#### Congressional Closeup by Carl Osgood

# Lugar presents CFR report on NATO expansion

On May 5, a New York Council on Foreign Relations task force, chaired by Sen. Richard Lugar (R-Ind.), released a report that concludes that NATO enlargement is not incompatible with improved relations with Russia. Lugar said, however, that "with regard to Ukraine and the Baltics, we believe the alliance must continue to reject vigorously any efforts by Moscow to dictate the terms of these countries' relations with NATO or to exercise a veto over their future membership."

Lugar asserted that the United States and NATO "can offer Russia significant reassurance about its security and its role in the new Europe that makes sense on their own merits without compromising NATO's effectiveness or independence." He cautioned, however, that "NATO's core mission of collective defense of its members both old and new must not be diluted in any manner."

# Republicans, Clinton reach budget agreement

On May 2, President Clinton and Congressional Republicans reached agreement on a five-year budget plan that will supposedly balance the budget by 2002. The agreement gives the administration \$34 billion in additional spending in such areas as education and health insurance for children. It also includes \$7 billion for infrastructure, the result of efforts by Sen. Frank Lautenberg (D-N.J.) and others. For Republicans, it includes capital gains tax and estate tax relief and other tax changes that amount to about \$250 billion.

The attempt to balance the budget in an economic depression collapses the tax revenue base faster than the budget deficit can be closed. The figures on which the budget projections were made are also highly unreliable. Yet, the agreement was hailed by both sides as a victory for bipartisanship and for Americans. Senate Majority Leader Trent Lott (R-Miss.), whose ideological bias was clear, declared, "Under this agreement, official Washington must learn to make do with less while Americans will keep more of what they earn, and they will be able to save it and invest it in their own families."

Senate Minority Leader Tom Daschle (D-S.D.), at Clinton's side after the agreement was announced, called it a "another achievement in what has been a remarkable success now over the last four years," and promised that the majority of Senate Democrats would support it.

Other Democrats were more guarded in their evaluation of the agreement, however. House Minority Whip David Bonior (D-Mich.), on CNN's Evans and Novak program on May 3, said that the tax cuts would be a problem for Democrats. "We want to look at the distribution tables on the tax cuts," he said, "to see who gains and who doesn't gain." Rep. Charles Rangel (N.Y.), the ranking Democrat on the Ways and Means Committee, in an interview with CNN's Wolf Blitzer, called the agreement a "Republican bill" that gives the poor and "absolutely working poor nothing."

# Flood relief bill hits snag

The emergency supplemental appropriations bill that includes disaster relief for the Northern Plains states and other flood-hit areas gained momentum when it was passed out of committee by both the House and the Senate.

However, the Senate Appropriations Committee amended it to include the "Government Shutdown Prevention Act," sponsored by John McCain (R-Ariz.) and Kay Bailey Hutchison (R-Tex.), which President Clinton has threatened to veto. The McCain-Hutchison bill is a permanent continuing resolution that would keep the government functioning at 97% of the previous fiscal year's spending levels, in the event the appropriations process is not completed by Sept. 30.

Senate Republicans made their strategy clear in a press conference on April 30. Majority Leader Trent Lott (R-Miss.) said that "it would be really bad judgment to veto this supplemental over something that clearly is in the best interests of the American people." Sam Brownback (R-Kan.) said that if Clinton does veto the bill, his message will be "to Federal workers and the people who are dependent upon the government continuing to function, that he doesn't care and that he is more interested in using the shutdown of the government as a weapon over the Congress than he is interested in the lives and welfare of the people who are dependent on the government continuing to function."

Democrats predicted disastrous cuts in many programs if the Republican amendment were to be passed. Minority Leader Tom Daschle (D-S.D.) said the same day, "It is remarkable to me that while our constituents are hurting in ways that we've not seen in my lifetime, that there would be those who would propose yet additional deep painful cuts for these people."

Paul Wellstone (D-Minn.) said that it was a "terrible idea," because people don't want to see cuts in higher education and nutrition programs, and because people need disaster assistance now. Wellstone urged the Senate not to add "this junk" onto the disaster relief bill.

68 National EIR May 16, 1997

# Housing reform bill gets House scrutiny

On April 30, the House began consideration of the "Housing Opportunity and Responsibility Act of 1997," a "Contract on America"-style bill that would abolish the Department of Housing and Urban Development and deregulate public housing. According to its chief sponsor, Rick Lazio (R-N.Y.), the bill "removes rent requirements that discourage work and encourage the breakup of families . . . eliminates regulations that have concentrated the poorest families in the very worst housing," and "is about demanding accountability and performance from the thousands of housing authorities across the country." It includes a community service requirement for those who live in public housing who are not disabled or employed.

Lazio said the debate on the bill is about two "visions for the American community," one of which is "a portrait of the failed past."

Democrats condemned the bill and the assumptions behind it. Henry Gonzalez (D-Tex.) described the bill as "a series of good slogans but unworkable or undesirable policies" that "abandons those who are in greatest need and for whom this whole thing [public housing] was intended in the beginning." He accused the authors of the bill of believing "that residents of public housing are defective or derelict and in need of social engineering. Therefore, they require that tenants sign and adhere to a personal improvement contract."

Joe Kennedy (D-Mass.) took issue with Lazio's characterization of the debate. He said that the nation's public housing program is, indeed, in need of reform, but "what we ought not to do is condemn the entire public housing of our country because it has become fashionable for politicians to identify some God-awful monstrosity where we have warehoused the poorest of the

poor." He said that the cutting of Federal funding and the increasing of rents of the last few years (trends which the bill continues), might result in "nicer public housing, but the price will have been very simply to throw more and more poor people out on the street," a result which he called "unconscionable."

## Compensatory time bill stalled by filibuster

On May 1, the Senate briefly took up the so-called "Family Friendly Workplace Act," which would make compensatory time available in place of overtime pay. Jim Jeffords (R-Vt.), chairman of the Labor and Human Resources Committee, said the bill "provides men and women working in the private sector the opportunity to voluntarily choose compensatory time off in lieu of overtime pay as well as voluntary participation in biweekly and flexible credit programs." He praised the Fair Labor Standards Act, which the bill is intended to amend, because "it provided much-needed protection to American workers at the time their welfare was often disregarded, in the horrible period of the depression," but added, "Its stringent provisions make it difficult to accommodate the needs of today's workforce."

Democrats, with the weight of organized labor behind them, are filibustering the bill. Edward Kennedy (D-Mass.) characterized it as the "paycheck reduction act." He said, "It's a pay cut for large numbers of workers," because the bill "eliminates the guarantee for overtime work for 65 million employees." In effect, he said, it would reduce health and pension benefits and abolish the 40-hour work week. "This bill isn't meant to help employees juggle their work and family obligations," he said. "It is designed to help employ-

ers cut workers' wages. Forcing employees to accept time off instead of overtime pay is a cut."

Instead of attempting to end the filibuster, Republicans chose to withdraw the bill from the floor so that they could bring it up again at a later date.

## Alexis Herman confirmed for Labor post

After three months of wrangling, the Senate finally approved, in an overwhelming bipartisan vote of 85-13, the nomination of Alexis Herman to be Secretary of Labor. The nomination had been dragged out over various issues, the final one having nothing to do with Herman herself. Initial concerns of Republicans were over Herman's political activities as chief of staff to the late Commerice Secretary Ron Brown when he was chairman of the Democratic National Committee (1989-93), and later when she was head of the White House Office of Public Liaison, from 1993 until her nomination in January.

Don Nickles (R-Okla.) put the nomination on hold in response to a proposed Clinton administration Executive Order which would have urged Federal agencies to consider project labor agreements on Federal construction projects. Tim Hutchinson (R-Ark.) then proposed to prohibit project labor agreements on Federal construction projects.

Democrats threatened to shut down the Senate if Republicans continued to hold the nomination hostage, but the White House decided to issue a "Presidential memorandum" instead. A Presidential memorandum stays in effect only until the end of Clinton's second term, whereas an Executive Order would remain in effect until rescinded by another Executive Order.