

Congressional Closeup by Carl Osgood

Organized crime hearing is an anti-labor circus

House Republicans, led by Crime Subcommittee Chairman Bill McCollum (R-Fla.), held a hearing July 24 which was supposed to prove that the Clinton White House is soft on organized crime. The hearing was to air Republican allegations that the administration "bought" labor support with a consent decree recently signed with the Laborers International Union of North America.

Bob Barr (R-Ga.) waved around a golf club (representative of a souvenir which the White House gave to Laborers President Art Coia), accusing the Clintons of kow-towing to organized crime figures, and intoned that "such presents are not bestowed lightly." This was followed by the entrance of former Laborers official and FBI informant Ron Fino, who was wearing a black hood and was seated behind panels for his testimony. Fino explained that he just didn't want his picture taken.

Charles Schumer (D-N.Y.) ridiculed this absurd theater, waving a copy of the multi-million circulation tabloid *Globe* newspaper, which featured an article by Fino about O.J. Simpson, and which included Fino's picture. Fino explained that he had been approached by a journalist who offered him \$9,000 to tell the *Globe* everything he knew about O.J. Simpson's ties to the mob—which was not much.

Fino explained that he took the money because the FBI dumped him after he was "compromised" in 1989, and exposed as an informant for the FBI. They left him with no work, no money, and no cover, even though he was allegedly a key witness in many prosecutions of labor-linked mobsters.

Schumer said, "Well, I'm always interested in what the *Globe* has to

say—by the way, are there any space aliens linked to the mob?"

Steve Schiff (R-N.M.) interrupted the laughter and said, "I didn't know you were so interested in space aliens, Congressman Schumer, would you like to come and visit Roswell?"

"Why? Are you going to show me your constituents?" cracked Schumer.

Senate begins to act on appropriations bills

The "rolling gridlock" that Senate Majority Leader Trent Lott (R-Miss.) complained about only a couple of weeks ago, seemed to be broken by July 25, when the Senate passed three appropriations bills that week, Agriculture, District of Columbia, and Foreign Operations, for a total of five that the Senate has completed action on. Lott and Minority Leader Tom Daschle (D-S.D.) both said they were confident that at least three or four more would be finished before Congress adjourns for summer recess on Aug. 2. Lott also indicated that the Republicans have given up the idea of an early continuing resolution, and will keep the Congress in session after the August recess until Oct. 4.

The Senate also broke the logjam on the minimum wage and health insurance reform bills, appointing conference committees for both. Edward Kennedy (D-Mass.) and House Ways and Means Committee Chairman Bill Archer (R-Tex.) came to an agreement on medical savings accounts, that would set up a test program involving 750,000 people. The remaining problem is language proposed by the Republicans to change the definition of "portability" of health insurance policies, but Democrats agreed to work this difficulty out in conference. Daschle said the Republican language

"would subject too many people to insurance policies with such high premiums that, in essence, they still would not have health protection." Daschle, however, said chances were only "50-50" that both bills would be passed by Aug. 2.

Families First looks at economic responsibility

The third in a series of Democratic Families First forums, on July 23, looked at legislation to end government subsidies in the form of tax breaks to companies which move their plants overseas to utilize cheaper labor, and to curb the import of goods produced by child labor.

A bill introduced earlier by Sen. Byron Dorgan (D-N.D.) and Carl Levin (D-Mich.) would repeal the "deferral" tax breaks which allow U.S.-based corporations to avoid paying taxes on profits generated by foreign affiliate sales back in the U.S. market. It is estimated that the loophole costs the government \$2.2 billion in annual tax revenue.

One of the charts showed that the long-term trend for loss in U.S. manufacturing jobs has been 14,000 per month. A union leader from a General Electric plant in North Carolina testified that GE followed a deliberate strategy of driving up labor costs at his plant, by creating parts shortages, in order to justify moving the plant to Mexico.

Rep. Jim Moran (D-Va.) attacked this "shareholder" mentality. "This will catch up with us," he said. "We won't have the people to buy the products they produce." He said it was a short-term strategy to make money for CEOs and stockholders.

Rep. Chaka Fattah (D-Pa.) added that manufacturing in Philadelphia is an endangered species, which has lost

200,000 manufacturing jobs over the past 15 years. He asked, "How can we keep our manufacturing base? How can we remain an industrial power?"

Bosnia reconstruction vital, say Clinton team

On July 24, the Senate Intelligence Committee, chaired by Arlen Specter (R-Pa.), was told by three Clinton administration officials that, while the military implementation of the Dayton agreement has been going well, the prospects for long-term stability in Bosnia-Herzegovina are poor unless economic development gets under way.

Lt. Gen. Patrick Hughes, the director of the Defense Intelligence Agency, said that because the "strategic goals of the main political protagonists have not changed, continued international engagement and pressure, over some period of time, will be required to proceed with the work of trying to establish a viable Bosnian state."

Deputy CIA Director John Gannon concluded his remarks saying that "economic reconstruction and outside assistance that promotes economic integration will be key to long-term peace and regional stability."

Thomas Fingar, deputy assistant secretary for intelligence and research at the State Department, said, "Most Bosnians still do not foresee any significant, tangible benefits from pledged foreign assistance. The future success of such international efforts will depend on the timely dispersal of funds in the context of adequate public security, reestablished commercial networks, and protection against corruption." He warned that while reconstruction is not an immediate factor in Bosnia's peace and security, "reconstruction efforts are fundamental to the

region's long-term stability."

Neither Specter nor the other senators present, Bob Kerrey (D-Neb.) and Mike Dewine (R-Ohio), picked up on the issue of reconstruction. Specter was concerned about whether or not U.S. ground forces would stay in Bosnia after the Implementation Force mandate expires in December.

Dorgan, Byrd seek to end trade deficit

On July 22, Sens. Byron Dorgan (D-N.D.) and Robert Byrd (D-W.V.) introduced a bill to establish an "Emergency Commission to End the Trade Deficit." He said that the purpose of the commission will be "to review economic and trade policies, tax and investment laws, and other incentives and restrictions that affect trade, with the hope that recommendations can be made . . . to end the trade deficit."

The current merchandise trade deficit must be eliminated, Dorgan said, because "trade deficits must be and will be repaid by a lower standard of living in this country." He said that 75% of U.S. imports are "high-tech and value-added manufactured goods," equivalent to 56% of U.S. manufacturing capacity.

"No wonder the purchasing power of hourly and weekly wages in this country for the vast majority of working Americans are back to the levels, in some cases, of the 1950s and 1960s. That kind of downward pressure means fewer jobs in this country, and the jobs that exist in the manufacturing sector pay less and have less security," Dorgan said. He said, based on the calculation that each \$1 billion in exports creates 20,000 jobs, that "last year's trade deficit represents a loss of around 3.5 million jobs."

"The fact is," he said, "we must

do something to try to strengthen and maintain a strong manufacturing base. . . . No country will ever remain a world economic power unless it retains its manufacturing base. That is what is slowly eroding and being washed away by these chronic, troublesome trade deficits."

NATO enlargement act passes in the House

The House, by a voice vote on July 23, passed a bill to facilitate the enlargement of NATO. The bill identifies Poland, Hungary, and the Czech Republic as having made the most progress toward meeting the criteria for NATO membership, and makes them eligible for \$60 million in enlargement aid authorized by the bill. International Relations Committee Chairman Benjamin Gilman (R-N.Y.) said that the bill "stands for the proposition that neither we nor the emerging democracies of central and eastern Europe can afford to wait any longer" to be invited into Western political, economic, and security structures.

Lee Hamilton (Ind.), the ranking Democrat, supported the bill, but with reservations. "I am impressed with how casually we are considering this issue. I am afraid that this bill is driven by domestic politics more than it should be," he said.

The only member to speak in opposition to the bill was Harry Johnston (D-Fla.), a former chairman of the Africa subcommittee. He complained of the cost of NATO enlargement, estimated to be \$60-125 billion over 15 years, with the U.S. share estimated at \$5-19 billion. Noting that he wanted to send troops to Rwanda before the bloodshed there in 1994, he asked, "How can you give a blank check to the white eastern European nations and totally abandon black Africa?"