

Congressional Closeup by Carl Osgood

Shays Promises Hearing On Contracting

If Rep. Chris Shays (R-Conn.), chairman of the National Security subcommittee of the House Government Reform Committee, is as good as his word, the Defense Department's management of contracts is going to come under closer scrutiny. Shays made his promise during an April 25 hearing on "progress" in Iraq, which heard from Comptroller General David Walker, the head of the Government Accountability Office (GAO). In his opening statement, Walker noted that the direct U.S. financial commitment in Iraq through fiscal year 2005 stands at \$278 billion, with another \$123 billion requested for fiscal years 2006 and 2007.

Despite these funds, Iraqi oil and electricity production are still below pre-U.S. invasion levels, and the \$18 billion U.S. commitment to reconstruction is largely obligated with little more in the pipeline. "Iraq will likely need more than the originally estimated \$56 billion in order to achieve the reconstruction and stabilization objectives," Walker said, "but it is unclear how Iraq will finance its reconstruction needs."

After responding to a series of questions from Rep. Henry Waxman (D-Calif.) on the oil and electricity sectors, Walker told Waxman: "the simple fact is, is that the contracting area has been GAO's high risk list for the Defense Department for many years, and Iraq is no exception." Part of the problem, he noted, is that the Pentagon tends to pay awards and incentive fees regardless of the results. "They pay for effort," he said, "and that's it, not results."

In response to further questions from Rep. Dutch Ruppersberger (D-Md.), Walker told the subcommittee that in the Defense Department "there

have been serious, long-standing, systemic problems in the contracting area where, irrespective of the results achieved, that neither the executive branch nor the legislative branch has held the appropriate people accountable." At that point, Shays interrupted Walker to tell him, "You give us a list of some contractors, some areas within DoD that need a look, and we will have a hearing or a series of hearings on that." He promised that, even if Halliburton is on that list, which it is likely to be, "We'll call them in. . . ."

Eleven Democrats File Suit Against Budget Law

Rep. John Conyers (D-Mich.), along with ten other Democratic members of the House of Representatives, filed suit, on April 28, against President Bush to stop the implementation of the budget reconciliation bill, because the version signed by Bush in February, was not the same as that voted on by the House. Previous suits filed against the bill are based on some particular group having to show that it was harmed by some provision in the bill. Conyers said on April 27, "After consulting with the foremost Constitutional experts in the nation, I determined that one group are injured by the entire bill: Members of the House. We were deprived of our right to vote on a bill that is now being treated as the law of the land."

Conyers noted that, according to the President and Republican Congressmen, laws no longer have to be passed by both houses, "forget your sixth grade civics lesson, forget the book they give you when you visit Congress." He said he has become "increasingly alarmed at the erosion of our Constitutional form of govern-

ment" under the Bush Administration. "If a President does not need one House of Congress to pass a law, what's next?" he asked.

A spokesman for House Speaker Dennis Hastert (R-Ill.) dismissed Democratic concerns as the result of a clerical error of no consequence.

Wounded Soldiers Hit by 'Financial Friendly Fire'

House Government Reform Committee chairman Tom Davis (R-Va.) convened a hearing, on April 27, to address the problem of what he termed "financial friendly fire." According to a Government Accountability Office (GAO) investigation, 1,300 battle-wounded soldiers who have since been separated from the Army, or who were killed in combat, have incurred \$1.5 million in debts solely as the result of mistakes made by the military pay system. In many cases, the Defense Department's attempts to resolve these debts have led to hardship for the wounded soldiers, and the reporting of these debts to credit bureaus and collection agencies.

Gregory Kutz, the director of Financial Management and Assurance at the GAO, pointed out that the number of 1,300 is only wounded soldiers separated from the military. "[T]he actual number of soldiers with debt problems is going to be far more significant than that," he said.

In his opening statement, Davis noted that "Almost without exception, the debts we're talking about are caused by a sluggish, misfiring pay system, not the soldier." He noted that the testimony about pay problems that the committee was about to hear "are not anomalous or isolated cases. They bring tragic proof that a Byzantine,

stove-piped system grinds on, all but impervious to fundamental change.”

The witnesses testifying ranged from an Alabama National Guard soldier whose broken leg was not diagnosed until after he was discharged and who was hounded by debt-collection agencies hired by the DOD to collect “overpayments” in certain categories in pay, to an Army Reserve staff sergeant who lost his leg to a roadside bomb, and was harrassed for “overpayment” for one and a half years after his injury. In another case, a brain-injured soldier, who was in a coma for three months, was constantly harrassed by agencies collecting Army “overpayments.” He couldn’t pay household bills, his utilities were cut off, and his young daughter had to be sent out of state to live with relatives.

Davis expressed skepticism that the Defense Department would live up to its promises to fix the pay problems. “This is the fifth hearing this committee has held on these issues, and every time, it’s a new wrinkle on an old problem,” he said. He noted, as had Kutz, that Congress has been more than generous over the past decade in providing funds to the Pentagon to implement a new pay system, yet the long-term problems persist.

Gasoline Prices Take Over Congressional Agenda

The Congressional Republican leadership, concerned over the political ramifications of skyrocketing gasoline prices, have been searching for a strategy to deal with the crisis since their return from the Easter recess, but so far they have not been able to come up with a package that they could agree on.

The Democrats have proposals

aimed at the record profits of the oil industry. Sen. Max Baucus (D-Mont.) called on President Bush on May 3 to summon the heads of the oil companies, just as President John F. Kennedy did with the heads of the steel industry in 1962, when steel prices were so high that they threatened damage to the economy.

While enjoying the political problems the GOP is having with the price of gasoline, the Democrats are not looking at the oil price crisis in the context of a larger hyper-inflationary process, as specified by *EIR* founder Lyndon LaRouche. During his April 27 webcast, LaRouche said that Senate Democrats are wrong in trying to deal with the crisis as a matter of trying to bring the oil companies under control. The problem, he said “is caused by the same thing that is running the price of copper up,” which is the hyperinflationary collapse of the global financial system.

Specter Breaks With Bush on NSA Wiretaps

Senate Judiciary Committee chairman Arlen Specter (R-Pa.), in an April 27 press conference, threatened to deny funding to the Bush Administration for the warrantless National Security Agency wiretapping program. He also lambasted Congress for failing to exercise its Constitutional duty for oversight, both over the Executive and the Courts. Specter distinguished between the “President” and the “Presidency,” blaming the “Presidency” for refusing to cooperate with the Congress, in particular naming Attorney General Alberto Gonzales.

Specter reported that, at a meeting with President Bush the day before, “I

raised the issue with the President as to what we had learned, and that the President doesn’t have a blank check. Made that point twice. . . . What we have here, regrettably, is an inert Congress, a Congress which has not stood up to the executive branch. It’s worthy of just a mention about the way the Congress has let the Supreme Court walk all over the Congress. The Supreme Court declared portions of the legislation protecting women against violence unconstitutional on the ground that the Congress had a, quote, ‘defective method of reasoning,’ unquote, which is hard to understand, as well as being insulting.”

Specter explained that “you have a Congress which, candidly, is more concerned about re-election, and fundraising, and who controls the House and the Senate, than about asserting constitutional prerogatives.”

Specter called for the population to show “enough public concern and public indignation, as was done on the torture.” He said that Gonzales’s testimony to the Congress was totally inadequate, so he called him, but “after I finished talking to him, I thought it wouldn’t do any good to call him back. I’m not going to undertake a futile act.” Specter thus concluded that, “As matters have progressed, it is possible that the only way that Congress can assert its constitutional prerogatives may be through the exercise of the power of the purse, which is a drastic remedy.”

The Senator said he will draft a bill along these lines and call a hearing. There are already two other bills on the table regarding the NSA spying, one by Sen. Mike DeWine (R-Ohio) which essentially legalizes the illegal acts, and another by Specter to put the issue before the Foreign Intelligence Surveillance Court.