

Congressional Closeup by Carl Osgood

Wolfowitz Grilled On Cost of Iraq War

Deputy Secretary of Defense Paul Wolfowitz took some substantial heat when he testified before the House Budget Committee, on Feb. 27, on the Department of Defense Fiscal 2004 budget submission. Even Republicans seemed to be less than pleased with it. Rep. Chris Shays (R-Conn.), who chaired the hearing, told Wolfowitz that not only did the budget plan not take any “bold new steps” toward solving the problem of how the Pentagon was going to pay for its three tactical aircraft programs, but it also “does not include the cost of potential conflict with Iraq.” He admitted that there are great uncertainties about such a war, but “the bottom line is we need a better and fuller understanding of the financial commitments we are undertaking, and how much of these costs our allies are willing to bear.”

Democrats were even less charitable. John Spratt (D-S.C.), the ranking Democrat on the committee, said, in his opening statement, that he hoped the hearing would provide better insight into the total costs of ongoing and contemplated military operations, “because it’s this committee’s responsibility to put things in the stark light of fiscal reality. Today, we are not in a position to do that, because there are so many significant things we don’t know about this budget.” Rep. Jim Moran (D-Va.) complained that the Pentagon is “deliberately keeping us in the dark” and he told Wolfowitz that “we’re finding out far more in the newspapers than we are from you.” He added, “We’re not so naive as to think that you don’t know more than you’re revealing.”

In response, Wolfowitz told the committee that “any war is fraught with uncertainty, and that makes all prediction of future war costs extremely uncertain.” He added, later,

that cost estimates depend on assumptions about how long the war lasts, whether or not weapons of mass destruction are used, how much resistance comes from the Iraqi army, and so forth. “It is so dependent on assumptions that picking a number or even a range of numbers is precarious,” he said. Wolfowitz also took issue with the remarks of Army Chief of Staff Gen. Eric Shinseki, who had told the Senate Armed Services Committee, just two days before, that a post-war occupation of Iraq could take “several hundred thousand soldiers.” Without referencing Shinseki directly, Wolfowitz said, “I don’t think he or she knows what they’re talking about.” He pointed to Iraq’s vast raw materials wealth, including oil, that could be used to cover post-war costs.

Tax Cut Bill Is Introduced in Senate

On Feb. 27, Senate Budget Committee Chairman Don Nickles (R-Okla.), with Zell Miller (D-Ga.) co-sponsoring, introduced a bill comprising President Bush’s package of tax cuts. In short, the bill will accelerate reductions in the personal income tax passed in 2001, accelerate reduction of the so-called marriage penalty, abolish taxation of stock dividends, and increase the child tax credit from the current \$500 per child to \$1,000. Nickles particularly pushed the dividend tax repeal, declaring that figuring out how to make tax revenues grow means a growing economy. “It means the stock market needs to move up instead of down,” he said.

Democrats immediately denounced the plan. Senate Minority Leader Tom Daschle (D-S.D.), during a joint appearance with House Minority Leader Nancy Pelosi (D-Calif.), called the plan “nothing more than a

sham, wrapped in spin, shrouded with deception, that would give no real benefits to most American families. . . . This is the wrong plan for seniors, the wrong plan for America, and it is still dead on arrival.” While Nickles may be able to ram through a budget resolution that incorporates the tax cut, he acknowledged the concerns of some moderate Republicans, who worry about pushing through such a huge tax cut when so many states are suffering massive budget deficits.

On Feb. 25, Daschle had tried to move the Democratic plan on the floor of the Senate by unanimous consent. He said that if President Bush really cared about the condition of the economy, he would ask the Senate to take it up right away. Instead, the Republicans objected to Daschle’s motion.

Karzai Appears Before Senate Panel

The Senate Foreign Relations Committee held a very unusual hearing on Feb. 25, with Afghanistan President Hamid Karzai at the witness table. Committee Chairman Richard Lugar (R-Ind.) noted that normally, when heads of state or government visit Congress, they meet with Senators in a private room. “But because of the enormous challenges your government is facing and the importance of Afghanistan to our country, I thought we should break with committee practice and conduct this meeting in public.” This opened Karzai to withering public criticism from some members of the committee. Ranking Democrat Joseph Biden (D-Del.), after noting the Bush Administration’s unfinished business in Afghanistan, pointed to the connections among warlords, drugs, and terrorists. “The connection is clear as a bell,” he said, and that’s “pretty much the defined state of Afghanistan

through the '90's." He also noted that Afghanistan has regained its status as the world's largest source of opium. "We've seen what happens when warlords and drug traffickers take over a country," he said. "They soon make their nation a haven for terrorists. That's what happened under the Taliban, and I believe if we're not careful, it's going to happen, again."

Chuck Hagel (R-Neb.) took issue with the relatively rosy picture that Karzai painted of conditions in his country. He warned Karzai that "if you leave an impression that everything is going well and challenges are minimal but they are all manageable, . . . the next time you come back, then your credibility will be in question." In response to both Biden and Hagel, Karzai insisted that conditions are not as bad as has been reported. "The situation with regard to stability in Afghanistan is better than what you see in the press," he told Hagel.

Medicare Dominates HHS Budget Hearing

The Bush Administration's plans for the Medicare and Medicaid programs came under scrutiny when Health and Human Services Secretary Tommy Thompson appeared before the Senate Budget Committee, on Feb. 26. The hearing also became a forum for Sen. Kent Conrad (D-N.D.) to blast the Administration's proposed tax cuts. "The revenue loss," he said, "from the President's tax cut proposal, is larger than Medicare and Social Security shortfalls combined." He noted that General Accounting Office studies suggest that Federal budget deficits will explode beyond the record territory they are already headed for, once the Baby Boomers begin retiring in 2013. Budget Committee Chairman Don Nickles (R-Okla.) agreed that "we have sig-

nificant problems" and "we need to do something about it."

The proposed solutions remained within the usual budgetary strait-jacket, however. On Medicaid, Thompson touted the Administration's plan to give the states more "flexibility" to make changes in their plans without needing to request Federal waivers. On Medicare, he complained that "we spend 90-95% of our Medicare dollars on getting people well after they get sick, and less than 10% of the money on keeping people well in the first place." He pointed to tobacco-related illnesses, obesity, and diabetes, as three preventable diseases that cost \$384 billion per year.

Patty Murray (D-Wash.) brought up the problem of payment formulas, whereby rural hospitals are reimbursed at a much lower rate, for the same types of treatments, than equivalent urban hospitals. She warned Thompson that if the Administration's new proposals are based on the same formulas, "you're going to have a number of us who are going to absolutely oppose you."

Senate Still Hung Up On Estrada Nomination

After more than 85 hours of debate, which began on Feb. 5, the Senate GOP leadership decided, on March 4, to file cloture on the nomination of Miguel Estrada to be a judge on the D.C. Circuit Court of Appeals. Democrats' opposition stems from suspicion that the President is putting forward ideological conservative nominations, and from Estrada's refusal to answer certain questions at his confirmation hearing. Majority Leader Bill Frist (R-Tenn.) complained that the only response that Democrats have given to repeated entreaties to allow an up-or-down vote, "has been a cavalier fili-

buster, and that's unacceptable." While the Republicans have been waving around a letter that supports Estrada's nomination, authored by Sens. Mitch McConnell (R-Ky.) and Zell Miller (D-Ga.) and signed by 52 Senators, it is not clear that they have the 60 votes required to invoke cloture. Frist made clear, however, that the first cloture vote "is the beginning of the battle," and Senate Judiciary Committee Chairman Orrin Hatch (R-Utah) vowed that "we're going to continue to have cloture votes until we have a vote up and down."

The Democrats, despite the pressure, are so far, holding firm. Minority Leader Tom Daschle (D-S.D.) said that "we have sufficient support to sustain a series of cloture votes," and "I would expect it will remain that way for whatever length of time they choose to continue this debate." The White House has offered to make Estrada available to Democratic Senators so they may address their concerns with him directly, but the Democrats are also seeking confidential memoranda that he authored as deputy solicitor general. "I think that our caucus feels, justifiably, that this is a simple issue of fulfilling the obligations that any nominee must make," Daschle said.

The debate has become increasingly shrill and partisan. On Feb 25, for example, Hatch repeatedly demanded that the Democrats allow a vote on the nomination, but they repeatedly objected to his unanimous consent requests. He told the Democrats that all they had to do, to allow the Senate to go on to other business, was to allow a vote. He said the Democrats "don't have a good valid reason for voting against Miguel Estrada, other than this phony red herring issue about the Solicitor General's office, which I don't think anybody in their right mind would buy."