

Congressional Closeup by Carl Osgood

Senators call for opening to Iran

On May 6, three Republican senators who were part of a congressional delegation that visited Kuwait, Saudi Arabia, Bosnia, and Brussels, called for a new opening to Iran. Pat Roberts (R-Kan.), speaking about the U.S. military deployment in the region, said, "It seems to me there's an opportunity here in the Mideast for a delegation to visit Iran. . . . I think we should study the possibility of using agriculture as a tool for peace. . . . I think that would benefit both the United States and that part of the world," and "it would send a very strong and unique signal to Saddam Hussein."

Roberts's statement was endorsed by Conrad Burns (R-Mont.) and Kay Bailey Hutchison (R-Tex.). Burns reported that, shortly after Christmas, he and his wife were told by the Prime Minister of Greece, that what the Iranians "wanted to see was more visitors from the United States." He said that the people the delegation had met with in Saudi Arabia and Kuwait had indicated "that such a re-opening of dialogue with Iran would be acceptable to the people in that area."

Hutchison said, "We have a President of Iran who has openly said he would like to have better relations with the West, and I think if we can be moving in a direction of showing that that is a positive thing from his standpoint, then perhaps he will become more strengthened in his country if they can see good effects from a better relationship with the West, because he still has his own political minority."

The three were speaking at a press conference that included Budget Committee Chairman Pete Domenici (R-N.M.), Daniel Inouye (D-Hi.), and Bill Frist (R-Tenn.). The senators also called for a reduction of U.S. military

forces in the Middle East and in Bosnia, citing problems in logistics, readiness, and morale as a result of overdeployment of forces.

IRS reform bill clears the Senate

In a unanimous vote following four days of dramatic hearings in the Senate Finance Committee which exposed abusive tactics by the IRS's Criminal Investigative Division (see last week's *EIR*), the Senate passed a bill reforming the Internal Revenue Service. The vote followed four days of debate, in which no one was prepared to openly oppose IRS reform.

The bill requires a substantial IRS reorganization, which includes abolishing the district-regional-national tier structure, establishing units within the IRS to serve groups of taxpayers with similar needs, and establishing an independent appeals process within the IRS. The bill also establishes a nine-member outside IRS oversight board with responsibilities to include review and approval of IRS strategic and operational plans, recommendation of candidates for appointment as Commissioner, and to ensure proper treatment of taxpayers. The bill also revises tax law with respect to burden of proof, taxpayer rights, and due process in tax-collection cases.

The only issue of contention came up with respect to the makeup of the IRS oversight board. Republicans objected to requiring one of the members of the board to be a representative of a union representing IRS employees. Lauch Faircloth (R-N.C.) said, "The reason for establishing the oversight board was that the union was out of control." He contended that it is the union that is endorsing abusive prac-

tices by IRS employees, and therefore would object to changes proposed by the board. However, his amendment to remove union representation, and another sponsored by Fred Thompson (R-Tenn.) to substantially alter the ethics provisions with respect to the union member, were both defeated.

Free trade attacked in North Dakota disaster

Kent Conrad (D-N.D.) highlighted the disaster that has hit the state of North Dakota, at a Senate Agriculture Committee hearing on trade on May 7. Conrad told Agriculture Secretary Dan Glickman, "We are having a disaster there of really unparalleled proportion. Last year, all of the country knows that North Dakota faced an extraordinary set of disasters with flooding and fires and horrendous winter storms. But this year we are having a stealth disaster, one that very few people hear about, one that is not very visible. . . . But . . . it is a disaster nonetheless."

Conrad prepared a chart which showed that "farm income declined 98% in the state of North Dakota, from \$764 million down to \$15 million. Fifteen million dollars of farm income in a state with 30,000 farmers. That means the average farmer had a farm income of \$500," he said.

Conrad pointed to wrong trade policy and unfair competition from the European Union, thanks to global free-trade policies, as factors in the disaster. He pointed to increased European exports in wheat, while the United States has lost ground in wheat exports, as well as the fact that the United States is now becoming a net importer of barley.

As for fast track trade legislation,

Conrad said, "I'd say to our friends who say, 'Well, the answer is fast track': That's not the answer. We've got the Canadian Free Trade Agreement. It's part of the problem. I think there's a loophole in there that allows them to sell below their cost into our market, and it's devastating to our state."

Conrad was seconded by Max Baucus (D-Mont.), who said that the "free market economy, I think, does not help producers, unless there are certain provisions in that, that are going to help protect them in some reasonable way." This is why, he said, there was a farm bill "to add a little stabilization and income for producers." Baucus suggested that if things don't improve, "we may have to" reopen the free-trade dominated 1995 Freedom to Farm bill.

Smith calls for larger U.S. role in Kosova

Gordon Smith (R-Ore.), the chairman of the European Affairs subcommittee of the Senate Foreign Relations Committee, said in a hearing on May 6 that if the efforts of the Contact Group on former Yugoslavia should prove to be unsuccessful in dealing with the situation in Kosova, "then the United States must pursue an appropriate policy unilaterally." He added that while Secretary of State Madeleine Albright has used "strong words of warning" to Serbian President Slobodan Milosevic, "I must say the direction of U.S. policy on this issue is, unfortunately, unclear."

Robert Gelbard, President Clinton's special representative for the implementation of the Dayton Peace Accord, briefly summarized the history of the crisis, and said that the U.S. op-

poses the independence of Kosova because "further atomization will not contribute to regional peace and security." On the other hand, he said, "neither can we accept the status quo" in which "Kosovar Albanians are denied the basic human rights and political freedoms that are the foundations of a stable democracy." Gelbard suggested, however, that in between these two extremes are a "wide range of possibilities," including an enhanced political status for Kosova "that would provide for a meaningful self-administration." The role of the international community in this, he said, is to bring the two sides together so they can discuss how this might occur.

Smith referred to a so-called "Christmas warning" delivered by President George Bush to Milosevic in 1992, and repeated by President Clinton in 1993. Gelbard refused to address the content of that warning in an open hearing. All he would say, is that "the United States continues to work on all possible options that are available regarding . . . our desire to find a peaceful solution in Kosova."

Budget battle shows splits in GOP ranks

A battle is shaping up between House Budget Committee Chairman John Kasich (R-Ohio) and Appropriations Committee Chairman Bob Livingston (R-La.) over the budget resolution. Kasich is reported to be working on a very conservative resolution which would cut President Clinton's budget request by some \$100-150 billion by, in part, eliminating the Department of Commerce and using the funds to pay for tax cuts. Livingston, joined by many other Republicans, is balking at such reductions, because he is more

concerned about getting the 13 spending bills through Congress, which requires a certain degree of cooperation with Democrats.

Also behind the disagreement are the ambitions of both men. Kasich is said to be considering a run for the GOP Presidential nomination in 2000, and Livingston has been campaigning vigorously to become the next Speaker of the House.

According to columnist Robert Novak, the battle erupted on May 6 at a Republican conference meeting where Kasich presented his budget plan. Livingston, supported by other members of his committee, said that he has no choice but to appropriate money for programs authorized by Congress. According to Novak, conservatives were "stunned" that Majority Leader Dick Armey (R-Tex.) and Majority Whip Tom Delay (R-Tex.) did not rise to support Kasich and the other budget conservatives. Even more shocking, perhaps, is that House Speaker Newt Gingrich (R-Ga.) lashed out at the budget ideologues, though not Kasich specifically, demanding "less rhetoric" and arguing that "there is no use in embarking on quixotic ventures such as eliminating the Department of Energy" (which Kasich did drop from his bill, but not the elimination of the Department of Commerce), and agreeing with Livingston that "there is no point in denying funds for programs already authorized."

Kasich's budget plan has also upset those who are seeking more funds for military spending and are worried about agricultural provisions said to be included in the bill. For Democrats, the bill is a nonstarter. On April 30, Senate Minority Leader Tom Daschle (D-S.D.) said, "There is more of a chance the Speaker will become President than that budget will ever become law."