

Congressional Closeup by Carl Osgood

CBO Projects Record Deficit

On Sept. 7, Sen. Kent Conrad (D-N.D.), the ranking Democrat on the Senate Budget Committee, blasted President Bush for telling NBC's Matt Lauer, on Aug. 30, that the then-projected Federal budget deficit of \$445 billion is "pretty good." "Well, it's not a sense of accomplishment when you've got the largest deficits in the history of the United States and you think that's pretty good," Conrad said. He and Rep. John Spratt (D-S.C.) were speaking on the occasion of the release of the Congressional Budget Office's late Summer review, in which the CBO projected a Fiscal Year 2004 budget deficit of \$421 billion, \$47 billion more than last year's \$375 billion. The head of the CBO, the GOP-appointed Douglas Holtz-Eakin, attributed the deficit to "fiscal pressures" exerted on the budget by Social Security, Medicare, and Medicaid. The extra \$25 billion the Bush Administration asked for, for the war in Iraq, also was a contributing factor.

What Holtz-Eakin didn't say, but which Conrad pointed out, is that the real deficit is actually much larger, more than \$630 billion, because "there's almost \$160 billion of Social Security money that's being borrowed by this administration with no plan to pay it back." Furthermore, "there is an ocean of red ink to come," because the Bush Administration is leaving out its projections of very large future expenses, such as the wars in Iraq and Afghanistan, fixing the alternative minimum tax, the cost of the President's Social Security privatization plan, among other things. Conrad also charged that Bush is playing a shell game with the deficit projections, by deliberately overestimating the deficit, so that when the end of the fiscal year comes around "they can assert progress is being made," when the ac-

tual deficit is smaller than what was projected a year earlier.

Spratt took note of the huge swing in the budget from the projections of 2001, when the Bush Administration projected a surplus for Fiscal 2004 of \$397 billion. When that number is added to the \$422 billion deficit, that comes out a swing of \$820 billion in just three years, "a mammoth miscalculation, if not misrepresentation, of what the budget bottom line is going to look like."

Missing from Spratt and Conrad's presentation, is a competent industrial recovery plan for the economy. In fact, they simply accept the CBO's forecast of 4.5% GDP growth this year, flattening out to 3% by 2007.

House Votes Against New Overtime Rules

About 20 Republicans joined Congressional Democrats to hand the Bush Administration a defeat on its new overtime rules, on Sept. 9. The House voted 223 to 193 to prevent the Department of Labor from spending any money to enforce the new rules, except for the rule that raises the threshold for automatic eligibility for overtime pay from \$8,660 annual income to \$23,660. Rep. David Obey (D-Wisc.), the sponsor of the amendment, told the House that "the Labor Department, the White House, and the Congress should not be complicit in the effort of employers to chisel workers' overtime pay."

The Bush Administration contends that the new rules will make 1.3 million more people eligible for overtime pay, but the Democrats, backed by organized labor, say that's more than made up for by the reclassification of dozens of occupations as "professional," thereby exempting them

from eligibility. Both House Education and the Workforce Committee Chairman John Boehner (R-Ohio) and the Labor Department claimed that passage of the amendment would mean that overtime for workers making more than \$23,660 would be unenforceable, a claim derided by Obey as "fiction."

The amendment was attached to the \$142 billion bill funding the Labor, Health, and Human Services and Education Departments, which passed the House by a vote of 388 to 13. The White House has warned that if the bill goes to President Bush's desk with the overtime amendment still in it, he might veto it.

Kennedy Blasts 'Arrogant, Ideological Incompetence'

Sen. Ted Kennedy (D-Mass.) let loose a heavy volley on the floor of the Senate against the Bush Administration's war policy, on Sept. 10, the day after the Senate Armed Services Committee held two hearings on the Abu Ghraib torture scandal. Kennedy said those abuses "are just one part of a much larger failure, for which our soldiers have been paying a high price since day one. Because of the Bush Administration's arrogant ideological incompetence and its bizarre 'mission accomplished' mentality, our troops and our intelligence officers and our diplomats had neither the resources, nor the guidance needed to deal with the worsening conditions that steadily began to overwhelm them and continue to do so."

After describing some of what the Fay/Jones and Schlesinger Commission reports showed about the prison abuse, Kennedy charged that the senior civilian leaders in the Pentagon "did not do what was necessary to pre-

vent these abuses.” He further charged that Secretary of Defense Donald Rumsfeld “misled the Congress and the American people when he said that the leadership had acted swiftly to address the abuses, when in fact, they allowed the abuses to continue and allowed the situation to fester. They only acted when the public disclosure of the abuses in the press made it impossible for their coverup to continue.”

Kennedy invoked the U.S. Navy practice of firing commanding officers when a mishap, such as running a ship aground, occurs under their command. “For military officers in the Navy, the message is clear—if you fail, you’re fired. The message to the civilian leadership in this administration is equally clear—if you fail, there will be no consequences and no accountability, even if 1,000 American lives are lost.” He demanded that the civilian leadership at the Pentagon be held to the same standard of leadership as officers in the Navy. Kennedy concluded, “This administration had had its chance—and it failed the basic test of competence. It failed to deploy adequate forces in Iraq to win the peace. It failed at Abu Ghraib. It failed in granting sweetheart deals to Halliburton. It has failed the loss of confidence test, the basic test of Presidential leadership.”

Democrats Push Import Of Prescription Drugs

Senate Democrats are increasing the pressure on the GOP leadership to pass legislation that would legalize the re-importation of prescription drugs from Canada. On Sept. 14, Sen. Byron Dorgan (D-N.D.) demanded to know from Sen. Majority Leader Bill Frist (R-Tenn.) when such legislation might be considered, given the rapidly shrinking Senate schedule. Dorgan

quoted a March 11 statement by Frist in which he had said that “the Senate will begin a process for developing proposals that would allow for the safe re-importation” of FDA-approved rugs.

Frist replied by first complaining that Democrats were mis-characterizing his March 11 statement. He said that what he meant was that the Senate was to begin “a process that is deliberate, that is thoughtful, that is inclusive,” but that the Health, Education, Labor, and Pensions Committee had not yet been able to develop a consensus on a single approach because of the safety issue. “I just don’t think by bringing this vote up to the floor, because it will be sort of the popularly driven vote, without sufficient attention to safety is the right thing to do,” Frist said.

Senate Minority Leader Tom Daschle (D-S.D.), speaking to reporters a short time later, argued that re-importation legislation would allow for the negotiation of lower drug prices, thereby controlling growing health-care costs, and therefore, “we ought to do it, now.” Instead, the Republicans “have just been reluctant, intransigent, unwilling to address this growing crisis.” On Frist’s safety concerns, Daschle said, “I think we need to be concerned about safety, too, but it’s the safety that we’re losing as a result of seniors cutting back on their drugs, taking doctors’ decisions into their hands about rationing their own drugs because they can’t afford them.”

Senate Democrats Hold Hearing on Halliburton

On Sept. 10, the Senate Democratic Policy Committee held its second hearing on contracting in Iraq, the first

one having been in early 2004, focused largely on the conduct of Dick Cheney’s Halliburton company. The primary motivation for the hearing, as stated by several senators attending it, is that the Republican-controlled Senate is still refusing to hold oversight hearings on contracting in Iraq. Sen. Frank Lautenberg (D-N.J.) reported that he has requested hearings by the Senate Governmental Affairs Committee three times, “and we couldn’t get a response, even though we did a lot of work on diploma mills, and credit card charges, . . . but Halliburton didn’t seem to be the subject we could spend any time on.”

The hearing also featured new information on Halliburton’s corruption and the favoritism it as received from the Pentagon. Sheryl Tappan, a former Bechtel employee who was responsible for writing contract proposals, described how the second Iraqi oil-field contract was awarded, last January, to Halliburton on the basis of a fictitious contract competition, locking out other competitors, such as Bechtel, from even bidding on the contract. The first oil-field contract had also been awarded to Halliburton, in secret, about two weeks before the U.S. invasion.

Marie DeYoung, a former Army officer who worked for Halliburton in Bosnia and in Kuwait on logistics and subcontracts, described how Halliburton’s subcontracting procedures actually jeopardize the security of U.S. troops that they’re supposed to be providing the services to. DeYoung revealed how in one subcontract, Halliburton was paying a Kuwaiti company \$1.1 million per month for fuel trucks, when they could have been acquired directly from the vendor for \$200,000 per month. She reported that Halliburton made no attempt to recover the cost overruns from that subcontract.