

interests of Rule 6(e), and allow the Special Master to undertake his task without outside interference. If the Court determines to unseal the Order, the OIC proposes that the identity of the Special Master be redacted so that, to the maximum extent possible, he is able to conduct his work outside the intense glare of the inevitable media spotlight.

In its August 3, 1998 opinion in this matter, the Court of Appeals cautioned against procedures that might cause "undue interference with either the work of the grand jury or that of the district court itself." *In re Sealed Case No. 98-3077*, 151 F.3d 1059, 1073 (D.C. Cir. 1998). Here, the work of the Special Master also is protected from undue interference. Indeed, pursuant to the Court of Appeals' opinion, this proceeding is being conducted *ex parte* and *in camera* precisely to minimize the risk of interfering with or impeding the grand jury investigation. *See id.* at 1075.

Unsealing the Order before the Special Master concludes his work, and subjecting this proceeding to the unprecedented media frenzy that has surrounded the underlying grand jury investigation, needlessly increases that risk. Divulging the subject matter and scope of the proceeding at this time will provide a roadmap for prying and intrusion into it, and necessarily into grand jury matters in an ongoing investigation. These dangers can be avoided simply by delaying release of the Order until the Special Master concludes his investigation and the Court issues its findings.

Furthermore, as both this Court and the Court of Appeals have recognized, the threshold standard for establishing a *prima facie* case is minimal and is not conclusive of a violation of Rule 6(e). As the Court of Appeals noted, the OIC will have the opportunity in its rebuttal to "negate at least one of the two prongs of a *prima facie* case—by showing either that the information disclosed in the media reports did not constitute 'matters occurring before the grand jury' or that the source of the information was not the government." *Id.* The unsealing of findings pinioned on the mere *prima facie* standard could be exploited by the criminal defense bar in an effort to undermine the integrity of the OIC's investigation. This is especially true in the political climate existing as a result of the OIC's §595(c) referral to Congress. The integrity of the investigation is an important interest that Rule 6(e) and the *ex parte* and *in camera* nature of the proceeding at this stage is intended to protect. That interest should not be compromised by unsealing the Order now.

Maintaining the Order under seal also will allow the Special Master to conduct his work without interference and interruption. If the existence and identity of the Special Master become public, he undoubtedly will become the focal point of worldwide press attention, his efforts the subject of media inquiry, investigation, and speculation. These distractions will only serve to impede a process that the Court, and the OIC, wants to see concluded expeditiously. Should the Court nevertheless determine to release the Order, the OIC proposes the redaction of all references to the identity of the Special Master in order to afford him as much anonymity as possible. (Copies of the OIC's proposed redactions on pages 20-22 of the Order are attached hereto).

Finally, the OIC intends to file a motion for partial reconsideration of the Order. We believe that this motion is well justified under the facts and law at issue in this proceeding, especially since the OIC has not had the opportunity to address whether several of the media reports establish a *prima facie* case. It would be premature for the Court to unseal the Order while the motion is pend-

ing, and before the Court has given thoughtful consideration to our views. At the very least, the Court's preliminary rulings in this matter, with which we respectfully disagree, ought not be made public until the motion for partial reconsideration is decided.

For the reasons set forth above, the Order should remain under seal until the Special Master completes his investigation and the Court issues its final findings.

Respectfully submitted,

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Dated: October 1, 1998.

Mr. Starr has already done enormous damage to the institution of the Independent Counsel. It is time for him to somehow find an ability to show a restraint that has previously eluded him and let this proceeding conclude without him having to make himself, in a distracting way, the center of attention.

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#### INJECTING REALITY INTO THE DEBATE ON THE BUDGET SURPLUS

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Under the Speaker's announced policy of January 19, 1999, the gentleman from Florida (Mr. FOLEY) is recognized during morning hour debates for 5 minutes.

Mr. FOLEY. Mr. Speaker, I rise today because I want to inject a little bit of reality, I hope, into the ongoing budget debate on the surplus that we continually hear around this Capitol.

I know my home State has Disney World, and I know we have Universal Theme Park, and I know a lot of those expectations in those things are about not reality but about enjoying yourself.

It seems with this apparent flush of revenues for years to come, fiscal responsibility in Washington, D.C. has become a thing of the past. Indeed, the Administration's fiscal year 2000 budget seems to promise a new government program for just about anybody you can think of.

To be fair to the President, he does not propose using future surplus dollars for these new programs, but the assumption seems to be that with a healthy U.S. economy and a balanced budget in the black for the first time in decades, the government, the Federal Government, can afford to grow again.

We take out of account any potential downfalls in the economy. In fact, everybody in this Capitol is now so rosy and so full of optimistic projections they do not assume that there is going to be a hiccup in the road at any time.

I have to challenge this assumption. I have to bring some clarity to the debate. First, the fact that the U.S. economy is the envy of the world is due in

large part to the fact that U.S. consumers are, indeed, confident, and armed with that confidence, they are spending in record numbers. That simply cannot last forever.

The other thing we have to look at is why and how are they spending money: dead instruments, credit cards, second mortgages, refinanced first mortgages, or a gain in stock values in the sale of equities yielding capital gains to themselves.

Today's editorial in the USA Today makes something very clear. I will include the entire editorial for consumption by those who would read the Journal.

Mr. Speaker, the problem is, Americans are not saving enough to support their spending. Household saving rates last year were the lowest since the Great Depression, and Americans are relying on the stock market to maintain their living standards. Many analysts, including Federal Reserve Chairman Alan Greenspan, maintained that stock values may be too high, and the bubble can burst at any time in the near future.

What happens then? Consumer spending will take a nosedive. We all know what will happen after that. The U.S. economy will go into a recession, government revenues will dry up, and all of a sudden, that rosy picture of the healthy economy and multiyear budget surpluses vanish. It vanishes. Again, that is where fantasy ends and reality picks up.

We have to understand that this is not a static economy; that things change. If we look at Asia, look at Brazil, look at Latin America, look at Mexico, look at Canada, look at the economies of all our major trading partners, we see deficiencies growing, problems with currencies growing. So the United States cannot be the savior of the entire world.

My point is this. While President Clinton may be able to make a case that the Federal Government can afford all of his new initiatives in the fiscal year 2000 budget, and I am skeptical of that, he certainly cannot guarantee that the U.S. taxpayers can afford them in the future.

We need to act responsibly in the good times to ensure that they last for future generations. We need to save social security now so we can afford to boost the national savings rate to maintain our strong economy. If we do the right thing we can do both at the same time, and the projected surpluses will in fact materialize.

There are two approaches that can accomplish this goal. I would personally prefer that all future surpluses be dedicated to retiring the debt to shore up social security. In the surplus years we should guarantee social security recipients their full benefits, and at the same time we should create personal retirement accounts for future generations. These accounts will not only offset the long-term costs of social security, but they will also provide much-

needed capital to keep the U.S. economy healthy.

Barring this approach, however, Congress should provide tax relief, and I understand tax relief. This is what Chairman Greenspan said to our Committee on Ways and Means last week in a hearing: "If we have to get rid of the surpluses, I would prefer reducing taxes rather than spending it. Indeed, I don't think it's a close call."

That question was posed to him because there was a notion somehow that all of the money should go to surplus to retire the debt. Mr. Greenspan clearly agreed with that premise. But then as he looked at the budget unfolding as produced by President Clinton that we are now reviewing, we see that all surpluses are going out the window. All programs are expanding. All are growing past the rate of inflation. All are looking at solving the world's and our national crises by infusing more dollars here in Washington, rather than sending it home.

Mr. Greenspan took strong exception, saying if there are surpluses and they are not to be used or will not be used for deficit reduction, then clearly they should go for tax reduction. I stand on the side of Mr. Greenspan.

Mr. Speaker, I include for the RECORD the article previously mentioned.

The article referred to is as follows:  
SPENDING BUDGET SURPLUSES: WAIT UNTIL  
THEY'RE REAL

President Clinton's proposed \$1.77 trillion budget released Monday, with its projections of \$2.4 trillion surpluses over the next 10 years, has both parties ready prematurely to abandon fiscal prudence in exchange for votes in the year 2000 election.

Even the GOP's last holdout against huge tax cuts, Sen. Pete Domenici, R-NM, has joined the parade. While he condemned Clinton's budget as a return to an "era of really big government," the chairman of the Senate Budget Committee has signed on to across-the-board tax cuts pushed by party leaders.

But just as stock market seers warn that market catastrophe usually follows the coaxing of the last pessimist to buy in, so may today's golden surpluses turn to lead. There's ample reason for caution, as the surpluses everyone is counting on aren't yet real.

#### THE PHONY SURPLUS

While both Clinton and Republicans pretended Monday that there is a surplus now, the general fund budget isn't predicted to be in balance until 2001.

Until then, the only surplus the government will be running is in Social Security.

It's an old trick. Government has for years covered up huge deficits by borrowing billions from excess payroll taxes paid into Social Security for baby boomer retirements and using them for daily operations.

The only difference over the next 10 years is that the \$1.8 trillion in Social Security surpluses will make government's anticipated overall surpluses appear larger. That's how Clinton's budget achieves most of the supposed \$2.4 trillion surplus.

The bottom line of the equation, though, is the same. Any spending increases or tax cuts will be paid by borrowing from Social Security, increasing the burden on future taxpayers when baby boomers retire.

Real general fund surpluses will be put off for years, and that's if forecasts are correct, unlikely considering past performance.

The Reagan administration, for instance, in its first budget in 1981 forecast a \$29 billion surplus by 1986. A deep recession and fiscal irresponsibility by the administration and Congress produced a \$221 billion deficit instead.

Since 1980, budget-surplus or deficit predictions have been off by an average \$54 billion a year, or nearly 5%. Five-year predictions are even more iffy, being off an average 13%.

Counting on surpluses that haven't arrived thus amounts to a big gamble, especially in current economic conditions.

#### A BUBBLE ECONOMY?

Last month, the economy set a peacetime record for an expansion, eclipsing the mark set in the 1980s. But there are signs of bumpy times ahead. The rest of the globe continues to suffer from slow or falling growth. Asia remains in crisis, with Japan in recession. And teetering on the brink of another fiscal chasm is Brazil, key customer to Latin American economies to which U.S. exporters look for \$240 billion in annual sales.

As a result, U.S. exports, which had been the key to U.S. growth through much of the 1990s, aren't likely to grow much. And as in the past two years, the U.S. and world economies will continue to depend on U.S. consumers buying more and more.

The problem: Americans aren't saving much to support their spending. Household savings rates last year were the lowest since the Great Depression. People are relying on stock market gains to maintain living standards.

Many market analysts, though, worry that current stock values, up threefold since 1993, aren't sustainable. And if the bubble bursts, consumer spending may head south.

For the budget, that could spell disaster. Capital gains tax receipts on stocks have jumped 130% since 1994, contributing heavily to a 50% increase in personal income taxes. Future surpluses rely on stock market gains leading to big, taxable pension payouts.

A fall in the market, a decline in consumer demand and a resulting recession would leave the government depending on Social Security to cover up its own deficits once again.

A year from now, with the world crisis eased or worsened, the picture will be clearer. But that doesn't fit the political calendar, which remains focused on the 2000 elections.

#### BUDGET BLOAT

The push to use up the surplus also would ease pressure on government to spend its money more efficiently.

Business leaders who looked into Defense operations, for example, found \$30 billion in annual savings that would improve performance. But the reforms face tough sledding in the Defense bureaucracy and Congress if Clinton and Congress ease spending caps.

Similarly, the General Accounting Office of Congress has pinpointed billions in savings in agencies handling everything from food inspections to housing to transportation. They may not see the light of day if Clinton and Congress no longer have to pay for new programs by achieving savings in old ones.

The possibility of huge budget surpluses is not a reason to return to old spendthrift ways that built up the \$5.6 trillion national debt.

As Federal Reserve Chairman Alan Greenspan said last week, the best thing government can do with any extra money is pay down that debt. The proposed budget, though, continues to fund the debt with So-

cial Security surpluses, not eliminate it as celebrants suggest.

To really pay it down, the government needs to run a real surplus. And that simply hasn't happened yet.

#### ZEALOTRY HAS AGAIN SHUT DOWN MUCH OF AMERICA'S GOVERNMENT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Texas (Mr. DOGGETT) is recognized during morning hour debates for 5 minutes.

Mr. DOGGETT. Mr. Speaker, during the first dreadful year of the Republican takeover of this Congress, zealots right here in this House insisted on shutting down the government of the United States of America, causing considerable disruption and attracting a rather considerable and well-justified indignation and public outrage on the part of the American people.

I believe that America needs to know that this same brand of zealotry has again shut down a large part of our American government. During the month of January, the Congress of the United States did not approve one single bill.

This Congress indeed failed to even consider or debate here in the House a single piece of legislation; not improvements on the quality of public education, not a consumer bill of rights to help those who have been mismanaged by managed care in this country, not reform of our campaign finance system that is at the heart of so much wrong in what happens in this Congress. Not anything was done in this Congress.

Indeed, the leadership of this House has announced within the last few days that it plans to put campaign finance reform on the back burner, the same method that was used to strangle reform in 1998 and the years before under Republican control of this Congress.

While most Americans are out there working at least an 8-hour day, this House of Representatives worked on this floor during the month of January an 8-hour month. That is right, the House met here in session to work on the problems of the American people about the same amount of time in the entire month as the ordinary American worked in one single day.

Keep in mind that this inaction on the part of the Congress follows the year of 1998, a year which has been hailed by historians as perhaps the most unproductive and irresponsible of any year in the history of the Congress in the post World War II era. This is a Congress that, for the first time in 30 years of having a Budget Act, was not even able to agree on a Federal budget resolution because of an internal struggle in the Republican caucus here in the House between the far right and the not-so-right.

After failing to gain approval of a variety of schemes, this was a Republican House whose major accomplishment in