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Outpouring of Relief Cash Raises Fear of Corruption and Cronyism

by Andrew Gumbel

The outpouring of billions of dollars in federal relief money to victims of Hurricane Katrina is raising concerns about the risks of corruption and cronyism, with Bush administration critics expressing the fear that the Gulf coast, like Iraq, could become another grand experiment in neoconservative ideology.

Already, no-bid contracts have been awarded to major Republican contributors including Kellogg, Brown & Root, the subsidiary of Vice President Dick Cheney's old company Halliburton. President Bush has unilaterally lifted a protection law that makes it possible for contractors to pay sub-minimum wage rates to reconstruction workers.

Among provisions releasing more than \$60bn to the disaster area meanwhile, is a rise in the limit on government-issued credits cards from \$25,000 to \$250,000. One Republican Senator, and the Democrats, have denounced this provision as outrageous and open to abuse.

Critics have been particularly disturbed by reports that Karl Rove, President Bush's political brain who has no experience in disaster relief or urban planning, may be put in charge of the reconstruction effort. Since his speciality is fighting and winning elections, the concern is that he will want to redraw the electoral map of southern Louisiana and Mississippi before providing new homes or electricity and water.

The reconstruction programme - forecast by some to reach \$200bn, the price of the Iraq and Afghanistan wars put together - appears akin to the vast government programmes enacted by Franklin Roosevelt in the 1930s to dig the US out of the Great Depression.



But the Bush administration's favourite conservative think tanks suggest it will be very different from Roosevelt's New Deal. The Heritage Foundation, for example, has proposed lifting environmental regulations, eliminating capital gains taxes and permitting

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