

A study in political cowardice:

Congress strips profiteering penalties from \$87.5 billion Iraqi occupation bill

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The United States Senate's "stealth vote" giving final approval to the \$87.5 billion emergency appropriation bill for the occupation of Iraq and Afghanistan—with only six senators present, and by voice vote rather than roll call—provides an object lesson in the degenerate state of the US political system.

The final measure enacted into law was approved only after being stripped of measures aimed at curtailing profiteering by politically connected corporations. Such firms, including Halliburton and Bechtel, have already reaped windfall profits off taxpayer money used to finance the Iraqi occupation.

The \$87.5 billion is the largest supplemental appropriation in US history. It follows on the \$79 billion passed as a down payment last April. This latest amount exceeds the total annual budgets of seven different cabinet agencies, and would cover the cost of paying unemployment benefits to all eligible American workers for two years.

The Senate leadership's bipartisan agreement to hold a voice vote on the measure constituted a cowardly maneuver to allow individual senators to conceal their support for the occupation. There is good reason for them to want to do so.

Ever since President Bush requested the funds in a televised address to the nation on September 7, opinion polls have shown a solid majority of Americans opposed to the new spending by as much as 60 percent. Opposition to the funding coincides with growing disillusionment with the Iraqi war itself, as the failure to uncover weapons of mass destruction and the increasing attacks on the coalition troops expose two of the lies on which the invasion was based—that Saddam Hussein's regime represented a threat to the American people, and that the US occupiers would be welcomed as liberators.

In addition to the human cost in both American and Iraqi lives, there is a growing anger over the economic cost of the occupation. This latest spending bill will push the federal budget deficit well past the \$500 billion mark.

In spite of broad popular opposition to appropriating the money Bush requested, leading congressional Democrats immediately made it clear that they would not block passage. Whatever tactical differences the Democrats may have with Bush's Iraq policy—centered on the failure to line up enough international support for an unprovoked war of aggression—they do not carry over to cutting off funding for the policy. With the lone exception of the octogenarian Robert Byrd of West Virginia, whose voice was the only one calling out "no" on the vote, the Democratic senators fell back on the shop-worn claim that paying to keep soldiers in Iraq to kill and be killed constitutes "supporting our troops."

The final bill gave the administration virtually everything it asked for. It provides \$64.7 billion for ongoing military operations in Iraq and Afghanistan, as well as \$19.8 billion in "reconstruction" aid, the vast majority of which will go toward rebuilding Iraq's oil industry and paying for the training of an Iraqi police apparatus—both critical elements of the US effort to control the country's oil wealth.

The only reduction Congress made to the original request was to cut \$1.7 billion from the "reconstruction" aid for projects it deemed inessential, such as setting up a ZIP code system in Iraq and purchasing garbage trucks for \$50,000 each. No doubt, the Bush administration already had several of its corporate cronies lined up to be awarded the contracts for these services.

Besides the sheer magnitude of the funding, in the final bill Congress ditched the few mild restrictions on Pentagon spending authority that had been incorporated in the original version passed by the Senate. Most media attention has focused on the dropping of a reactionary provision that would require the Iraqi government to accept \$10 billion of the "reconstruction" aid as a loan that they would have to pay back, further adding to the country's already massive debt load. For political reasons in part related to ongoing attempts to get foreign governments to help foot the occupation's bill—without expecting repayment

themselves—Bush threatened to veto any legislation that included the loan provision.

Along with that provision, House and Senate conferees charged with reconciling differences in the versions of the bill passed by their respective bodies also cut out anti-profiteering and oversight provisions added in the original Senate debate. One amendment would have imposed jail terms of up to 20 years and heavy fines on anyone found defrauding either the US or Iraq.

That provision was added in the context of numerous reports of price gouging on contracts for government work in Iraq. Most notably, it was recently documented that Halliburton—the company that Richard Cheney headed for five years, which gave him a \$33 million payout when he left to run for vice president, and which still pays him \$180,000 a year—was charging the US Army \$2.65 a gallon for gasoline imports, which would cost them only \$0.90 a gallon to purchase in neighboring Kuwait.

According to a recent NBC News report, another politically connected Pentagon contractor, DynCorp, is hiring senior people to train Iraqi police at a cost to American taxpayers of some \$400,000 a year per trainer, counting living expenses and tax liability reimbursements. Worth about \$50 million so far, the contract—which had only one other bidder—is expected to generate \$800 million in revenue to DynCorp over the next two years.

Another provision stripped from the bill in conference would have required that the head of the Coalition Provisional Authority (CPA), now former ambassador Paul Bremer—in charge of managing tens of billions of dollars—be subject to confirmation by the Senate. The bill added an inspector general internal watchdog position for the CPA, but, like Bremer, the new position is not subject to Senate confirmation. Indeed, under the final version of the legislation, the inspector general may not be required to testify before Congress, nor can Congress insist on seeing the results of the inspector general's work.

Finally, another provision would have required the General Accounting Office, a Congressional watchdog agency, to conduct regular audits of how Iraqi reconstruction aid was being spent. The Senate had approved the provision 97-0 in its original debate on the bill before it was excised in conference.

Senator Byrd, in a speech on the Senate floor before Monday's vote, aptly described the workings of the House/Senate conference committee as "little more than a shadow play, choreographed to stifle dissent and rubber stamp the President's request."

It is obvious that the Bush administration will not allow the constitutional process of "checks and balances" to interfere with the price gouging and profiteering by its

corporate friends, which is already well under way. The last thing it wants to see is the flow of ill-gotten profits interrupted by making future spending subject to any form of congressional review.

As the House and Senate conferees were ensuring that Bush would get his funding bill with no strings attached, Halliburton announced its overall revenues jumped 39 percent in the third quarter to \$4.1 billion. Revenues for its Kellogg Brown & Root (KBR) subsidiary, which handles the company's major military contracts, surged a whopping 80 percent in the quarter to \$2.3 billion, of which \$900 million came from Iraq. Profits at KBR increased four times to \$49 million, of which Iraqi contracts generated \$34 million.

A number of prominent Democrats made public statements critical of the dropping of the anti-profiteering amendment, including its co-sponsors Patrick Leahy of Vermont and Diane Feinstein of California, as well as Hillary Rodham Clinton of New York, but not one of them dared demand a roll-call vote on the final bill, which would have put their votes on record.

Coming only a day after 16 American soldiers were killed and 20 more wounded when Iraqi resistance forces downed a US helicopter, the White House seized upon the passage of the supplemental appropriation in an effort to divert attention from the disaster on the ground. It issued a statement that read, "The strong bipartisan show of support for this bill underscores that America and the world are united to prevail in the central front in the war on terror..."

Then, at a signing ceremony last Thursday, flanked by Defense Secretary Donald Rumsfeld and Secretary of State Colin Powell along with congressional Republican leaders, Bush used the occasion to rattle some more sabers, saying, "With this act of Congress, no enemy or friend can doubt that America has the resources and the will to see this war through to victory."

The Democrats' shamefaced support for the Iraqi occupation and their acceptance of a regime that will allow unrestrained profiteering by politically connected corporations is only one more indication that this party represents the same essential interests of the corporate elite as the Republicans.



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