

Congressional Closeup by Carl Osgood

Bankruptcy Reform Bill On Its Way to Passage

The bankruptcy reform bill that the Senate began debating on March 1, cleared an important hurdle on March 8, when the Senate voted 69 to 31 to invoke cloture, thereby assuring that the bill would not be subject to a filibuster and limiting debate to 30 hours before a final vote on passage. Over the previous week, Senate Republicans also successfully blocked amendments that would have provided protection for medical debtors, for those providing care to ill or disabled family members, to military families experiencing hardship because of military deployment of a family member, to elderly bankruptcy-filers to allow them to keep their homes, and to protect those who have lost their retirement savings or pension plans due to a major corporate bankruptcy.

The bill makes it easier to move chapter 7 bankruptcy-filers into chapter 13, which requires the debtors to agree to payment plans of 3-5 years on at least a portion of their debts. It also turns bankruptcy law on its head by presuming that anybody who files for bankruptcy is an abusive filer and forces them to take a means test in order to prove otherwise.

Just before the cloture vote, Sen. Edward M. Kennedy (D-Mass.) called the bill an "embarrassment" to anyone who votes for it, because it is a bonanza for the credit card companies and a "nightmare for the poorest of the poor and the weakest of the weak." He accused the Republican leadership of bad faith for promising to allow negotiations on improving the bill once it got to the Senate floor. "But now, there has been no good faith at all," he said. Instead "the Republican leadership has invoked the strictest possible party discipline," going so far as to block "constructive" amendments sponsored by Republicans.

House Begins Work on 2006 Budget Resolution

On March 9, the House Budget Committee began marking up President Bush's Fiscal 2006 war and austerity budget. House Budget Committee Chairman Jim Nussle (R-Ia.) left no doubt that this year's budget resolution is based entirely on fantasy about the economy, with his declarations of strong sustained growth, record high employment, and a future of nothing but sustained expansion. Still, there's no room in the budget for social justice. The non-defense, non-homeland security portion of the discretionary spending is to be held to a minuscule 0.8% increase for Fiscal 2006, and Nussle promised that the resolution will instruct the authorizing committees to reform mandatory spending programs in order to "slow the unsustainable growth" in those programs. The budget plan also includes a \$50 billion reserve fund for the wars in Iraq and Afghanistan, but no provision for any plan to privatize Social Security because, as Nussle noted, "we have no plan, yet."

Ranking Democrat John Spratt (S.C.), in his opening presentation, focussed on the sea of red ink that has been flowing out of the budget since President Bush took office in 2001. He noted that in that time, the budget outlook has swung from \$5.6 trillion in projected surpluses to \$3-4 trillion in projected deficits. He added that the debt limit has been increased by \$2.234 trillion in four years. "We're on a path that can't be sustained," he said. Spratt also noted that the GOP plan does not include the costs of privatizing Social Security, the costs of the wars in Iraq and Afghanistan, the costs of reform of the alternative minimum tax, nor the costs of renewing the 2001 and 2003 tax cuts that begin expiring in 2009 and 2010. He said when those things are factored in to

the projections, the result is cumulative deficits of \$4.6 trillion through 2015. Furthermore, the spending cuts that are in the budget plan, supposedly for deficit reduction "do a world of hurt, but have little effect on the deficit."

The debate follows a March 4 report by the Congressional Budget Office that, under President Bush's 2006 budget, deficits will total \$2.6 trillion over the next ten years. That's \$1.6 trillion more than the CBO sees otherwise. Those projections, like the budget itself, don't include the costs of the wars in Iraq and Afghanistan, or of the privatization of Social Security, because the budget provides no details on either one. As for the near term, the report projects that Fiscal 2005 will end with a deficit of \$394 billion, and Fiscal 2006 at \$332 billion. The CBO expects that supplemental spending in 2006 will add about \$40 billion to the deficit, bringing the actual deficit in 2006 to somewhere around \$370-375 billion.

Conyers Calls for Boykin's Dismissal

Rep. John Conyers (D-Mich.) on March 4 called for Secretary of State Donald Rumsfeld to fire Lt. Gen. William Boykin, who became infamous in October 2003 for saying, among other things, that the God of Islam is an idol.

Boykin was issued a "memorandum of concern" by the Vice Chief of Staff of the Army, after a Defense Department Inspector General investigation of his speaking activities. The IG found that he "violated applicable DOD regulations, because: 1) he failed to clear the content of his speeches with appropriate DOD security and public affairs personnel; 2) he failed to

issue the required disclaimer on several occasions; and 3) he failed to report receipt of one travel payment from a non-government source on his 2002 Public Financial Disclosure Report.” The IG also raised concerns about his wearing the Army uniform while making private and controversial remarks and his use of government-funded travel.

Conyers, who had demanded an investigation of Boykin’s activities back in 2003, said in a March 4 letter to Secretary Rumsfeld, “Based on my review of these findings and the IG’s report, it is now clear to me that General Boykin should be relieved of his very important and sensitive duties in the Armed Forces, and I would urge you to immediately do so.”

Conyers noted the inflammatory nature of Boykin’s remarks, in which the General also said that “Islamic extremists hate the United States because we’re a Christian nation,” and that Bush is in the White House “because God put him there.”

“We simply cannot afford to have such an extremist speaking on behalf of our nation and our military in violation of DOD rules,” Conyers wrote to Rumsfeld.

Senate Votes Down Minimum Wage Increase

Senate Democrats proved, on March 7, that any debate on increasing the minimum wage is now a partisan debate, at least in the Senate. Sen. Edward M. Kennedy (D-Mass.) sponsored an amendment to the bankruptcy reform bill to raise the current \$5.15 an hour minimum wage to \$7.25 an hour over two years. Kennedy told the Senate that the current minimum wage, when adjusted for inflation, is at its second lowest level of purchasing

power in its history. Most minimum-wage workers, Kennedy noted, have no health insurance, few are able to save for college tuitions, and they are being squeezed out of the housing market and depend on driving to get available jobs. Kennedy also noted that while Americans are working more hours than they were 30 years, and more hours than workers in other industrialized countries, they are making less.

The Republicans responded by introducing a counter-amendment, sponsored by Sen. Rick Santorum (Penn.) that would have raised the minimum wage to \$6.25 an hour, but would have reduced the number of workers eligible for the minimum wage and allowed employers to replace overtime pay with so-called “flex time.” Santorum called his amendment a “surgical attempt” at a smaller increase in the minimum wage, because it would not impact small businesses’ ability to hire low-wage workers. Santorum’s amendment did not cover over the Republicans’ ideological opposition to the minimum wage, however. Sen. John E. Sununu (R-N.H.) compared mandating a minimum wage to the policies of countries like Cuba and North Korea, where “only the Federal government should be able to determine what one earns or does not earn.” Sen. Orin Hatch (R-Utah) complained that the minimum wage “is a Federal government mandate which creates negative ripples throughout the national economy by making goods and services more expensive for families.”

Sen. Richard Durbin (D-Ill.) put the issue in context. He said that it was appropriate to have the minimum wage debate on the bankruptcy reform bill. “We are going to force some of the most marginal workers . . . into a position where they can’t pay their bills; then our beautiful Bankruptcy

Code reform pushed by the credit card industry will make sure they are saddled with debt for a lifetime.” Kennedy’s amendment went down to defeat by a vote of 46 to 49, and Santorum’s 38 to 61.

Conyers Seeks Hearings On ‘Rendition’ for Torture

In a March 2 letter to House Judiciary Committee Chairman James Sensenbrenner (R-Wisc.), Rep. John Conyers (D-Mich.) called for a committee investigation into the rendition practices of the U.S. government—that is, handing captured individuals over to other governments where they can be held without charges and/or tortured for confessions, while the United States can plausibly deny responsibility. He cited three well-known cases, of Ibn al-Sheikh al-Libi, an al-Qaeda figure rendered to Egypt, who falsely “confessed” under torture to an al-Qaeda connection to Saddam Hussein; Maher Arar, a Canadian citizen rendered to Syria, where he spent ten months in prison before being released without being charged; and American citizen Ahmed Abu Ali, who was held for 20 months in Saudi Arabia at the behest of the U.S. government before being returned and charged with “material support” to terrorism.

Conyers noted that in the case of Arar, immigration officials refused to cooperate with a Department of Homeland Security Inspector General investigation, thereby frustrating the investigation completely. He called this lack of cooperation “unfortunate,” in view of evidence that renditions “are more commonly used than anyone ever thought.” “I am concerned,” Conyers wrote, “that if we do not act immediately, these cases, and numerous ones like them, will only be exacerbated.”