky issues that remain have little to do with the GOP, however. Sen. Robert Byrd (D-W.V.) is demanding that the Interior Appropri-

ations bill include an exemption to allow coal-mining companies to continue a specific strip-mining practice that was recently struck down by a Federal court. Sen. Herb Kohl (D-Wisc.) is threatening to hold up any agreement over dairy pricing policies, and a new battle is looming over what to do with funds expected to materialize if the Federal government pursues its lawsuit against tobacco companies. More short-term continuing resolutions are expected to be passed while negotiators try to work out these issues.

Bankruptcy reform debate continues

The bankruptcy reform bill slowly lurched toward an uncertain conclusion in the Senate, after several days of debate during the week of the Veterans Day holiday.

On Nov. 10, during debate on amendments, Patrick Leahy (D-Vt.) told the Senate that the bill, according to the Congressional Budget Office, would cost up to \$5 billion over the next five years, a portion of which would result from mandates imposed on the private sector, and the remainder would result from the heavier burden imposed on the bankruptcy court system as a result of certain provisions in the bill. Leahy asserted that the bill would also result in a windfall of about the same amount, \$5 billion, for credit card issuers. "Not a bad day's work by the credit industry's lobbyists," he said, "but not a good result for the American people."

Later during the debate, the Senate approved by a vote of 76-22 an amendment placing a cap on the homestead exemption of \$100,000. The homestead exemption has traditionally allowed a debtor to protect his home from liquidation. Sponsors of the amendment argued that the cap is needed because the exemption is too often abused. Charles Grassley (R-

Iowa) said that the homestead exemption is used by "very wealthy people to shield large amounts of assets."

Opponents of the amendment based their arguments on states' rights. Kay Bailey Hutchison (R-Tex.) said that placing a cap on the homestead exemption that is uniform in every state is "a mistake," because "the valuation of property is different in every state." Even though bankruptcy is a Federal procedure, she said, the states have been allowed to regulate the homestead exemption, and that would be overturned by the amendment. Hutchison's amendment to allow states to "opt out" of the homestead cap was defeated by a vote of 69-29. Afterwards, she threatened to filibuster the bill, if it comes out of conference committee with the homestead cap provision intact.

Nominations logjam is finally broken

A deal between Senate Majority Leader Trent Lott (R-Miss.) and Minority Leader Tom Daschle (D-S.D.) led to the Senate approving 88 nominations on Nov. 17, all but one, that of former Senator Carol Moseley-Braun (D-Ill.) as Ambassador to New Zealand, by voice vote. The vote on Moseley-Braun was 96-2, with Foreign Relations Committee Chairman Jesse Helms (R-N.C.) and Peter Fitzgerald (R-Ill.), who unseated Moseley-Braun in the 1998 election, opposing the nomination. Among the other nominations freed up was that of Joseph Prueher to be Ambassador to China, and six judicial nominations.

The deal between Lott and Daschle requires the Senate to consider two Hispanic American judicial nominees who have been languishing since January 1996 and January 1998. The deal makes it unlikely that President Clinton will make any recess appointments.