

US Congress delivers for its corporate masters: CAFTA, transport and energy bills approved

Patrick Martin
3 August 2005

The flurry of legislation enacted by the US Congress last week will funnel billions into the coffers of American corporations, from oil companies to gun manufacturers, sugar growers and construction contractors. They in turn reward the legislators, Democratic and Republican, who represent their profits interests in the House of Representatives and Senate, showering them with campaign contributions and the promise of highly-paid lobbying positions when they leave office.

The most financially lucrative piece of legislation was the transportation bill, authorizing \$286 billion in road, bridge and transit construction over a six-year period, including 2004 retroactively. It earmarks funds for 6,000 local projects, enough to provide dozens for each congressional district. While the bill is the largest “public works” legislation ever passed by Congress, the projects have been chosen, not for their public utility, but on the basis of the power and influence of the congressman or senator involved. The bill was approved 412 to 8 by the House, and 91 to 4 by the Senate.

One of the most notorious projects is the “bridge to nowhere,” a \$250 million mile-long, 200-foot-high bridge from Ketchikan, Alaska to a small offshore island where 50 residents and a small airport are located. Alaska Congressman Don Young, a Republican, is chairman of the House Transportation and Infrastructure Committee, which drafted the legislation. The bill also provides \$230 million for a bridge over an inlet near Anchorage. The structure is to be named “Don Young Way.” Another \$3 million is earmarked for a public relations film to celebrate the development of infrastructure in Alaska, “the last frontier.”

The transportation bill was stalled for more than two years by regional rather than party-line divisions, with congressmen and senators from “donor” states, which receive back less in highway and transit funds than they pay in gasoline taxes, demanding concessions from the states which realize a net gain. This issue was resolved by a provision that no state will receive less than 92.5 percent of its net highway tax payment. There was also conflict between the congressional Republican leadership, which initially proposed a spending total as high as \$375 billion, and the Bush administration, which successfully

pushed for a much lower figure.

Finally, the House Republican leadership used the transportation bill as a bulldozer to enable passage of other legislation that faced significant opposition within Republican ranks, especially the treaty establishing a Central American Free Trade Area (CAFTA). Several dozen Republican congressmen who initially opposed CAFTA were induced to back the legislation through the judicious allocation of transportation funds to their districts.

CAFTA essentially extends the North American Free Trade Area to include five Central American countries—Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica—and the Dominican Republic. (The sixth Central American country, Panama, has its own special trade relationship with the US going back to the days of the Panama Canal Zone.)

The CAFTA legislation was the only one of the four major bills to face a serious challenge, because of near-unanimous Democratic Party opposition in the House, coupled with sizeable Republican defections in the textile-producing regions of the South.

Although they shed a few crocodile tears during the debate, the Democrats do not oppose the exploitation of Central American workers and peasants by giant American corporations. Their real concern is to cater to the national chauvinism of the AFL-CIO union bureaucracy and sections of US industry, particularly in clothing and textiles, which fear competition from low-wage plants in Central America.

The Bush administration pushed the treaty as a stepping stone to the larger project of creating a Western Hemisphere trading bloc, dominated by the United States and directed against the major competitors of American capitalism in Europe and Asia. The US Chamber of Commerce pulled out all the stops to lobby for the bill—although the actual significance of Central America as a market is quite limited—because passage was deemed essential to promote the overall political agenda of big business.

The White House overcame chauvinist opposition from the Democrats and a section of the Republicans by promoting its own form of chauvinism—agreeing, among other things, to limit

imports of clothing from China and jawboning Beijing into a limited revaluation of the yuan on the eve of the House vote. Sweetheart arrangements in the legislation insure that US drug companies retain their monopoly on high-priced pharmaceuticals in Central America, and that US sugar growers not be impacted by sugar imports from the region.

In the end, however, the House Republican leadership had to extend the voting period on the treaty for nearly an hour—a tactic last employed to push through the Medicare prescription drug plan in 2003—while a handful of Republican congressmen held out for promises of special subsidies and privileges for industries in their districts. The final vote was 217 to 215.

As the *Washington Post* described the scene on the House floor: “House Speaker J. Dennis Hastert (R-Ill.) persuaded Rep. Robin Hayes (N.C.), who had been a vocal CAFTA opponent, to change his vote by asking him to name what he needed or wanted for his district. Among the last GOP members to join the pro-CAFTA side was Robert Aderholt (Ala.), who had declared himself to be leaning strongly against the deal, even after an Oval Office meeting with Bush. ‘I believe the leadership would have done whatever they needed to get this vote—by that I mean anything that would have been legally possible,’ Aderholt said.”

The energy bill passed the Senate by 74 to 26, with a 25-19 majority of Democrats supporting the legislation. The House passed by the bill by 275 to 156, again with sizeable Democratic support. The *World Socialist Web Site* has already analyzed the major provisions of the bill, which were agreed on by a House-Senate conference committee early last week (see “US energy bill funnels billions to oil, utility corporations”). The bulk of the bill’s \$14.5 billion in tax breaks go to oil, gas and coal companies, and power-generating firms.

One deregulatory provision in the bill is worth noting because it shows the cynicism and hypocrisy of the Republicans’ claim to stand up for small businessmen and homeowners. Certain ultra-right elements howled about the recent Supreme Court decision on eminent domain, upholding the power of the city of New London, Connecticut to condemn and seize private homes in order to assemble land for an upscale shopping area. But the energy bill awards the same right of eminent domain to private corporations—electrical utilities which will be able to evict homeowners from their property in order to build transmission towers and string power lines.

The last important piece of legislation adopted last week was a happy combination (from the standpoint of the Republican leadership) of pleasing both a particular corporate interest and its right-wing ideological base. This was a bill granting the firearms industry a broad exemption from liability to lawsuits by shooting victims. The bill passed the Senate by 65 to 31, with 14 Democrats, including Senate Minority Leader Harry Reid, giving it their support.

The bill is the most sweeping anti-lawsuit measure so far adopted by Congress, going well beyond the restrictions

contained in the “tort reform” and malpractice reform bills. It would prohibit virtually all lawsuits against gun manufacturers for acts committed using their products, even when, as in the case of the Washington DC sniper killings, there was clear negligence on the part of the firearms dealer who sold the two gunmen their assault rifle. That suit was settled out of court last year for \$2.56 million.

In addition to being a windfall for the gun manufacturers—stock prices of the leading companies jumped on the day of the vote—the bill is a shameless piece of pandering to the National Rifle Association. Senate Majority Leader William Frist proclaimed the bill a “national security” measure, suggesting, rather improbably, that if antigun lawsuits proliferated, US-based manufacturers would be forced out of business and American soldiers would no longer have a reliable supply of rifles and pistols.

The real attitude towards the soldiers on the part of the congressional Republican leadership and the Bush administration was revealed in another bill passed last week—an appropriations bill for the Department of the Interior which includes an emergency \$1.5 billion to fund Veterans Administration (VA) hospital care from now until the end of the fiscal year, September 30.

The Bush administration grossly underestimated the funding required to sustain hospital care for veterans, in part because budget planners believed the White House propaganda about an improving military situation in Iraq and Afghanistan, and thus did not allocate funds for the steadily rising toll of wounded and psychologically damaged soldiers.

VA costs have risen by 5 percent this year, against a projected increase of only 2 percent, and there are reports of waits of as long as three months for veterans seeking to schedule appointments. In some states, the VA even stopped scheduling appointments until the next fiscal year.

The Bush administration first claimed it could cover the shortfall by shifting \$600 million in funds already appropriate for the VA, but the funding gap escalated to \$975 million, then \$1.3 billion, before the House and Senate agreed on the final \$1.5 billion amount—a drop in the bucket compared to the more than \$300 billion which the energy and transportation bills lavish on corporate interests.



To contact the WSWWS and the Socialist Equality Party visit:

wsws.org/contact