

Congressional Closeup by Carl Osgood

Dorgan attacks 'British disease'

Sen. Byron Dorgan (D-N.D.) moved the debate on jobs and the economy to a higher level, in a speech on the Senate floor in support of "The American Jobs Act," a bill he introduced on March 7. He focused his remarks on the need for working people to have decent jobs with decent wages so that they can raise their families.

He attacked the loophole in the tax code that pays corporations for moving their manufacturing operations overseas to cheap-labor markets, and gave statistics as to how many American jobs have been moved, and to which overseas markets. His bill is designed to close that loophole.

Dorgan attacked certain economic notions that have become popular in recent years. "This country does not exist by consumption alone," he said. "Economic health in this country is described by what we produce—manufacture, production. The genesis and source of wealth in this country is what this country produces. Those who believe America will remain a long-term economic world power without a strong, vibrant manufacturing economy have not studied the British disease of long, slow economic decline at the turn of the century, when they decided it did not matter where manufacturing existed." He pointed out that what American families are able to provide for themselves is determined by the opportunity to get decent jobs.

Dorgan attacked the so-called professional economists, who provide the measure of economic activity. "I guess I should make clear with truth in labeling that I taught economics in college for a couple of years, part time," he began. "I was able to overcome that and go on and do other things in life." He said that economists who describe "how wonderfully

healthy America's economy is," are describing "how much we are consuming; a fair amount, incidentally, with debt, debt-assisted consumption, as opposed to manufacturing assisted by good investment."

Dorgan said that the central issue is "what moves our economy ahead and what provides economic strength and vitality for American families," and that needs to be debated or "we are always going to be on the end of a disconnection from the average American working family." He warned his fellow senators that, "if we do not decide that jobs matter, and that our tax code actually encourages people to move their jobs overseas, if we do not decide that desperately needs changes, we do not deserve to belong in this chamber."

Archer offers his strange 'four freedoms'

House Ways and Means Committee Chairman Bill Archer (R-Tex.), a leading light of the "Conservative Revolution" and political crony of George Bush, in a speech to the Association of Advanced Life Underwriters on March 6, laid out what he called an "agenda for America's next century," on issues related to his committee. He said this centers around four issues:

- Freedom from "an invasive and complicated tax code that threatens our ability to grow, create jobs, prosper and be economically successful," which includes "complete and total freedom from the IRS for individual taxpayers." Archer called for the replacement of the current income tax system with a national consumption tax.

- Freedom to "trade with our world partners so that we benefit workers, consumers, and business alike," in

other words, full implementation and expansion of predatory free trade agreements.

- Freedom "to be uplifted from the chains of poverty that have trapped generation after generation." Later in his remarks, he blamed poverty on the social welfare system because it encourages out-of-wedlock births. "The fastest route to poverty is to have a child you can't support," he said.

- Freedom "from the anxieties that face families as they lose their health insurance as they face life's turning points and move from job to job." Here, Archer endorsed all of the Conservative Revolution schemes for health care, such as medical savings accounts and cutting Medicare, without ever mentioning the effects these measures would have on the quality and quantity of care delivered.

He said that his committee's agenda is "built on the belief that America's strength derives from the freedom of the individual, not from the size of government. . . . Our job is to create a government that gives Americans from all walks of life the best opportunities to do the most for themselves and for their fellow citizens."

Cuban Liberty and Democracy Act passes

Both Houses of Congress passed the controversial Cuban Liberty and Democracy Act conference report by overwhelming majorities, in the wake of the shutdown by Cuban MiGs of two civilian aircraft flown by the Cuban exile group Brothers to the Rescue on Feb. 24. The Senate vote on March 5 was 74-22, and the House vote on March 6 was 336-86. President Clinton signed the bill into law.

The bill will strengthen the U.S. embargo against Cuba and U.S. oppo-

sition to Cuban participation in international financial institutions, and requires that the United States provide support to Cuban opposition groups. The provision which generated most of the opposition, however, was for the "protection of property rights of U.S. nationals," which establishes "a private right of action by which U.S. citizens can protect their interest in property confiscated by the Castro government." Sen. Paul Coverdell (R-Ga.) said that this provision was necessary because "it puts would-be investors on notice that, if they enrich themselves with stolen property, they will be held liable to the legitimate U.S. owners."

Rep. Tom Campbell (R-Calif.) warned that the bill would "extend for the first time the right for a private citizen to bring the crushing weight of the American civil system . . . to bear upon a private party of another country." He said that this "extraterritoriality" will "alienate, instead of bring together, our allies."

No mention was made about the role of drugs on both "sides" of the Cuba issue, either Fidel Castro's role in the pro-drug São Paulo Forum, or the co-optation of Cuban exile groups by the drug-running networks associated with George Bush.

Obey slams think-tanks for economic decline

Rep. David Obey (D-Wisc.) continued the Democratic Party drive to make declining wages and living standards the issue in the 1996 election campaign, by naming the names of the Conservative Revolution think-tanks that, up till now, only *EIR* has identified as behind the paradigm shift of the last 25 years in economic thinking. His speech on March 11 was sponsored by

the Center for National Policy.

Obey said that the collapse of wages and the massive redistribution of wealth into fewer and fewer hands "was driven by public policy that fundamentally transformed and unbalanced America's labor markets. It created huge incentives on Wall Street to pressure American corporations to break the social contract between corporations and their workers. Those policies were driven by the very economic elite that most benefitted from them, and public opinion was manipulated into accepting the inevitability of it all."

Obey pointed to the effects of this policy, which destroyed the ability of skilled labor to protect wages, benefits, and jobs. "All of this was not simply an accident of history," he said. "It happened because government was negligent in recognizing what was happening to American families. A major reason for that negligence was a result of long-term efforts and sizable investments of a tiny group of wealthy American families and many large corporations," which pour huge amounts of money into a network (what Obey calls "Washington, Inc. Think") of conservative think-tanks.

Obey named the Sara Mellon Scaife Foundation, the Smith Richardson Foundation, the John M. Olin Foundation, and the Bradley Foundation for their role in this process. Obey also singled out the role of Joseph Coors, Richard Mellon Scaife, and Edward Noble, and their foundations, in concert with right-wing activist Paul Weyrich, to create the Heritage Foundation. "Heritage was not designed to pursue independent study, but rather to have maximum impact on government decision-making and to market *laissez-faire* ideology."

The impact, Obey said, "has been nothing less than the reshaping of

American economic policy—from one that was based on the belief that the needs of working families were as important as the needs of raw markets, to one based on the belief that the *only* thing that mattered was the market forces."

House panel hears 'Tax Limitation Amendment'

On March 6, the House Judiciary Subcommittee on the Constitution held hearings on the "Tax Limitation Amendment," to require a two-thirds vote of both Houses of Congress to pass a tax increase. Joe Barton (R-Tex.), the House sponsor of the amendment, said that the Balanced Budget Amendment, which failed by one vote in the Senate last year, with its three-fifths vote requirement to increase the public debt, "will make the Tax Limitation Amendment more important than ever. We [Republican backers] strongly believe it must be harder to raise taxes than it is to add to the deficit. This can only be done by passing the Tax Limitation Amendment."

David Skaggs (R-Colo.), the only witness among five members of Congress to testify against the proposal, warned that "the logical corollary of super-majority rule is minority control." He pointed out that the framers of the Constitution specifically rejected super-majority voting requirements for issues of "regular legislative business central to the ongoing operation and management of the Federal government, such as taxes and revenues." Skaggs added that the problems inherent in such a requirement are shown by the fact that House Republicans have already waived their own House rule requiring a three-fifths vote for a tax increase four times.