

Congressional Closeup by Carl Osgood

Medicare plan clears Senate Finance Committee

The Senate Finance Committee reported out its Medicare package by a vote of 18-2 on June 18. The package is intended to meet the criteria set out in the budget agreement between President Clinton and Congressional Republicans, and is part of the budget reconciliation bill which will make the changes required by the budget agreement.

The plan would make major changes in the Medicare program, including a choice program which would include private insurers and demonstration projects for medical savings accounts, competitive pricing, and the use of third-party contractors to handle enrollment. The most controversial change, however, is the raising of the Medicare eligibility age from 65 to 67.

Finance Committee Chairman William V. Roth (R-Del.) said, "We have built a strong package that begins to address some of our nation's biggest entitlement problems, and is a major building block in our efforts to balance the budget." He claimed that the package will save \$100 billion over five years.

Even though only two committee Democrats voted against the plan, it faces stiff opposition on the Senate floor. The day after the committee vote, Edward Kennedy (D-Mass.) said that the bill "will, tragically, undermine Medicare as we know it." He said that, if the eligibility age increase passes, "we will be breaking a compact made with millions of working Americans." He added that rather than giving senior citizens "more choice," it instead "tips the scales heavily in favor of private insurers. It reduces payments to doctors under traditional Medicare, inducing them to either limit the number of Medicare patients

they treat or leave the program. At the same time, it allows doctors in some private plans to charge fees far above what current law allows."

Burton gets unilateral subpoena authority

The House voted along party lines on June 20 to give House Government Reform and Oversight Committee Chairman Dan Burton (R-Ind.) unilateral subpoena authority as part of his committee's investigation of fundraising practices, including of the Democratic Party during the 1996 Presidential campaign. "Unilateral" means that Burton does not have to submit his subpoenas for depositions to the Democrats for approval or a vote before issuing them, but rather is only required to "consult" with Democrats. House Rules Committee Chairman Gerald Solomon (R-N.Y.) insisted that Burton needs such authority because of the "obstructionist tactics" of Democrats.

Democrats denounced both the blatant partisan nature of the investigation, and the power given to Burton. Joe Moakley (Mass.) complained that the Republicans "do not seem to be out to get facts as much as they are to get Democrats." Henry Waxman (Calif.), the ranking Democrat on the committee, pointed out that Burton has already issued 156 unilateral subpoenas for documents, only 10 of which were directed at Republican targets. This record, said Waxman, "proves that it is being used as a partisan tool."

Burton presented his case for the investigation by listing a number of alleged instances of corruption of the Democratic Party by foreign, mostly Chinese and Indonesian, money. Paul Kanjorski (D-Pa.) blasted Burton because, "obviously, his facts are found,

his conclusions are made, and the purposes for this investigation are for no other purpose but for political purpose." Kanjorski urged the House to adopt a different form of the resolution, one which would give the Democrats on the committee a voice in the direction the investigation will go.

Egypt stripped of aid by Senate subcommittee

The Senate Foreign Operations Appropriations subcommittee on June 18 voted to zero out foreign aid to Egypt, while leaving intact aid to Israel. Ever since the 1979 Camp David peace agreement, Egypt and Israel have been the largest recipients of U.S. largesse. Last year, Israel received \$3 billion, which level remains unchanged, and Egypt received \$2.1 billion.

Justifying this provocative action, subcommittee Chairman Mitch McConnell (R-Ky.) said that "the emerging military, economic, and political ties to Qaddafi reflect Egypt's shift from a partner in peace, to an advocate for a terrorist state armed with chemical weapons." To this bizarre accusation, McConnell added that President Hosni Mubarak had undermined the Hebron talks, and Israeli-PLO negotiations in general. "He convened the Arab League in Cairo, where there was a vote to reimpose the economic boycott of Israel. President Mubarak was the only leader who rejected President Clinton's summit call last September."

Robert Byrd (D-W.V.), in remarks on the Senate floor the next day, blasted the action as sending "precisely the wrong signal to the Egyptians, whose assassinated leader [Anwar Sadat] was the pioneer in this peace process." Byrd strongly criti-

cized the Israeli government of Prime Minister Benjamin Netanyahu, "which has promoted the construction of new and entirely unnecessary Jewish settlements in Arab portions of Jerusalem, a development sure to engender violence and the disruption of the peace process."

Byrd praised the role of Egypt in attempting to mediate between Israel and the Palestinians. "Egypt should be commended" for these actions, he said, "not seemingly punished for her courage. Is Israel to be symbolically rewarded for the unnecessary and provocative action it has taken in building entirely unnecessary housing settlements in sensitive Arab lands?"

War of words escalates over proposed tax cuts

Ever since the Republican and Democratic tax plans were released, a war of words has escalated over whose plan benefits more lower and middle income workers.

On June 19, House Minority Leader Richard Gephardt (D-Mo.) said, "There is a different way to provide tax relief other than rewarding traders of stocks and bonds for a bull market brought on by the Democrats' economic recovery." Minority Whip David Bonior (D-Mich.) said that under the Republican plan, "two-thirds of the tax cuts go to families earning more than \$100,000 a year. Under the Democratic plan," he continued, "more than two-thirds of the tax cuts go to families earning less than \$100,000 a year."

House Ways and Means Committee Chairman Bill Archer (R-Tex.) fired back, saying, "Contrary to the economic class warfare rhetoric of some in the Democratic Party, fully

93% of the tax relief in our bill goes to taxpayers with annual incomes under \$100,000." Archer ridiculed the tax distribution tables provided by the Treasury Department, which the Democrats rely upon for their critiques. He said that these tables "were dismissed by the Joint Committee on Taxation many years ago because they artificially inflate people's incomes."

All of this back and forth ignores the looming collapse of the speculative financial bubble. Even though the Democratic proposal does not apply the capital gains tax reduction to stock transactions, Gephardt, in his statement about not rewarding stock and bond traders, misses the point. Archer's plan reflects the drive by Wall Street to suck larger numbers of lower-income people into speculation, in order to prop up the bubble a while longer.

New initiative on China human rights issue

On June 23, a group of congressmen led by Reps. David Dreier (R-Calif.) and Bob Matsui (D-Calif.) announced that they plan to introduce legislation that would provide a forum to address human rights and other concerns over China, outside the annual debate over Most Favored Nation trade status for China.

Rep. John Porter (R-Ill.), who, along with Jim Kolbe (R-Ariz.) and Sander Levin (D-Mich.), joined Dreier and Matsui at the press conference, explained that he backed this initiative because his past votes against MFN for China had become useless ways of venting frustration at the human rights situation in China. "I believe," he said, that "the United States must adopt a pro-active policy to ad-

dress human rights concerns in China, one that will not simply be a message sent once annually, but will impact Chinese society in a way that will change for moving toward democracy, human rights, and the rule of law."

The two major components of the proposal are to "dramatically" increase broadcasts of the Voice of America and Radio Free Asia into China to 24 hours a day, and to promote the "building of democracy in China" by giving the National Endowment for Democracy another \$5 million for activities in China. (The NED is an unconstitutional, fascist ideological tool of the secret, "parallel government" apparatus, which is used against nations, including U.S. allies.)

Other provisions include a voluntary code of conduct for U.S. businesses in China, the cutoff of visas for "weapons proliferators" and "human rights abusers," requiring more reports on human rights conditions in China, increasing the number of human rights officers in the U.S. embassy in Beijing, and creating and maintaining a list of commercial enterprises connected to the People's Liberation Army.

Dreier, who proudly proclaimed his membership on the board of the International Republican Institute, which is part of the NED, announced that a number of members of Congress who oppose renewing MFN support this initiative, because "they recognize the importance of our goal of increasing NED funding." Matsui and Levin both indicated that they see this proposal as a way of separating these concerns from the MFN debate. Levin said, "We need a policy, not a protest. We have these annual spasms and nothing much happens." Levin also said that he thought that the World Trade Organization is a better forum for dealing with economic issues between the United States and China.