

Congressional Closeup by Carl Osgood

Democratic Agenda: Economic, Social Issues

The Senate Democratic caucus, now led by Sen. Harry Reid (D-Nev.), introduced its legislative agenda for 2005 on Jan. 24. Reid began by noting the shift that has occurred in the economy over the last couple of decades. "Good paying jobs are giving way to jobs that, no matter how hard you work, it just doesn't seem to add up," he said.

"Why is the promise of America not still alive and well for all of us?" he asked. "In part, it's because we have a government that simply doesn't live up to the values upon which this promise was made. . . . We have leaders whose poor planning and mismanagement are exemplary in the negative sense, and there's no better example of this than what has gone on in Iraq." Furthermore, he said, "We have leaders who love to create crises that don't exist," such as in Social Security.

The Democratic agenda, itself, includes giving tax credits to small businesses so they can better provide health insurance; allowing the reimportation of prescription drugs from Canada; and repealing new rules imposed by the Education Department that have reduced the number of low-income students eligible for Pell grants while fully funding the "No Child Left Behind Act." On the economic side, the Democrats also intend to push for an increase in the minimum wage, and repeal the Labor Department's new rules that have cut an estimated 6 million workers off from overtime pay.

The Democrats also plan to introduce legislation to set nationwide rules for the conduct of Federal elections; to repeal the tax incentives that encourage companies to move jobs

overseas; and to create jobs at home by investments in infrastructure, including highways and water and sewer systems.

"If we take the Republican approach, everybody fends for themselves, then, in fact, we are in this alone; we can't solve the problems of health and education and job creation," said Sen. Richard Durbin (D-Ill.). Sen. Byron Dorgan (D-N.D.) described the agenda as "putting America's security first, but second, it is saying it's time to start taking care of things here at home."

New Budget Projections Hide Growth of Deficit

The Congressional Budget Office's 2005 budget outlook, released on Jan. 25, forecasts a \$368 billion deficit for the Fiscal 2005 budget, a \$295 billion deficit for 2006, and cumulative deficits of \$855 billion over the next ten years. That projection comes with more than the usual caveats, however, as the report states at the outset. The projections do not include the costs of the wars in Iraq and Afghanistan, or for the rest of the so-called war on terrorism!

"Thus," the report says, "the 2005 deficit is likely to total around \$400 billion and the 2006 deficit well over \$300 billion." It doesn't end there, however, as Sen. Kent Conrad (D-N.D.) and Rep. John Spratt (D-S.C.), the ranking Democrats on the Senate and House Budget Committees, pointed out. In addition to the war costs, the projections also exclude the costs of Bush's Social Security privatization; the defense buildup that is in addition to the war costs; the cost of making Bush's tax cuts permanent;

the reform of the alternative minimum tax; and the debt service for everything but Social Security.

According to Conrad's numbers, these left-out items will add another \$5.4 trillion to Federal spending over the ten years. Making matters even worse is the revenue picture, which, Conrad reported, was, in 2004, at its lowest level as a share of GDP since 1959.

The Congressional Budget Office report came out at virtually the same time that the White House was announcing that the Bush Administration would seek an additional \$80 billion supplemental appropriation to cover the costs of the wars in Iraq and Afghanistan. When added to the \$25 billion for Fiscal 2005 that was appropriated by Congress last Summer, this will bring the total cost of the wars since 9/11 to more than \$300 billion, according to the Congressional Research Service.

To realize how far out of control the cost of Bush's wars has become, one need only remember that former White House economics advisor Larry Lindsay was fired for predicting that the Iraq war could cost as much as \$200 billion.

Republicans Set Forth An Agenda of Ideology

Only hours after the Democrats put forward their 2005 agenda, Senate Majority Leader Bill Frist (R-Tenn.) appeared with a gaggle of Republican senators to tell reporters what the GOP plans. The list began with the privatization of Social Security, but also includes: simplifying the tax code and making permanent the tax cuts passed in 2001 and 2003; class

action tort reform; health-care reform to, allegedly, make health care more accessible; an energy policy bill; and making it illegal to transport someone across state lines to avoid parental consent laws relating to abortions.

Conspicuously absent from the GOP agenda is a plan to make homosexual and lesbian marriages unconstitutional. A very conservative group of Republicans, led by Wayne Allard (Colo.), promised, however, to rectify that situation by introducing a Constitutional amendment that would define marriage as between a man and a woman. Allard was hopeful, but not certain, that the GOP leadership would make the amendment a high priority.

The first piece of the official GOP agenda to go to the floor will be the bill on class action tort reform, which is supported by several Democrats.

Meehan Proposes Exit Strategy from Iraq

The U.S. has lost the war in Iraq, President Bush has no endgame in sight, and the insurgency in Iraq is being fuelled by the American presence in Iraq. These were the underlying premises of a proposal for an exit strategy from that folly described by Rep. Marty Meehan (D-Mass.) in a speech at the Brookings Institution Jan. 26.

Meehan proposed that the only way to deal with the situation is to set a timeline for a phased withdrawal over the next 12-18 months: "A withdrawal could be structured in such a way as to create incentives for violent factions within Iraq to come to the negotiating table rather than engaging in armed insurrection."

Meehan envisions the U.S. presence being reduced to 30,000-50,000 troops filling specialty roles, including training of Iraqi forces and "engaging in quick strikes against insurgent or terrorist infrastructure that minimize the risk of civilian casualties." There would be no more street patrols by U.S. troops in Iraqi cities and villages. Meehan also called for a Congressional debate on the U.S. role in Iraq, essentially calling for the Congress to act, since Bush has shown that he won't.

Neo-con William Kristol, participating in the panel discussion that took place after Meehan's speech, asserted that announcing an exit strategy would only tell the insurgents (all of whom are terrorists according to Kristol) that all they have to do is "hang on." Meehan replied that his proposal is not a message that "we're losing our nerve," if we actually have a strategic plan to leave Iraq. "Whatever new government emerges," he said, "they're going to make sure they're on the right side of public opinion," which is 70-80% against the American presence.

Senators Warn Against Cutting Veteran Benefits

The possibility that the budget for the Department of Veterans Affairs may be subject to a freeze, or even cuts in services, especially health care, dominated the Jan. 26 confirmation hearing of Jim Nicholson as Secretary of Veterans Affairs. Sen. Daniel Akaka (D-Hi.) pointedly told Nicholson that "it's a non-starter to cut back services or cut who is eligible for VA care." He added that because we are at war, "we must do everything we

can to show our military that VA health care will be there for all veterans who serve."

Sen. Jim Jeffords (I-Vt.) noted that many of the hundreds of thousands who have gone to war "have suffered both visible and invisible wounds. They require immediate care today, and many will require extensive care for the rest of their lives. We cannot equivocate in providing that care; nor is it morally acceptable to provide that care at the expense of veterans of previous eras." Jeffords later asked Nicholson if he would fight for additional funding if, as all indications suggest, the Fiscal 2006 budget cuts the VA funding. After citing a "balancing act" between resources and needs, Nicholson said that his commitment in accepting the nomination "is to the veterans and their needs."

Nicholson was largely successful in avoiding answering questions, especially those dealing with the future of the VA's health-care system. He did express agreement with the formulation that the VA's first priority should be its "core constituency" of disabled and indigent veterans, which is a recipe for budget cuts that could impact some 2.5 million veterans who do not fit into that narrow category, but nonetheless depend on the VA's health-care services.

Veterans groups are concerned about Nicholson's agenda precisely because he has no record on veterans issues. Steve Robinson, the executive director of the National Gulf War Resource Center, told *EIR* Jan. 21, "It's clear that he's coming in to promote the ideas and agenda of the Administration in terms of them wanting to streamline the VA, create cost savings within the VA, perhaps even see them restricting access to the VA."