

Senator Kennedy introduces 'Corporation A' tax code

Sen. Edward Kennedy (D-Mass.), who has been leading efforts to reorient Democratic Party policy, introduced tax legislation on April 15 intended to discourage layoffs resulting from mergers, the April 16 *New York Times* reported. The package includes several provisions of the "Corporation A" concept, designed to reform corporate behavior to act in the public good, put forward by Sens. Thomas Daschle (D-S.D.) and Jeff Bingaman (D-N.M.). "The 'quiet depression' facing American workers is the central economic, social, and political issue of 1996," Kennedy said. The proposal:

- would disallow tax deductions for interest paid to finance mergers and acquisitions. Under current law, if a company takes over another company through a leveraged buyout, it can deduct its interest charges. "In the 1980s, it was common practice for financiers to borrow the funds to make the acquisition with the express intent of selling off the assets and casting off the workers to raise the money to pay back the debt," Kennedy said. This provision would put a crimp in mergers and acquisitions;

- would broaden anti-trust laws so that, if a potential merger is challenged in court, the judge would have to

consider not only its effects on competition (the current standard for anti-trust law), but also "the interest of workers and local communities";

- would require that, when stock buyers notify the Securities and Exchange Commission of their intent to acquire major blocks of a company's stock, they must also notify the SEC of plans for layoffs and shutdowns that could result from the acquisition;

- would provide tax breaks and preferences in federal government contracts for companies which establish above-average records for wage increases, investment in training and education for workers, health care, retirement benefits, profit sharing, as well as provision of child care for all employees by companies with more than 500 workers;

- would provide tax breaks to companies that meet certain criteria, which Senators Daschle and Bingaman have identified as "Corporation A" criteria, including putting 8% of the company's payroll into employee health care, 8% into retirement benefits, and 2% into education and job training.

Companies meeting the criteria would also be able to win federal contracts, provided that their bids were no more than 10% above the low bid—meaning that a company which paid its workers very low wages would not always win government contracts, even if it came in with the lowest bid.

suicidal campaign strategy of targeting the "yuppie" vote, i.e., the constituency which brought madman Newt Gingrich and his fellow rabble to power in the 1994 mid-term elections. While courting these layers, Fowler and company are also deliberately ignoring the traditional Democratic Party base of labor and minorities—which Clinton needs in order to keep the Presidency. Among other travesties, Fowler has bluntly refused to fund minority voter registration drives for the southern states, in effect, ceding southern Congressional seats to the Republicans. Furthermore, Fowler has issued letters to the Democratic state chairmen, announcing that LaRouche delegates will not be seated at the party's Presidential nominating convention this summer, in violation of the open-party statutes in the Democratic Party rules.

Fowler's economic policy prescriptions are fully in keeping with his appeal to yuppies. While claiming that Clinton's economic policy of the last four years has been an outstanding success, he is attempting to squash any attempts by the President or his supporters to move in the direction of the economic policies desperately required to rescue the United States from complete collapse.

Fowler's treachery conflicts with a growing faction within the Democratic Party which is beginning to recognize that the U.S. economy is in a terrible state, and that action must be

taken quickly. The principal figures in this wing of the party include Sen. Edward Kennedy (D-Mass.), who has warned that the United States is in a "quiet depression," Sen. Tom Daschle (D-S.D.), Sen. Jeff Bingaman (D-N.M.), Rep. Richard Gephardt (D-Mo.), Secretary of Labor Robert Reich, and others, who have taken up the fight against the Gingrich-Army horror show.

In his Pennsylvania press conference, LaRouche stated his agreement with these Democrats: "Except on one point, where I am a little bit out in front of my fellow Democrats, what I am doing accords with the policy direction expressed by Senator Kennedy, by Senators Bingaman, Daschle, and others, by Congressman Gephardt, and the direction coming from the White House by Robert Reich." LaRouche warned that President Clinton could lose the election "if we do not move ahead on the kind of economic issues which are raised by myself, by Kennedy, Bingaman, Daschle, so forth, and by Gephardt."

Democrats no shoo-in

In attempting to keep LaRouche out of the convention, Fowler is trying to muzzle the strongest voice against the Army-Gingrich crowd, while effectively disenfranchising LaRouche's double-digit base within the party.