US Congress, Clinton shelve aid to low-paid and immigrant workers

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The first victims of the stolen US presidential election are the most oppressed sections of the American working class. Acting only three days after the Supreme Court awarded the presidency to George W. Bush and Democrat Al Gore conceded, the Republican congressional leadership and the Clinton administration reached a final agreement on the budget for the current fiscal year which eliminates a planned increase in the minimum wage and a measure easing restrictions on immigrant workers.

Both provisions had been expected to pass before the 106th Congress adjourned, but faced opposition from extreme-right elements among the House Republicans, led by Majority Whip Tom DeLay, who blocked action before the November 7 vote. When the lame-duck Congress reconvened after the election, congressional Republicans attacked the measures even more vociferously, anticipating a Bush victory. Once that victory materialized, the Clinton White House quickly reached a deal along the lines demanded by the right wing.

As recently as September House Speaker Dennis Hastert and other Republican leaders had indicated they would accept a one dollar increase in the minimum wage, from the present $5.15 an hour, in return for Clinton's agreement to significant tax breaks for low-wage industries, such as fast-food, which employ many minimum wage workers. DeLay and House Majority Leader Richard Armey were visibly reluctant to support such a deal, and eventually succeeded in sabotaging it.

While denying even this modest increase for the lowest paid workers, Congress and the White House did agree to provide $25 billion in tax subsidies to employers who exploit cheap labor in the most poverty-stricken urban and rural areas. Dubbed the “new markets community renewal bill,” the proposal builds on the notorious low-wage “enterprise zone” plan first promoted by Republican Jack Kemp during the Reagan and Bush administration, and later embraced by Clinton, Gore and numerous black Democratic mayors. Forty “renewal communities” will be designated among the cities, towns and rural counties expected to apply.

The bill abolishes the capital gains tax for investments in depressed urban and rural areas, providing the business assets are held for at least five years. John Feehery, spokesman for Hastert, said, “The zero capital gains rate is something conservatives can be proud of,” adding that the measure also had the support of members of the Congressional Black Caucus, including Charles Rangel of New York and Danny Davis and Bobby Rush of Chicago.

Melvin Watt, a black Democratic congressman from North Carolina, hailed the plan, saying, “In underserved communities, capital formation is always a challenge. This bill offers a way to create capital by wiping out the capital gains tax.” In this way he articulated the social interest which the black Democratic politicians actually represent—the thin layer of capitalists or would-be capitalists in the black population, not the masses of black workers.

The bill provides tax credits to subsidize the wages of workers in depressed areas, reducing the labor cost for employers to well below the minimum wage in some cases. It also offers tax credits to banks and other financial institutions that make loans in low-income areas, and to venture capitalists who make investments. Thus every penny of the $25 billion would be paid directly to capitalists and businessmen, not to the impoverished residents of these neighborhoods.

The new immigration provisions faced less open opposition, but nonetheless fell victim to the post-election muscle-flexing by the congressional right wing. The Clinton administration initially proposed to grant legal resident status to all illegal immigrants who arrived in the US before 1986 and have lived in the country continuously since then, as well as to many more recent arrivals who are political refugees from civil war and right-wing repression in Central America.

The bill adopted December 16 will only give limited relief to immigrants who entered before 1982—before the biggest surge in Central American immigration. It will allow spouses and minor children of US citizens and legal residents to rejoin them in the US if they have been waiting for entry visas for more than three years.

But congressional and White House negotiators agreed to scrap a proposed change in the draconian 1996 immigration law which required deportation of legal immigrants for any criminal conviction, a provision which has been applied retroactively to longstanding residents who had legal troubles two or three decades ago. This law was even criticized by Bush during the presidential election, but remains intact.

Hispanic leaders expressed outrage over the resulting legislation. Rep. Luis Gutierrez (D-Ill.), a leader of the Congressional Hispanic Caucus, accused White House officials of "capitulating" to Republicans on the immigrant measure to facilitate a budget deal.

While the two main political issues in the final budget package were settled along lines favorable to the extreme right, a third issue which had earlier stalemated the budget talks was dealt with by the White House through administrative action. This took the form of a decision by the Occupational Safety and Health Administrative to issue rules to protect workers from on-the-job injuries due to repetitive motion syndrome, the leading unregulated cause of workplace injuries and illnesses. An estimated 1.8 million workers a year suffer from repetitive motion injuries, including such well-known conditions as carpal tunnel syndrome, with 600,000 losing at least one day's work.

Republican congressmen, with heavy backing from the Chamber of Commerce, the National Association of Manufacturers and other employer groups, had sought to include a ban on such OSHA regulations in the budget of the Department of Labor, the parent agency. In late October there was an apparent agreement between the congressional leadership and the White House on a plan which would have allowed OSHA to issue the rules, but given the next president an easy route to overturning them before they could take effect. But even this was too much of concession to worker health and safety for DeLay, who reneged on the deal.

OSHA said that the rule would cost employers $5.2 billion a year to reduce such injuries, but would save them $9 billion a year in lost time, disability and workers compensation payments. More importantly, workers themselves incur costs of up to $50 billion a year from musculoskeletal disorders like carpal tunnel syndrome.

While the rules have been issued, enforcement will be the responsibility of the incoming administration, which is viscerally hostile to workers' rights and government regulation of business. Several major industries are already exempt under the rules issued by the Clinton administration—agriculture, maritime, construction and railways, among others—as well as most small businesses. Health and safety enforcement by a Bush administration is likely to amount to an exemption for all but the most flagrantly abusive employers.

The rest of the budget discussions concerned the amounts to be appropriated and spent in the fiscal year beginning October 1 for seven Cabinet-level departments and many smaller agencies, including the major health, education and labor programs, as well as the operations of Congress, the White House and the Department of Justice.

Although congressional and White House negotiators had agreed on the appropriations levels in October, the Clinton administration agreed to some additional cutbacks in the last round of talks. There is a 2 percent cutback across the board from the levels agreed in October for a wide range of social programs, with the exception of Medicare and Medicaid and the National Institutes of Health, both of which received large increases.

The vast bulk of these increases go to private companies, either health care providers which contract with the federal programs, or researchers under contract with NIH. None of the increases represent higher and improved benefits for the elderly or the poor who receive care under these programs. For big hospital and nursing home chains and HMOs the budget represents a windfall, since they will rake in the lion's share of the $30 billion, five-year increase in Medicare reimbursements.

The Justice Department appropriation forbids the agency to spend the $24 million required to pursue its conspiracy case against the big tobacco companies. The Bush administration is expected to shut down that investigation as soon as it officially takes office.

The only actual rise in social spending for direct beneficiaries of government programs is in education, up $6.6 billion, including increases for both Head Start and the Pell Grant program for college students.