



The Daily Dish

The Congressional Sprint Before the End of the Year

DOUGLAS HOLTZ-EAKIN | DECEMBER 9, 2013

This is the last week the full Congress will be in session in 2013. It likely also is the last chance for legislators to make a budget deal before 2014 as the [Wall Street Journal](#) reports. “Lawmakers' top priority is avoiding the prospect of another government shutdown, after congressional warring led to a partial closure in October.” The Senate will remain in session one more week after the House adjourns.

The Journal continues on to write: “Before the House leaves this week, GOP leaders hope to pass legislation preventing a 24% cut to physicians' Medicare payments, a perennial patch known as the “doc fix,” which the Senate hopes to tackle as well.”

Last week AAF health policy expert [Emily Egan](#) wrote a [primer on the history of the SGR](#) and how Congress has patched it in years past. “Attempts by Congress and the Department of Health and Human Services to control costs have been largely unsuccessful. One such effort to limit Medicare Part B spending, also known as the Sustainable Growth Rate (SGR), failed as a result of Congress repeatedly passing legislation that nullifies or delays the mandated cuts.”

Eakinomics: Nelson Mandela

With his passing the world is celebrating the life and accomplishments of Nelson Mandela. Attention has properly been focused on his personal story, political accomplishments, and tremendous capacity to forgive his opponents and unify his nation.

His life taught two important lessons in economics as well. During apartheid, South Africa was the target of numerous divestiture initiatives — universities, governments, pension plans, and others would refuse to hold the equities of companies doing business in South Africa. It became increasingly clear that these investment bans were far less effective than sanctions on real economic activity like trade embargoes. As long as production and trade are uninterrupted, profits will be earned. Divestiture simply ensures that the new buyer receives the profit share. Restricting the ability to earn income and profits is a far more potent economic weapon.

Second, as the leader of South Africa, Mandela aggressively courted the activities of those same large, global companies — and the business community more generally. He was committed to reducing poverty and recognized that market systems had the greatest track record of success across the globe and through history.