

Congressional Closeup by Carl Osgood

Africa trade bill is passed by House

On July 16, the House passed the so-called Africa Growth and Opportunity Act, by a vote of 234-163. The bill, in the words of International Relations Committee Chairman Benjamin Gilman (R-N.Y.), "authorizes a new trade and investment policy toward the countries of Sub-Saharan Africa, and expresses the willingness of our nation to assist the eligible countries of that region with a reduction of trade barriers, the creation of an economic cooperation forum, the promotion of a free trade area, and a variety of other trade and related mechanisms." He added that "the bill does not attempt to do anything for the people of Africa, but rather it proposes to encourage beneficial trade with the countries of Africa."

The drive for the bill was led by Trade Subcommittee Chairman Phil Crane (R-Ill.), and Charles Rangel (D-N.Y.), the senior member on the Ways and Means Committee. Rangel's high-profile role resulted in most, but not all, the members of the Black Caucus giving their support.

The opposition consisted of anti-free traders on both sides of the aisle, such as Duncan Hunter (R-Calif.) and David Bonior (D-Mich.). Most of the opposition focussed on comparing the bill to the North American Free Trade Agreement, and how that has lowered wages on both sides of the U.S.-Mexico border, or on "transshipment," by which other countries, notably China, might set up assembly plants in Africa and ship products to the United States, thereby avoiding U.S. import quotas.

Others warned of the colonial nature of the bill. Maxine Waters (D-Calif.) said that language in the bill echoes that of the International Monetary Fund and the World Bank—"not wanting Africa to own its own infra-

structure, wanting them to reduce corporate taxes, wanting them basically not to be able to be in control of their railroads and their airports, because we want to have the ability to own it all when we come in on this trade bill."

The House rejected an amendment by Jesse Jackson, Jr., intended, in part, to address the problems raised by Waters, that would have required the Overseas Private Investment Corp. and the Export-Import Bank to target financial support specifically to improving physical infrastructure, including schools, hospitals, electricity, and drinking water.

Treasury spending bill narrowly passes House

The July 15 House debate on the Treasury, Postal Service, and General Government Appropriations bill took on characteristics that are becoming increasingly common. As Steny Hoyer (D-Md.) described it, the bill passed out of subcommittee unanimously as a bipartisan bill, but was changed by the House GOP leadership such that Democrats could no longer support it. The razor-thin vote of 210-209, indicates the partisan nature of what transpired on the floor.

The \$13.5 billion bill (the same as for fiscal 1999) was dictated by the budget caps of the 1997 balanced budget agreement. The chairman of the Treasury Appropriations subcommittee, Jim Kolbe (R-Ariz.), told the House that the caps "required us to make some tough choices to put this bill together." He said that nearly \$600 million was needed to keep up with inflation, but this was not available, so new courthouse construction was postponed.

Hoyer said that the bill, as passed

by the subcommittee, was only allowed a 1.8% increase by the budget caps, but the GOP leadership decided, arbitrarily, to cut \$240 million off what the subcommittee had passed. He said that this occurred because "a relatively small group in this House has decided that we are going to make cuts notwithstanding the needs of this nation." The cut, he said, rendered the bill "unsupportable." He also warned that the funding levels in the bill are insufficient to support Internal Revenue Service reform efforts mandated in a bill passed overwhelmingly last year.

Two other spending measures, however, had an easier time. The Interior Department appropriations bill, which has had a difficult time in past years, passed easily on July 14 by a vote of 377-47, and the Military Construction bill, traditionally a noncontroversial bill, passed a day earlier by a vote of 418-4.

House GOP subpoenas Saipan sweatshop foes

The House Resources Committee has issued subpoenas to Interior Secretary Bruce Babbitt; David North, the director of public affairs at the Office of Insular Affairs (OIA); and the Democratic Congressional Campaign Committee (DCCC), based on allegations that North has been providing unfavorable information to the DCCC on Republicans, the July 16 *Washington Post* reported. Those Republicans are House Majority Leader Dick Armey (R-Tex.), Majority Whip Tom DeLay (R-Tex.), and Dana Rohrabacher (R-Calif.), all of whom have been instrumental in blocking attempts by House Democrats and the Clinton administration to clean up the horrendous la-

bor conditions on the island of Saipan in the Commonwealth of the Northern Marianas Islands, a U.S. territory in the western Pacific infamous for its sweatshop garment factories.

In a July 16 memo to committee members, Young wrote, "I issued subpoenas and oversight letters in this case simultaneously because of specific and credible information that one or more people within the Insular Affairs staff may be conducting partisan political activities at taxpayer expense—efforts which may be directed at defeating certain sitting members of Congress." He threatened to seek a contempt of Congress citation against OIA Acting Director Ferdinand Aranza, if Aranza does not comply with the subpoenas by July 21.

The committee's ranking member, George Miller (D-Calif.), said shortly before his death on July 15, that the subpoenas are an attempt to intimidate Federal bureaucrats who disagree with the GOP. "It's a way to run roughshod over individuals in government agencies that these people disagree with," he said. "Even if there's some wrongdoing here, they go about ferreting out that wrongdoing in a capricious and arbitrary way."

Tax cut proposal begins partisan battle

With great fanfare, House Ways and Means Committee Chairman Bill Archer (R-Tex.) released his tax-cut plan, the "Financial Freedom Act of 1999," on July 13. Provisions include reducing individual income tax rates 10% over 10 years, cutting the capital gains tax rate from 20% to 15%, retroactive to July 1, 1999, phasing out the estate and gift taxes over 10 years, making long-term health care cover-

age tax deductible, eliminating the so-called marriage penalty, and expanding education IRAs to allow them to be used to pay elementary and secondary school expenses and college expenses. The cost of the tax cut is projected to be \$864 billion.

Archer told reporters that, with the GOP plan, "we have the ability to save Social Security, fix Medicare, pay down the debt and to give tax relief." He claimed that the entire cost of the tax cut will come out of the on-budget (that is, not including Social Security) surplus over the next ten years. With the Social Security surplus projected at \$1.9 trillion, and \$1.3 trillion needed to "save" it, that, Archer said, leaves \$600 billion for Medicare.

Democrats are disputing Archer's figures. Minority Leader Richard Gephardt (D-Mo.) told reporters on July 15 that the GOP bill "calls for massive, risky, irresponsible tax cuts that result in higher deficits and, ultimately, higher interest rates." He compared it to the 1981 tax cuts and the deficits that followed throughout the 1980s and into the 1990s. "We think that risks the economic advancement that's been made over the last three or four years and we think it's a risk that America doesn't want or need," he said. Democrats are pushing a plan for about \$250 billion in cuts targeted more to the middle class.

The Committee modified the bill to bring it closer in line with the Senate proposal, and passed it on a party-line vote on July 16. But, its future remains uncertain—and not just because of a likely Presidential veto. Sensitive to Democratic charges that the size of the proposed tax cut threatens Social Security and Medicare, a group of GOP moderates led by Michael Castle (R-Del.) have put forward an alternative of \$500 billion in tax cuts. Castle's group is reported to include about 20

Republicans, which is enough to put passage of Archer's bill in doubt.

Leahy bill to protect Secret Service function

On July 13, Sen. Pat Leahy (D-Vt.) introduced a bill to establish a protective function privilege for the U.S. Secret Service. In remarks on the Senate floor, Leahy said that the purpose of his bill is "to ensure the ability of the Secret Service to fulfill its vital mission of protecting the life and safety of the President and other important persons."

Leahy made clear that his bill is in response to what he called the "misguided efforts" of independent counsel Kenneth Starr to compel Secret Service agents to testify about what they may have observed while protecting the President. "Few national interests are more compelling than protecting the life of the President of the United States," Leahy said. "What's at stake is the ability of the Executive branch to function in an effective and orderly fashion, and the capacity of the United States to respond to threats and crises." Invoking the assassination of President Kennedy in 1963, Leahy added that an attack on the President "has international repercussions and threatens the security and future of the entire nation."

Leahy warned that the Secret Service's protective function depends on building complete trust between its agents and the protectee. That trust is threatened by court decisions favorable to Starr's efforts. "Requiring Secret Service agents to betray the confidence of the people whose lives they protect could seriously jeopardize the ability of the Service to perform its crucial national security function," he said.