

## Congressional Closeup by Carl Osgood

### Daniels Spars With Senate Democrats

Office of Management and Budget Director Mitch Daniels received an unfriendly welcome from Democrats when he appeared before the Senate Budget Committee on Feb. 5, to defend President Bush's proposed FY 2004 budget. Committee Chairman Don Nickles (R-Okla.) made reference to the precipitous decline in Federal tax revenues over the past two years. To get out of the deficit, he said, "we have to show fiscal discipline and we also have to figure out ways to grow the economy."

While committee Republicans accepted Daniels' assertion that the revenue decline of the past two years has been the result of the collapse of the stock market bubble, Kent Conrad (D-N.D.) did not. "The tax cuts [of 2001] have played a major role in the return to deficits and burgeoning debt," he said. "That's undeniable."

Ernest F. Hollings (D-S.C.) accused the Bush Administration of using Enron-style accounting to make the deficits in the budget look smaller than they are. He noted that the budget projects total Federal debt to climb from \$6.7 trillion in 2003 to \$7.3 trillion in 2004, an increase of \$569 billion, as opposed to the deficit projection of \$307 billion—a fact which Daniels acknowledged.

### Omnibus Appropriations Stopped on Drought Aid

House and Senate negotiators met on Feb. 10 to work out an agreement on the 1,000-page FY 2003 Omnibus Appropriations bill. Reports the next day indicated that a few major disagreements remain. One, is over \$3.1 billion in assistance for farmers in drought-stricken areas, added in the Senate as an amendment sponsored by Thad Cochran (R-Miss.). The White House is threatening to veto the bill if it goes

over the \$750 billion limit in discretionary spending, and House leaders are saying they will not accept an across-the-board cut in the bill to pay for the drought relief. Senate Appropriations Committee Chairman Ted Stevens (R-Ak.), articulating the Senate view, warned, "There will be no bill unless there is a drought provision."

Complicating the issue is that negotiators agreed to add \$6 billion to cover expenses incurred by military operations in Afghanistan, possibly barring the drought assistance. The money was added at the request of Vice President Dick Cheney. The bill also includes \$1.15 billion for Amtrak, but it limits the amount of money Amtrak can spend on certain long-distance routes that the Bush Administration is seeking to cut.

On Feb. 5 the House passed yet another continuing resolution, this one running until Feb. 20, nearly five months after the beginning of the fiscal year. An attempt by David Obey (D-Wisc.) to add instructions to the conference committee addressing Medicare—one to suspend the planned 4.4% cut in payment rates to doctors, and the second to raise payment rates to rural hospitals—was defeated by a vote of 215 to 195.

### Rumsfeld Defends Budget To Skeptical House Panel

The cost of the buildup against Iraq, and of "military transformation," dominated a House Armed Services Committee hearing on the proposed FY 2004 Defense budget on Feb. 5. Committee Chairman Duncan Hunter (R-Calif.) said that the \$380 billion budget proposal still falls short of what some on the committee feel is "the necessary level of reinvestment to sustain the current force." Hunter said that the budget proposes to retire or cancel numerous programs "in virtually every combat category" to free up funds to

pay for military transformation. "We should not be forced to incur such near-term risk, in terms of diminished combat capability, in order to invest in the future solely because we have not properly resourced the Defense budget."

However, much of the back and forth between committee members and Secretary of Defense Donald Rumsfeld dealt with the costs of current operations and a possible war with Iraq. Operations relating to the war on terrorism are running at about \$1.6 billion per month, and Rumsfeld told the committee that the Defense Department has spent about \$2.1 billion for the force buildup in the Persian Gulf. All of that money is coming out of appropriated operations and maintenance funds and the buildup has not been taken into account.

Several committee members questioned whether personnel strength could be maintained at the current level of about 1.38 million, given the increased tempo of operations. Rumsfeld repeated his opposition to reinstating the draft.

### Estrada Nomination Stalled in Senate

On Feb. 11, Senate Minority Leader Tom Daschle (D-S.D.) announced that the Senate Democratic Caucus would not allow a vote on the nomination of Miguel Estrada to be a judge on the D.C. Circuit Court of Appeals until the White House answered certain concerns. "Mr. Estrada has been intransigent and unwilling to provide even the basic information," Daschle said.

In a letter to President Bush, Democrats asked that documents be turned over from the Solicitor General's office, where Estrada is the deputy to Solicitor General Theodore Olson, and that Estrada answer questions that were first put to him at his confirmation hearing 18 months ago.