

Pennsylvanians take the lead to defend welfare

by Nancy Spannaus

A number of Pennsylvania state legislators, backed by a broad coalition of labor and civic groups, have taken the initiative to reverse the deadly, Nazi-like budget cuts against the poor in that state. Put on the table have been two pieces of legislation, one to restore Gov. Tom Ridge's cuts in medical assistance for 220,000 poor and disabled people, and the other to provide a new source of funding, by taxing securities transfers.

Pennsylvania's fight represents a model for the nation, at a time when most state legislators, and Congressional leaders as well, have been knuckling under to "balanced budget" demands for deadly budget cuts in social welfare programs.

The press conference

Democratic State Representatives Harold James, John Myers, and Mark Cohen held a well-attended press conference in Harrisburg, Pennsylvania's state capital, on Jan. 29, to announce their legislative initiatives. They were joined by individuals representing nine other state legislative, or legislative committee offices, as well as representatives of labor and community groups, who expressed their support for one, or both, of the bills.

Representative James, who heads the Pennsylvania Black Legislative Caucus and has spearheaded the fight to reverse the medical cuts since the spring of 1996, spoke first. After noting that he had testimony and evidence from 48 witnesses and sources describing 9 deaths and 20 life-threatening situations as a direct or indirect result of the health care cuts, James called for state legislative hearings. "Currently, we are faced with a statewide emergency," he said. He urged the government to restore the cuts.

Representative James then presented his proposal for closing what he called a "massive loophole in our tax struc-

ture." He proceeded to outline the "Tax Fairness" bill, which he had introduced in 1996, and which would put a sales tax on the transfer or sale of financial securities—which transactions are now subject to no tax whatsoever. The tax would impose a tax of two-tenths of 1%, or 20¢ per \$100, on the selling of stocks, bonds, derivatives, and other such financial instruments, and had been estimated by James's staff to yield revenue of over \$1.5 billion from just the trading of securities and mutual funds.

Most shocking to the press corps was James's revelation that New York State already has a stock transfer tax on its books—although the state ceased fully collecting that tax in 1979.

Representatives Myers and Cohen both spoke after James. Representative Myers presented his bill to restore the medical assistance cuts. Representative Cohen, although not a sponsor of the tax bill, declared that he was in favor of both initiatives.

Broad support

The broad support which these initiatives have, was clearly indicated in the messages which were sent to the press conference. This support has been growing for months, as LaRouche Democrats and others have circulated more than 1 million pamphlets documenting the way in which Governor Ridge's medical cuts represent Nazi crimes against humanity, and as the news of some of individuals murdered by the medical cuts, has spread throughout the Commonwealth.

Among the state leaders who expressed their support for full restoration of the medical assistance program, either in writing or in person, were:

- William George, president, Pennsylvania AFL-CIO;
- Sister Claire Christi Shiefer, president, Pennsylvania Catholic Health Association;

- Ed Cloonan, president, Independent State Store Union;
- Richard Benfer, president, Braddock Hospital;
- J.J. Johnston, political director, Service Employees International Union;
- Ray Webb, executive director, Pennsylvania Community Providers Association.

Ten other community and labor leaders also have endorsed the initiative to restore the medical assistance cuts using the Commonwealth's surplus revenues, as announced by the state budget director, Robert Bittenbender, last year. Those funds, as of late 1996, amounted to \$123 million.

There is also much broader support within the state legislature for both measures. When Representative James introduced his securities tax bill in June 1996, his four co-sponsors were all members of the Legislative Black Caucus from the Philadelphia area. Support among legislators has more than doubled, and is growing. One of the most significant additions is Representative Cohen, who is the Democratic caucus chairman in Harrisburg, and number three in the Democratic leadership.

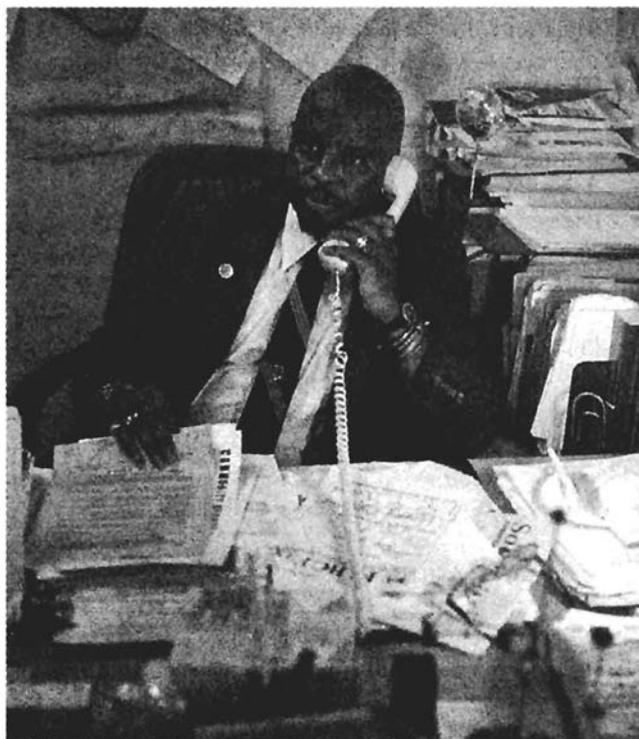
Building up to a threshold

In one respect, the coalition that is building is similar to the one which originally defeated Governor Ridge's cuts in medical assistance in the spring of 1996. At that time, a mobilization of church, hospital, labor, and Democratic groups succeeded in getting more than 20 Republican legislators to break with their governor, and defeat the bill.

But, the addition of the security transfer tax brings a strong new element to the coalition's potential this time. As Representative James's statement at the press conference indicated, this new tax—which amounts to an almost nominal burden on those now untaxed—would provide monies that could do far more than restore the medical cuts. In addition to \$250 million for that, James mentioned possible allocations of \$200 million for education, \$700 million for community development and infrastructure improvements, and \$350 million for a two-tenths of 1% cut in the state personal income tax.

The concept for the securities transfer tax proposal, which is available in the mass pamphlet on Ridge's crimes being circulated by the FDR-PAC political action committee, the LaRouche wing of the Democratic Party, was originally advanced by Lyndon LaRouche in an April 4, 1996 press conference in Philadelphia. At that time, LaRouche also raised the issue of Governor Ridge's culpability by the Nuremberg Tribunal standard—for having deliberately increased the death rate when he knew, or should have known, that his medical cuts would do so. LaRouche launched a drive to impeach Ridge for these crimes against humanity.

Governor Ridge sold his budget cuts on the assertion that they were necessary to 1) balance the budget, and 2) enforce the work ethic. Over the course of the last nine months, both arguments have proven to be frauds. First, the Commonwealth did not have a budget shortfall, as the state treasurer



Pennsylvania Rep. Harold James, in his Philadelphia office. The fight for James's bill to impose a 0.2% tax on financial transactions, and to restore health care funds cut from the state budget, is a model for the nation.

revealed. Second, individuals who have been cut off medical assistance were indeed working, but were simply unable to pay for their necessary medical care without state aid.

No case has captured the public imagination more than that of Lolita Cunningham, a 24-year-old woman who was working for a living, but could not afford her \$600 a month anti-rejection drugs, for a heart transplant she had received as a child. Cunningham died late last year, after being denied state assistance.

So far, Governor Ridge has not shown any indication of changing his attitude. The *Philadelphia Daily News*, in covering the Jan. 29 press conference, cited Ridge's spokesman Tim Reeves saying that "the governor has no interest in reversing this policy."

Representative James's call

Representative James concluded his press statement as follows:

"Slashing services for the needy does not solve the problem. We need to improve the services available to our most vulnerable citizens. We need to provide better resources that guarantee they have an opportunity to enjoy a decent life.

"As to how we can best fund the state's health care plan in the upcoming fiscal year, well, that will be the discussion during budget hearings in February and March.

“Right now, I hope the governor and his administration open their eyes—as well as their hearts—to the life-sustaining needs of the citizens of this state.

“And I hope the General Assembly is open to my legislation to bring tax fairness to Pennsylvania by taxing one of the only items of commerce that currently is not taxed.

“Everyone is paying at least a 6% sales tax in Pennsylvania. Why not impose a tax on the million-dollar deals done so casually by the rich?

“Since the resources are clearly available to avert all such forms of harm to those in need, I believe it is morally incumbent upon us as responsible public officials to act now!

“We hope Governor Ridge might change his mean-spirited health policies, because at some point, the people will demand that responsible public officials be held accountable for the deadly consequences of their actions.”

National implications

It is no exaggeration to say that legislators, political activists, and governors all over the United States are vitally interested in the outcome of this fight in Pennsylvania. Taxation on speculation has become a major discussion point, as far away as Germany.

The upcoming battle in Pennsylvania, which will spread far beyond the legislature itself, is a key one to watch.

NBCSL: Investigate Bush drug running

In late January, the official text of a resolution unanimously endorsed by the National Black Caucus of State Legislators (NBCSL) on Dec. 7, 1996, was made public, which called for a Congressional investigation of allegations concerning the 1980s role of the government in aiding the flow of drugs, including crack cocaine, into the United States, as part of covert support for the Nicaraguan Contras. The NBCSL is the most significant political body so far to pass a resolution which specifically names George Bush and Oliver North. The resolution was introduced by Pennsylvania Black Caucus chairman Harold James before the Law and Justice Committee, and was passed in the plenary session on Dec. 7.

The NBCSL, which represents close to 600 African-American legislators from 44 states, was formed in 1977 as a way to bring together African-American lawmakers to discuss policy issues.

Schiller Institute organizers circulated to all conference participants copies of the September 1996 EIR Special Report on “Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?”

The full title of the resolution was, “Support for an Investi-

gation of the Role of U.S. Government Agencies Regarding the Flow of Drugs into the United States.”

Whereas, a series of investigative reports published in the *San Jose Mercury News*, Aug. 18-20, 1996, contained highly credible allegations concerning the role of U.S. government agencies, including the CIA and the Department of Justice, through covert operations, in aiding and abetting the flow of drugs into the United States, including crack cocaine into the African-American communities of Los Angeles, as part of covert support for the Nicaraguan Contras in the 1980s; and

Whereas, these reports reaffirmed the conclusions of the Senate Foreign Relations Subcommittee on Narcotics, Terrorism and International Operations, also known as the “Kerry Committee,” whose final report of December 1988 stated: “On the basis of this evidence, it is clear that individuals who provided support for the Contras were involved in drug trafficking, the supply network of the Contras was used by drug trafficking organizations, and elements of the Contras themselves knowingly received financial and material assistance from drug traffickers”; and

Whereas, during the period in which drugs were allegedly brought into the country with the connivance of U.S. government agencies, then-Vice President George Bush was appointed by President Ronald Reagan to run the National Narcotics Border Interdiction System, and a series of executive orders and “national security decision directives” were signed by President Reagan, placing most covert intelligence operations of the U.S. government, including covert support for the Contras, under the direction of a Special Situation Group also headed by Vice President Bush with Oliver North functioning as one of his key lieutenants; and

Whereas, California Congresswoman Maxine Waters, Senators Dianne Feinstein and Barbara Boxer, and the city councils of Los Angeles, Philadelphia, Jackson, St. Louis, and others have called for Congressional and other investigations into the role of the CIA and other agencies and individuals in these operations; and

Whereas, such investigations must go right to the highest levels of responsibility for the devastation and violence in our communities associated with drugs and guns,

Therefore be it resolved by the 20th Annual Legislative Conference of the National Black Caucus of State Legislators (NBCSL), assembled in Biloxi, Mississippi, Dec. 1-7, 1996, that the National Black Caucus of State Legislators, endorses the call by Congressional Black Caucus chairwoman Waters, Senators Feinstein and Boxer, the city councils of Los Angeles, Philadelphia, Jackson, and St. Louis, and others, for a Congressional investigation, and the appointment of an independent special prosecutor, for a complete, thorough, and independent investigation of these allegations, and for vigorous prosecution of individuals, where justified by probable cause, irrespective of their current or former official status.