

Congressional Closeup by Carl Osgood

Smith introduces Social Security reform bill

Rep. Nick Smith (R-Mich.), the man who tried to force the federal government into default during the budget wars last winter, announced on July 9 that he had introduced a bill to reform the Social Security System, supposedly to make it solvent until 2070. The plan would allow taxpayers to invest 2.3% of the current tax into a private account (with that proportion increasing over time).

At a forum at the Heritage Foundation on July 10, Smith said that not only is the rate of return much higher on private investments than from the Treasury, but that "if Americans start investing and they see the fruits of that investment in the returns and the difference it can make in their wealth and their retirement well-being, we're going to have an exciting new dimension of investment by more and more people in the United States"—in other words, an obvious windfall for Wall Street.

The growth of benefits would be slowed for middle- and upper-income workers and for married couples, and the retirement age would be slowly raised to 69. It would also prohibit the Treasury from borrowing from the Social Security trust funds.

Senate grinds its way to gridlock

The conciliatory attitude that has characterized Senate business since Trent Lott (R-Miss.) was elected majority leader on June 12, came to an end on July 11 when an exasperated Lott complained that "there is a planned, concerted effort to have gridlock in the U.S. Senate." He said that doing "the people's business" was "the best thing to do for ourselves politically" and for the country. But "now I find that in-

stead of gridlock being broken it is beginning to get worse every day."

Lott blamed Democrats for blocking legislation, including a bill on the White House Travel Office affair, the health insurance reform bill, the taxpayer bill of rights (which was cleared for action later that afternoon), the Nuclear Waste Policy Act, and a bill to establish a national gaming commission.

Minority Leader Tom Daschle (D-S.D.) accused Republicans of holding conference committee meetings without telling Democrats and of doing everything possible to prevent debate on bills on which Democrats want to offer amendments that might pass. "We can deal with any one of these bills," he said, "but it has to be done in a bipartisan way."

Democrats hold forums on Family First agenda

Congressional Democrats held the first forum on their Families First Agenda on July 12, and focused on their health care program, which calls for "kids-only," low-cost insurance policies, to be subsidized by the government, and tax credits for families who can't pay the full costs of these policies.

A "kids-only" health insurance bill has been introduced by Sen. John Kerry (D-Mass.). Democratic leaders took testimony from witnesses on the need for such an initiative. Most of the Democrats on the panel made clear, however, that they supported universal health care.

The forum was introduced by Senate Minority Leader Tom Daschle (D-S.D.), who said that 40 million Americans have no health care coverage and that the fastest growing category of uninsured is children. He said the Republican proposals to give

states control over Medicaid would cause 18 million children to lose Medicaid coverage. "The Democrats will block any effort to raid Medicare or Medicaid to pay for tax breaks for the wealthy," he said.

House Minority Leader Richard Gephardt (D-Mo.) said that the Democrats' plan is to require insurance companies and managed care companies which do business with the government to provide low-cost health care for children, and to provide protections for that care, such as preventing them from dropping sick children or refusing care because of "preexisting conditions."

Other Democrats pointed out that the United States is the only industrial nation which does not provide health care for all children. Democratic National Committee General Chairman Sen. Christopher Dodd (D-Conn.) reported on a Government Accounting Office report that he had commissioned on the status of health coverage for children. It was "significant and alarming," he said; 10 million children were uninsured in 1994.

Republican leadership blocks wage increase

According to House Democrats, speaking on the floor on July 10, the Republican leadership has decided not to let the minimum wage increase go to conference committee. Harold Volkmer (D-Mo.) predicted that House Speaker Newt Gingrich (R-Ga.) would either not appoint members to a conference committee until September or October, or fail to appoint them at all, or, "if they appoint conferees, the conferees are never going to come to an agreement."

Albert Wynn (D-Md.) accused the GOP leadership of holding the minimum wage bill hostage until they get

the medical savings accounts into the health insurance reform bill, which has been stalled for three months.

Rosa DeLauro (D-Conn.) said that this "sounds a lot like, 'if you do not play by my rules, then I am going to take my ball and go home.'" Such a refrain belongs in "sandboxes," not in the U.S. Congress, she said.

Minimum wage increase finally clears Senate

On July 9, the Senate passed a minimum wage increase, by a vote of 74-24, with 27 Republicans voting in favor. Three amendments were considered, according to an agreement worked out by party leaders Trent Lott (R-Miss.) and Tom Daschle (D-S.D.).

The Democratic amendment, offered by Edward Kennedy (Mass.), provided for an across-the-board, two-step increase in the minimum wage, to \$5.15 an hour, by July 1, 1997, and repealed the 90-day "training" wage provision in the House version of the bill. The Republican amendment, offered by Kit Bond (Mo.), sought to exclude all small businesses making under \$500,000 a year in sales and to extend the training wage, or "opportunity wage," as Republicans called it, to all workers employed on the job less than six months, as well as delay implementation of the increase by six months. Both amendments failed by votes of 52-46.

Kennedy called the Republican amendment "gimmickry and chicanery. . . . If we care about helping the working poor, then we must support an increase in the minimum wage, regardless of the size of the company they work for."

Paul Wellstone (D-Minn.) called the Republican bill a "great leap backward," which contained "so many loopholes and exemptions . . . it is hard

to even figure out who would actually receive an increase."

Republicans accused Democrats of using the minimum wage issue solely for partisan political gain. Phil Gramm (R-Tex.) said that raising the minimum wage is like trying to repeal the law of supply and demand, but proceeded to talk about the tax provisions of the bill. John Ashcroft (R-Mo.) suggested that the Senate should address issues "which do not address 4 to 5 million people but address 70 to 80 million people."

Chris Dodd (D-Conn.) responded that "this ought to be passing unanimously on a voice vote. This ought not to be the subject of an acrimonious debate on minimum wage at the very hour we are trying to move people from welfare to work."

TEAM Act passes Senate amid veto threat

The Senate passed the Teamwork for Employees and Management, or TEAM, Act on July 10, by a vote of 53-46. It seeks to modify labor relations law to expand the issues that employers can discuss with employees outside the union-management relationship, to supposedly improve cooperation. The bill, however, faces a veto threat from President Clinton.

Nancy Kassebaum (R-Kan.), the chief sponsor of the bill in the Senate, said that it will "improve the quality of life for workers on the job as well as the quality and productivity of American firms competing in the global marketplace." She also said the bill is in response to a series of National Labor Relations Board decisions "that cast doubt on the legality of employee involvement programs, particularly in nonunion settings." However, it was clear during the debate that the two sides couldn't even agree on what the

NLRB decisions they were discussing actually meant.

Democrats said the bill would allow the return of the "company union," a practice that was outlawed with the passage of the National Labor Relations Act in the 1930s. Edward M. Kennedy (D-Mass.) said, "This legislation has nothing to do with cooperation and everything to do with undermining workers' rights. It overturns one of the fundamental protections of American law, that employers cannot set up company-dominated unions as a trick to prevent workers from joining real unions." He pointed to the fact that there are 30,000 companies with cooperative programs in place and the NLRB has only decided 15 cases in the last four years under the relevant portion of the current law.

National 'right to work' act dies in cloture vote

Sixty-eight Senators voted against invoking cloture on July 10, on a bill sponsored by Lauch Faircloth (R-N.C.) which would outlaw mandatory union membership as a condition for work, an issue that was left to the states to decide in 1947. The vote prevented the bill from being brought to the floor.

Democrats opposed to the bill used arguments that throughout the 104th Congress have been the ideological property of Republicans. Robert Byrd (D-W.V.), pointing out that only 21 states have right to work laws, said the Senate would be "imposing a federal mandate on those states that have chosen not to restrict union security clauses." Byron Dorgan (D-N.D.) added that the bill "undermines the basic principles of state rights and workplace democracy." Chris Dodd (D-Conn.) said the bill was "simply one more example of the Republican Party's systematic and unremitting attack on America's labor unions."