

## Congressional Closeup by Carl Osgood

### Trade deficit debated by House

On Oct. 13, the House reauthorized the Overseas Private Investment Corp. (OPIC), the Trade Development Agency, and the International Trade Administration, each for another four years. While the bill passed by a wide margin of 357-71, the debate occurred under the shadow of the rapidly rising U.S. foreign trade deficit, and both supporters and opponents of the bill raised the issue.

Supporters of the bill demanded the opening of overseas markets to U.S.-made products. International Relations Committee Chairman Benjamin Gilman (R-N.Y.) said that recent trade figures, showing declining U.S. exports, "underscores the urgency of promptly enacting this kind of measure." Robert Menendez (D-N.J.) said that record monthly trade deficits mean that "America needs to take immediate steps to reverse the deficit by helping American companies to export American products."

Opponents, led by the unlikely combination of conservative Dana Rohrabacher (R-Calif.) and Socialist Bernie Sanders (I-Vt.), attacked U.S. trade policy as a failure. Sanders said that the record-breaking trade deficits "should suggest to every Member . . . that it is high time to make fundamental changes in our trade policy with regard to NAFTA [North American Free Trade Agreement], GATT [General Agreement on Tariffs and Trade], and most favored nation status." He said that in this supposedly "booming" economy, Americans work 160 hours more per year than they did 20 years ago and are making less in real wages than 25 years ago.

Rohrabacher argued that OPIC actually serves to export American jobs overseas, by facilitating the transfer of manufacturing plants from the United States to other countries. He suc-

ceeded in attaching an amendment to the bill that prohibits OPIC from supporting investment in "any manufacturing enterprises in a foreign country."

### Campaign finance reform dies in Senate, again

For the fourth time in four years, campaign finance reform died a painful death on the Senate floor on Oct. 19, when two procedural votes fell short of the 60 needed to break a GOP filibuster. The bill, sponsored by John McCain (R-Ariz.) and Russell Feingold (D-Wisc.), came to the floor on Oct. 13 as the result of a promise made to McCain earlier this year by Majority Leader Trent Lott (R-Miss.).

This year's McCain-Feingold bill was a narrower version of what they have sponsored in the past. It would have banned so-called "soft money" contributions to political parties, but, in a bid to win enough GOP votes to overcome the expected filibuster, it dropped provisions strictly regulating issue advocacy ads during election campaigns.

McCain began the debate with a speech on the corrupting influence of large soft-money contributions on the political and legislative process, declaring that the debate is "about putting the little guy back in charge, and freeing our system from the corrupting power of the special interests' bottomless wallet."

Mitch McConnell (R-Ky.) took umbrage at McCain's suggestion that Senators are corrupted by soft money, and demanded that McCain produce a list of corrupted Senators. "You cannot have corruption," McConnell said, "unless somebody is corrupt." McCain responded that the problem is that the system "makes good people bad."

The killer blow came, however, not from Republicans, but from Democrats. Minority Leader Tom Daschle (D-S.D.) and Robert Torricelli (D-N.J.) sponsored an amendment that would have substituted the House-passed Shays-Meehan legislation for the narrower McCain-Feingold bill, and immediately filed a cloture motion on it. Democrats wanted to make sure that the provision regulating issue advocacy advertising, which was contained in the House bill, was included in the measure, despite McCain's warning that that would kill any reform bill this year.

In the end, the cloture vote on the Democratic amendment failed by a vote of 52-48, and the cloture vote on McCain and Feingold's original bill was 53-47, seven short of the 60 needed to break the filibuster. After the cloture votes, Lott declared that reform "is dead for the year."

### North Korea hearing erupts in partisanship

Former Defense Secretary William Perry appeared before the House International Relations Committee on Oct. 13, to present his report on U.S. policy toward North Korea. Before he could speak, however, a partisan brawl broke out between Republicans and Democrats on the panel over who should control U.S. policy.

The brawl began when committee chairman Benjamin Gilman (R-N.Y.) announced that Speaker Dennis Hastert (R-Ill.) had asked him to form a GOP advisory group on North Korea. Committee ranking member Sam Gejdenson (D-Conn.) attacked the GOP for trying to make "a foreign policy not philosophically different, but different on a partisan basis." Gary Ackerman (D-N.Y.) added that the

creation of the GOP task force “feeds into the theory that seems to be growing that the Republicans have a partisan plan and that plan is just to discredit the President and this administration on every foreign policy issue that it can.”

Gilman defensively said that the purpose of the advisory group is to give advice to the Speaker, something Democrats are not precluded from doing. Ackerman, unmollified, said that he found it “fascinating” that the Speaker has appointed a Republican task force to advise him on a Republican foreign policy, rather than an American policy.

As if to confirm the Democrats’ allegations, Gilman’s first two witnesses, who preceded Perry to the witness table, were members of the GOP task force, Republican Policy Committee Chairman Chris Cox (Calif.) and Joe Knollenberg (Mich.). Cox implied during his testimony that U.S. policy, especially with regard to the heavy fuel oil deliveries to North Korea, was driven by business interests rather than security interests. Ackerman took offense that Cox “would besmirch the reputation of a Secretary and imply that he is in this to make a buck, and therefore, our foreign policy is being tainted because of his business interests.”

## **GOP minimum wage bill runs into trouble**

A Republican attempt to minimize an almost certain increase in the minimum wage ran into trouble after a closed-door meeting of the House Ways and Means Committee on Oct. 19. The subject of the meeting was a bill introduced by Rick Lazio (R-N.Y.) on Oct. 14 that combines a \$1 per hour increase in the minimum

wage, to be phased in over three years, with about \$35 billion in tax cuts targeted to small businesses. The tax cuts are intended to offset the costs of increased wages resulting from a hike in the minimum wage.

Ways and Means Committee Chairman Bill Archer (R-Tex.) is intent on controlling the process, and a spokesman told reporters after the meeting that the tax cuts in the bill “don’t fit the chairman’s parameters.” On the other hand, the GOP has accepted the inevitability of a minimum wage hike and is concerned with limiting the damage. Ray LaHood (R-Ill.), who participated in a meeting among House GOP leaders and a group of GOP moderates, told reporters, “I told them they ought to be realistic about this. One dollar over three years is chintzy and it makes us look chintzy.”

Several Democrats are among the bill’s co-sponsors, but the Democratic leadership is not keen on the bill. They prefer a bill introduced earlier this year by Minority Whip David Bonior (D-Mich.) that phases in the \$1 increase over two years. That bill does not have tax cuts, but it could eventually include a package of cuts now being crafted by Charles Rangel (D-N.Y.). Democrats contend that any package of tax cuts “must be fully paid for” with new revenue or spending offsets, and they argue that the GOP package, like the tax cut bill vetoed by President Clinton in September, does not do that.

## **Senators express doubt about Kosovo operation**

Doubts about what the U.S. accomplished during Operation Allied Force, the bombing campaign against Yugoslavia last spring, were the dominant questions raised during a hearing of the Senate Armed Services Com-

mittee on Oct. 14. Secretary of Defense William Cohen and Chairman of the Joint Chiefs of Staff Gen. Henry Shelton appeared before the committee to present the initial results of the Pentagon’s after-action report, the final version of which is to be completed early next year.

Among the concerns cited by committee chairman John Warner (R-Va.) were the effects of announcing from the outset that there would be no ground component of the operation, and the fact that NATO sustained no combat casualties. On the second point, Warner said that “it leaves an impression, and a mistaken impression in my judgment, that future conflicts can be casualty-free.” James Inhofe (R-Okla.) declared that the bombing campaign “put us in an impaired position to be able to do what we should be able to do, if called upon, in the Persian Gulf or North Korea.” He said that the “ethnic cleansing” of Kosovo did not “really accelerate until we were actually involved with cruise missiles in this conflict.”

Throughout his remarks, Cohen maintained the British line that NATO was forced to respond to actions by Serbian President Slobodan Milosevic. “NATO’s credibility,” he said, “was, in fact, at stake, as Belgrade flagrantly violated agreements it had signed last fall.” Cohen contended that Milosevic was solely responsible for the refugee crisis that began with the NATO bombing.

On the ground war option, Cohen and Shelton both acknowledged that there was no political support, either in Europe or in the U.S. Congress, for such a measure. “I think the only option worse than not having an option at all,” Shelton said, “is to have an option that would be used in a threatening manner which did not have the political consensus to move forward with it.”