

## Congressional Closeup by William Jones

### **W**ithdraw from NAFTA, legislators demand

A bill that would require the United States to withdraw from the North American Free Trade Agreement was introduced into the House on Jan. 11 by Pete DeFazio (D-Ore.) and Marcy Kaptur (D-Ohio), with the support of a bipartisan group of 17 legislators. The bill, the "NAFTA Withdrawal Act of 1995," would activate the withdrawal clause of the NAFTA agreement, which went into effect one year ago. Kaptur was one of the most outspoken opponents of NAFTA.

The collapse of the Mexican financial markets has destroyed some of the illusions about the new "free trade zones." DeFazio said, "If a new \$40 billion bailout is proposed [for Mexico], I predict our support [for the withdrawal bill] will grow exponentially. . . . The Clinton administration is desperately trying to cover up the abject failure of this trade agreement by pouring billions of dollars into Mexican banks and fudging the trade numbers. . . . but there's also a conspiracy of silence on the part of the Republican leadership in Congress, who provided the votes needed to pass this turkey." The NAFTA agreement was a project of the Bush administration.

Commenting on the legislation, Kaptur said, "Those financial interests that chose to invest in Mexico—the multinationals, the big investment houses like Goldman Sachs, and big banks like Citibank—should eat their own losses and not run to the U.S. taxpayer to be bailed out." The goal of NAFTA "was never designed to sell goods to Mexicans," Kaptur said. "It was always designed to get cheap labor in Mexico to ship the goods here. Now those Mexican workers will have total incomes in United States dollars of \$800 or \$900 a year. So if they really save hard, they might be able to buy a pair of running shoes at the end

of the year from United States manufacturers based in Mexico, but not likely."

### **S**almon recovery too costly, senators say

All eight senators from the four Northwest states wrote a letter to President Clinton on Dec. 20, expressing their "concern over Bonneville Power Authority's ability to fund additional salmon recovery costs," according to the January BPA newsletter. Environmentalists have forced the largely hydro-based federal utility to implement various plans to protect the salmon, including the diversion of water from dams and the building of fish runs and hatcheries. The Northwest Power Planning Council estimates that BPA will lose \$57 million this year from lost power sales and additional electricity purchases from other utilities. It will also cost BPA \$25 million for research and rebuilding, and \$95 million for dam modifications.

The senators wrote the President that preliminary estimates for BPA's salmon recovery plan put the cost between \$300 million and \$1 billion each year, depending upon water levels and power prices. The senators said that these plans should be "science-based," and that they may hold hearings to address the administration's response.

The Natural Resources Defense Council, the Sierra Club, and American Rivers released a report in early December disputing the salmon recovery cost-estimates by the BPA and the Army Corps of Engineers. The BPA charges that the environmentalists' report makes "unrealistic assumptions about energy sales" and the utility's ability to pay for programs without substantial rate increases.

### **F**ight against budget cuts will be bipartisan

During the first hearing of the new Congress on Jan. 6, members on both sides of the aisle on the Science Committee effectively broke with the format of the Conservative Revolution and promised to initiate a fight to prevent cuts in federal science and technology programs.

Committee Chairman Robert Walker (R-Pa.) said in his opening statement that "nonagenarian Americans have seen in the span of their lifetimes the Wright brothers fly, the arrival of the jet age, and the Moon landing; the invention of radio, television, digital technology; and countless other advances in the fields of medicine, electronics, and transportation. We should accept as ours the goal of making the next century just as exciting for the children born in 2001 as those born in 1901." Walker said he was made vice chairman of the Budget Committee in order to protect science programs.

Walker was seconded by former committee chairman, now ranking minority member George Brown (D-Calif.). Brown stated in his opening remarks that the accomplishments of the past "were rooted in a fundamental commitment by the federal government to promote and foster scientific research and development. The future will be no different."

### **B**yrd blocks fast action on unfunded mandates

Sen. Robert Byrd (D-W.Va.) threw the first monkey wrench into the attempt by Senate Majority Leader Bob Dole (R-Kan.) to rush legislation through the Senate which would lift the burden of unfunded mandates

from state governments. These are programs that the federal government mandates the states to carry out, but for which it provides no funding.

The legislation had whizzed through two Senate committees when Byrd demanded to see the committee reports on the legislation. In their haste to put the legislation through, neither committee had prepared reports as required. "What's the hurry? . . . Just because the House has rules that it can ram things through doesn't mean the Senate has to roll over and play dead. . . . Let's slow down," he advised his colleagues.

Republicans in both houses are rushing to pass the unfunded mandates bill in order to begin work on a balanced budget amendment. Governors and mayors want the unfunded mandates lifted because states will be saddled with further losses in federal funding under a balanced budget regimen.

When the Senate Budget Committee finally produced a hastily written committee report, Byrd, who had been speaking for hours, insisted that he had to have time to read it, meanwhile going on at length about his dog Billy. Byrd said he was not filibustering, but simply insisting that the Senate follow proper procedure. "Senators will know when I filibuster," Byrd warned.

## **Kennedy introduces minimum wage hike**

Sen. Edward Kennedy (D-Mass.), the ranking minority member on the Senate Labor Committee, on Jan. 11 introduced a bill (S. 203) to increase the minimum wage.

The bill would increase the U.S. minimum wage from its current \$4.25 per hour to \$5.05 in August, and then

to \$5.75 per hour six months later.

Speaking on behalf of the Clinton administration in favor of such an increase, Labor Secretary Robert Reich cited recent studies said to show that a higher minimum wage does not adversely affect the availability of jobs.

House Majority Leader Dick Armey (R-Tex.) has called for the minimum wage law to be abolished.

## **Even GOPers worried about 'new federalism'**

It was obvious in the House Ways and Means Committee hearing on welfare reform on Jan. 13, that even Republicans are shying away from shifting some important federal powers to the state governments, despite what the ideologues of the Conservative Revolution have been telling them.

One of the chief proponents of this proposal, Michigan's Gov. John Engler (R), was one of the witnesses at the hearing held by Clay Shaw (R-Fla.), chairman of the Ways and Means Subcommittee on Human Resources. Shaw promised Engler that the Congress "was about to give you the mother of all waivers."

Shaw was referring to the proposal in the "Contract with America" which calls for combining the funding of all welfare programs and giving the states the money as "block grants," leaving them to decide how to spend it. Engler is in favor of block grants, but only if there are no restrictions on how they could be spent.

Delaware Gov. Thomas Carper (D) said that he was far from confident that the states could manage the grants. Carper asked what would happen "when unemployment rates hit 10% and we have no way to help peo-

ple," if the grant funds had already been spent.

Sander Levin (D-Mich.) expressed concern that such no-strings funding would represent "the total devolution of authority to the states."

However, it is precisely this "total devolution" that the ideologues of the Conservative Revolution are attempting to bring about. Witness after witness showed how block grants would create grave inequalities in the welfare system, and, in some cases, would effectively reduce the amount of money individual states would receive. In the face of the mounting evidence that this "mother of all waivers" may cause considerable damage, even Shaw said that he felt they might have to settle for some "hybrid" system that would shift to block grants, but without eliminating entirely entitlements for specific programs.

## **Stenholm offers balanced budget compromise**

Rep. Charles W. Stenholm (D-Tex.) has introduced a balanced budget amendment which requires only a simple majority in both houses of Congress to win passage for a tax increase. It still requires a three-fifths majority to approve a budget in any given year which is not balanced, i.e., for outlays to exceed total receipts.

The "Contract with America" version of the balanced budget amendment by House Speaker Newt Gingrich (R-Ga.) may not even get enough votes from Republicans to pass. That amendment makes it nearly impossible to raise taxes, by requiring a three-fifths majority on any tax hike. Stenholm claims that his version has the backing of 65 Democrats, and it has been praised by House Majority Leader Dick Armey (R-Tex.).