

# Bush courts Greenspan as economy worsens

By Tom Raum

The Associated Press

WASHINGTON—The first President Bush blamed Alan Greenspan for contributing to his 1992 defeat by failing to cut interest rates quickly enough to spur the economy. The second Bush in the White House is seeing his hand strengthened by the same Federal Reserve chairman's aggressive rate cuts and unexpected support for tax relief.

The slumping economy has accelerated a Bush-Greenspan courtship — and put them into an unusual alliance.

The Fed's half-point cut in a key short-term rate on Wednesday — its second such reduction in a month — should make it easier for Bush to press his case on Capitol Hill for an accompanying tax cut.

The Fed move comes less than a week after Greenspan, in a remarkable turnabout, sent a major valentine to Bush, telling a Senate committee he now believes that a deep tax cut would help stimulate an economy posting "close to zero growth."

In the past, he spurned Bush's proposed \$1.6 trillion, 10-year tax cut plan, suggesting the surplus should be used to pay down the national debt instead.

The warming Bush-Greenspan relationship comes against the backdrop of a worsening economy. A consumer confidence index released on Tuesday plunged to its lowest level since 1996, more and more companies have reported disappointing growth and rolling blackouts and growing debt by utilities are roiling California's once-vibrant economy.

The Fed's back-to-back interest rate cuts underscore the seriousness with which Greenspan takes the economic slowdown.

A Republican economist, Greenspan was first picked for the Fed job by President Reagan in 1987 and reappointed in 1992 by the elder Bush and in 1996 and 2000 by President Clinton.

During last year's presidential campaign, the younger Bush was noncommittal on whether he would reappoint the widely respected Greenspan if elected.

But since winning the election, Bush has actively courted Greenspan.

His team gave Greenspan an early heads-up that Bush would nominate Paul O'Neill — the former head of Alcoa Aluminum and a longtime friend

of Greenspan — as treasury secretary.

Bush's chief economic adviser, Lawrence Lindsey, served on the Fed under Greenspan.

Sometime Bush's courting of Greenspan has been on the exuberant side.

When the two met in December, Bush clapped a hand on Greenspan's shoulder and told reporters he was "a good man." The shy Greenspan appeared to recoil from the unexpected contact.

Bush was lavish in praising Greenspan's first half-point cut in interest rates on Jan. 3, reversing the silence-is-golden policy Clinton had followed. It was apparently not appreciated by Greenspan. Presidential utterances on Fed moves can have unintended effects.

"Mr. Greenspan needs to make his

decisions independent of what I think. I learned a pretty good lesson during the transition," Bush said on Tuesday.

"That's the last time I'm going to comment about the actions that Mr. Greenspan takes."

And true to that promise, neither the White House nor the Treasury Department commented on Wednesday's Fed move.

Greenspan's detractors — and there are relatively few — suggest the nation's top banker is too sensitive to political considerations.

Sen. Byron Dorgan, D-N.D., contends that the Greenspan Fed erred in waiting too long to act on interest rate cuts. "This economic slowdown is not an accident," he said.

It's a sentiment that the older Bush might endorse — but not the son.

# Bill would tighten 'dangerous' vote-by-mail system

By Brad Cain

The Associated Press

SALEM—An Oregon House committee heard warnings that Oregon's vote-by-mail system is vulnerable to fraud and abuse as the panel opened hearings Wednesday on a bill to outlaw "bring-your-ballot" parties and other organized ballot collection efforts.

"It's very dangerous, and it is something we need to make sure doesn't happen," said Rep. Betsy Close, R-Albany, who is sponsoring the measure.

Others who testified Wednesday said there has been no documented case of voter fraud and that there is

no justification for making it more difficult for people to vote by mail.

"We see this as an overreaction to a perception of a problem," Paddy McGuire, deputy secretary of state, told the House Rules, Redistricting and Public Affairs Committee.

The panel is considering bills seeking to make various changes in election laws in the wake of last November, when Oregon conducted the nation's first all-mail-ballot general election.

The 1998 law authorizing mail balloting abolished the traditional polling place, although voters can give their ballots to others to deliver for them and they can hand deliver

their ballots to "drop sites" instead of putting them in the mail.

Close's measure, HB2087, would eliminate the drop sites and further stipulate that only the voter or a member of the voter's immediate family could mail in their ballot.

The Albany Republican said she mainly is concerned about the door-to-door ballot collection efforts that were used by many campaigns, which she said are an invitation to voter fraud.

"We need safeguards to maintain the integrity of the ballot," Close said.

The committee also heard testimony from Multnomah county elections supervisor Vicki Ervin, who has

said that unidentified people showed up at the downtown Portland elections office on election night and offered to deposit voters' ballots for them.

Ervin said her office also received many complaints about an unidentified woman who set up her own ballot "drop box" on a street corner in southeast Portland and collected people's ballots.

"Those are the things that create a perception" of problems, Ervin said.

Still, she said the Legislature needs to be careful not to place so many restrictions on vote-by-mail that a person could run afoul of the law sim-

ply by helping a neighbor or friend deliver a ballot, a view also voiced by McGuire, the deputy secretary of state.



"We are concerned that this bill outlaws Good Samaritanship," McGuire said.

Jacqueline Zimmer, a lobbyist for the Oregon Association of Area Agencies on Aging and Disabilities, said ballot drop sites that have proved to be popular at many senior centers would be illegal under Close's bill.

"We want to make sure some of our seniors don't go to jail for helping someone else vote," Zimmer said.

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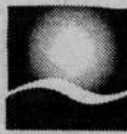
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