US elections: Democrat Gore advances pro-corporate economic agenda

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Early last month Democratic presidential candidate Al Gore published a 191-page economic plan entitled *Prosperity for America's Families*. The document is aimed primarily at assuring big business that a Gore administration will do nothing to disrupt the laissez-faire economic polices that have generated unprecedented profits for Wall Street while dramatically increasing the level of social inequality in the US. It underscores the hypocrisy of the populist rhetoric that has become a feature of Gore's campaign speeches.

Vice President Gore has contrasted his plan with that of his opponent, Texas Governor George W. Bush, pointing out that the Republican presidential candidate proposes a massive tax giveaway to the richest 1 percent of the population. While it is true that the Gore agenda is less reckless than that of Bush in catering to the narrow and selfish interests of the rich, it is nonetheless based on defending the privileges of the wealthy elite at the expense of the working population. It is a measure of the rightward shift of both official parties that such a document, accepting as it does the essential premises of the so-called Reagan Revolution, presents itself as a “progressive” alternative to the even more extreme policies advanced by the Republicans today.

The centerpiece of the Gore proposal is a commitment of up to $3 trillion from anticipated budget surpluses over the next 10 years to retire the national debt. The purpose of this policy is twofold. According to the Gore campaign, paying down the debt will have the effect of lowering interest rates and freeing up hundreds of billion of dollars in capital, now held in the form of US government securities, for investment in the private sector. This massive infusion of capital, it is hoped, will help sustain the speculative boom on the stock and bond markets.

Moreover, by committing in advance the bulk of anticipated budget surpluses to debt reduction, Gore seeks to reassure his big business constituents that there will be no significant increase in funding for social programs. Implicit in Gore's plan is the assumption that any shortfall in projected government revenues due to an economic slowdown or recession would result in the reduction or elimination of the resources, already minimal, that the vice president proposes to make available for heightened social spending.

Given the depth of the social crisis in the United States—tens of millions without health insurance, widespread child poverty, growing homelessness, dilapidated and overcrowded schools—the proposed spending increases by Gore are paltry. While predicting record budget surpluses for the indefinite future, Gore proposes no major social initiatives comparable to Clinton's ill-fated plan for universal health coverage, which the incumbent president advanced as the centerpiece of his first term, when budget deficits were at all-time highs. The Clinton-Gore administration abandoned its health care proposal in 1994, when both houses of Congress were still controlled by the Democrats.

The largest single item in Gore's social program is a prescription drug benefit for recipients of Medicare, the federal health care plan for retirees. Under Gore's proposal all participants, except those with incomes below 135 percent of poverty level, would pay $25 a month for a government subsidized insurance program that would pay one half of prescription drug costs up to $5,000 in a given year. This would still force retirees to pay substantial out-of-pocket costs for prescription drugs, which are becoming ever more expensive.

The Gore plan actually promises a bonanza for private sector insurers, who would be contracted by the government, as well as the drug companies. Gore proposes various “cost containment” measures, including the use of “private benefit managers“ and “drug utilization review programs,” but he rules out any serious attempt to stop the gouging of seniors by the pharmaceutical companies, pledging that any form of price controls would be “statutorily prohibited.”

Further, Gore proposes to offset some of the costs of the prescription drug plan through increases in certain co-pays and deductibles for Medicare recipients.

While the Gore campaign has touted its opposition to school vouchers as proof of its commitment to public education, the Democratic plan belies the candidate's rhetoric. The Gore plan proposes to triple the number of charter schools over the next 10 years. These schools are run by private interests, such as corporations and religious groups, but are publicly funded. The proliferation of charter schools is a major step toward the dismantling of the public school system and the ultimate privatization of education in the US.

Gore is proposing just $115 billion over 10 years in additional federal aid to public schools, one-thirtieth of the amount allocated for debt reduction. A mere $1.3 billion is earmarked for the repair of school buildings, not enough to rehabilitate the schools in a city the size of Detroit or Philadelphia, let alone the entire United States.

Central to the Gore plan is the use of federal funds to force state governments to compete for higher test scores. States that fail to improve student scores on National Assessment of Educational Progress Tests will face the cutoff of funding. On the other hand, states that exceed federal goals will be eligible for bonuses. Gore further proposes to take a whip to teachers and school administrators by forcing the closure of so-called failing schools and "reopening them under new leadership."

The use of such coercive measures to push for higher test scores, employed as a substitute for providing the level of resources needed to improve the quality of public education, can only have a destructive impact on the all-around intellectual and emotional development of young people. Needless to say, penalizing children for low test scores by cutting federal funding has nothing to do with improving the quality of education. Moreover, such methods will encourage school authorities to seek shortcut solutions, such as artificially raising test scores by driving out poorly performing students.

Despite the millions of dollars that the AFL-CIO trade union bureaucracy is spending to elect Gore, the vice president's economic program barely mentions the unions. The main sop thrown by Gore to the labor bureaucracy is a pledge to increase markets for US goods overseas by carrying out a more aggressive trade policy against Europe and Japan. The Gore plan pledges to increase the number of monitors assigned to ensure compliance by China and Japan with trade agreements.

The Gore plan fails to address the deteriorating social position of millions of American workers. Under conditions of relentless corporate downsizing, stagnating or declining real wages, a lengthening work week, an ever-growing population of full-time workers living in poverty, and pervasive economic insecurity, Gore's only substantive proposal is a $1-per-hour increase in the minimum wage, a raise that would leave the minimum wage far below, in real terms, that which prevailed in the late 1960s.

After two decades of government-backed strike-breaking and union-busting, Gore's plan makes only a passing reference to reviving legislation to ban the permanent replacement of strikers—an essentially toothless striker replacement bill that was never seriously pursued by the Clinton-Gore administration.

No money is allocated for enforcement of workplace health and safety rules to address the rising accident rate among US workers. Instead, Gore talks of "commonsense rule making to prevent injuries." While Gore calls for adding 50,000 additional police officers and 10,000 prosecutors, not one dime will be spent to increase the number of safety inspectors in US factories.

The Gore program devotes just two sentences to the question of homelessness. Child poverty and lack of access to health care also get short shrift. In lieu of government intervention to address these acute problems, Gore declares, in accordance with the "free-market" dogma that has become the mantra of both parties, that lower interest rates, spurred by Gore's deficit elimination plan, will cure all of America's social ills.

The bulk of proposed increases in federal assistance to working class and middle class people under the Gore proposal are in the form of targeted tax cuts. This includes $200 billion in tax deductions for retirement savings, $36 billion in tax cuts for college tuition, $48 billion for health insurance and $29 billion to expand the earned income tax credit. Another $66 million is allocated for elimination of the so-called marriage penalty.

Except for the small increase in the earned income credit, the bulk of the Gore tax cuts will benefit middle class families and the more privileged sections of the working class. In order to take advantage of most of the proposed tax credits, a family would have to have sufficient disposable income to make qualifying expenditures, such as the payment of college tuition or the purchase of health insurance.

The Gore plan also contains substantial tax cuts oriented to business, under the guise of promoting the environment or other "socially responsible goals." Thus $45 billion in tax cuts are proposed for promoting energy-efficient homes and autos, and $23.8 billion for research and development.

In a direct sop to the wealthy, Gore proposes to increase the cutoff level for payment of federal inheritance taxes from $1.3 million to $2.5 million, and reduce the level of taxation for those still paying the assessment, at an estimated cost of $11 billion to the treasury.

Given the complexity of the Gore proposal, it is not clear how much money the targeted tax cuts will actually save working people. The real total, especially in the event of a recession, will likely be far less than the figures given out by the Gore campaign.

In reality, both politics and economics virtually assure that Gore's promises to working people, as minimal as they are, will never be carried out. The record of the past quarter century demonstrates that the corporate interests that finance both parties are firmly opposed to any government spending that significantly detracts from the corporate bottom line. Even should the Democrats win a narrow majority in Congress, the impact of corporate lobbying on both Democrats and Republicans is certain to result in substantial changes, to the benefit of the rich and the detriment of the working class.

Moreover, the economic assumptions underlying the projections of ongoing budget surpluses are entirely unrealistic. Barely mentioned by either campaign are the growing signs of an economic slowdown, if not full-scale recession, which would rapidly deplete federal tax revenues while increasing the cost of social benefits. Soaring oil prices, record trade deficits and enormous volatility on the stock market all point to an impending end to the speculative business boom.

The Gore economic plan raises an obvious question: If the Democratic Party, which has long claimed to be the party of the working people, cannot address the pressing needs of American workers in the midst of an unprecedented economic expansion and a large federal budget surplus, what will it do in the less prosperous times ahead?