

Congressional Closeup by Carl Osgood

House passes GOP minimum wage increase

Using what President Clinton called "legislative sleight of hand," on March 9 the House GOP engineered passage of bills that combined \$112 billion in tax cuts with an increase in the minimum wage spread out over three years. Also included were new categories of workers to be exempted from the wage and hour provisions of the Fair Labor Standards Act. The tax cuts passed by a vote of 257-169, and the minimum wage increase 282-143.

In remarks at the White House the day before, Clinton accused the GOP of using the minimum wage "as a vehicle to repeal worker protections and pass irresponsible tax cuts that would threaten our fiscal discipline and jeopardize our ability to save Social Security and Medicare and pay the debt down by 2013." He threatened to veto the GOP bill.

The House GOP proceeded anyway. After a procedural vote of 214-211, the House moved to the tax-cut bill, which generated angry debate. Ways and Means Committee Chairman Bill Archer (R-Tex.) touted the bill as designed to help small businesses which, he said, have created two-thirds of all new jobs since 1970. It includes provisions related to pension portability, health care insurance for the self-employed, and a reduction in the estate tax rate.

Democrats were not pleased with the bill. Charles Rangel (D-N.Y.), the ranking member on the Ways and Means Committee, demanded to know how the GOP planned to explain that three-quarters of the tax cuts in the bill are "not going to the small business man, not going to the small farmer? Is this their way to kill a bill by having the President veto it and then wait until their whole legislative process collapses. . . .?"

Senate Minority Leader Tom Daschle (D-S.D.) told reporters the day after the vote, "I think the President was right to threaten a veto and I think we will sustain a veto."

Two Federal judges confirmed by Senate

On March 9, the Senate finally confirmed two judicial nominations to the Federal Court of Appeals for the Ninth Circuit. Richard Paez had been on hold for four years, and attorney Marsha Berzon had been waiting for more than two years to be confirmed.

In remarks on the Senate floor two days before the vote, Orrin Hatch (R-Utah) denied any untoward motivation in delaying the nominations for so long, saying such accusations are "grounded in nothing more than sinister, crass politics." Hatch said that after a thorough review, "I have become convinced that questions regarding Judge Paez's record have, by and large, been answered." He said, "I am convinced that Judge Paez will be a credit to the Ninth Circuit Court of Appeals."

This endorsement, however, did not prevent some of the most conservative members of the Senate from trying to stop the vote. Jeff Sessions (R-Ala.), a former prosecutor, sought to delay the vote on the grounds that more time was needed to investigate Judge Paez's role in the cases of former Democratic fundraisers John Huang and Maria Hsia (Hsia was recently convicted of tax evasion in Washington, D.C. in a case arising out of the 1996 Clinton-Gore fundraising scandals). "Oddly," Sessions said, "this judge, who was a nominee of the President of the United States, somehow got these cases and presided over them. I think there is a real question

whether he should have taken the cases."

Also trying to prevent a vote was Bob Smith (R-N.H.), who took up issues relating to the Ninth Circuit itself, which many conservatives view as a "renegade" circuit because of the high rate of reversals by the Supreme Court of its cases. Smith said that the Ninth Circuit "is notorious for its anti-law-enforcement record, its frequent creation of new rights for criminals and defendants." He said that he was sure the two nominees would maintain that record.

Judge Paez was approved by a vote of 59-39, and Berzon by a vote of 64-34.

AIDS in Africa taken up by House Banking panel

On March 8, the House Banking Committee held a hearing on a bill to facilitate the establishment of a World Bank trust fund, to combat AIDS in Africa. The bill authorizes a \$100 million annual U.S. contribution to such a trust fund through 2005.

The bill, introduced on Jan. 24 by committee chairman James Leach (R-Iowa), was endorsed by five committee members present, including John LaFalce (D-N.Y.) and Barney Frank (D-Mass.). All those who spoke called on the United States to lead a much greater effort to address the crisis in Sub-Saharan Africa, where 6,000 people per day are dying of HIV/AIDS. They decried the small size of the effort so far, with only \$300 million being spent worldwide, half of that in Africa. "We have the capacity to go to the aid of these people," Frank said, urging a humanitarian effort on moral grounds. He rejected the neo-conservative ideology which demands arbitrary budget caps on government

spending, on the assumption that all government spending is bad.

Supporting the bill were administration witnesses UN Ambassador Richard Holbrooke, Director of the White House Office of National AIDS Policy Sandra Thurman, and Treasury Undersecretary for International Affairs Timothy Geithner. Though no representatives of the World Bank were on the witness list, remarks of the committee members indicated that World Bank President James Wolfensohn is backing the legislation.

Adm. Blair opposes Taiwan Security Enhancement Act

Testimony by Commander of the U.S. Pacific Command Adm. Dennis Blair on March 7 undercut the atmosphere of "political poison" that is being built in Congress by an anti-China faction in Congress that calls itself the "Blue Team." In an unusually blunt intervention for a serving military officer, Admiral Blair recommended against the Taiwan Security Enhancement Act, during a hearing of the Senate Armed Services Committee. In response to a question, he said that the bill "doesn't give me the ability to do my job any better than I can today," and, in fact, "would move us away from peaceful resolution" of the Taiwan-China issue.

Blair's statement bolsters the position of President Clinton, who opposes the bill, and says that he would veto the measure. Committee Democrats echoed the White House opposition. "This act would not be helpful," said Carl Levin (D-Mich.), the ranking member on the panel, who added that Blair's statement would have "a major impact around here."

Blair repeated his remarks the following day at a hearing of the House Asia and the Pacific subcommittee. He

said that the bill "raises the degree of tension," and "does not advance us as far as a peaceful solution." Don Manzullo (R-Ill.) commented that even though he voted for the bill, he has since come to a similar conclusion. "Basically, it becomes a political decision" not "to raise the level of tension for a bill that essentially doesn't do anything," he said. Earl Pomeroy (D-N.D.) said, "I think the Admiral's comments are extremely important and need to be considered on this topic and on other topics."

Blair reported that during his recent visit to Beijing, he was told that the Taiwan bill could lead to an accelerated military buildup by the Chinese, but he added that he did not see much chance for a near-term conflict between China and Taiwan. "At the current time," he said, "the rhetoric is more heated than the military moves."

Budget war heats up between GOP, Clinton

On March 10, Congressional Republican leaders released an outline of a \$596.5 billion spending plan that includes \$150-200 billion in tax cuts over the next five years, a \$16 billion boost in defense spending, and the GOP's proposal for \$40 billion in prescription drug benefits for Medicare recipients. House Budget Committee Chairman John Kasich (R-Ohio) said that the plan "is something that will allow us to get our work done, the appropriators to be able to carry out their job, yet showing fiscal restraint."

While the plan is \$10.5 billion higher than last year's discretionary budget, it is below the \$625 billion budget submitted by the Clinton administration in February. That fact alone ensures a fight with the Democrats, but some conservative Republi-

cans are also unhappy with the plan. Sen. Phil Gramm (R-Tex.) said, "If this budget is adopted, we will have found a sure-fire way to stop the Democrats from spending the surplus: Have Republicans spend it first."

In a letter to Kasich, President Clinton warned that the GOP's budget is based on the assumption that "essential funding for domestic priorities," including health care, the environment, science and technology, and law enforcement, would be cut by \$24 billion. Because such cuts are unlikely to materialize, Clinton warned, "your insistence on such a damaging and unrealistic budget would only increase the risk of dipping into the Social Security surplus and make it virtually impossible to strengthen Social Security and Medicare and pay off the debt by 2013."

Tangled up in the budget fight is the debate over providing prescription drug benefits as part of Medicare. On March 13, the House GOP announced a plan that Republican Conference Chairman J.C. Watts (Okla.) said would offer senior citizens "a plan to get prescription drugs to them while, at the same time, preparing Medicare for the next generation of retirees." GOP sources told the *Washington Post* that what the leadership wants to create is "a competitive, market-based approach" to drug coverage, rather than having the government administer the program. They are considering targeted tax credits, but are said to be unenthusiastic about block grants, which other GOPers favor.

The same day, during an address in Cleveland, President Clinton said that block grants would not help middle-income senior citizens, and a tax deduction for so-called "medigap" plans "would benefit the wealthiest seniors without providing any help to the low- and middle-income seniors."