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NEWS UPDATE - Thursday, February 01, 2001

SUMMARY

In the News...

- *The Associated Press, Dow Jones, Reuters and CongressDaily* all report on the Progressive Caucus's unveiling of the Medicare Extension of Drugs to Seniors (MEDS) Plan as the alternative to the Bush Administration prescription drug proposal. "Key Democrats declared President George W. Bush's prescription drug plan dead on arrival," said one article, "and proposed a rival package aimed at helping up to 40 million seniors and poor families pay for medication."
- *The Hill* examines how the Democratic Caucus in the House and Senate are getting closer to business interests. As the article states, "Congressional Democrats, led by moderates with strong ties to the business community, are redoubling their efforts to raise money from the corporate sector."
- *Roll Call* exposes the corporate-backed Democratic Leadership Council's assessment of Democrats failure in Campaign 2000 as inaccurate and "a bit too convenient."

From the Editorial Pages...

- *Los Angeles Times* editorial board lambastes the Republican Party for attempting to make Americans think drilling in Alaska will solve our energy woes.
- *The Nation* hammers those within the Democratic Party for continuing to follow Alan Greenspan's tax advice. "Now that a new President from the Party of Money is in power, Greenspan returns to the one true faith – rescuing business and the wealthy." As the article says, Democrats should resist following suit despite pressures from so-called centrist "cross-dressing Democrats" within the party.
- *Senator Paul Wellstone* urges Democrats not to succumb to corporate forces and the Democratic Leadership Council's so-called "New Democrat" philosophy. Wellstone notes that progressive politics kept Democrats in the majority for 40 years and that the rise of the New corporate Democrat has hurt the party as a whole. "The American people do want us to govern from the center, in a sense. But it is not the center the corporate leaning pundits and politicians in Washington talk about."

Quote of the Day...

"Bush might call his prescription drug plan an 'immediate helping hand,' but it is really just a slap in the face to seniors."

- Rep. Jerrold Nadler (D-NY) at the press conference unveiling the Progressive Caucus MEDS Plan (1/31/01)

In the News on February 1, 2001

Congress' Progressive Caucus offers alternative prescription drug plan

Associated Press - National

WASHINGTON (AP) _ Several congressional Democrats announced their own plan for prescription drug coverage for the nation's elderly on Wednesday, dismissing President Bush's plan as an "insult to America's seniors."

"At best it will only help a few seniors," said Rep. Dennis Kucinich of Ohio, chairman of the Progressive Caucus, a group of more than 50 members of Congress.

Sen. Paul Wellstone of Minnesota went further: "The president's proposal is a great leap sideways. People do not want to see us play symbolic politics with their lives."

Bush on Monday unveiled his prescription drug plan, called the "Immediate Helping Hand."

The president's plan is meant to cover the full cost of prescription drugs for individual Medicare recipients who have incomes up to \$11,600 but are not eligible for Medicaid. Married couples with incomes up to \$15,700 would be eligible.

For those with slightly higher incomes _ \$15,000 for individuals, \$20,300 for married couples _ Bush's plan would offer subsidies covering at least half the cost of drug plan premiums.

Democrats contend Bush's plan leaves out many seniors, particularly the middle-income elderly.

Wednesday's proposal by the Progressive Caucus _ one of several prescription drug plans pending in Congress _ would cover 80 percent of the drug costs for all seniors under Medicare.

Supporters say the broader coverage would be paid for through cost-containment provisions such as having the government buy drugs in bulk to get a lower price and bringing American drug prices down by allowing the reimportation of U.S.-made drugs sent overseas.

Still, it is uncertain how much can be saved from such measures. Drug reimportation has proven to be a difficult subject for lawmakers. Even its original supporters now disagree on how to implement it.

A law has already passed to allow it, but the Clinton administration blocked its implementation, saying it was vague and full of loopholes. Adding to the difficulty, trade groups in places like Canada have openly voiced concern that the U.S. plan may upset their pharmaceutical market.

The law essentially allows drug distributors to import U.S.-made drugs sold cheaper abroad. Lawmakers passed the measure as part of last year's spending bills.

The prescription drug proposal offered by Democrats on Wednesday seeks to strengthen the reimportation law by adding provisions such as requiring the pharmaceutical industry to provide the Food and Drug Administration-approved labeling for reimported drugs.

Earlier Wednesday, a bipartisan group of lawmakers urged Bush to implement the drug reimportation law, saying it is workable in its current form.

“I am confident that this legislation, when implemented, will help millions of Americans gain access to the prescriptions they need to live longer, happier lives,” Sen. Jim Jeffords, a Vermont Republican, told a news conference.

Added Sen. Byron Dorgan, a North Dakota Democrat, “I think the Clinton administration made the wrong decision, plain and simple. President Bush has an opportunity to correct it.”

On the Net:

Progressive Caucus: <http://progressive.house.gov>

Democrats Hit Bush Over Prescription Drugs

Reuters

WASHINGTON, Jan 31 (Reuters) - Key Democrats on Wednesday declared President George W. Bush's prescription drug plan dead on arrival and proposed a rival package aimed at helping up to 40 million seniors and poor families pay for medication.

Bush made reform of Medicare, the government health insurance program for the elderly, a central theme of his presidential campaign.

But his four-year, \$48 billion prescription drug plan for poor seniors has run into stiff opposition on Capitol Hill from Democrats and some key Republicans, dashing White House hopes of scoring an early legislative victory on health care reform in the narrowly divided Congress.

In place of the president's plan, Michigan Rep. David Bonior and other Democrats said they would introduce their own prescription drug package that would benefit all Medicare recipients -- some 40 million -- rather than a smaller pool of poor seniors that Bush has singled out for coverage.

“People do not want to see us play symbolic politics with their lives,” said Sen. Paul Wellstone, a Minnesota Democrat. Rep. Sherrod Brown of Ohio, the ranking Democrat on the Commerce subcommittee responsible for health issues, said Bush's plan “believes an outstanding lack of compassion for literally millions of retired Americans.”

Bonior, the No. 2 ranking House Democrat, called the president's package “disgustingly weak” and, echoing comments by other lawmakers, said it would fail in its current form.

Sent to Congress with little fanfare on Monday, Bush's plan would provide \$48 billion in support to states over four years to cover the cost of a prescription drug program for seniors earning under \$11,300 for individuals and \$15,200 per couple. That money also would cover part of the cost for seniors with incomes up to \$14,600 and couples earning up to \$19,700.

White House officials sought to assure skeptical lawmakers that the plan was a first step toward modernizing Medicare, which handles more than 900 million claims per year. They said Bush was willing to see the proposal folded into broader reform of the Medicare program.

Under the Democratic alternative, all Medicare beneficiaries who voluntarily enroll would receive prescription drug benefits. Democrats said their approach would pay for 80 percent of drug costs, compared to 25 percent of private insurance premiums under the Bush plan.

Democratic aides said the cost of their plan would roughly match Bush's because of cost-containing measures, including provisions allowing prescription medicines to be re-imported from other countries, where they are often far less expensive.

At a separate news conference, a bipartisan group of lawmakers urged Bush to implement a new law aimed at lowering drug prices in the United States.

Bitterly opposed by the pharmaceutical industry, the law would let pharmacists and wholesalers buy U.S. brand-name drugs in countries with lower prices, such as Canada, and resell them at a discount in the United States.

Former President Bill Clinton signed the legislation into law last year, but his secretary of health and human services, Donna Shalala, refused to implement it, saying it posed possible health risks.

Upset by the Clinton administration's inaction, Vermont Republican Sen. Jim Jeffords and other supporters of the drug importation law called on Bush's secretary of health and human services, Tommy Thompson, to override Shalala.

"This law, while an imperfect solution to the spiraling cost of prescription drugs, deserves and needs to be implemented as soon as possible," Jeffords and 15 other lawmakers said in a letter on Wednesday to Bush.

Lawmakers Renew Fight Against High Rx Drug Prices

Dow Jones/Wall Street Journal

WASHINGTON – The pharmaceutical industry withstood a barrage of criticism from Capitol Hill Wednesday, with attacks coming from both parties to curb the high cost of prescription drugs.

A bipartisan group of lawmakers revived a push to implement a new law that allows pharmacists and wholesalers to "reimport" drugs made and approved in the U.S. but sold overseas at cheaper prices.

Former Secretary of Health and Human Services, Donna Shalala, refused to implement the legislation in December, saying it wouldn't lower drug prices and posed a public health risk.

Former President Clinton signed the legislation into law in October as part of a larger bill that funded the Food and Drug Administration.

However, lawmakers say the new HHS Secretary, Wisconsin Gov. Tommy Thompson, has the power to overturn Shalala's decision and they urged the new Bush administration to do just that.

"This law, while an imperfect solution to the spiraling cost of prescription drugs, deserves and needs to be implemented as soon as possible," reads a letter signed by a bipartisan panel of 16 House and Senate lawmakers.

"The prescription drugs that would be imported are identical to the ones sold to U.S. consumers but with one key difference - they cost two to three times less in Canada, the United Kingdom or other countries," the letter states. Many countries outside of the U.S. impose price controls that keep drug costs low.

While the legislation would have allowed pharmacies to reimport drugs originally made in the U.S. from foreign countries, Shalala argued that it was crafted with loopholes that negated the effectiveness of the program. For example, it would prevent importers from using FDA-approved labeling, allowing drug manufacturers to change the names of familiar drugs or even the language that the label is printed in before shipping medications back to the U.S.

Senators such as Jim Jeffords, R-Vt., and Byron Dorgan, D-N.D., said that HHS has the authority to write regulations that would require the proper labeling of imported drugs.

Democrats Release Rival Medicare Rx Drug Plan

At the same time, a team of House and Senate Democrats unveiled a new Medicare prescription drug proposal to rival one released by President George W. Bush earlier this week.

The Democratic initiative differs from Bush's plan in allowing the Medicare system - the federal health insurance for the elderly - to negotiate discounted prices on medicines much in the same way an HMO or other health insurers do. Medicare insurance does not include prescription drug coverage.

The legislation also would require "reasonable pricing agreements" with commercial drug companies that profit from research done by the National Institutes of Health.

And it promises to close loopholes left open in the drug reimportation bill.

"The pharmaceutical industry doesn't want to see discounts. They don't want to see cost containment," said Sen. Paul Wellstone, D-Minn. "You've got to be on the side of your constituents. This administration doesn't want to take on the pharmaceutical industry."

Bush's plan would help one-fourth of poorest 39 million Medicare beneficiaries buy their prescription drugs by providing \$48 billion in state grants over four years. The measure is designed to be a temporary fix until Congress can find a more comprehensive solution to help America's elderly pay for their medicine.

"While ill people cannot afford prescription drugs, the pharmaceutical industry last year raked in \$27 billion in profits, more than any other industry," said Rep. Bernard Sanders, I-Vt.

Dems Gearing Up To Battle Bush Over Prescription Drugs

CongressDaily

Progressive Democrats are gearing up for battle with President Bush over the prescription drug issue by introducing the outline of a bill that they said would not only help seniors pay for pills, but would address drug pricing as well. Bush's plan, known as the "Immediate Helping Hand," would provide \$48 billion in block grants over four years to states to help low-income seniors pay for prescriptions.

Neither Democrats nor Republicans have warmly embraced the plan, and many fear it may take away the impetus for broader Medicare reform or be too limited to help many seniors.

The Democrats' bill, known as the Medicare Extension of Drugs to Seniors Plan, is intended to "bring American prices into line with international prices," by allowing FDA-approved drugs that are sold overseas at lower prices to be brought back into the United States, a process known as reimportation.

The bill, which supporters estimate would be comparable to Bush's plan at \$48 billion over four years, also would ensure that Medicare beneficiaries received the drug firms' "best price," according to Rep. Bernard Sanders, I-Vt. The CBO has not yet scored the MEDS Plan.

Sen. Paul Wellstone, D-Minn., a MEDS backer, said, "Unlike the Bush proposal, which seeks to throw billions of dollars of taxpayer money to the pharmaceutical industry without regard to the overall price of prescription drugs, the progressive plan employs various common-sense tools ... to lower the price of medicines."

The bill contains different reimportation language than that passed by Congress last year as part of the FY2001 Agriculture appropriations bill.

The reimportation language in the MEDS Plan addresses what Democrats see as loopholes in the final law regarding the sunset provision, contracting restrictions, labeling and country limitations. Sanders was one of the original authors of a reimportation bill offered two years ago.

The bill also requires National Institutes of Health to write "reasonable pricing" into its contracts with pharmaceutical companies when taxpayers pay the research bill--an idea that has been defeated on the Senate floor

before.

"With these cost containing measures, the plan is able to cover 80 percent of the cost of all seniors' drug costs," Sanders said. "The Bush administration plan, on the other hand, only covers low-income seniors, terminates after four years, and ultimately would only cover 25 percent of a senior's private insurance premium."

Meanwhile, Senate Health, Education, Labor and Pensions Chairman Jeffords sent a letter to Bush Wednesday, urging him to implement the reimportation language passed last year.

Former HHS Secretary Shalala had declined to set it into motion before she left, saying the department could not certify that the law would pose no greater risk to consumers.

House Dems Embrace Business

The Hill

When the New Democrat Network, a fundraising organization created by moderate House and Senate Democrats, holds a fundraiser tonight for Sen. Mary Landrieu (D-La.) at the American Gas Association, it expects to raise \$100,000.

The group's president, Simon Rosenberg, says the money to support Landrieu's reelection bid in 2002 will come almost entirely from business donors.

The Landrieu fundraiser, one of many the New Democratic Network has planned, is an example of how congressional Democrats, led by moderates with strong ties to the business community, are redoubling their efforts to raise money from the corporate sector without Bill Clinton in the White House.

Meanwhile, House Republicans are counting on the presence of George W. Bush in the White House Oval Office to bring a windfall of corporate contributions to their coffers. They believe the surprising success House and Senate Democrats had in raising money from the business community during the last election cycle was mainly due to having an ally at 1600 Pennsylvania Ave.

"Clinton was sitting on the business PACs," said Sherilee Norris, who raises money for Rep. Bill Thomas (R-Calif.), the new chairman of the Ways and Means Committee.

"He was working the businesses and I was surprised to see them supporting Democrats despite their own self-interest. Clinton and the Democratic leadership were very good at whipping these guys into giving them money," she added.

Democrats agree that Clinton's departure has made it more difficult for House Democrats to maintain the flow of business contributions to their party.

"The volume of our contact with the business community has increased because we are the only Democrats in town," said Sue Harvey, a spokeswoman for House Minority Leader Richard Gephardt (D-Mo.) "Contacts to the business community have increased because Democrats no longer have the White House."

The coalition of New Democrats, which consists of 20 senators and more than 70 House members, as well as groups like the House Blue Dogs, have emerged as important fundraisers and liaisons to the business community.

New Democrats raised \$5.8 million through their political action group in the last election cycle, more than twice what they raised in 1996. This cycle, they hope to raise \$10 million, about two-thirds as much as Clinton raised for House Democratic candidates in the last election.

“We’re going to have to work harder to increase the base and reach out to a broader group of people,” said Rep. Adam Smith (Wash.), campaign chair of the New Democrats’ PAC. “So, yes, we’re definitely going to intensify our efforts.”

Smith met with Tom Donohue, CEO of the U.S. Chamber of Commerce, on Tuesday to discuss the coming session.

Democrats also expect Sen. Joseph Lieberman (D-Conn.), who has strong ties to business, to be one of their chief fundraisers. Next month, Lieberman will star in a fundraising extravaganza that should raise more than a million dollars. Many of the invitees are key private-sector players.

“His influence has been increased by the [presidential] campaign and the friends in the business community he’s made all over the country,” said Bill Andresen, Lieberman’s chief of staff.

Andresen said Lieberman’s standing with the business community has not been hurt by his role as Vice President Al Gore’s running mate, when the Democratic ticket sometimes espoused populist rhetoric criticizing corporate America.

“I would assume that business groups would continue to want to support Democrats who will listen to their arguments,” said Andresen.

Andresen may be correct in assuming that business PACs will view moderate Democrats as valuable allies who are essential to passing pro-business legislation in the House and evenly divided Senate.

“Their importance among the business community and business PACs is on the rise,” said Laurie Knight of the Beer Wholesalers Association, a PAC that is considered one of the biggest business contributors.

The group is co-hosting a reception next month with the National Federation of Independent Business, another leading business PAC, to meet Blue Dog staff members.

And Knight says other business groups have approached her PAC about setting up gatherings with moderate Democrats.

Congressional Democrats will also see an increase in business donations through the Democratic National Committee (DNC).

While the DNC has not directly provided significant funding to House and Senate candidates, that’s about to change. Clinton fundraiser Terry McAuliffe and former Atlanta Mayor Maynard Jackson, who are running for DNC chairman, have both promised to give congressional candidates more financial support.

Both have strong ties to business. As Clinton’s principal fundraiser, McAuliffe developed many corporate contacts, while Jackson developed his business acumen as a bond attorney.

Nevertheless, some Democrats think they will be able to get along fine without Clinton.

“Clinton created an environment that made Democrats more palatable to the business community, but the DCCC raised money from the business community because of the work done by House Democrats,” said Erik Smith, spokesman for the DCCC.

Though Rep. Martin Frost (Texas), chairman of the House Democratic Caucus, acknowledges the importance of the business community to his party’s hopes in 2002, he downplays the significance of losing the White House.

“As chair of the Democratic Caucus, I’ve put together meetings with key members of the House and the business community,” said Frost.

Frost claims that Clinton did not raise business money for House Democrats, directly. However, congressional Democrats had much greater clout in business circles because of Clinton, whose regulatory authority gave him vast influence on the private sector.

Also, Clinton raised \$15 million for the Democratic Congressional Campaign Committee (DCCC) in the last cycle. Democrats must compensate for that loss of funding and the business community is potentially a very generous source.

Frost says he is planning to resume frequent breakfast and lunch meetings with business leaders in the near future.

DLC's Diagnosis Of Gore's Loss Appears A Bit Too Convenient

Roll Call

Finger pointing is standard fare after an election, even when the election takes six weeks to finalize. So it isn't surprising that Democrats are now looking for someone to blame for Al Gore's loss.

The first shot fired in the blame game came from the Democratic Leadership Council, which is trying to fault the Democratic Party's liberal wing for the former vice president's defeat. Return fire has already come from Gore adviser Carter Eskew, who has a refreshingly clear-eyed view of what really happened.

The confusion about the best road for the party to take stems from a Nov. 11 and 12 poll of general election voters conducted by Mark Penn for the DLC. Based on his analysis of the poll, Penn argued that the Democrats are presented with a clear choice: Either adopt the DLC's agenda or lose more elections.

The survey's results and Penn's analysis appeared in a special issue of *The New Democrat Blueprint*, the DLC's magazine. The pollster cites a number of reasons why Gore lost, including Gore's "old-style populism," which Penn argues allowed him to be tagged as a liberal (especially among white men); failure to target "wired workers"; deliver the "new economy" message; and talk enough about progress and prosperity.

Remember, of course, that Gore actually outpolled George W. Bush and that Gore would have been sworn in as president on Jan. 20 if he had received about 1,000 more votes in Florida. Penn, however, talks as if Gore's defeat is symptomatic of a party in crisis.

Penn presents Democrats with a faulty choice between a "New Democrat" message and a more traditional populist message aimed at labor unions and minorities. It's the same faulty choice Republicans face when they get involved in one of their periodic "religious right versus moderates" fights. And it's the same faulty choice that interest groups always try to force, since they are primarily concerned with pushing their agendas, not winning elections.

Maybe Gore did oversell the populism, but as I recall, he jumped in the polls immediately after giving that fiery speech at the Democratic National Convention. And Gore's populist pitch drew a clear contrast with Bush, which surely helped bring huge numbers of black and labor union voters to the polls in November.

Curiously, Penn argues that Gore lost the election because he failed to score with late-deciding voters. In fact, two postelection GOP surveys, one conducted by Public Opinion Strategies and another by Ayres McHenry & Associates, found that Gore's strong showing among late deciders (who tended to be disproportionately Democratic) was exactly why the presidential race closed in the campaign's final days.

The DLC's assessment of the presidential race also almost ignores the impact of Ralph Nader's candidacy. Although Nader proved to be only a minor factor (though, given the closeness of the race in a number of states, he obviously contributed to Bush's election), Gore had reason to be worried about the Green Party candidate throughout much of the campaign. And if the Democrats are going to be dogged by a serious third party on their left, they are in for a difficult period.

The biggest problem with the DLC argument is that it seriously understates the importance of the personal qualities of the candidates, ignores factors particular to the 2000 contest and overlooks the way the reputations of the parties act as a lens through which the voters see the candidates.

Ultimately, Gore lost for four reasons. First, he couldn't overcome his own personality weakness, including the view that he'd do anything or say anything (no matter how ridiculous) to get elected. By contrast, Bush seemed both competent enough and sincere enough to be a reasonable alternative to the sitting vice president. This was, by far, the single most important explanation for why Gore lost.

Second, Gore couldn't overcome the public's desire for change, which stemmed, in part, from Bill Clinton's personal behavior. Third, Bush successfully ran to the political center, making it difficult for Democrats to demonize him effectively. Finally, because of the parties' differences on certain hot-button key issues (such as guns, abortion and taxes) and because of the visibility of interest groups supporting each candidate, many voters saw the election in traditional ideological terms, which did not help Gore.

To some extent or another, these factors could be relevant again in 2002, but that will depend on the candidates, the state of the economy, the public's level of contentment and the overall makeup of the primary and general election fields.

At the moment neither party appears to have a particularly solid presidential majority, either in terms of voter groups or Electoral College states. And neither party has to fundamentally retool so as to make itself into something it is not. The GOP would like to attract more female and minority voters as well as retain and enlarge its support in northern suburbs. The Democrats would like to draw more male voters as well as increase their appeal in the border states and Florida.

For both parties, the mission is to add voters to their coalitions, not replace one group with another. The key in most presidential elections is to hold your base and grab a majority of moderates and independents. Unless your opponent is inept, that means having to run both as an ideologue and a pragmatist, as a candidate who can bring change but will not undo what is good in the eyes of voters. This ability to connect with different kinds of voters in various ways is the hallmark of a successful politician. Ronald Reagan and Bill Clinton had it; Al Gore didn't. Both parties ought to remember that in 2004 and beyond.

On the Editorial Pages on February 1, 2001

Arctic Oil a Sham Answer

Los Angeles Times

If the Bush administration is to be believed, the nation's energy woes--including the California power crisis--can be solved by, among other things, drilling for oil in an Alaskan wildlife refuge. That, however, is far from the truth. Drilling in the Arctic National Wildlife Refuge, President Bush's signature energy cause, would not generate one kilowatt of electricity for California. It wouldn't even produce any oil for an estimated 10 years. And it's not likely that Congress will vote to allow oil rigs to move onto the fragile Arctic plain of Alaska's north coast anyway. The amount of oil thought to be there is not enough to significantly ease the United States' dependence on foreign oil. Nor is it enough to outweigh the value of this region as a wilderness home to caribou, wolves, bears, musk oxen and hundreds of other species.

The slightly good news from Washington is that Bush finally is beginning to take seriously the problem of California's electricity shortage and the threat it poses to the national economy. Not seriously enough, however, to join the state in attacking the problem in the short run, when that help is most desperately needed.

Bush has appointed a Cabinet task force on energy led by Vice President Dick Cheney, the former head of an oil field service company. Bush says the group will act "boldly and swiftly" to explore all aspects of national energy policy. But the only swift action that will do California any good is for the federal government to bring some stability to the West's chaotic wholesale electricity market. That is something the administration refuses to do beyond Feb. 7, when an order to energy companies to keep supplying natural gas and electric power to California expires. The administration's attitude seems to be that California must pay a price for its environmental zeal.

Periodic rolling blackouts are one thing. But what if natural gas is cut off to Northern California customers for days or weeks at a time, as is currently threatened? That would be disastrous.

Cheney said California built no power plants in the past 10 years because of excessive environmental controls. In fact, it was regulatory uncertainty and economic decisions by utilities and private generating companies that caused the lack of new plants. Once deregulation was in place--although it certainly was flawed--the licensing of new plants proceeded briskly, and the process is now being accelerated.

California's power crisis was not caused by environmental extremism. Neither drilling in the Alaskan Arctic nor lectures from the White House will help solve it. The governor and Legislature are working on the problem. Constructive help from Washington is welcome.

Dear Alan: Butt Out

The Nation

Political cross-dressing by the Democrats ended on January 25 in Washington when their erstwhile conservative patron, Alan Greenspan, abruptly jilted them. Under Bill Clinton's tutelage, the party of working people held the hem of the Federal Reserve chairman's dark robes and pretended to be fiscal conservatives, just like him. We must not cut taxes, they insisted piously, we must instead use the burgeoning federal surpluses to pay off the national debt. Greenspan would solemnly bless these expressions of Hooverite restraint.

Then he blew them off. The Fed chairman announced his support for George W. Bush's broad agenda of major tax cuts and, for good measure, the dismantling of Social Security as we know it. He is, as ever, an astute opportunist. During the Clinton years, Greenspan did his own turn at cross-dressing, making chummy with a Democratic President who followed his directions. Now that a new President from the Party of Money is in power, Greenspan returns to the one true faith - rescuing business and the wealthy from the clutches of government. His pronouncements will inspire a lobbying contest among the upscale interests to see who can extract the most boodle from the Treasury.

Democrats are feeling hurt and disoriented. They fully deserve their embarrassment. Their embrace of conservative fiscal orthodoxy seemed clever at the time-a stalling tactic to hold off more GOP tax cuts for the wealthy-but like so many of Clinton's too cute tactics, it was always a dead-end strategy for liberals. An activist party committed to addressing major public problems was, in effect, promising to do little or nothing of significance while massive surpluses accumulated for the next ten or fifteen years. The GOP could say, and did: If the government is collecting so much extra tax revenue, why not give some of it back to the people?

Alternatively, Democrats might have proposed a major down payment on healthcare and other neglected social problems. Instead, we got Al Gore's "lockbox"-much ridiculed because it was always a ridiculous gimmick. Bookkeepers, it turns out, do not make very compelling presidential candidates.

So now Democrats are scrambling to be pro-tax cuts and belatedly trying to figure out what that means. This is the minority party's first great post-Clinton opportunity to restore its progressive reputation and show that it still has some fight. We have suggestions. First, Democratic leaders in the House and Senate should draw a bright line of principled resistance to yet another regressive tax package (never mind that some in their ranks are already defecting). For two decades, Democrats have collaborated in the Republicans' hog-feeding splurges; joining in the bidding wars to reward contributors and favored interests. This time, even if the prospects look doubtful, the party must oppose the giveaways-estate-tax repeal, another capital-gains cut, the phony tax incentive for corporate R&D, and other goodies Republicans are putting on the table. If income tax rates are to be reduced, don't acquiesce again in the Reaganite sleight-of-hand that cuts the top and bottom rates across the board as though the wealthiest are getting equal treatment with the least fortunate.

The positive principle, in addition to providing emergency stimulus for the economy, should be: Heal the wounded, the people whose incomes and family conditions have been squeezed for a generation, even during boom times.

That means delivering the bulk of tax relief, whether the package is \$800 billion or twice that much, to those on the bottom half or bottom two-thirds of the income ladder. Don't try to do this with lots of fanciful conditions that pretend to target particular social problems—just send them the money, as promptly as possible. There are many different ways to accomplish this: for example, suspend a point or two on the payroll tax paid by workers (but not employers) for a specified period of one or two years; or enact a bigger child deduction, progressively larger for families at or below the median household income level; or simply cut the lower-bracket marginal rates (while leaving the top rate alone), with an immediate cut in withholding. The important thing is not to let the principle get lost in tricky details.

The principle is: The Democratic Party fights on behalf of the working middle class and poor (even if it disappoints some of its major contributors in the process). When and if the vast public hears this message from Democrats, most of them will probably not believe it. Democrats will not persuade until they learn to make the fight for real.

As for the Federal Reserve, our advice to Alan Greenspan is: Butt out. Greenspan, remember, is the wizard who supposedly "saved" Social Security back in 1983 when his blue-ribbon commission initiated the massive payroll tax increases on working people. Now he wants to save it again by destroying it. If the central bank wishes to preserve its protected status "independent" of politics, the chairman had better confine his Republican ideological preachments to dinners at the club.

Winning Politics

The Nation

By U.S. Senator Paul Wellstone

The elections of 2000—resulting in the election of George W. Bush to the presidency, a historic 50-50 split in the Senate and a reduced Republican margin in the House—have supplied the basis for countless commentators to intone that Democrats must operate "from the center" or else face political annihilation. Progressives have heard this tune often enough over the past decade, invariably following every election. It seems that regardless of whether

Democratic fortunes are up or down in any given year, the lesson drawn by inside-the-Beltway pundits is always the same: Operate from the center. It's easy to dismiss this stale conventional wisdom, but in the aftermath of this unusual election many progressives are legitimately wondering about the prospects of a progressive politics. The American people do want us to govern from the center, in a sense. But it is not the center the corporate-leaning pundits and politicians in Washington talk about.

Citizens want us to deal with issues that are at the center of their lives. They yearn for a politics that speaks to and includes them—affordable childcare, a good education for their children, health and retirement security, good jobs that will support their families, respect for the environment and human rights, clean elections and clean campaigns.

One thing this election confirmed is that progressive politics can be winning politics. The public is clearly center-left on the most important issues: campaign finance reform, education, healthcare, living-wage jobs, trade and the environment. And there can be no doubt that Al Gore's articulation of populist themes championing ordinary people over powerful interests gave a postconvention boost to his sagging candidacy. Progressive populism responds to the widespread awareness that large forces in our economy have too much power and ordinary people have too little. Another critical lesson of this election is that progressive constituencies cannot be ignored. Union households, African-Americans and Hispanics were crucial to Democratic mobilization and turnout.

It has become increasingly implausible to argue that Democrats must distance themselves from working people and the disadvantaged in order to win elections.

Yet the politics of our country, strangely, is center-right. The cruel irony is that George W. Bush won the presidency, in good part, by campaigning on Democratic issues—investing in children, education, prescription drug costs, healthcare and Social Security. His "compassionate conservatism" praises local volunteer efforts by ordinary

citizens yet rejects the notion that government can make a positive difference when it comes to the most pressing issues of people's lives. This is a fine philosophy if you're a large corporation or wealthy, but not such a great deal if you're a working family. Moreover, President Bush's agenda is bold and clear: \$1.6 trillion in tax cuts flowing mainly to the wealthy, which will erode our country's revenue base and thus bar major investments in childcare, education and healthcare; a direct assault on environmental and workplace health and safety standards; massive new Pentagon spending on unworkable missile defense; the privatization of Social Security and Medicare; and an open challenge to Roe v. Wade and a woman's right to choose.

There is more to the Bush agenda, of course, but this much ought to be enough to galvanize progressive forces around the country.

The problem is that all too often progressives have been better at denunciation than annunciation. We need both. People are as interested in what you're for as what you're against. With a unified GOP preparing to take the reins of a new administration, now is the time for progressives to put forward new ideas and new leaders. We need to take stock, compare notes, support one another and begin building today a winning progressive politics for tomorrow. Progressive politics is a winning politics so long as the central focus is on workaday majority issues.

Progressive politics is successful when it is not top-down and elitist and when it respects the capacity of ordinary citizens. That is why the impetus for change must come from outside Washington. There are three crucial ingredients to democratic renewal and progressive change in America: good public policy, grassroots organizing and electoral politics. Policy provides direction and an agenda for action; grassroots organizing builds a constituency to fight for change; and electoral politics is the main way, in the absence of sweeping social movements, that we contest for power and hold decision-makers accountable for progressive public policy. These ingredients are linked like the three legs of a stool.

As important as new ideas are, another think tank or policy institute not connected to local grassroots organizing will not suffice. Many of the discussions I have had so far in the progressive community have focused on creating a new organization as a counterweight to the Democratic Leadership Council. I am sympathetic to these efforts. Without them, the DLC moves us toward a Democratic Party that gives the country what the eminent political scientist Walter Dean Burnham calls "the politics of excluded alternatives"-what Jim Hightower calls "downsized politics." I am all for representing the Democratic wing of the Democratic Party. But progressive politics must draw its energy and ideas from local citizen-activists. Too often we have failed to make that critical connection.

On February 28, the Campaign for America's Future will hold a conference of citizens' organizations and activists in Washington to draw a blueprint for a campaign to fight for economic and social progress. I am excited about participating in this gathering, which will be an important first step.

There must also be regional gatherings held around the country to involve people in a meaningful way in an inclusive effort to create a progressive politics. As a Midwesterner, I am particularly sensitive to an exclusive focus on East and West Coast gatherings.

We must recognize that there is a wealth of effective labor, community and citizen organizing going on all across the country. The Service Employees International Union is showing the way by organizing a grassroots campaign for universal healthcare. The grassroots campaign for clean money/clean elections is our brightest hope for political reform. The nationwide grassroots campaign for a living wage has supplied new energy to the struggle against inequality. And the Seattle Coalition of trade unionists, environmentalists, human rights advocates, family farmers and people of faith is providing a democratic counterweight to corporate-led globalization.

Even so, I often ask myself, "Why doesn't the whole equal the sum of its parts? How does this organizing translate into more national clout for a progressive politics?" If we are to make this grassroots politics part of an effective national politics, grassroots leaders must be included. We must reach out to these leaders, including those disenchanted with party politics. A lot of these leaders' energy is focused on progressive issues, not party politics. Likewise, most citizens are not interested in party strategies; their politics is much more concrete and personal. If we don't speak to the concrete and personal issues that affect people's lives, we will miss out on some of the best opportunities for organizing people. We need to build a progressive force that does a lot of organizing within

the Democratic Party-especially candidate recruitment and elections. But this cannot be the only goal. This new force must not only introduce new and exciting perspectives into the political dialogue of our country; it must also recruit candidates; provide training, skills and resources for successful campaigns; build an infrastructure of field directors and campaign managers to support progressive candidates; have a savvy media presence; apply effective grassroots organizing to electoral politics; and otherwise build political leadership at the local, state and federal levels of government.

This is more a democratic than a Democratic challenge, though I hope there is a strong connection between the two. It is a challenge that is certainly bigger than any one leader or campaign, and it will require progressives to work together and to pull in the same direction. But building such a grassroots-based effort to advocate effectively for the progressive agenda, and to put more progressives in office at every level and across the country, is a goal worth fighting for.