

Congressional Closeup by Carl Osgood

Tenet grilled on Deutch's handling of classified data

On Feb. 2, CIA Director George Tenet appeared before the Senate Intelligence Committee to give his annual assessment of national security threats to the United States, and wound up spending most of his time answering questions about former CIA Director John Deutch's handling of classified information on his home computer. A report in the Feb. 1 *New York Times* claimed that Deutch, during his time as director, kept classified data on a home computer that he also used for Internet access. The *Times* alleged that Deutch had impeded the CIA's internal investigation, and that, as a result, the CIA did not make any criminal referral to the Department of Justice.

Tenet told the committee that the CIA Inspector General "did not conclude that anyone intentionally impeded the security investigation," and that once the IG's report was available to him, he did not hesitate to suspend Deutch's security clearances.

Committee Chairman Richard Shelby (R-Ala.) compared the affair to the Ames and Pollard spy cases, because Tenet could not guarantee that the material on Deutch's computer had not been compromised. While Tenet drew a distinction between an espionage case and a case where someone is simply bringing his work home, Shelby forced him to admit that the material involved was "enormously sensitive . . . at the highest levels of classification."

Committee vice-chairman Richard Bryan (D-Nev.) shifted the focus of questioning to whether the IG's investigation had been impeded. However, there was no comparison made, at least not in the open hearing, of the treatment of Deutch, to that of Wen Ho Lee, the Taiwanese-born scientist accused of essentially the same of-

fense while he was working at a U.S. weapons lab, but who is now threatened with life imprisonment.

Bankruptcy reform bill passed by Senate

On Feb. 3, the Senate passed the bankruptcy reform bill by a vote of 83-14. The debate featured a bit of political theater, when Vice President Al Gore flew in from the campaign trail to preside over the Senate in the event he was needed to cast a tie-breaking vote on an amendment to make debts incurred as a result of acts of violence against abortion clinics nondischargeable in bankruptcy proceedings. Republicans were so incensed at Gore's appearance that almost all of them voted for the amendment, resulting in its passage by a vote of 80-17, denying Gore his moment in the sun.

Otherwise, Paul Wellstone (D-Minn.) continued his rear-guard action against the bill. The day before the final vote, he reiterated that the bill "rewards predatory and reckless lending by banks and credit card companies which fed the crisis in the first place, and it does nothing to actually prevent bankruptcy by closing economic security to working families." He argued that if the bill were real reform, it would address the "root causes" of bankruptcy. He said that real reform would address the increasing concentration of financial institutions, strive to make working families more financially secure, and would "confront the economic balkanization in this country, the increasing schism between the wealthy and the rest of America."

Charles Grassley (R-Iowa), one of the chief sponsors of the bill, repeated the formula that, since the economy has supposedly been booming since 1980, the only possible explanation

for the dramatic increase in personal bankruptcy filings is abuse of the system. "We have a bankruptcy bar," he said, "that has, quite frankly, encouraged bankruptcies. . . . We also have a situation where somehow, financial responsibility is not considered a personal responsibility, anymore." He claimed that the bill maintains the principle of a "fresh start" for those who legitimately need it, contrary to Wellstone's criticisms.

Little response to health-care crisis

A panel discussion led by Rep. Jim Nussle (R-Iowa) on Feb. 7 on the legislative agenda for health care, at the conference of the National Rural Healthcare Association, provided little response to the crisis in health care, especially in rural areas. Nussle praised the Balanced Budget Refinement Act of 1999 for correcting some of the problems caused by the Balanced Budget Act of 1997, but admitted that it was "a small bandaid on a big problem that will explode without comprehensive reform."

Nussle said that the President's proposal for prescription drug coverage for Medicare beneficiaries would "take away the opportunity to fix the reimbursement problem." He said, "If you have prescription drug benefits, but your hospital closes, you don't have health care." Referring in particular to the rural health care situation, he said, "we're going to fight for the people who depend on these services."

In 1995, Nussle was a big booster of GOP plans to cut \$270 billion from Medicare, a plan that was likened, by some critics, to the Vietnam War strategy of destroying a village in order to save it. He apparently has felt a lot of

heat since then, and has made access to care, especially for rural areas, his leading topic of discussion.

Clinton budget 'dead on arrival,' says GOP

On Feb. 7, President Clinton released the final budget of his Presidency, a \$1.84 trillion plan for fiscal year 2001 that includes spending boosts for a variety of programs, as well as targeted tax cuts. It formalizes the President's plan to pay off the Federal debt by 2013, and would extend the solvency of Social Security and Medicare.

The budget plan assumes GDP growth of 3.3% in 2000, 2.7% in 2001, and an average of 2.8% a year for the next 11 years, projections only slightly lower than those of the Congressional Budget Office. It also assumes a \$746 billion on-budget surplus over the next ten years, significantly smaller than the \$2 trillion forecast of the CBO.

The tax cuts proposed in the plan include a new deduction for higher education costs, a \$3,000 credit for long-term care, an expansion of the earned-income tax credit, a new program of retirement security accounts, reform of the alternative minimum tax, and an increase in the standard deduction for married couples. These cuts, which amount to some \$350 billion, are partially offset by \$96 billion in reduced corporate subsidies and tax shelters.

President Clinton called the plan "a balanced budget with a balanced approach to our national priorities," but Republicans were declaring it dead. "I think this document is a fantasy," said House Budget Committee Chairman John Kasich (R-Ohio). "As far as I'm concerned, it is dead on arrival." Senate Budget Committee Chairman Pete Domenici (R-N.M.) accused the President of sending up a budget "in which

he proposes to bring back the era of big government with a vengeance." He claimed that the budget is drawn such that "those who like spending programs and who think every problem they see out there has a government solution . . . it's drawn so that their wishes are attended to."

Greenspan anointed for another four-year term

On Feb. 3, the Senate voted 89-4 to confirm Alan Greenspan to be chairman of the Federal Reserve for another four years. There was little debate; every Senator who spoke effusively praised Greenspan's handling of monetary policy.

Chuck Hagel (R-Neb.) said that Greenspan "truly deserves the nation's gratitude for unprecedented economic expansion." Herb Kohl (D-Wisc.) said that Greenspan "has consistently steered American monetary policy on a prudent and responsible course." Orrin Hatch (R-Utah) said that Greenspan's policies "have shown prescience and his stewardship has been confident and strong."

The four votes against Greenspan were Byron Dorgan (D-N.D.), Tom Harkin (D-Iowa), Harry Reid (D-Nev.), and Paul Wellstone (D-Minn.), all of whom have been consistent critics of Federal Reserve policies.

European Union takes hit in Kosovo hearing

The European Union and the United Nations came in for some heavy criticism for lack of action in Bosnia and Kosovo, during a Feb. 2 hearing of the Senate Armed Services Committee, which featured NATO commander

Gen. Wesley Clark as the witness. In his opening statement, Committee Chairman John Warner (R-Va.) said that "the UN and other organizations are as of today, not living up to their commitments . . . in a timely fashion." The reason U.S. and NATO military forces are still in the Balkans, he said, is because the UN and other groups "charged with the responsibility of rebuilding the civilian structures . . . are simply not doing their job."

Clark pleaded for the filling out of the required 6,000-man UN police force in Kosovo. He said that so far, fewer than 2,000 have been provided, with about 20% of those being U.S. forces; the police must be in place before military forces can be withdrawn. Clark also reported that there is a lack of money to pay Albanians employed by the UN civil administration, in part because \$35 million pledged by the EU for this purpose has yet to be allocated.

Carl Levin (D-Mich.) threatened to use the hearing as a "bully pulpit," to "let our European allies know that we are keenly disappointed by their failure to come through with the police forces that were promised and the monies that were promised and that there's going to be a real problem if they don't come through." Max Cleland (D-Ga.) added that when there are valid interests at stake, he didn't mind putting American troops "in harm's way," but "I do mind being a patsy for the European nations who don't bear their own load and don't carry their own weight. I think that's kind of where we are." He also noted that the United States circumvented the UN to launch the military campaign, but now wants the UN in "on the crash landing. . . . I think that's a lesson, that if we want the international community to bear the load at the end, we have to get them in on the take-off."