

Congressional Closeup by Carl Osgood

Parker Firing Engenders Anger on Capitol Hill

Members of the House Transportation and Infrastructure Committee vented angrily against the Bush Administration, during a March 7 hearing of the Water Resources and Environment Subcommittee. The issue was the firing, the day before, of Mike Parker, Assistant Secretary of the Army for Civil Works. Parker had testified before the same subcommittee, and the Senate Budget Committee, a week before and had reportedly had been less than enthusiastic in his support of the proposed budget cuts for the Army Corps of Engineers. In fact, a Feb. 28 memo sent by Office of Management and Budget Director Mitch Daniels to the White House, and published in the *Washington Post* on March 8, complained that Parker, Corps Commander Gen. Robert Flowers, and Senate Budget Committee chairman Kent Conrad (D-N.D.) "reached convivial agreement that the President's budget is unacceptable and probably just a cynical ploy on our part."

The proposed budget cuts the Corps' construction account by almost \$300 million, the Mississippi River flood control program by \$65 million, and the general investigations account by \$51 million. Overall, the Corps' budget is reduced by \$460 million or about 10%.

The anger displayed at the March 7 hearing was bipartisan in nature. Subcommittee chairman John Duncan (R-Tenn.) said he was "disappointed" that Parker, a former member of the committee, was forced to resign because of his honesty. He said that the cuts will result in termination of many projects and pointed out that "98% of our trade moves through ports maintained by the Corps of Engineers."

Ranking member Peter DeFazio (D-Ore.) said that stopping projects will result in huge termination costs.

Rep. James Oberstar (D-Minn.), the ranking Democrat on the full committee, said, "They may be one of the Corps' darkest hours." He castigated the administration for proposing a \$276 million cut in the construction budget at a time of recession, and added that "water transportation is the most efficient means of transportation."

On the Senate side, Bob Smith (R-N.H.) introduced a bill to "reform" the Corps of Engineers, on March 5, the day before Parker's firing. Smith's major complaint was that many of the Corps' projects only have to meet a 1:1 cost-benefit ratio. "No one would invest in the stock market at such a return," he said. He added that "in these times of war and deficit spending, the taxpayers should not be asked to fund such projects." Smith's co-sponsors include Russ Feingold (D-Wisc.) and John McCain (R-Ariz.). McCain is well known for his campaigns against "pork," which makes the Corps of Engineers a natural target for him.

Senators Spar Over Missile Defense Oversight

On March 7, the Strategic Subcommittee of the Senate Armed Services Committee held the first of two hearings on missile defense since the Pentagon reorganized the Ballistic Missile Defense Organization into the Missile Defense Agency. That reorganization has generated some concern on Capitol Hill that missile defense programs will no longer be subjected to the tight oversight that has been in the case up until the recent past.

Subcommittee chairman Jack Reed (D-R.I.) expressed that concern, when he said in his opening statement that "spending vast amounts of money doesn't guarantee anything," and

warning of the consequences if the money is not spent wisely. He added that every \$1 billion spend on missile defense is \$1 billion taken out of other programs. Robert Byrd (D-W.V.) asked a long series of questions to MDA director Lt. Gen. Ronald Kadish and Undersecretary of Defense for Acquisition Pete Aldridge, to ensure that Pentagon internal oversight over the program would be as tight as it always has been, and to ensure that the Pentagon would provide all of the information that Congress requires in order to evaluate it effectively.

On the other hand, the subcommittee's ranking Republican, Wayne Allard (Colo.), sounded like a lobbyist for the Bush Administration, repeating all of the arguments that have recently come out of the Defense Department for missile defense, and against arms control. He complained that there has been "less than enthusiastic support" for missile defense from the Senate, and that the two planned hearings "are diverting us from other important issues."

Scaled-Back Stimulus Bill Signed by Bush

On March 9, President Bush signed into law a scaled-back economic stimulus bill that finally brings to a close five months of wrangling on the issue. The bill extends unemployment benefits up 13 weeks in states where the unemployment rate stays above 4%, and includes a package of business tax cuts that amounts to about \$94 billion over five years.

The bill was actually the result of backing down by the House GOP leadership, which had been pushing a much larger tax cut package. The House bill kept dying in the Senate, however, where agreement could not be reached on anything other than a simple extension of unemployment

benefits. The House leadership gave in sometime during the evening of March 6, but could not completely let go the idea tax cuts—hence the package that made its way into the bill. It passed the House by a vote of 417 to 3.

On March 8, the Senate took up the House bill and passed it 85 to 9, with most of the dissent coming from Democrats. Jay Rockefeller (D-W.V.) complained that the stimulus package received from the House left out two of the three provisions that Democrats had agreed on: health benefits for the unemployed and money to help the states with their Medicaid costs. He also complained that the bill included \$86 billion in corporate tax breaks and left out the rebates for low-income taxpayers who were not eligible for them, last year.

Another complaint was that the bill came “too late,” since Federal Reserve Chairman Alan Greenspan has declared the economy in “recovery.” Rockefeller asked the Senate, “Why are we ignoring the clear consensus among economists and our Federal Reserve chief?” Though Rockefeller did not say it, the reason was that the hundreds of thousands of workers who lost their jobs in the aftermath of Sept. 11 were about to exhaust their unemployment benefits, a key consideration in an election year. Furthermore, not everybody—even on Capitol Hill—believes Greenspan’s fairy tales.

Energy Bill Focuses on Environment, Free Market

On March 5, Senate Democrats brought to the floor their answer to demands for a comprehensive national energy policy. The bill, as described by Senate Energy and Natural Resources Committee chairman Jeff Bingaman (D-N.M.), has three major goals: “to ensure a diversity of fuels and technologies for adequate sup-

plies of energy”; “to improve the efficiency and productivity of our energy use”; and “to be sure that whatever we do in the energy area is done with an eye toward protecting the environment.” The bill places heavy emphasis on renewable sources of energy, such as solar and wind power, and provides incentives for so-called intermittent generators to provide power into the electricity grid. It also provides incentives for domestic production of oil and gas, outside of the Alaska National Wildlife Refuge, and partially reauthorizes the Price-Anderson Act, dealing nuclear plant liability issues.

And, in a paean to the free market, the bill repeals the 1935 Public Utilities Holding Company Act (PUHCA), though, in the aftermath of the Enron disaster, it allegedly provides for “consumer protections” in its absence. (The PUHCA was one of the hallmark pieces of legislation of Franklin D. Roosevelt’s New Deal. See “Regulation: The Fight Which Saved the Nation,” *EIR*, Aug. 18, 2000.)

GOP complaints about the bill are as much about procedure as they are about substance. Sen. Frank Murkowski (R-Ak.), the ranking Republican on the Energy and Natural Resources Committee, called the process by which the Democrats had bypassed the committee to bring the bill to the floor “severely flawed.” Senate Majority Leader Tom Daschle (D-S.D.) replied that he had not done anything that had not been done by Sen. Trent Lott (R-Miss.) when he was majority leader.

In his opening statement, Bingaman noted that there were a lot of issues in the bill that would be cause for controversy, among these, the automobile fuel efficiency standards, hydropower dam relicensing, and the climate change provisions. Murkowski said of the climate change provisions that there were so many conflicts in the bill “that need to be sorted out that it is

going to take a lot of time.”

The bill has been moving at a glacial pace, given the number of unresolved issues surrounding it.

McConnell Seeks Changes To Campaign Reform Bill

The campaign finance reform bill remains stalled in the Senate over a number of what Sen. Mitch McConnell (R-Ky.) describes as “technical” issues. McConnell has proposed to Sen. John McCain (R-Ariz.), a key architect of the legislation, 13 changes to the bill before he agrees to take it up on the Senate floor. McCain agreed that six of the proposals are purely technical in nature and he sees no problem with them. He views the remaining seven as “substantive,” however, and he fears that incorporating any of them would force a conference with the House, thereby killing the bill. McCain is going to great lengths to avoid a conference, because the House GOP leadership, which opposes the bill, would pick the House conferees.

Senate Majority Leader Tom Daschle (D-S.D.) tried to move the bill by unanimous consent, on March 5, but McConnell objected. He said that the bill “almost certainly” would become law on Nov. 6, 2002, and so “I think to take a little time and consider technical changes that will benefit both sides is a good idea.” He had told reporters, earlier, that he had no intention of trying to force the bill into conference.

After McConnell’s objection, McCain complained that there was still no agreement on how to proceed. He noted that the bill’s opponents were already planning a filibuster, and “it is time we plan for that and move forward with cloture motions.” He said that “if the Senate decides not to get 60 votes, then we will wait until the next scandal.”