

Congressional Closeup by Carl Osgood

Vote on China Trade Faces Delay in Senate

Senate Majority Leader Trent Lott (R-Miss.) is facing mounting pressure to schedule a vote on granting permanent normal trade relations to China, a bill that passed the House in May by a vote of 237-197. The major obstacle seems to be a bill sponsored by Sens. Fred Thompson (R-Tenn.) and Robert Toricelli (D-N.J.) to apply sanctions against China for weapons proliferation activities. However, there is also pressure to make progress on the 13 annual spending bills before the August recess. So far, only the Military Construction bill has been signed into law.

Unlike in the House, the trade bill has broad bipartisan support in the Senate, and is likely to pass with a filibuster-proof majority. However, Lott says that he wants to schedule votes on at least four appropriations bills plus the Thompson-Toricelli bill before taking up the trade bill. That would put off the vote until September, a move strongly opposed by Senate Democrats, the White House, and the business community, all of whom want immediate action. Attempts to negotiate a compromise on Thompson-Toricelli broke down on July 12-13. Democrats also fear that the Thompson-Toricelli bill could be added to the trade bill as an amendment, requiring a conference committee with the House, further dragging out the process.

Complicating the situation, was Senate passage, by voice vote, of an amendment to the Defense Authorization bill that would create a commission to periodically review the national security implications of U.S.-China trade. Robert Byrd (D-W.V.), who sponsored the amendment, argued that such review is necessary because it would provide "a regular open window to expose questionable Chi-

nese trading, human rights, military, and other policies to a wide audience." Finance Committee Chairman William Roth (R-Del.) warned that the amendment "could be read to imply that the United States already considers China an enemy and a threat to our national security." He added that, while he shares the concerns of the amendment's sponsors, there are mechanisms already in place to provide reviews.

President Clinton Signs Colombia Aid Package

On July 13, President Clinton signed into law the fiscal 2000 Supplemental Appropriations bill, a \$11.2 billion spending bill which includes \$1.3 billion in anti-drug assistance for Colombia, Bolivia, and Ecuador; \$6.4 billion for the Pentagon; and \$361 million for natural disaster recovery efforts. The aid includes \$315 million for 60 helicopters, only 18 of which are UH-60 Blackhawks. The remainder are older and less powerful "Huey II" helicopters. However, the aid can only be provided if the Secretary of State certifies that Colombian Army soldiers accused of human rights violations are being tried in civilian courts.

President Clinton said that, while he is pleased with action in the bill on Colombia and Kosovo, "this legislation is disappointing for what it leaves out." The bill leaves out funding for UN peacekeeping operations and economic assistance in the Balkans. "Such support," Clinton said, "is critical not only to advance long-term stability in Southeast Europe, but also to create the conditions for the eventual withdrawal of U.S. troops." The bill dropped additional funding for debt relief for poor nations, but the House

voted, on July 13, to fully fund Clinton's request in the Supplemental Appropriations bill.

The bill, which was attached to the fiscal 2001 Military Construction bill, had been stalled in the Senate by Majority Leader Trent Lott (R-Miss.), who had wanted to pass all of the funding requests as part of the regular appropriations process. Eventually, he caved in to pressure from the Department of Defense, which was warning that it would run out of funds for training exercises and other operations if the supplemental funding were not forthcoming.

Agriculture Bill Fails To Address Farm Price Crisis

On July 11, the House passed, by a vote of 339-82, the fiscal 2001 Agriculture Appropriations bill. The bill, which contains \$14.4 billion in discretionary spending and \$61 billion in mandatory spending, comes in at \$1.1 billion below President Clinton's budget request and about \$500 million above the fiscal 2000 spending level. The bill includes \$4.5 billion for agricultural credit programs, \$5 billion for rural housing loan programs, \$1.24 billion for the Food and Drug Administration, \$4 billion for the Women, Infants and Children nutrition program, and \$9.5 billion for other child nutrition programs.

However, despite overwhelming support for the bill, comments by a number of House members from agricultural states indicate that it falls far short of addressing the economic crisis facing the farm sector. On the day before the vote, David Obey (D-Wisc.) warned, "The average farmer is in danger of becoming a serf because of the huge concentration that we see in the

poultry business, the meat packing business of all kinds.” He said that the bill “is totally absent any solution to the price problems being faced by many farmers.” He said that the problems in the bill were the result of the budget resolution, “which makes it virtually impossible for this House to meet its responsibilities to farmers, to consumers of agriculture products, and to those interested in the issue of rural development.”

Tom Latham (R-Iowa), a member of the Agriculture Appropriations subcommittee, admitted that Obey was making valid points, but said, “We are funding the policy that has been set by the Congress.”

Obey’s concerns were echoed by John Sweeney (R-N.Y.), who reported that apple growers in New York have suffered \$41 million in losses last year, because of low prices and bad weather, but have only received \$1.8 million in Federal crop-loss disaster assistance.

The Senate may include several billion dollars worth of disaster assistance for farmers in its bill, on which it began work on July 17.

Cuba Trade Sanctions Reform Dropped for Now

On July 10, the House GOP leadership succeeded in removing a provision to reform U.S. trade sanctions law from the fiscal 2001 Agriculture Appropriations bill. The provision would have exempted food and medicine from unilateral U.S. trade embargos except in time of war, and had bipartisan support from farm state members and a broad coalition of agricultural businesses. The countries that would be affected by such a reform include Iran, Iraq, Libya, North Korea, and Cuba, but it was Cuba that generated the most

emotion, on both sides of the debate.

Even though the sanctions reform provision had broad support, some in the GOP leadership, notably House Majority Whip Tom DeLay (R-Tex.), were determined to strike the provision from the bill, even though it passed overwhelmingly in the Appropriations Committee. The method used was a procedural point-of-order that the provision was in violation of House rules because it was authorizing legislation on an appropriations bill. Normally, if the leadership supports such a provision, it will be protected by the Rules Committee. However, the provision was left unprotected, and it was struck from the bill on a point of order raised by Lincoln Diaz-Balart (R-Fla.).

But the issue is not dead yet. There was some discussion that it may be attached to some other piece of legislation. Also, Senators Max Baucus (D-Mont.), Daniel Akaka (D-Hi.), and Pat Roberts (R-Kan.) made a much-publicized visit to Cuba on July 16-17. While the thrust of the visit was on improving U.S.-Cuba ties, Baucus told reporters: “Clearly, the embargo must go. It gives Fidel Castro an excuse for failed economic policies,” and “it hurts American farmers.”

Estate, Marriage Penalty Tax Cuts Clear Senate

Senate repeal of both the estate tax and the so-called marriage penalty within just a few days, added more fuel to the fire of partisan politics after the July 4 recess. The estate tax bill, called the “Death Tax Elimination Act,” passed by a vote of 59-39 on July 14, following four days of debate. The Senate then repealed the marriage penalty on July 18, by a vote of 61-38.

The estate tax bill provides for repeal of the estate tax over ten years, by gradually reducing the graduated rates until the top rate, currently 55%, reaches zero in 2010. The marriage penalty bill makes changes to the standard deduction, adjusts the end point of the 15% tax bracket, and adjusts the earned-income tax credit so that a married couple would pay the same rates as a single person in those income brackets. Finance Committee Chairman William V. Roth (R-Del.) claimed that these changes would benefit 45 million families. “Sixty percent of this bill’s tax relief,” he said, “goes to those families making \$100,000 or less.”

Democrats argued that the benefits of both bills go primarily to the rich. To make the point, John Kerry (D-Mass.) sponsored an amendment to the estate tax bill to create a “National Affordable Housing Trust Fund.” The amendment would have used the funds “saved” by slowing the repeal of the estate and gift taxes, to provide affordable housing for low-income families. Kerry said, “Over the past two decades, income and wealth disparities have increased,” and poverty rates have only dropped marginally, “despite the economic boom.” Instead of addressing this issue, he noted that Congress is defining as its top priority “a tax cut for the richest of the rich.”

Banking Committee Chairman Phil Gramm (R-Tex.) argued that it’s “unfair” for the government to take up to 55% of a family farm, after the farmer has worked all his life to build up the farm so he could pass it on to his children. Of course, Gramm didn’t take note of the fact that thousands more farms are going bankrupt every year because of low prices, than are being sold to pay the estate tax. Kerry’s amendment was rejected by a vote of 52-45.