

# They've taken out a contract on you!

by Richard Freeman and  
Jeffrey Steinberg

It's no surprise that in his Jan. 20 speech before the Republican National Committee, Newt Gingrich cast himself in the role of the chief prosecutor of the Jacobin Terror, Robespierre. Gingrich's preference for the French Revolution is consistent with his faction's "Contract with America," a document that, if implemented, will drive down the living standards of more than 80% of the American people, just as the Jacobins decimated France's once thriving agro-industrial base, and chopped off the heads of France's scientists and real republican leaders.

The Mont Pelerin think-tankers who crafted the GOP's "Contract" peddle a trashing of the living standards of senior citizens under the name "The Senior Citizens Fairness Act," would wipe out all civil rights and poverty assistance programs under the names "The Family Reinforcement Act" and "The Personal Responsibility Act," would establish a privatized prison slave-labor system under the name "The Taking Back Our Streets Act," and would dismantle the federal government and force the states to administer draconian tax hikes under the misnomer "The Fiscal Responsibility Act." At the same time, the "Contract"—under the guise of "job creation and wage enhancement"—delivers a whopping tax break to the wealthiest 10% of the population.

In a report prepared at the request of the National Governors Association, the U.S. Treasury Department recently came up with a state-by-state estimate of lost revenues under the Contract with America and the balanced budget amendment proposed by the same congressional Conservative Revolution insurgents. The conclusion: States would be forced to *increase* taxes by upwards of 20% simply to make up for the lost federal revenues!

## Victims of the 'Contract'

If you're a member of any of the following constituency groups, here's what the Gramm-Gingrich Contract will mean for you:

1) **Senior citizens.** Forty-three million elderly Americans receive Social Security. Even Sen. Robert Dole (R-Kan.) was recently forced to admit that in the 1950s, the elderly comprised a very large percent of those below the poverty level, but now Social Security cost-of-living adjustments ("cola"), Medicare, and other programs have brought the elderly, on paper at least, above the poverty

level. Gingrich and his cohorts propose re-calculating the inflation rate and thus lowering the cola, which could cost the elderly \$20 billion per year. There is talk of scrapping Medicare, replacing it with a financial scam called "private individual medical accounts," which are supposed to provide minimal medical coverage for the elderly and the poor. The philosophy is expressed by Daniel Callahan in his book *Setting Limits*, in which he states, "Age-based standards for the termination of life-extending treatment would be legitimate. The meaning and significance of life for the elderly themselves is best founded on the sense of limits to health care."

2) **School-age children.** There are 45 million children enrolled in primary and secondary public schools in America. Under plans such as House Majority Leader Richard Arney's (R-Tex.) "Parent and Student Empowerment Act," schools would be privatized as an interim step toward the elimination of public education. In some proposals, instead of being in the classroom, high school students would work at low-skill jobs, which would fulfill a significant share of their high school credits. This flows from Lord William Rees-Mogg's outlook: that only the top 5% should be educated (see p. 37).

3) **Prisons.** Conservative Revolutionists hail prison slave-labor as a "growth industry" in America. Nearly 30% of all young black men between the ages of 20 and 29 are either in jail, on probation, on parole, or awaiting trial. America has the highest incarceration rate in the world. The model for the slave-labor policies is the Federal Prison Industries, Inc., or Unicorn program, a private profit-making corporation run by the Bureau of Prisons of the Department of Justice. It runs factories inside prisons in most states, making items ranging from metal products, clothing and textiles, electronics, optics, and furniture. The pay is minimum wage, out of which have to be paid fines, prison room and board, upkeep of one's family, and any victim restitution. The prisoner keeps what is left over, which on the average is \$1 per hour. Tough, new "anti-crime" policies will flood the prisons with a captive labor pool.

4) **Poverty.** Thirty-four million Americans are below the poverty level: 20 million whites, 9.5 million blacks, and 4.5 million Hispanics. Some 28 million of them use food stamps. Conservative Revolutionists plan to cut food stamp payments by 5-10% immediately, as part of a plan to phase out the program entirely. Those people below the poverty line are seen as an ultra-cheap labor pool. Mississippi's Republican Governor Kirk Fordice has introduced a work requirement for women on Aid to Families with Dependent Children (AFDC), which could be the wave of the future. In a pilot project in five Mississippi counties, the women are paid the minimum wage in sweat-shop industries, in which the state turns their welfare check over to the employer, comprising \$3.25 out of the \$4.25 that the employer pays the women. If the women refuse speed-up or any feature of the job, they are fired, and lose not only their AFDC payments, but also food stamps.