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Legislative flurry

"Nothing," they say "concentrates the mind of Washington politicians as well as an upcoming election." Accordingly, in late July, they all got down to business, the warring parties toned down their rhetoric, and bipartisanship became the order of the day. In quick succession they voted to make drinking water safer; acted on a Democrat inspired measure to raise the minimum hourly wage and on a largely Republican bill to reform welfare; compromised on health care insurance; and took preliminary stabs at dealing with terrorism, immigration, and making English the nation's official language.

The health insurance reform act is basically an antidiscrimination measure that forbids insurance companies to deny coverage to workers who change or lose their jobs, even if they have a pre-existing disqualifying medical condition. It tries to maintain premiums at reasonable levels; allows tax deductions for self insured people, small businesses, and families paying long term medical or nursing home bills for relatives; and establishes an electronic uniform system for filing claims. The most fought over issue was individual retirement accounts allowing people to make tax deferred contributions to an account from which they could later withdraw tax free money for health expenses. Hailed as promoting competition and keeping down health costs, it was denounced by liberals as favoring the rich and healthy and increasing the burden on the sick and poor. The final compromise calls for a four year pilot programme for 750 000 self employed people or small businesses, who would be able to shop around to find the best deal.

The welfare reform bill, hailed as a historic reversal of half a century's trend towards growing dependence on support from the government, ends welfare as a federally guaranteed entitlement, and devolves the responsibility of caring for the poor to the states, which will receive block federal grants and design their own programmes in 51 minilabo-ratories. It imposes work requirements on recipients, cuts $57bn (£38bn) from the federal budget, and makes immigrants ineligible for most federal benefits. It sets a five year limit of welfare per family, but retains some federal minimal guarantees, and allows certain exemptions.

Both bills bring to mind the late Zhou Enlai, who when asked about the impact of the French revolution said that it was too early to tell. The health insurance reform bill may help as many as 25 million working people, sets up innovative experimental programmes, but leaves many millions of people still uninsured. The welfare reform bill raises even more questions. Will the states receive enough money and will they spend it wisely? Will poverty increase and children go hungry, as the bill's critics claim? Will the poor move from state to state in search of the best benefits? Will governments be able to create enough jobs, especially in the inner cities, and reverse the trend of baring entry into many occupations by restrictive licensing (such as for taxis), excessive training requirements, and stifling competition by subsidies to state monopolies? These questions, as for the French revolution, remain unanswered and only time will tell