

Congressional Closeup by William Jones

House would restrict MFN for China

Two bills passed by the House on July 21, would seriously restrict or eliminate Most Favored Nation (MFN) status for China. Both bills, however, appear to lack enough support to overcome threatened vetoes by President Bush.

One bill, sponsored by Rep. Gerald Solomon (R-N.Y.) would revoke the extension of the MFN status given China by the Bush administration this year. That measure passed by a vote of 285-135, not enough to override a presidential veto.

The second measure, the U.S.-China Act of 1992, gives the White House more "wiggle room" on granting MFN to China, and would allow the MFN extension to run through next July. However, it would impose conditions on further renewal of that status in 1993. The conditions require that China make progress in the areas of human rights, "fair trade" (including a cessation of export of goods produced by prison labor), and cooperation in limiting the proliferation of weapons. The resolution also requires that China release the individuals imprisoned in the aftermath of the Tiananmen Square massacre. This measure was passed 339-62, a sufficient margin to override a veto.

Both pieces of legislation will now go to the Senate where the margin of support is expected to be smaller.

House backs Space Station Freedom

On July 29, the House defeated by a vote of 237-181 an amendment sponsored by Rep. Bob Traxler (D-Mich.) which would have eliminated funding to build Space Station Freedom. At a press conference on July 24, a biparti-

san group of congressmen, led by Rep. Richard Durbin (D-Ill.) and Dick Zimmer (R-N.J.), had announced an effort to stop all funding for the Space Station. Traxler heads the Appropriations subcommittee which is responsible for the NASA budget.

Supporters of the Space Station pointed out that it is false to claim that cuts from the space budget would be allocated for either other science programs or veterans benefits. Rep. Robert Torricelli (D-N.J.) stated that just before a farmer goes bankrupt, he eats his seed corn, and "science is America's seed corn." He said that "some nations produce wealth from the ground," such as with oil and coal, "and others from cheap labor." America produces its wealth through science and education, he said, which was why he was urging support for the Space Station.

Rep. Nancy Johnson (R-Conn.) remarked that if the auto industry had to design and manufacture to meet 30-year performance standards, as the Space Station manufacturers do, there would be no problem with international competitiveness.

The Senate Appropriations Committee has not yet acted on the NASA budget.

Three subpoenaed in House Bank scandal

House Ways and Means Committee Chairman Dan Rostenkowski (D-Ill.), and Reps. Joe Kolter (D-Pa.) and Austin Murphy (D-Pa.) were subpoenaed to appear before a federal grand jury investigating "mismanagement" at the House Post Office. Calling the subpoenas the "product of an overall fishing expedition in an election year," Rostenkowski declared that he

will take the Fifth Amendment if forced to testify.

In a letter to U.S. Attorney Jay Stephens, the three said they had been exonerated by a congressional inquiry of the Post Office completed in late July, and that therefore the grand jury's request was unwarranted. "We decline to lend any credence to an inquiry that lacks credibility and should be promptly closed," the letter read.

The subpoenas were delivered the same day the House task force issued both Democratic and Republican reports on the operations of the House Post Office. Although the two reports differed in their evaluation of the seriousness of the "mismanagement" at the Post Office, both concluded that there was no evidence of wrong-doing by any of the members. The three said that the reports of the task force represented a "total exoneration" of any actions they may have had with the House Post Office.

Gephardt warns present NAFTA pact unacceptable

In comments at a luncheon sponsored by C. Fred Bergsten's International Institute of Economics on July 27, House Majority Leader Richard Gephardt (D-Mo.) launched an unexpected attack on the North American Free Trade Agreement (NAFTA) treaty—in its present form.

Agreeing with many aspects of the present draft, Gephardt said that "the [Bush] administration has thus far paid scant attention" to the issues the Democrats consider a *sine qua non* for ratification of the agreement: pollution, infrastructure, worker adjustment, and labor and human rights.

Gephardt, facing reelection, is feeling the heat from laid-off workers, whose companies are moving to Mex-

ico. In his hometown of St. Louis, Emerson Electric has already moved a considerable portion of their activities to Mexico.

Gephardt had earlier mentioned the closing of the Zenith plant in Springfield, Missouri, which moved its entire operation to Mexico. "Hundreds of American corporations have moved to Mexico," said Gephardt, "to take advantage of cheap labor, lax enforcement of health, safety, environmental, and labor laws, and a union movement that, more often than not, works hand-in-hand with the government and management rather than the worker."

Gephardt was not, however, opposed in principle to such an agreement. "An agreement, done the right way," he said, "can help raise the living standards and environmental standards for people on both sides of the border." If the measures he was calling for were implemented, Gephardt said, "it can encourage support among workers and industries intimidated by the idea of liberalized trade in the global economy."

Gephardt said that when Congress authorized the fast-track authority last year, they did so "based on a number of commitments that [President Bush] made both in letter and in spirit." Gephardt sponsored a resolution, passed overwhelmingly by the House last May, which stipulated that the agreement must include ameliorative measures relating to the work environment, health and safety protection, adjustment programs for laid-off workers, and anti-pollution measures.

Gephardt also called for further items to be incorporated in the agreement: 1) a derivative right of action for U.S. shareholders to sue U.S. companies doing business in Mexico; 2) making failure to abide by environmental laws an unfair trade practice; and 3) requiring companies doing

business within 100 kilometers of the border to inform the public of the release of any toxic substances.

Gephardt also said that he would "send the President's people back to the negotiating table" in order to get agreement on the enforcement of environmental standards in the border region. Gephardt also called for a code of conduct for the *maquiladoras*, the slave labor shantytowns, which would assure a minimum wage level.

Panetta seeks tougher budget cutting mechanism

House Budget Committee Chairman Leon Panetta (D-Calif.) introduced a bill on July 23 which would enforce mandatory budget cuts.

Panetta, who helped prevent passage of a balanced budget amendment earlier in the year, is under pressure to take some action to deal with the budget deficit. Sponsors of the balanced budget amendment are gathering their forces to try to force another vote. Panetta would like to preempt them by refurbishing Gramm-Rudman-Hollings and putting "teeth" into it.

The Panetta legislation would eliminate after 1994 the "firewalls" between the budget categories, but would divide deficit reduction requirements into discretionary programs and entitlements-revenue. For the discretionary programs there will be an automatic across-the-board sequester if the deficit reduction targets are not met.

In the Panetta legislation, there are no longer any exemptions or limitations; formerly, the Women, Infants, and Children (WIC) program was exempt, and there were limitations on the cuts that could be made in Veterans, medical care, and other medical

programs. For the entitlements-revenue portion of the budget, each subcommittee would be given reduction targets. If a committee misses its target, all entitlement programs within its jurisdiction would be sequestered by a uniform percentage to meet the target.

The Panetta legislation would, for the first time, also target Social Security and other federal retirement programs.

Zero-growthers gear up for population summit

In the aftermath of the so-called U.N. Earth Summit concluded in early July in Rio de Janeiro, Brazil, zero-growth legislators are gearing up for the U.N. Conference on Population and Development, which will be held in 1994.

Sen. Tim Wirth (D-Colo.), along with Democratic vice presidential candidate Sen. Al Gore (D-Tenn.), is one of the more prominent proponents of zero-growth ideology. In floor comments on July 20, Wirth complained that the population issue was kept on the backburner at the Rio summit, but said that it will be the number-one issue at the next conference. He said that "failure to address the rapid growth in human numbers will make it impossible to achieve the best-laid plans for sustainable development.

"The nations of the world must develop an aggressive and comprehensive plan to halt these trends and stabilize population as soon as possible," he said. Wirth praised the work of the Population Institute, which had gathered signatures from representatives of more than 100 delegations at the Rio summit criticizing the summit for not addressing the population issue and calling for "redoubled" efforts to curb the growth of population.