

## Congressional Closeup by Carl Osgood

### Minimum wage under Republican attack

On April 27, the House Education and the Workforce Committee held what its chairman, Bill Goodling (R-Pa.), called the first of "many" hearings on the minimum wage. Goodling said that the hearing was not specifically on the minimum wage bill introduced by Democrats earlier this year, but rather on whether past increases in the minimum wage have reduced poverty. Bill Clay (D-Mo.), the ranking minority member, was happy that the committee was focussed on the minimum wage rather than on "destroying overtime and bringing in company unions."

Three of the witnesses were academics, who argued that increasing the minimum wage has little or no positive effect on poverty rates, or worse, that raising the minimum wage has a negative effect. The fourth witness, Dr. Jared Bernstein of the Economic Policy Institute, argued that "the evidence unequivocally supports the view that increases in the minimum wage, by increasing the earnings of low-income workers without diminishing their employment opportunities, have historically helped to lower poverty rates." Jared strongly defended his views against committee Republicans, and was highly critical of the work of his colleagues at the witness table.

The bizarre nature of the hearing became clear when the opponents of the minimum wage endorsed, as alternatives, policies that the GOP has tried to kill in the recent past, most notably the earned income tax credit. Clay called the testimony a "strange phenomenon," and said that the committee was being told "that you help the poor by depressing wages." He said that major corporate mergers displace more people from the workforce than

increasing the minimum wage "ever will."

However, no discussion of the looting of the industrial sector, and the consequent effects on wage levels, was admitted into the debate, because, according to popular wisdom, the United States is in a time of "unprecedented prosperity."

### Bill seeks curb on Saipan sweatshops

On April 29, a bipartisan group of members of the House and the Senate introduced a bill to close the legal loopholes that allow the products of sweatshop labor in the Commonwealth of the Northern Marianas Islands (C.N.M.I.) to be imported into the United States duty- and quota-free. The bill, the "Made in the U.S.A. Label Defense Act of 1999," prohibits the use of the label on any products manufactured in the C.N.M.I., and denies those products duty- and quota-free treatment.

The bill, however, is a narrowly crafted compromise measure that avoids addressing globalization, which the sweatshop system is a symptom of. The bill's sponsors primarily blame China, in cooperation with the local C.N.M.I. government, for the sweatshop system that has developed there. Sen. Spencer Abraham (R-Mich.), in remarks on the Senate floor, pointed out that he is a "strong believer" in free trade, but "the fact that foreign garment exports to the U.S. are laundered in Saipan to escape duties and quotas has nothing to do with free trade and everything to do with a form of subterfuge."

Rep. Gary Franks (R-N.J.), the lead sponsor of the bill in the House, was equally condemnatory of China.

He said at a press conference intended to rally support for the bill, that the C.N.M.I. "has been transformed into an appendage of the Chinese garment industry." When asked if perhaps the system of globalization, with its regime of cutting costs and driving down wages, might be a factor, he replied that "manufacturers will seek the lowest costs consistent with quality," which is just part of free trade. "American public policy," he said, "should not give the People's Republic of China a back door through the C.N.M.I. to the U.S. economy."

### Year 2000 liability bill hits Senate gridlock

Frustrated in their attempts to bring their agenda to the floor for debate, Senate Democrats used a bill addressing liability issues expected to arise from the year 2000 computer problem, as a vehicle to bring Senate floor activities to a halt. The fireworks began on April 27, when Majority Leader Trent Lott (R-Miss.) asked for a unanimous consent agreement that no non-germane amendments be allowed. When that failed, he executed a parliamentary maneuver, known as "filling the amendment tree," to prevent the introduction of any amendments beyond a substitute amendment that had been introduced by the bill's sponsors.

There was one loophole that Lott forgot to close, however. On April 28, Edward Kennedy (D-Mass.) submitted a motion to recommit the bill to the Education, Labor, and Pensions Committee with instructions that the committee report the bill back to the Senate with the minimum wage provisions attached as an amendment. That raised the ire of the Republicans, including the bill's sponsor, John McCain (R-

Ariz.), who complained that Kennedy's action not only "impeded" but was "making very difficult our progress on the legislation." Lott said, "If we are going to pass legislation," no matter what it is, "I am going to have to take actions to block irrelevant, non-germane amendments that are just part of a political agenda." At that point, Kennedy's motion was tabled by a party line vote of 55-44.

Minority Leader Tom Daschle (D-S.D.) complained that the GOP was leaving Democrats no other options to ensure debate on their legislative agenda. He pleaded with the Senate to follow the usual procedures with amendments, including improving them or tabling them if they are undesirable. "But to deny Democratic Senators, and even Republican Senators, for that matter, the chance to amend a bill, is not acceptable." He warned: "I am hopeful we can find a way to resolve this. If we can't, I will put the Senate on notice that we will use other recourses if we have to," to get floor debate on the Democratic agenda.

## **F**arm crisis demands action, Senators say

On April 27, Sens. Byron Dorgan (D-N.D.) and Kent Conrad (D-N.D.) warned that the farm crisis is continuing, and will worsen if Congress does not take action. Dorgan brought to the floor a map showing counties throughout the country that are suffering losses in population, most of which are in the central part of the United States. "That depopulation," he said, "stems from a farm economy that means family farmers are not making a living and all too often are having to leave the farm."

Dorgan took issue with those who extol the virtues of the globalized

economy. "If it is a global economy, then why on earth do we have so many people hungry in the rest of the world?" he asked. He said that a farmer in North Dakota can take a truckload of his grain to an elevator and be told that it has no value. "That is not a global economy that seems to work, in my judgment."

Conrad said that, while spring is normally a time of celebration, "we are not celebrating in farm country because spring has brought us up against a hard reality. The hard reality is that our operations are not going to make it. They are not cash flowing. Many farmers are not getting the credit they need to get into the field this spring."

Dorgan and Conrad expressed frustration that the disaster supplemental appropriations bill, which contains \$152 million in emergency funds to help farmers, is languishing in conference committee. Dorgan warned that the bill had to be passed by Memorial Day, or July 4 at the very latest, to repair the farmers' safety net.

Dorgan and Conrad were echoed a few days later by House Minority Leader Richard Gephardt (D-Mo.). In a statement on April 29, Gephardt said, "Vital Farm Service programs are out of funds and about to close. Once again, the Republicans are about to cause another disastrous government shutdown. The only difference this time is Republicans have targeted this one to hurt farmers."

## **K**osovo supplemental passed by House panel

The House Appropriations Committee on April 29 passed a supplemental appropriations bill to fund military operations against Yugoslavia that is more than double the \$6 billion that the Clin-

ton administration had requested. Appropriations Committee Chairman Bill Young (R-Fla.) said, "This \$12.9 billion bill recognizes that we are more deeply involved in Kosovo than we were led to believe and that unless [Serbian President Slobodan] Milosevic has a major change of heart, our involvement will be deeper than originally anticipated."

In addition to the \$5.4 billion for military operations requested by the President, the bill includes \$3.5 billion for spare parts, depot maintenance, recruiting, readiness, and base operations that was not requested by the President. It also includes \$1.8 billion for pay and retirement, but that money is subject to an authorization bill being passed into law. The bill also includes almost \$1.1 billion for military construction, mostly base facilities, in Europe and the Middle East.

While President Clinton was reportedly sending signals to the Congressional GOP leadership that he would accept the add-ons in order to avoid a fight over the bill, Senate Minority Leader Tom Daschle (D-S.D.) told reporters on April 30 that "we do a real disservice to our troops and to the effort" if the bill is bogged down by extended debate. "We have to find that balance between warning our colleagues not to take this impudent action with regard to add-ons, and yet providing the support necessary to ensure that we get the money there on time."

Senate Majority Leader Trent Lott (R-Miss.) indicated to reporters on May 4 that the Senate bill will also be larger than the administration request. "We have got to make sure that when this conflict ends," he said, "that our military is at least as strong as they were" before the conflict started. He indicated, however, that the bill would probably be less than \$10 billion.