Congressional Closeup by Carl Osgood

Health insurance reform goes to conference

On June 11, the House appointed members to the conference committee, which will be seeking a compromise on the Kennedy-Kassebaum health insurance reform bill. The bill has been stalled for the last several weeks over the House's insistence on a provision that would greatly expand the availability of medical savings accounts (MSAs), which Sen. Edward Kennedy (D-Mass.) has charged is a way of underwriting health insurance for the wealthiest members of society at the expense of the poorest.

Democrats, led by John Dingell (Mich.), attempted to drop all of the House provisions, including on MSAs and fraud and abuse, by instructing the conferees to agree to the Senate version of the bill. Dingell said that the House bill is the product of backroom deals negotiated among Republicans. "They have stuck a controversial and objectionable medical savings account provision in their bill to serve the Dole for President campaign and to assist special interest friends in the health insurance industry."

Ed Markey (D-Mass.) predicted that because of the House provisions, "there will be no bill" on health insurance reform this year. Minority Whip David Bonior (D-Mich.) urged support for the motion in order to restore the bill that passed the Senate by a vote of 100-0. The Democratic move was defeated by a roll call vote of 182-235.

On the Senate side, the agreement among House and Senate Republicans on the health insurance reform bill was blasted by Kennedy as a "capitulation to House Republicans who are more interested in creating an issue and serving a special interest constituency than in passing a bill." Kennedy's co-sponsor on the bill, Nancy Kassebaum (R-Kan.), also expressed concern about the addition of the MSA provision, but thought that "by doing it slowly and phasing it in and studying it carefully, I think it can and should be achieved."

Bryan irked by foes of legalized casino gambling

Richard Bryan (D-Nev.), on the Senate floor on June 13, complained that opponents of legalized casino gambling "have resorted to character assassination, guilt by association, and distortion of the views of those with whom they disagree." He said, in defense of legalized gambling, that "it is imperative to step back from this emotional rhetoric by gaming critics and to observe that gaming entertainment in all forms would not be expanding without demand for this form of entertainment. Simply stated, the American consumer, not the government, has decided to spend his or her precious recreational dollar in this fashion." He added that "if casino entertainment was not providing solid value for the dollar spent, consumers would not be patronizing these establishments." Bryan bragged that "Nevada's tough regulation has made the industry a model for other states to follow," but instead, "what is going on here is a crusade by those who want to destroy an activity that they do not like and that is dangerous."

Bryan was referring to proposed legislation, passed in the House on March 5, to establish a Federal National Gambling Impact and Policy Commission to report on the social and economic effects of legalized gambling. Frank Wolf (R-Va.), the original sponsor of the bill, said at the time that a study is needed because "problems such as crime, political corruption, cannibalization of existing businesses, gambling addiction, family breakups, and suicide appear to be a growing and unfortunate consequence" of the proliferation of gambling.

Press covers up for Trent Lott's scandals

Conservative Revolutionary Trent Lott (R) won a landslide 44-8 vote to become Senate Majority Leader over fellow Mississippian Thad Cochran (R) on June 12. With the exception of one spot on National Public radio, the news media gave Lott a free ride into the Senate Majority Leader's post. No media except *EIR*, in its June 14 issue, have reported on how Lott was selected and elected as an agent of the Mont Pelerin Society.

That night, NPR's evening news ran a five-minute segment which included Mississippi reporter Bill Minor mentioning that Lott had attended a [White] Citizens Council rally. NPR carried Lott's response that the incident was meaningless, because there was "no endorsement involved." NPR also claimed that Lott was opposed in one of his elections at "Ole Miss" for not being a racist. The *New York Times* mentioned that "Mr. Lott has cast several votes that antagonized the state's African-American leaders," but none of the major media have mentioned Lott's racist past.

And there is a tight coverup on the scandal in which Lott's mother was given a no-show job by a man who went to jail for defrauding NASA of $186,000, on a contract Lott had pressured NASA to give him. There is no excuse for the *Washington Post* to omit this. In 1994, it ran two Jack Anderson columns on the subject. Similarly, the *Post*'s June 12 profile, by Helen Dewar, lied that, in recent months, "Lott remained punctiliously loyal to Dole."

The Atlanta bureau chief of a major newsweekly told a journalist that he was peeved that his editors had cut from their profile of Lott the facts on his misdeeds which he had provided.

Oxley extolls monopolies in telecommunications law

Rep. Michael Oxley (R-Ohio), the chairman of the House subcommittee on Commerce, Trade, and Hazardous Materials, touted the "competitive model" which was used to develop the 1996 telecommunications act passed into law earlier this year, and in the next breath, defended the resulting monopolies, at a forum at the Center for Strategic and International Studies on June 12. Now, however, citizens have fewer protections because of deregulation.

"We took the old model, which was really based on monopolies," and replaced it with a "competitive model," Oxley said. The lesson of having a Republican-controlled Congress, is that "competition works and monopolies do not."

Oxley then asserted, however, that the mergers that are starting to occur as a result of the 1996 law are nothing to be worried about. "It seems to me," he said, "that if we're going to compete in a global economy, and if we're going to provide all the needs of the American people in the information arena . . . you're going to need some pretty big players. There's not going to be too many mom and pop operations that are going to compete in this marketplace that's out there."

Oxley forecasts that Congress will next take up the deregulation of capital markets. "Ten years ago," he said, "two-thirds of American savings were in bank deposits. Today, two-thirds of American savings are in mutual funds. What that tells me is, they're [Americans] going where they can get a better return on their money. . . . We have to recognize that change and embrace that change and make it our friend, and that's what we're trying to do with this capital markets deregulation measure."

Budget resolution passes House, Senate

The Republican budget plan for FY 1997 was passed by the House on June 12, and by the Senate on June 13. The debate revolved around who had a better deficit-reduction plan. The resolution is a six-year version of the seven-year plan that passed Congress last year, but led to the impasse with President Clinton that resulted in two government shutdowns, in November and December 1995.

Sen. Robert Byrd (D-W.V.) denounced the budget resolution as the same formula as that of the Reagan administration. "If this resolution conference agreement is fully implemented over the next six years," he said, "it will lead the nation into far more serious fiscal difficulty than we are in today. It follows the familiar supply-side policies of the Reagan administration, which, as we recall, promised to balance the federal budget while at the same time enacting massive tax cuts." The result then, Byrd said, was "a massive increase in the national debt, which rose from under $1 trillion in the previous 200 years of the nation to over $2.6 trillion" on the day Reagan left office.

"Astoundingly, to me," he said, "the fiscal blueprint contained in this budget resolution conference agreement is remarkably similar to those failed Reagan policies which nearly bankrupted the nation, and from which we are still suffering, and which are still placing us in desperate straits with respect to our fiscal situation."

Biden, Specter introduce welfare reform bill

On June 12, Sens. Joseph Biden (D-Del.) and Arlen Specter (R-Pa.) introduced yet another welfare reform proposal, one which incorporates many of the initiatives contained in the plan of the National Governors Association released last winter. Biden complained that since the Senate voted 87-12 to pass the Contract with America welfare reform bill last year, "polarizing partisanship and Presidential politics have permeated this issue," and nothing has been accomplished.

The bill contains many of the provisions of the Republican bill which was vetoed by President Clinton, including requiring welfare recipients to work and converting the Aid to Families with Dependent Children program into a block grant. The compromises in the bill won by Democrats are provisions to increase funding for child care and help for states experiencing an economic downturn.

Specter argued that because the percentage of people on welfare has not declined since 1965, "the year the federal government broadened its role in reducing poverty in our society," that therefore "our welfare system has not worked." Instead of discussing how changes in economic policy over the last 30 years have increased poverty rates, he praised the welfare reform efforts of Governors Tommy Thompson (R-Wisc.) and Tom Ridge (R-Penn.), saying that many features of Pennsylvania's law are elements of the Biden-Specter bill.