

Congressional Closeup by Carl Osgood

Prison industry proposals get hearing

On June 25, the House Crime Subcommittee, chaired by Bill McCollum (R-Fla.), held a hearing on competing Federal prison industry restructuring proposals, including H.R. 4100, introduced by McCollum the previous week.

McCollum's bill would restructure Federal Prison Industries, by opening FPI's factories to privatization and allowing them to sell their products in the private sector markets. A competing bill, H.R. 2758, introduced by Pete Hoekstra (R-Mich.) and Barney Frank (D-Mass.), with 62 cosponsors, is more narrowly focussed on forcing FPI to compete with the private sector for government contracts that it now gets exclusively, except in cases where the Attorney General determines that non-competitive contracts are required to maintain order within prisons.

In his opening remarks, McCollum extolled the virtues of prison industries in rehabilitation, and for reducing recidivism rates. These benefits "should be provided to the greatest number of prisoners," he said. He complained that the Hoekstra-Frank bill will reduce the amount of work in FPI and maintain the status quo at the state level.

Frank, on the other hand, pointed out the contradiction inherent in the expansion of prison industries in the United States, including the fact that American law forbids the importation of goods produced in countries using prison labor. "I do not understand why goods made with prison labor in foreign countries that are excludable because they are unfair competition and inappropriate become a very good thing here in America."

Steve Chabot (R-Ohio), who assumed that Frank was referring to China, replied, "We don't have politi-

cal prisoners in the U.S.," and, anyway, "many of the participants in these programs want to be there."

Democrats also focussed on the economic impact of rapidly expanding prison labor. Frank declared that it is industries in decline that are feeling threatened by prison industries. McCollum's bill, he said, represents "great expansion of prison labor at the expense of the private sector." Frank was joined by Marty Meehan (D-Mass.), who highlighted the plight of the furniture and textile industries, during questioning of Bureau of Prisons Director Kathleen Hawk Sawyer. FPI produces furniture and uniforms, among other things, for the Federal government. Sawyer endorsed McCollum's bill, and argued that expanding prison labor would have a beneficial effect on the economy.

Conference committee agrees on IRS reform

A conference committee concluded its work on the IRS reform bill on June 24. Senate Finance Committee Chairman William V. Roth (R-Del.) told reporters that the bill is built on three principles: "One, establishing independent oversight of the agency to prevent abuse; two, holding IRS employees accountable for their actions"; and "three, ensuring that taxpayers are treated with fairness, with civility, by creating a whole new arsenal of taxpayer protection." The agreement, he said, "will open the door to real restructuring, it will reform the agency that for too long has been allowed to operate in the darkness."

However, the GOP could not resist taking advantage of the broad bipartisan support that the bill enjoys to attach a reduction in the capital gains tax, one of their favorite hobby horses,

to it. It would reduce the time an asset must be held (from 18 months, to 12 months), to take advantage of lower rates already in effect.

House Democrats attacked this provision during debate on June 25. Minority Leader Richard Gephardt (D-Mo.) excoriated the GOP for "tucking in provisions that help the wealthiest of the wealthy" while cutting back programs that assist the poor, such as low-income energy assistance, summer job training, and reading and math programs for disadvantaged children. "We are right back to where we started three years ago," he said. "Tax cuts for the wealthy, paid for by cuts on the poor and middle class. That is the program of the Republican Party."

Democrats failed to strip out the capital gains tax cut, and the bill passed by a vote of 402-8. The Senate is expected to pass the bill after the July 4 recess, and the White House has indicated that President Clinton will sign it.

Appropriations process moves ahead slowly

The House continued work on the 13 appropriations bills that will fund the government in fiscal year 1999. During the week before the July 4 recess, the House passed five bills: Agriculture; Energy and Water Development; Legislative branch; Military Construction; and Defense. Three more bills were passed by the Appropriations Committee: Interior; Treasury and Postal Service; and Veterans Affairs, Housing and Urban Development, and Independent Agencies. However, the Treasury Postal Service bill failed a procedural vote on the House floor on June 25, over a disagreement about the amounts of money allocated for government agen-

cies to deal with the year 2000 computer problem.

Progress in the Senate has been much slower. Only two bills (Energy and Water Development and Military Construction) have been passed. Seven more have been finished by the Appropriations Committee and are awaiting floor action. Work on these began on July 6, when the Senate returned from the July 4 recess. (The House returned on July 13.)

One of the many issues that could slow the process is funding for the International Monetary Fund, covered by the Foreign Operations appropriations bill. House Speaker Newt Gingrich (R-Ga.) said on June 25 that he would support "some funds" for the IMF, although Majority Leader Dick Armey (R-Tex.) and Majority Whip Tom DeLay (R-Tex.) both remain opposed to any additional funding without "strict reforms" of the IMF.

GOP releases health care reform plan

On June 24, after four months of work, a House Republican task force chaired by Dennis Hastert (R-Ill.) released its proposals for health insurance reform. "We increase accessibility to insurance so millions more Americans can receive high-quality health care coverage. We increase affordability of insurance so people can actually purchase the health care that best fits their personal and family needs. And we increase accountability so patients have confidence they will receive the quality care they were promised," Hastert said.

The accessibility initiatives allow more direct access for patients to their providers. The plan offers "affordability" with a "market-oriented approach," medical savings accounts, and reforms of medical malpractice to

reduce the number of lawsuits. The "accountability" provisions focus on making information about decisions and health plans readily available to patients, and providing a process for appealing insurance company denials of requested services. The GOP plan is expected to appear in legislative form in late July.

Hastert appealed for bipartisan support for the plan, but Minority Leader Richard Gephardt (D-Mo.) responded angrily to the GOP proposal. In a June 25 press conference, he called it a "fig-leaf Patient Bill of Rights." He said, the GOP plan "does not do any of the things that you need to do—requiring specialists, real arbitration of patients' interest, and the most important of all, having real legal liability on HMOs and insurance companies, totally absent from their bill." He added that the bill was probably written by insurance companies and special interests.

In the Senate, Minority Leader Tom Daschle (D-S.D.) declared July "HMO month," and called on Republicans to "answer what it is they don't like about the Democratic bill." The most important feature of the Democratic approach is the ability to sue HMOs and insurance companies, which is missing from the GOP proposal, he said.

Daschle maneuvers kill anti-China amendments

Senate Minority Leader Tom Daschle (D-S.D.) saved President Clinton from potential embarrassment on the eve of his departure for China, with some deft parliamentary maneuvering that prevented the Senate from voting on a number of anti-China amendments to the Defense Authorization bill. The amendments, sponsored by Tim

Hutchinson (R-Ark.), would have denied U.S. visas to Chinese officials allegedly involved in religious persecution, forced abortions, and other human rights violations.

Daschle organized the Democratic caucus to vote against John Warner's (R-Va.) motion to table the amendments (which only gained 14 votes) to ensure that a cloture vote would be required to cut off debate. A cloture vote requires 60 votes, and Daschle promised that all 45 Democrats would vote against cloture. The amendments were subsequently pulled from the floor.

Daschle complained that the timing of the amendments showed that they were "designed to embarrass the President of the United States on the eve of his trip." After describing past examples where the Senate refrained from controversial votes on the eve of a significant Presidential trip overseas, he said, "There are some in this chamber who have come to the conclusion that that is no longer the way we do business here." Daschle declared that he would not allow any votes of substance on China, and threatened to hold up the underlying bill, much to the chagrin of Warner, who was concerned to move the Defense bill forward.

One response to this partisan wrangling has been the formation of a bipartisan group of about 20 senators, led by Joseph Biden (D-Del.) and Chuck Hagel (R-Neb.), who are dissatisfied with the conduct of foreign policy debates in the Senate. *Roll Call* reported on July 2 that one of the outcomes of the meetings of this group has been the formation of a bipartisan task force, chaired by Biden and Mitch McConnell (R-Ky.), to study the use of economic sanctions by the United States. It will make recommendations by July 15 regarding the sanctions against India and Pakistan.