

As 'Contract' falters, the circus comes to town

by William Jones

The Roman Emperor Nero used to say that in order to maintain power, you had to give people bread and circuses. Well, the new Jacobins under King Newt on Capitol Hill are adhering to at least part of Nero's advice. They did provide the circus, bringing Ringling Brothers and Barnum and Bailey to the nation's capital on April 5. House Speaker Newt Gingrich (R-Ga.) felt that the end of the Republican "100 days," in which his "Contract with America" was supposed to have passed Congress, should be celebrated in style, with a "photo op" for himself and Senate Majority Leader Bob Dole (R-Kan.) with elephants, the GOP party symbol. But as for the bread, the Gingrich Republicans have taken it out of the mouths of babes, rather than distributing it to the masses. In the Gingrich plan, there are no palliatives—at least, not for the poor and needy, but then again, the poor and needy really haven't been the political base of the Gingrich campaign.

All the ballyhoo that the pundits and the "talking heads" will make about the success of the Contract after the 100 days, will be fraudulent. Most of what the House Republicans have passed as part of their Contract, has been stopped in the Senate, or at least seriously blunted, despite the Republican majority there.

Retaking the House and the Senate in the November 1994 elections after long being out of power, House Republicans found themselves in the unenviable position of having to make good on their Contract, initially an election-year gimmick comprised of a laundry-list of populist demands that they could use as sound-bites in their campaigns. Having gained control of the Congress, House Republicans then felt compelled to at least make a credible effort to try to pass some of the measures. Faced with the near impossibility of passing the Contract during the first 100 days, they declared that they had simply promised to *bring it to a vote* during that time.

The only provisions of the Contract signed into law so far are the Congressional Accountability Act, a rule that legislation passed by the Congress must apply to the Congress (these relate primarily to private sector employment laws); and, more significant, is a prohibition against unfunded mandates that makes it impossible for the federal government to mandate action by the states which requires the expenditure of a significant amount of funds, without also providing the funds for implementing that action. The line-item veto, which shifts "the power of the purse" more into the hands of the Executive branch, has been passed by both houses and is expected to be signed by President Clinton when the conflicting versions are reconciled. The Paperwork Reduction Act, a relatively insignificant measure, was sent to Clinton on April 6 for his signature. Also on April 6, the Senate passed \$16 billion in budget cuts (rescissions), which will be reconciled with the House-passed \$17 billion in cuts.

Big issues defeated

But two big-ticket items have been defeated. One item, term limits, didn't even pass the House. Although the House succeeded in passing a version of the balanced budget amendment on Jan. 26, which would have required an absolute majority to raise taxes, the measure lost in the Senate when Tom Daschle (D-S.D.) and Byron Dorgan (D-N.D.), two senators whom amendment backers were courting, revealed that pro-Contract Republicans planned to loot Social Security to balance the budget.

Up until that point, pro-Contract Republicans seemed to be on a roll. However, the defeat of the balanced budget amendment led to a significant loss of momentum in the Republican "steamroller." The debate around the balanced budget amendment also brought out the dissension within

Republican ranks over the Contract itself.

The Contract with America was the personal whim of Gingrich. The ostensible success of the Republicans last November led to the temporary rise of his star, getting him elected Speaker of the Republican-dominated House. But from that time, his star has steadily dimmed.

In the Senate, less influenced by the Jacobin rhetoric, Republicans had not campaigned on the Contract, and didn't feel themselves bound by it. Gingrich and his cohorts thought that the alleged success of the Contract in allowing Republicans to take back the House, plus the aura that was created around it, would be enough to create the illusion that the Contract was Republican policy, and this would get the troops in line. Things didn't quite work out that way.

Among the measures that have been passed by the House but are now stuck in the Senate, are a draconian crime bill, bills on senior citizens and national security, a tax cut (the Senate will not vote until at least late summer), and welfare reform. When it came down to issues like welfare reform, the differences within the Republican Party rose quickly to the surface.

Welfare 'reform' and taxes

The more radical Republican elements in the House wanted to go all the way in eliminating "welfare as we know it." On March 24, the House passed a measure that was labeled the "biggest, toughest, and most comprehensive" welfare reform in modern times. Many of the financial "safety nets," that are the only thing standing between millions of people and destitution, were now targeted for extinction in the Republican legislation. Money earmarked for welfare would be transformed into block cash grants to the states, which the states might or might not expend on welfare programs. The Republican measure would also end such critical programs as Aid to Families with Dependent Children (AFDC), Emergency Assistance, the Women, Infants, and Children (WIC) nutrition program, and the federal school breakfast and lunch programs.

In addition, the measure would deprive legal immigrants of welfare benefits, would restrict eligibility for the food stamp program, and would cut drastically the Supplemental Security Income (SSI) for many children with mental and physical disabilities.

On April 5, the House passed a controversial tax cut, dubbed by Gingrich Republicans the "crown jewel" of the Contract. The bill would provide a \$500 tax credit to families making up to \$200,000 per year, and a reduction in the capital gains tax. In addition, the measure places a tax hike on federal workers who must, according to the legislation, increase their contributions to their pension funds by 2.5%. Democrats pointed out the hypocrisy in this tax hike, since one of the first measures that Republicans had tried to pass as part of their Contract was the stipulation that taxes could only be raised by a two-thirds majority vote in both houses. The tax cut was passed by a simple majority vote of 246-188.

Debate over the Contract has been among the most bitter and most boisterous the House has seen in years, with hooting, booing, and cheering that is more characteristic of the British House of Commons. The "line in the sand" has been drawn by the Gingrich Republicans, who apparently believe that they can maintain their toe-hold on the House majority solely by relying on the populist, anti-Washington furor of their supporters, fueled by radio hosts such as Rush Limbaugh.

But the dichotomy created by the Republican "slash and burn" policy has given the Democrats the opportunity to score the ideological bias of the Contract's perpetrators, with some Democrats pointing to the fascist origins of the philosophical outlook behind the Contract—an obvious comparison for the philosophically literate, most strongly emphasized by *EIR*.

Democrats, albeit ploddingly, have been following up on the advice of Sen. Edward Kennedy (D-Mass.) given earlier this year in a speech at the National Press Club, in which he upbraided many of his colleagues for running *from* the President during the election campaign and trying to "out-Republican" the Republicans. Kennedy encouraged colleagues to fight for the issues for which Democrats traditionally have stood. The ferment evoked by the draconian cuts in the Republican Contract will really not let the Democrats hide from those issues. On March 31, for example, thousands of registered nurses and hospital workers marched on Washington to protest the cuts in Medicare contained in the Contract.

Republican 'unity' falters

The Contract has also split Republican unity and underlined the differences between the Republican Senate and the Republican House. It is unlikely that that "unity" will ever return, especially after the threatened use of what one pundit characterized as "Leninist methods," recommended by Conservative Revolution supporter Sen. Rick Santorum (R-Pa.), who wanted to "discipline" Senate Appropriations Committee Chairman Mark Hatfield (R-Ore.) by stripping him of his chairmanship because of his "heresy" in opposing the balanced budget amendment.

But even as a gimmick, the Contract with America has failed miserably. Gingrich, lauded as "Mr. Contract" during the heady January days of the Republican takeover of the House, is now in a tailspin. Newt is quickly going "from hero to zero." From an almost unknown figure prior to the November elections, he rose suddenly to superstardom, but is now rapidly becoming one of the most hated figures in America (although Henry Kissinger is still leagues ahead of Newt in that race.)

As the demonstrations against his Contract increase throughout the nation, Newt may try to distract voters by bringing more circuses to town. He's liable to find, however, as people lose patience with the insanity emanating from the Republican Congress, that he's only succeeded in making a monkey out of himself.