

## Congressional Closeup by Carl Osgood

### **B**udget reconciliation bills pass House, Senate

In a flurry of activity just before the July 4 recess, the House and Senate passed versions of the revenue and tax reconciliation bills. Unlike in past years, the budget cuts and the tax changes (see separate news item) were passed as individual bills in each house. The bills now go to conference committee in what could be a protracted process to iron out the differences between the House and Senate versions.

The Senate passed its budget reconciliation bill by a vote of 73-27 on June 25, after three days of debate that focussed largely on changes to the Medicare program. The bill reduces Medicare by \$115 billion, mainly through a combination of fee increases and service reductions, including raising the eligibility age from 65 to 67.

One indication of the short-sightedness that pervaded the debate was the fight over the \$5 co-payment for home health care visits required by the bill. Republicans argued that the co-payment was necessary because "home health care has exploded in cost," in the words of Senate Finance Committee Chairman William Roth (R-Del.). Roth claimed that this had happened because "there are no adequate controls." He also claimed that the co-payment will result in "more prudent use of this care than has taken place in recent years."

Sen. Edward Kennedy (D-Mass.), who, along with Paul Wellstone (D-Minn.), sponsored an amendment to strike the co-payment provision, described it as something "added by the Finance Committee in order, as they say, to discourage the utilization of home health care services." He argued that not only would too many of the poorest senior citizens be unable to afford the co-payment, but that it would

add \$1.6 billion in additional costs to the Medicaid program, because those who qualify will have Medicaid pick up the tab. Kennedy pointed out that for many low-income senior citizens, the home health care benefit is the difference between staying in their own homes and ending up in nursing homes. Kennedy's amendment was tabled by a vote of 59-41.

### **T**ax cut bill won't help the poor

The tax cut bill passed by the House on June 25 and the Senate on June 26 was hailed by the GOP as the "first tax cut in 16 years." The bill includes a capital gains tax cut, a \$500 per child tax credit, a reduction in estate taxes, corporate tax changes, and tax credits for higher education that came out of the budget agreement between President Clinton and the GOP.

Most of the debate consisted of charges over whose tax plan, Democrat or Republican, gives greater relief to middle class taxpayers. House Ways and Means Committee Chairman Bill Archer (R-Tex.) called the bill "tax relief for life." He claimed that 76% of its tax relief would benefit people who make \$20-76,000 per year. Budget Committee Chairman John Kasich (R-Ohio) claimed that "millions upon millions of middle income Americans" will benefit from the capital gains tax cut.

However, Jim McDermott (D-Wash.) pointed out that "50% of the children in Ohio will not get the child credit," over 1.4 million children in total. William Jefferson (D-La.) said that in order for the capital gains tax cut to benefit working families, they have to own capital assets, "and very, very few working families own capital assets in

this country." On top of that, of the 2.5 million people who died in 1996, only 2% paid estate taxes.

Democrats argued that low-income working families don't pay income taxes, but they do pay other taxes, such as FICA, and they will get no relief in the GOP bill. Archer responded, "The bottom line . . . is that the Democrats want to take away from families who are middle income with children who pay taxes, pay income taxes, and they want to give it to people who do not pay any income taxes."

### **D**emocrats walk out of Louisiana election probe

Democratic members of the Senate Rules and Administration Committee pulled out of the investigation of the 1996 Louisiana Senate race on June 25. Wendell Ford (Ky.), the ranking Democrat on the committee, in remarks on the Senate floor on June 26, reported, "We reached this decision because what we have learned to date suggests a possible fraud on the U.S. Senate and illegal tampering with witnesses by agents of Mr. [Woody] Jenkins," the Republican defeated by Mary Landrieu (D) by a margin of 5,788 votes. Jenkins is accusing Landrieu of vote fraud.

Ford called the whole affair "nothing short of an embarrassment to the Senate and an affront to the people of Louisiana." He complained that the investigation was both over-budget and had exceeded the agreed-upon time limits. More importantly, "none of Mr. Jenkins's claims have been substantiated by any credible witnesses."

Rules Committee Chairman John Warner (R-Va.) defended the investigation, saying that much of the allocated budget has been spent "to keep

this as a joint investigation," which included "prolonged" negotiations to develop the investigative protocol, on subpoenas and on the use of FBI agents. Warner admitted that there was little evidence of Jenkins's charge of large numbers of "phantom" votes, but claimed that "the investigation has revealed that the safeguards required under Louisiana election law, designed to ensure an election free from fraud, were breached, broken in many instances during the 1996 election."

Senate Minority Leader Tom Daschle (D-S.D.) has called for the termination of the investigation, and Senate Republicans may not be so comfortable with it, either. The Capitol Hill newspaper *Roll Call* reported on July 7 that John McCain (R-Ariz.) and freshman Susan Collins (R-Me.) have expressed fears that a prolonged investigation might backfire, politically. As we go to press, Warner had scheduled a committee meeting on July 9 to decide where the investigation goes next.

## **Bosnia withdrawal date set by House**

On June 24, the House voted up an amendment to the 1998 Defense Authorization bill that mandates the withdrawal of U.S. troops from Bosnia-Herzegovina by June 30, 1998 unless Congress, at the request of the President, authorizes an extension. The sponsor of the amendment, Steve Buyer (R-Ind.), said that all he was doing was codifying in law the date that President Clinton had promised would be the withdrawal date of U.S. forces.

Buyer and others also argued that it was a question of European leadership. Ike Skelton (D-Mo.) said that

to leave the U.S. commitment open "raises the issue as to whether our European allies will be ready, will take up the gauntlet and perform the duties we have been urging them and wanting them to do and take care of the European problems themselves, now that we have shown them the way and given them the leadership." International Relations Committee Chairman Ben Gilman (R-N.Y.) fretted that the peacekeeping mission was threatening to become like Cyprus, where UN troops have been separating Greeks and Turks since 1974.

Opponents of the bill argued that setting a certain date for U.S. withdrawal would cause more problems than it would solve. Tom Lantos (D-Calif.) said that to do so would be to "telegraph our punch," which is "guaranteed to undermine NATO cohesiveness, NATO solidarity." Ron Dellums (D-Calif.) said his position was that "we ought to stay there until the job is done." Dellums explained that by "job," he wasn't just talking about the military mission. "Peace," he said, "is about economics and it is about human rights and it is about democracy and a whole range of things."

Buyer's amendment was passed by a vote of 278-148, but not before an attempt to move up the withdrawal date to Dec. 31, 1997, sponsored by Van Hilleary (R-Tenn.), was defeated by a vote of 196-231.

## **China MFN renewal sustained in House**

On June 24, the House defeated, by a vote of 259-173, a resolution to overturn President Clinton's decision to renew Most-Favored Nation trade status for China. The vote followed a debate

that, for the first time, had significant input from the religious right and from the U.S. Catholic Bishops Conference, both of which were opposed to MFN renewal.

Both sides on the issue were sharply divided, with liberal Democrats, such as Fortney Stark (Calif.) and Minority Leader Richard Gephardt (Mo.), joining neo-conservatives such as Dana Rohrabacher (R-Calif.) and Chris Smith (R-N.J.) to try to overturn the President's decision. The arguments against MFN revolved around China's alleged threat to U.S. national security, arms proliferation, and the reversion of Hongkong to China. There were also the obligatory references to the Democratic National Committee fundraising scandal. Greg Ganske (R-Iowa) said that part of the message the Congress should have sent to China is, "Do not ever meddle in our elections again."

Backers of MFN renewal focussed on the importance of U.S. trade with China and the role it plays in changing Chinese society. Phil English (R-Pa.) argued that ending U.S. engagement with China "will not improve human rights or political rights on the mainland" or benefit "American security interests or stabilize the Pacific rim," and "it certainly will not improve trade opportunities for American companies and American workers in the world's largest and fastest growing market."

Charles Rangel (D-N.Y.) punched a hole in the human rights argument against China by pointing out that "our great nation exceeds the world in the number of humans that we have incarcerated per capita." Noting that a disproportionate number of those prisoners are African-American, he added, "We would be hardpressed on American soil to explain that we are not talking about political prisoners."