

**Quote of the Week**  
**“So why is the budget balanced in this budget? It is balanced because the negotiators assumed that it is balanced. Only \$14 billion of the \$330 billion of required deficit reduction comes from policy change.”**

—Senate Finance Committee member Phil Gramm (R.-Tex.) on the Senate floor, May 6, 1997

## In This Issue...

**TAX CUT PROMISES** made by Republicans appear sketchy at best after the budget deal reached on May 2. Sen. Phil Gramm and other conservatives wonder where the money will come from to finance even the scaled-down \$100-billion Republican tax-cut package (page 4).

**THE REPUBLICAN LEADERSHIP** appears willing to allow President Clinton to weaken the welfare reform bill passed last summer. The tentative budget pact reached earlier this month restores some \$10 billion in welfare benefits to legal immigrants and another \$4.5 billion in “welfare to work” programs (page 4).

**REP. JOHN KASICH** has introduced legislation to require the withdrawal of American troops from Bosnia by September 30. The measure would undo President Clinton’s declaration after the November election that troops will be there for another 18 months (page 5).

**THE VOLUNTEERISM SUMMIT** held on April 27 in Philadelphia was a sanctimonious fraud that “displayed the hollowness of so many of our ‘leaders,’” writes economist Thomas Sowell. Despite all of the high-tone rhetoric about volunteerism from President Clinton and ex-Presidents Bush and Carter, all fully embrace the failed mentality of the welfare state (page 12).

**THE NEW YORK TIMES** continues to equivocate in coverage of convicted and executed Soviet spies Julius and Ethel Rosenberg. Hilton Kramer reminds the editors of the *Times* that “the Rosenbergs were nothing if not die-hard Communists who were willing to give up their lives—and inflict great damage on the lives of their young children—for the cause of Soviet tyranny” (page 14).

**THE MONUMENT TO FRANKLIN DELANO ROOSEVELT** officially dedicated on May 2 is an encomium to the welfare statism of the New Deal era, remnants of which are still very much alive in contemporary America. Sheldon Richman says that “[p]erhaps the most fitting monument of all would be a 1040 tax form ringed by thorns” (page 18).

**HOUSE ROLL CALLS:** House adopts committee funding resolution, rejects amendment to the Public Housing Bill (page 22).

## Lott & Gingrich Surrender to Clinton

# Bad Deal, Worse Leadership

Sen. Phil Gramm (R.-Tex.) said it best: “This thing will be like a dead fish. Set it on the table for three or four days and it will begin to stink.”

House Speaker Newt Gingrich (R.-Ga.) and Senate Majority Leader Trent Lott (R.-Miss.) have cut a deal with Bill Clinton, largely negotiated by House Budget Chairman John Kasich (R.-Ohio) and Senate Budget Chairman Pete Domenici (R.-N.M.), that, if enacted, will guarantee that the size, power and cost of the federal government continue to grow for at least another decade.

The Gingrich-Lott-Clinton deal that supposedly will balance the federal budget in 2002 is based on a number of very shaky assumptions: that the economy will continue to expand at a steady pace for the longest continuous period in the history of the United States, that neither the President nor the Congress will change their minds about the deal’s priorities over the next four years, that the next President and next two Congresses will consider themselves bound by the deal’s tax-and-spending parameters, and that mathematicians in the federal Bureau of Labor Statistics will graciously reduce the Consumer Price Index without an order from the President or a vote of Congress compelling them to do so.

### More Taxes and Spending

For all the talk of tax cuts, the budget will supposedly balance in 2002 by increasing federal tax revenue slightly more than federal spending is hiked.

Nonetheless, the deal increases domestic spending by \$65 billion next year alone. That is a bigger increase than the total net tax cut allowed over the next five years to the Republican congressional majority.

With this deal the current congressional leadership admits it has no strategy—and apparently no desire—to combat the forces of big government.

The deal was struck by Lott and Gingrich because, still remembering the pasting the GOP took from the media in the wake of the government shutdown in 1995, they feared that if the budget were debated all summer long, Bill Clinton would whip them from one end of the country to the other, demagoguing about “education, energy and the environment.”

Fifty years ago, conservatives faced two great tasks. First win the Cold War. Then



House Speaker Newt Gingrich (left) and Senate Majority Leader Trent Lott (right) in a post-budget-deal discussion prior to a May 6 meeting of the GOP congressional leadership. In their deal with President Clinton, Gingrich and Lott demonstrated that they have neither the strategy nor the desire to engage the President in a national debate on fundamental conservative issues.

wrestle a burgeoning federal government back into the restraints set for it by the Constitution. Reagan won the Cold War. But Lott and Gingrich have surrendered for the current Republican Congress any hope of winning the domestic one. And, in the process, they have surrendered the opportunity to make the conservative case to the American public.

Without a Republican President or two-thirds majorities in both houses of Congress

to override vetoes, it is an admittedly difficult task to roll back big government. But the longer the Republicans put off this task, the harder it becomes to persuade an increasingly dependent people that it must be done.

Today, if you don’t work, the federal government will pay you anyway. If you neglect the health and well-being of your elderly parents, or your dependent children, the government will take care of them for you. If you are improvident and consume for today what you should save for tomorrow, the government will take from someone else’s hard-earned savings to indemnify you against the just desserts of your own profligacy.

If you build a business, employ your neighbors, and teach your children the disciplines necessary to sustain and grow that business, the government will steal it from you on your deathbed and transfer the proceeds from its liquidation to federal bureaucracies such as the Education Department—that will then try to indoctrinate your grandchildren in the very egalitarian nonsense that robbed them of their patrimony in the first place.

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## Not One Subpoena to the White House

# Thompson Politicizes Probe: Looking at Presidential Bid?

BY JOHN GIZZI

When Tennessee Sen. Fred Thompson (R.) and his Government Affairs Committee were charged with probing illegal foreign contributions and possible access-buying involving the Clinton Administration and the Clinton-Gore reelection effort, many conservatives believed they had the makings of a first-rate investigation led by a first-class investigator.

A former federal prosecutor, a savvy lawyer, and onetime minority counsel to the Senate Watergate Committee, the 54-year-old Thompson appeared to be the perfect choice to head an in-depth probe of corruption that could well lead from

Beijing into the bowels of the White House. Moreover, recalling his avocation as an actor in 18 motion pictures and his widely praised television rebuttal to a Clinton speech in 1994, Thompson admirers suggested that his helmsmanship of a nationally televised investigation would propel him into the forefront of the Republican presidential sweepstakes in 2000. They recalled how the televised hearings into organized crime in 1950 made the then-holder of Thompson’s Tennessee Senate seat, Democrat Estes Kefauver, a leading White House hopeful two years later.

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## Thompson Politicizes Probe *Continued from page 1*

But almost four months after the Thompson committee commenced its preliminary investigation and before the televised hearings have even begun, all such hopes have vanished. In keeping with his promise that "I am not looking for a fight"—made in commencing the probe January 28—Thompson before long conceded to demands from the committee's Democratic minority that the investigation be expanded beyond its original mission of looking into "illegal" campaign activities to encompass those that are merely "improper."

In so doing, Thompson gave the Clinton Administration and its allies exactly what they wanted. As nationally syndicated liberal columnist E.J. Dionne, Jr., put it, "The Clinton Administration wan[ed] the focus to be on reforming our wretched system for paying for campaigns. The more we talk about campaign finance reform in general, the less we focus on the particulars of the Democrats' fund-raising bazaar of 1996."

There have been even stronger signs of late that the Thompson committee is indeed focused more on the potential for campaign-finance-reform legislation than on investigating possibly egregious violations of criminal law by the Clinton White House and the Clinton-Gore reelection effort.

As of the beginning of May, the committee had issued 51 subpoenas—but not one to the White House. Instead, it has targeted its legal summonses at a number of Republican and conservative individuals and organizations ranging from the Dole-Kemp Committee and the Republican National Committee (RNC) to Americans for Tax Reform.

Specifically, Thompson has targeted with subpoenas RNC dealings with the Christian Coalition and the National Right to Life Committee, while neglecting to subpoena the White House for documents detailing Clinton's dealings with convicted felon Webster Hubbell, Lippo Group President James Riady or former Lippo executive, Commerce official and Democratic fundraiser John Huang.

As a result, conservatives have lost confidence in Thompson. On Capitol Hill, Thompson and the Senate panel are increasingly compared unfavorably to their House counterparts in the investigation, the Government Reform and Oversight Committee and Chairman Dan Burton (R-Ind.).

"The Senate Government Affairs Committee would be well-advised to take its cue from its companion committee in the House and focus its efforts on the egregious violations of law that have occurred under this administration," observed Rep. Bob Barr (R-Ga.), a member of Burton's panel and himself a former federal prosecutor. "The President's friends in Congress and his army of lawyers must not be allowed to stonewall investigations by clever manipulation of the national media and cynical rhetoric about the need for 'bipartisan' reform."

### Thompson Appeases Democrats

Thompson's apparent crumbling under criticism from committee Democrats and the liberal press is causing rumbles of dissent among Republicans on the Senate side of the Hill, too.

In January, when Thompson called for a "sense of priorities" that would focus more on the 1996 presidential race while barely mentioning the Republicans and Congress, Democrats, led by ranking Government Affairs Committee Member John Glenn (Ohio), began to get their backs up. "Democrats wanted less money . . . and more opportunities to kill the investigation with a filibuster," the Washington *Post* reported, "if, as they feared, the Republicans were going to turn it into a partisan smear job."

Eventually, funding for the committee was approved at \$4.35 million—far more than the initial \$1 million followed by periodic requests for additional money that Glenn wanted, but far less than the \$6.5 million requested by Thompson. Moreover, Senate sources say that Thompson worked within the Republican Conference to upend Majority Leader Trent Lott's desire to have the committee focus on "illegalities" rather than examine the entire campaign finance system.

Following objections by Thompson and fellow GOP Senators John McCain (Ariz.), Susan Collins (Maine), Arlen Specter (Pa.) and Sam Brownback (Kan.) at a March luncheon of the Senate Republican Caucus, Lott's proposal died and Republicans accepted an amendment by Democratic Sen. Joseph Lieberman (Conn.) to change "illegal" to "illegal and improper" to describe the scope of the committee investigation.

As the committee staff winds up its issuing of subpoenas and scrutinizing of documents and prepares for upcoming hearings, huge, inexplicable holes are appearing in the fabric of Thompson's investigation. Although the Democratic National Committee (DNC), the Clinton-Gore Committee, and such Asian money figures as John Huang and Charlie Trie are among the 51 recipients of subpoenas, sources on the Thompson committee staff complain that the White House has yet to receive a single subpoena.

"The White House just tells them, 'You don't need to subpoena us, we'll give you anything you want—just wait,'" said one senior aide to a senator on the committee. "And, just as they [the White House] did two years ago with [then-House Government Reform Committee Chairman William] Clinger [R-Pa.] during his investigation, they stonewall and don't cooperate. It's very frustrating for anyone who has dealt with the administration before to see this all happening again."

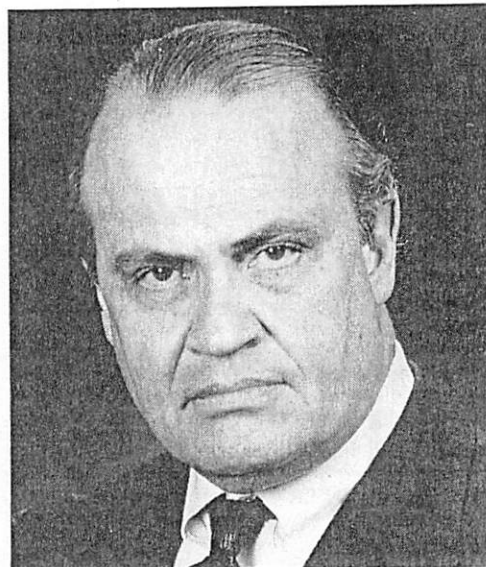
The aide suggested that the committee's failure to issue subpoenas to the White House may stem from its lack of investigators who have had previous dealings with the Clintonites. "[Chief investigator] Mike Madigan is a good lawyer and a former prosecutor who worked with Chairman Thompson during the Watergate investigation," the aide told HUMAN EVENTS. "But he's never dealt with the Clinton gang."

In striking contrast, Burton's House committee as of May 6 has issued 107 subpoenas, many of them concerning White House documents and personalities. Targets include such present and past Clinton fixtures as Mickey Kantor, Bruce Lindsey, Susan Thomases, Mack McLarty, and Erskine Bowles.

More to the point, Burton has issued a targeted subpoena to the President himself, demanding that he hand over to Congress documents detailing his relationships with six people at the center of the Asian money scandal who have either taken the 5th Amendment or left the country: convicted felon Webster Hubbell, former assistant to the White House Chief of Staff Mark Middleton and former DNC fundraiser John Huang—all of whom have taken the 5th—and Lippo President Riady, Trie and Pauline Kanchanalak—all of whom have left the country. Burton is expected soon to ask the House to vote contempt charges against the White House because the President has defied these subpoenas, and last week was given unanimous approval by the House Republican Conference to do so.

### 'Campaigning on Their Backs'

Thompson, on the other hand, has put conservatives, not the White House, in the crosshairs. Why? Thompson-watchers speculate that the chairman may well be setting up hearings on these groups, including the Americans for Tax



Republican Tennessee Sen. Fred Thompson, whose Senate committee investigating the Clinton and Democratic fundraising scandals has not issued the White House a single subpoena but has put conservative groups in its sights. The once highly regarded senator is hearing rumbles of discontent from Republicans on the House—and Senate—sides of Capitol Hill.

Reform and the Christian Coalition, to advance the liberal McCain-Feingold campaign finance reform bill. Other than McCain, Thompson is the only Senate Republican to co-sponsor that bill so far.

This assault on conservatives, one committee source said, "is clearly outside what is illegal and improper."

One of those subpoenaed is Grover Norquist, a confidant of House Speaker Newt Gingrich and head of Americans for Tax Reform, which rates members of Congress as "friends" or "enemies" of the taxpayer. "I look forward to testifying before [the committee]," said Norquist, who personally picked up his subpoena on April 16. "I will gladly tell the senators and the television audience how and why we rate senators as friends and enemies of the taxpayer. Oliver North had tremendous legal bills and stress when he was called before hearings [on Iran-Contra] in 1987. But he also had an opportunity to tell his side of the story about helping freedom fighters in Central America."

Other conservatives were not so magnanimous about Thompson's targeting people not accused of illegalities. "Fred Thompson may well end up permitting liberals to create a moral equivalency of informing voters about the records of congressmen to what is illegal and unethical," fumed veteran conservative activist Paul Weyrich. "He wants to campaign for national office on the back of conservative leadership."

### Turn About, But No Fair Play

When the Democrat-dominated Senate created the now-legendary Watergate Committee under the late Chairman Sam Ervin (D-N.C.) in January 1973, it rejected Republican attempts to broaden its scope to include campaign mischief in both parties in the elections of 1964 and '68. Despite strong circumstantial evidence that Democrats had planted a spy in the headquarters of Republican nominee Barry Goldwater in 1964 and wiretapped GOP candidate Nixon in '68, Democrats would have none of it. They would probe only what they considered illegalities by Nixon in '72.

Thompson was the Republican counsel for the committee. Not only has he forgotten that turn-about is fair play in politics. He has also turned his own committee against his own party.