

## Congressional Closeup by Carl Osgood

### **Anti-China sanctions find little enthusiasm**

On June 18, Craig Thomas (R-Wy.), chairman of the East Asia and Pacific Affairs subcommittee of the Senate Foreign Relations Committee, chaired a hearing, at which witnesses presented a "more balanced" view of U.S.-China relations, in contrast to the antics in the House, which has played host to a number of former Reagan-Bush administration officials pontificating about the threat that that tie poses to U.S. security.

Thomas, who is circulating a bipartisan letter urging senators to vote against new China sanctions, stated that most of the bills pending on China "involve sanctioning, or otherwise castigating China for its behavior in a number of fields." He stated, "On the eve of the President's trip, the China-related amendments threaten to challenge our relationship, just at a time in its development when it is most critical to advance vital interests."

Joseph Biden (D-Del.) closed the hearing with some advice for Assistant Secretary of State for East Asian and Pacific Affairs Stanley Roth, who represented the Clinton administration. "Don't let yourself be too concerned about this malarkey about the transfer of technology through satellites to China, and whether the President sold American interests for a campaign contribution," Biden said. "That is a diversion. You should act as if it doesn't even exist, in my humble opinion, because that investigation will go on. . . . I predict it will determine that nothing wrong was done."

Biden urged the administration not to adopt a bunker mentality, thinking that every Republican lawmaker opposes the President. "Don't let that [the investigations] affect your willingness to cooperate even with some Republican senators who may criti-

cize you on that front. There are really two separate goals. One is laden with heavy political interests; . . . the other is laden with a national interest. I'd focus on the national interest and not worry about the political interest, because my 'editorial comment' is that no one believes the President of the United States, for a campaign contribution, would sell out the national security of the United States of America."

On June 22, John Warner (R-Va.) said that he would move to table four pending amendments sponsored by Tim Hutchinson (R-Ark.) to the Defense Authorization bill, that would impose sanctions on China for various policies including forced abortions and human rights violations.

### **McCollum pushes prison privatization bill**

On June 19, House Crime Subcommittee Chairman Bill McCollum (R-Fla.) introduced the Free Market Prison Industry Reform Bill, which will allow private industry, for the first time in American history, to bid on labor, facilities, and private industrial projects in the Federal prisons, and to sell goods produced therein on the open market. The bill would also turn over management of the Federal prison system to private management.

McCollum, in a press conference, motivated his proposal, saying that it is a crime that so many American firms are going overseas for cheap labor when they can get it right here at home, in U.S. prisons, where thousands of able-bodied men are doing nothing and are a drain on taxpayers. The bill would phase out mandatory source preferences, i.e., that the Federal government can only buy its furniture and

other prison-made items from the Federal prison program UNICOR. These rules were adopted in the Federal prison system when it was set up in the 1930s, to create a guaranteed market for the goods produced in the system, and to prevent prison labor from unfairly competing with free labor.

Asked what the prisoners' rate of pay should be, McCollum said, "Nothing. They will be contracted for their labor, not their wages." He later corrected himself, saying that the prisoners would receive some small portion of the money paid by the company to the prison for their labor, but most of it would go to the prison to cover the cost of upkeep, restitution to the victims' and their families, and so forth. Asked what type of jobs they would do, McCollum said, "Anything that doesn't involve security concerns."

McCollum said that his subcommittee would hold a hearing on June 25, amazingly fast for a bill that, as yet, has no co-sponsors.

### **House votes to terminate tax code**

On June 17, the House approved the Tax Code Termination Act by a vote of 219-209, which mandates that no taxes will be collected under the 1986 Internal Revenue Act after Dec. 31, 2002, except for self-employment taxes, unemployment compensation, and the Railroad Retirement Act. It also calls for the implementation of a new tax system that is "simple and fair," and that it says should be passed by July 4, 2002. However, the House GOP did not offer a plan to replace the current system.

Jim Bunning (R-Ky.), who managed floor debate for the GOP, said the bill "would simply force Congress to

... pull the Federal income tax code out by its roots and replace it with an income tax system that is fair and understandable."

Democrats were unanimous in calling the bill an "irresponsible act" to give Republicans something to point to in this election year. Charles Rangel (D-N.Y.) laughed at the idea that Republicans are going to come up with a replacement plan, and castigated them for failing to do that over the last three years during which they have controlled Congress. He also attacked the notion that Congress has to be "forced" to come up with a new tax code. All the Republicans have to do, he said, "is take their consensus from the people and pass a decent, respectable, fair, and equitable progressive tax bill. They should not force themselves to do it."

## Select panel on China created in the House

On June 18, the House voted 409-10 to create a select committee "on U.S. National Security and Military/Commercial Concerns With the People's Republic of China." It will have the authority to investigate a broad range of matters dealing with charges of alleged transfers of U.S. technology that have improved China's offensive missile capabilities.

Included under its mandate is the conduct of the Clinton administration and defense contractors involved in satellite sales to China, as well as alleged efforts by the Chinese government to influence such policies through political contributions, bribery, and other forms of influence peddling. Chris Cox (R-Calif.) will chair the new committee, and Norm Dicks (Wash.) will be the ranking Democrat.

House floor debate seems to have been based almost entirely on articles by *New York Times* reporter Jeff Gerth, the same reporter who started the Whitewater scandal in 1992 with an article that was later debunked by the *Arkansas Democrat-Gazette*. Rules Committee Chairman Gerald Solomon (R-N.Y.) inserted into the record 10 articles from April, May, and June 1998, no fewer than seven of which were authored or co-authored by Gerth.

Democrats did not object to creating a committee based on newspaper reports of dubious accuracy, but rather on whether an investigation would turn into a platform for bashing the Clinton administration and its China policy. Martin Frost (D-Tex.) said that he supported the creation of the select committee, "but I do so with an important caveat: If this investigation wanders from the focus of determining the answers to the questions at hand, and if some of my colleagues insist upon demagoguing this issue, they risk damaging not only the legitimacy of any of the findings of the committee, they risk damaging the integrity of this institution."

## Tobacco bill goes up in smoke

On June 17, the tobacco bill, after almost four weeks of consideration on the Senate floor, was returned to committee to await an uncertain fate. Its end came after two votes. One, a closure vote to cut off debate, received 57 votes (60 are required). The second was on a point of order against the bill raised by Appropriations Committee Chairman Ted Stevens (R-Ak.), who objected that the bill, as written, violated both the 1974 Congressional Budget Act and last year's budget

agreement, because it exceeded the spending allocations of the Commerce, Science, and Transportation Committee. The vote to waive the requirements of the budget act, got only 53 votes.

Reaction to the two votes was swift and sharp, and showed that the two sides are farther than ever from an agreement. Democrats expressed amazement that Republicans would move to kill a bill after insisting that it would only pass with amendments that they wanted, including the repeal of the marriage tax penalty, increased funding for drug interdiction, and the cap on lawyers' fees (which was adopted the previous day). John Kerry (D-Mass.) told reporters after the vote that what they had witnessed was "a concerted strategy to deprive the kids of America of the best opportunity we've had to be able to provide them with an option not to smoke."

On the next day, Minority Leader Tom Daschle (D-S.D.), following through on a pledge from the week before to attach the bill to any legislation that "comes down the pike," offered the tobacco legislation as an amendment to the Energy and Water Development Appropriations bill. It was tabled by a vote of 54-44.

Republicans complained that the bill included too much spending and new taxes. House Speaker Newt Gingrich (R-Ga.) suggested a slimmed-down version that would feature a public awareness campaign and incentives to states to reduce teen smoking, but would not include the taxes and the public health measures included in the version offered by John McCain (R-Ariz.). House Minority Leader Richard Gephardt (D-Mo.) said, "We're not going to vote for a fig leaf bill; we're not going to vote for a blank piece of paper so they can say they've passed anti-smoking legislation."