

Congressional Closeup by Carl Osgood

Dole's Balanced Budget Amendment flops

On June 5 and 6, the Senate again failed to pass the Balanced Budget Amendment to the Constitution. It was one of Majority Leader Bob Dole's (R-Kan.) last official acts before resigning on June 11, to run for President full time.

The most focused Democratic opposition to the amendment was over constitutional concerns. Carl Levin (Mich.) warned that a Balanced Budget Amendment to the Constitution would not work. "I am not prepared to write into the Constitution language that is more likely to lead to disillusionment and constitutional crisis than to a balanced budget." Patty Murray (Wash.) warned that "this amendment will make it impossible for future generations to determine our country's spending and revenue priorities." She added that prohibiting government borrowing would make it impossible for the government to make capital investments and to provide for increased unemployment insurance needs during recessions.

In March 1995, the Senate was one vote short of passing the amendment. Since then, Bob Packwood (R-Ore.), who voted for it, was forced to resign, and Ron Wyden (D) was elected to replace him, making it even less likely that it would pass the second time around. This fact lends credence to Robert Byrd's (D-W.V.) charge that the amendment was "little more than a political mirage in a vast, dry desert of empty election-year promises."

Brown introduces NATO expansion act

On June 4, Sen. Hank Brown (R-Colo.) introduced, on behalf of Bob Dole (R-Kan.) and five other co-sponsors, the "NATO Enlargement Facili-

tation Act of 1996." In fact, the bill is part of a British-orchestrated provocation, designed to set the United States and Russia at one another's throats, in order to forestall Eurasian economic development, or U.S.-Russian cooperation in a number of areas, including setting up a new worldwide financial and monetary system.

Brown claimed that Clinton administration reluctance to move forward with NATO expansion "brought back memories of the tragic events of World War II, of both the Soviet invasion of Poland and the German invasion of Poland and other countries of Central Europe." Brown's bill specifically names Poland, Hungary, and the Czech Republic as eligible for assistance for transition to NATO membership, and authorizes \$60 million for NATO enlargement assistance.

That NATO enlargement is aimed at Russia was made clear by John McCain (R-Ariz.), one of the bill's co-sponsors. "With the Russian elections only weeks away," he said, "eastern Europe may again be faced with a communist Russia, a Russia which proudly extols the virtues of a failed philosophy." Even if Yeltsin wins the election, he said, "let us not forget that his is no longer the government of Gaidar, Yavlinsky, Fedorov, and Kozyrev."

Kennedy blasts medical savings accounts

On June 6, Sen. Edward Kennedy (D-Mass.) attacked medical savings accounts (MSAs), which, he said, are a way of "underwriting the health insurance for the wealthiest individuals at the expense of the average taxpayer." The cost to taxpayers will be \$3 billion for each 1 million people who leave the insurance pool to take MSAs, he said. He added that the hopes of mil-

lions of Americans who need health insurance reform "should not be held hostage to this extremist, special interest proposal."

Kennedy's remarks were an effort to advance the Kennedy-Kassebaum health insurance reform bill, which has not been taken up by a Senate-House conference committee. The bill has been stalled by attempts to add provisions to expand MSAs.

Kennedy took aim at the Golden Rule Insurance company, which is by far the largest promoter of the MSA idea, and which made \$1.6 million in contributions to Republicans over the last five years. "It is no accident that a company like Golden Rule favors medical savings accounts," he said. Kennedy said that when Golden Rule stopped doing business in Vermont because it didn't want to compete in an environment of insurance reform, Blue Cross and Blue Shield took over their policies and found that "one in four policies included an exemption. Whole body parts, like arms, backs, breasts, and even skin, were written out of coverage. Newborns were excluded unless they were born healthy."

Major Owens defends prevailing wage act

On June 6, Rep. Major Owens (D-N.Y.) defended the Davis-Bacon Act, which requires the payment of prevailing wages on government construction contracts, against assault from the Conservative Revolution. Owens noted that the Senate, on May 22, unanimously rejected an attempt to repeal the Davis-Bacon Act. He called this a "vindication" of the constitutional system and suggested that the House ought to follow the Senate's lead.

Owens attacked the notion that Davis-Bacon is inflationary and adds

to the federal deficit. "The actual wages of construction workers," he said, are "going down. They are as much a part of the wage gap and the wage stagnation in America as any other set of workers." Department of Labor wage surveys "show that the construction workers are paid below the wages of the average salary for workers in similar kinds of jobs in given localities," he said.

"It comes as no surprise," Owens said, "that many of the most vociferous foes of Davis-Bacon come from states that have extremely low wage determinations which include no health or pension benefits. . . . The same people who want to criticize the Davis-Bacon prevailing wages also are the people who fought against the minimum wage." He said that those who want to repeal Davis-Bacon "are trying to . . . wipe out the middle class that is generated through the construction industry, working people who work very hard."

China MFN renewal gets strong GOP support

A number of Congressional Republicans have come out strongly backing President Clinton's decision to renew China's Most Favored Nation (MFN) trade status. House Asia and the Pacific Subcommittee Chairman Doug Bereuter (R-Neb.) endorsed Clinton's decision in a speech to the National Association of Manufacturers on May 29, but warned that "a serious effort needs to be launched to sustain the President's decision."

In the Senate, Finance Committee Chairman William Roth (R-Del.) and Frank Murkowski (R-Alaska) also endorsed Clinton's decision during a Finance Committee hearing on June 6. Roth said, "There is no question that China's conduct on matters such as hu-

man rights, non-proliferation, trade, and Taiwan pose serious concerns, but revoking MFN will not help us address these problems. By isolating the United States from China, we impair our ability to influence the directions China will take on these important questions."

Murkowski suggested that the administration consider permanent extension of MFN, in order to avoid the yearly ritual of debating the issue. "I don't think this debate has lowered the trade deficit, freed a single dissident, or prevented the sale of nuclear weapons," he said.

But support among Republicans for renewal is hardly unanimous. Bereuter said that a privileged resolution, introduced by Dana Rohrabacher (R-Calif.), disapproving China MFN, would come to a vote this summer, though probably not before July 3. He warned that Frank Wolf (R-Va.) and Nancy Pelosi (D-Calif.), traditionally opposed to MFN for China, have vowed to lead an energetic campaign against renewal.

Senate Foreign Relations Committee Chairman Jesse Helms (R-N.C.) also introduced a resolution of disapproval, co-sponsored by Connie Mack (R-Fla.), Bob Smith (R-N.H.), and Russell Feingold (D-Wisc.), on June 6.

Wisconsin workfare program gets House waiver

The House, on June 6, rushed through a bill to allow the state of Wisconsin to bypass the federal waiver process, and to begin immediate implementation of its "Wisconsin Works" welfare reform plan. The bill comes on the heels of President Clinton's endorsement of the plan in his May 18 radio address and Wisconsin Gov. Tommy Thompson's (R) delivery of waiver re-

quests in Washington on May 30.

House Ways and Means Committee Chairman Bill Archer (D-Tex.) made clear during floor debate that the bill is aimed squarely at Clinton. He complained that Clinton still hadn't approved the waiver request eight days after receiving it, even though, legally, the administration has up to 30 days. "To help the President refocus on the Wisconsin waivers," Archer said, "we are giving him the opportunity to personally approve it by signing this bill."

In another swipe at President Clinton, Jim Sensenbrenner (R-Wisc.) complained that if the welfare reform plank of the Contract with America had been signed into law, "we would not be standing here today, because there would be no waivers required for Wisconsin" to implement its plan.

Democratic opposition, led by David Obey (D-Wisc.), focused more on the bipartisan nature of the debate. Obey said the bill "is simply part of a political game to tweak the President of the United States." Maxine Waters (D-Calif.) said she was "sick and tired of some Democrats and some Republicans alike, using welfare children and families as pawns in a political squabble to try to make voters believe they are reforming welfare." The plan may be credible, she said, but nobody knows because "we have had no hearings, and the floor jockeys on the bill do not have the faintest notion of what is in this plan."

A substitute amendment, offered by Gerald Kleczka (D-Wisc.), allowing a 30-day period for public comment, was defeated by a vote of 194-223, and the bill was passed by 289-136.

Wisconsin's plan puts recipients into subsidized private sector or public service jobs which don't have to pay the minimum wage. It doesn't include education or training, and replaces Medicaid with HMOs.