

# Budget Process Dissolves into Partisan Warfare

by Carl Osgood

Perhaps it is lawful that, with the largest financial collapse in human history looming on the horizon, the annual appropriations contest between Congress and the White House would dissolve into chaos and partisan warfare. The latest chapter of the fiscal year 2001 budget saga was written in the wee hours of the morning of Oct. 31, when the House Republican leadership shot down an agreement between White House Budget Director Jack Lew and GOP appropriators on the funding bill for the Departments of Labor, Health and Human Services, and Education. In retaliation, President Clinton vetoed the combined Legislative Branch-Treasury Department Appropriations bill, which included funding for the Executive Office of the President and a pay raise for members of Congress.

That afternoon, Clinton told reporters, as he was departing for a campaign trip, that he had no objection to the bill itself, but “there’s something that strikes me as a little wrong in taking care of the Congress and the White House when we haven’t taken care of the American people.” He accused the Republicans of ripping apart the agreement “because some special interest lobbyists insisted on it.”

According to the President, business interests behind the Republican Party objected to a provision in the Labor-HHS bill dealing with repetitive stress injuries in the workplace. He said that the Democratic-supported provision would save business \$9 billion and prevent 300,000 such injuries a year. “Once again,” he said, “the Republican leadership has let the whispers of the special interests drown out the voices of the American people. Families should not have to choose between worker safety and their children’s education.”

## DeLay’s ‘Veto Strategy’

According to the *Washington Post*, it was House Majority Whip Tom DeLay (R-Tex.) who was responsible for torpedoing the agreement, even though doing so angered Appropriations Committee Chairman C.W. Bill Young (R-Fla.), who had led the GOP’s negotiating team. Reportedly, DeLay and House Speaker Dennis Hastert (R-Ill.) were concerned that the bill, which had grown to \$43 billion just for education, was getting too expensive, but, in fact, DeLay has been promoting a “veto strategy,” of deliberately sending bills to the President knowing that he would veto them. This strategy is supposed to “energize” the GOP’s conservative base for the Nov. 7 election.

Some of the fuel that fed the latest explosion was a tax-cut bill that the GOP rammed through the House on Oct. 27, which was clearly part of DeLay’s strategy. That bill was cobbled together by taking a Small Business Administration authorization bill and adding to it, in conference, numerous tax-cut provisions, as well as a provision allegedly aimed at restoring funding that had been cut from Medicare by the 1997 Balanced Budget Act. However, none of the tax-cut provisions had ever been considered on the floor of the Senate, though some had been considered in the House.

The tax-cut provisions include a repeal of the Foreign Sales Corporation Act, expanded contribution limits for Individual Retirement Accounts and other types of pension plans, a minimum wage increase packaged with tax breaks for small businesses, and compromise legislation on empowerment zones and so-called “renewal communities.” The bill also included \$32 billion for Medicare, and a provision prohibiting the use of Federally controlled substances for physician-assisted suicide, which is targeted at the state of Oregon. The GOP, as indicated by Sen. Christopher Bond (R-Mo.) in remarks on the Senate floor on Oct. 26, doesn’t admit to making any mistakes in crafting the 1997 Balanced Budget Act. In Bond’s view, the problems of Medicare stemming from that act are solely the result of mismanagement by the Health Care Finance Administration.

However, the Democrats were quite displeased with the bill, including the process by which it was brought to the floor for consideration. During House debate, Joe Moakley (D-Mass.), the ranking Member on the Rules Committee, described a convoluted process by which the Republicans could bring rules to the floor the same day they were passed out of the Rules Committee—which usually requires a two-thirds vote of the full House. Democrats also complained that the Medicare proposal includes “excessive payment increases” to health maintenance organizations without any accountability.

In a letter to Congressional GOP leaders on Oct. 25, President Clinton wrote that the partisan tax package “ignores our key concerns on school construction, health care, and pensions policy.” Clinton had proposed an alternative package that included proposals for tax-free school construction bonds, health insurance coverage for uninsured, working parents, and a tax deduction for long-term care insurance. All of these proposals are subjects of bipartisan bills in the House.

Republicans dismissed Democratic objections, however. That is, until President Clinton threatened a veto. Speaker Hastert angrily threatened to keep the House in session “till the election if I have to,” in order to get the deal that he wants. This was on Oct. 27, three and a half days before the agreement on the Labor-HHS bill came apart.

Visions of the government shutdowns of 1995-96 have been floated, both in the press and by members of Congress. Senate Appropriations Committee Chairman Ted Stevens (R-Ak.) told reporters on Oct. 31 that “the White House has an agenda to try and get us to the point where we were in 1995.

And guess what? This morning, we're precisely where we were in 1995 when the President vetoed the legislative appropriations bills." The 1995 shutdowns were a disaster for the GOP, which has not been forgotten.

However, there are important differences between the latest budget clash and the one of five years ago, not the least of which is that the current struggle takes place in the first election season after the failed impeachment of Clinton in the Winter of 1998-99. Another difference is that the next President and the next Congress will be taking office in the early stages of the worst strategic and economic crisis in more than a century.

### Republican Hypocrisy

Instead of acknowledging this looming crisis, the Republican Party of DeLay and Senate Majority Leader Trent Lott (R-Miss.) is positioning itself to fully impose its Conservative Revolution agenda on the United States and the rest of the world come January 2001. Two issues show just how hypocritical the GOP is when it comes to its agenda, however. On education, the Democrats want to make extra money available for school construction, and the hiring of teachers to make it possible to decrease average class size. The Republicans argue that local school districts should be allowed to spend the money however they see fit. Yet, this states' rights attitude on the part of the Republicans doesn't exist with regard to

criminal justice. The crime bills passed by the GOP-controlled Congress require that states pass truth-in-sentencing laws and the like, before they can get Federal money for building more prisons. When it comes to the general welfare, the GOP is for states' rights, but when it comes to expanding the police-state powers of the Federal government, the states have no rights.

The Democrats have not necessarily fared better. In spite of House Minority Leader Richard Gephardt's (D-Mo.) much bally-hoed drive to retake the House for the Democrats, they blew it with respect to Michael Forbes (D-N.Y.). Forbes originally came into the House as part of the Republican revolution of 1994, but switched parties last Summer. Gephardt made much hay out of Forbes's switch, but Forbes was defeated by a little-known school teacher in the New York Democratic primary last September when the party failed to support him. This is only the most recent in a series of gaffes going back to the 1996 Welfare Reform bill.

Finally, the agenda of the Democratic Party (and the Republican Party, too) is premised on a booming economy and Federal budget surpluses as far as the eye can see. For example, while prescription drug coverage for the elderly is an important issue, it cannot be adequately dealt with except in the context of a New Bretton Woods policy that restarts global trade and production, and in which the general welfare of the American people is considered paramount.

## EIR Seminar

### 'NOW COMES THE AFTERMATH'

With Lyndon H. LaRouche, Jr.  
Founding Editor, Executive Intelligence Review  
Tuesday, November 14, at 1:00 p.m.

Contrary to official lies coming from the highest levels of government, and from both of the "leading" candidates for U.S. President, the United States and the world as a whole, are presently gripped by the worst worldwide financial crisis in recent centuries. A general collapse of the U.S. dollar is imminent, despite the desperate efforts of some to postpone the financial collapse's full impact until after the Nov. 7, 2000 Presidential elections. Every effort to postpone the crisis only makes it worse, and it is clear that neither Al Gore nor George W. Bush has the slightest inkling of what to do when the crisis hits full force.

Worse than that, the lack of any credible candidate for U.S. Presidency, threatens the world with a situation in which there is no official institution in the United States which will act to provide a sane response to the onrushing financial collapse.

Lyndon H. LaRouche, *EIR's* founder and former Presidential candidate for the Democratic Party nomination,

has specified what measures are required to deal with this crisis: These must be actions taken in the spirit of President Franklin Roosevelt's recovery measures of the 1933-45 interval, both domestically and internationally. LaRouche has set forth what must be done under his call for a New Bretton Woods system and in numerous writings, which will be available at the Nov. 14 seminar.

You are invited to attend this seminar, to hear and discuss LaRouche's perspective for this turbulent post-election period. Attendance is free, but pre-registration is required.

A live audio webcast of the seminar will be available on [www.larouchepub.com](http://www.larouchepub.com) and [www.larouchespeaks.com](http://www.larouchespeaks.com).

**Time:** 1 p.m. to 5 p.m., Tuesday, November 14, 2000

**Place:** Washington, D.C.

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