

# ELECTIONLINE

## Jury convicts woman for illegal Dem donations

A federal jury convicted Maria Hsia of funneling \$109,000 in illegal donations to Democrats, including the 1996 Clinton-Gore presidential campaign. Prosecutors say Hsia, 45, tapped a Buddhist temple and others to reimburse straw donors who were listed as the contributors. She was convicted of causing false records to be filed with election officials.

A video played at the trial shows Vice President Gore at the Buddhist temple event in California. He initially said he thought it was a community outreach rally, but after campaign documents turned up characterizing it as a fundraiser, Gore admitted that he knew it was finance-related. Thursday, Gore called Hsia a "friend and political supporter," and said "it's a hard day for her." She faces up to five years in prison on each of the five felony counts.



Hsia: Funneled contributions.

**N.Y. SENATE RACE:** Support from white women and Jewish voters pushed New York Mayor Rudy Giuliani into a clear lead over first lady Hillary Rodham Clinton in the race for a Senate seat in New York, according to a Quinnipiac College Poll of registered voters statewide. The poll, conducted Feb. 22-28, found Giuliani led Clinton 48%-41%, outside the margin of error of +/- 2.3 percentage points. The same poll had Giuliani ahead 45%-42% in early February. The two campaigns accused each other of hypocrisy on gun violence, although both candidates support gun control. Giuliani's camp noted that Clinton accepted a \$1,000 contribution from rapper Sean "Puffy" Combs, who later was indicted on gun possession charges after a shooting at a nightclub. Clinton's campaign pointed to a \$1,000 contribution Giuliani took from actor Charlton Heston, president of the National Rifle Association.

## The candidates this weekend

**DEMOCRATS** — Bill Bradley: Today in Portland, Maine; Providence. Weekend schedule not available.  
Al Gore: Today in Jacksonville, Fla.; Atlanta. Weekend schedule not available.

**REPUBLICANS** — George W. Bush: Today in Stony Brook, Mattytown, Cheektowaga, N.Y.; Saturday in Buffalo, Binghamton, Rochester, N.Y.; Sunday in San Jose, Concord, Fresno, Calif.

Alan Keyes: Schedule not available.  
John McCain: Today in New York City; Fairfield, Conn.; Saturday in Boston; Portland, Maine; Syracuse, Rochester, N.Y.; Sunday schedule not available.

Written by Paul Leavitt with staff and wire reports.

# WASHINGTON

## China trade legislation appears short of votes

Legislation that supporters say would clear the way for more U.S. exports to China appears to be short of what's needed for passage, according to the first head counts. House Democratic whip David Bonior of Michigan, who opposes the trade pact, said Thursday that only 83 of the 211 House Democrats might vote for the bill. Republicans who favor the bill say they will need at least 80 Democratic votes to pass it. In the Senate, a Reuters survey found 52 votes for it. Although that is a majority of the 100-member Senate, it is short of the 60 that would be needed to end a filibuster.

Many Democrats say trade pacts need stronger labor and environmental protections. Most Republicans favor free trade, but some oppose the measure because of China's repression of religion and its threats to attack Taiwan.

The legislation, a top priority of President Clinton, would grant China normal trade status on a permanent basis rather than requiring Congress to vote on it every year.

**EDUCATION SAVINGS:** The Senate approved a bill that would allow parents to set up tax-free savings accounts to help pay for elementary and secondary schooling, including private school tuition. Many Democrats say the bill would weaken public schools. The 61-37 vote is not enough to override an expected presidential veto.

**COMPUTER SECURITY:** Kevin Mitnick, one of the world's most notorious computer hackers, told a Senate panel some of his tricks of the trade.

He said training workers to recognize when someone is trying to bamboozle them into bypassing security rules and disclosing computer passwords is critical to protecting computer systems.

"I was so successful in that line of attack that I rarely had to resort to a technical attack," Mitnick told the Governmental Affairs Committee. He said his hacking was "a quest for knowledge, the intellectual challenge, the thrill and the escape from reality." Mitnick was released from prison in January after serving nearly five years for computer crimes. As part of his probation, he is barred for three years from touching computers, cell phones and many other modern conveniences.



Mitnick: Hacker describes tactics.

Written by Paul Leavitt with staff and wire reports

# Tug-of-war over the budget surplus

One of the biggest debates of the presidential campaign is over the projected federal budget surplus through 2010. The candidates are arguing over how big it is likely to be and how to spend it, long before it materializes. The one area of agreement: using surplus Social Security taxes

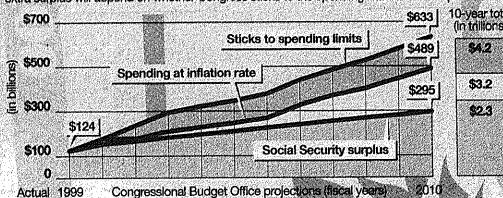
only to reduce the national debt. George W. Bush wants to use most of the remaining surplus to give everyone a tax cut. John McCain wants a smaller tax cut so more money could prop up Social Security and Medicare. Bill Bradley prefers to spend the money on social needs. And so

does Al Gore, but he also favors some modest tax breaks. Will there even be a surplus? Depending on the economic and political outlook, the surplus could approach \$8 trillion or disappear by 2010.

— Owen Ullmann

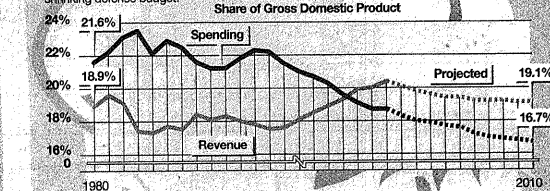
## 1 The budget surplus will grow over the next decade

The government will collect more in Social Security taxes over the next 10 years than it will pay in benefits. So Social Security will account for \$2.3 trillion of the projected surplus. The size of any extra surplus will depend on whether Congress sticks to the spending limits it has adopted.



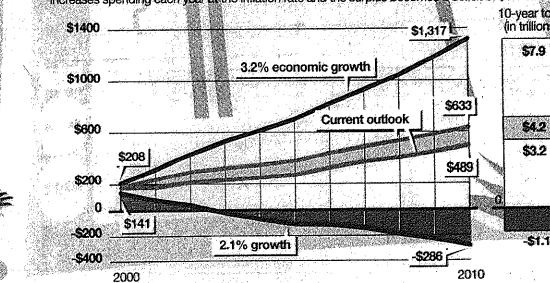
## 2 ... thanks to rising revenue and falling spending

The strong economy and robust stock market gains have caused personal income taxes to surge, pushing the federal revenue to the highest share of the economy since World War II. Meanwhile, spending is running at the smallest share of the economy since the 1960s, mainly because of a shrinking defense budget.



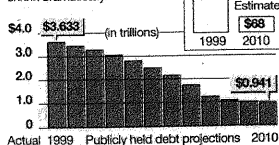
## 3 But the economy could make the surplus soar — or vanish

Even small changes in assumptions have a huge impact. Consider an 'optimistic' projection from the Congressional Budget Office: Growth averages 3.2% a year, Congress sticks to its spending limits and the 10-year surplus soars to \$7.9 trillion. Or the CBO's 'pessimistic' projection: Growth averages 2.1%, Congress increases spending each year at the inflation rate and the surplus becomes a deficit of \$1.1 trillion.

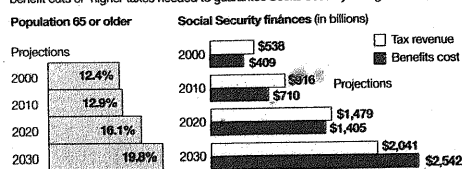


## 4 The surplus is shrinking the debt, but Social Security will worsen without reform

By 2010, surplus Social Security taxes will pay down three-fourths of the national debt, and annual interest payments will shrink dramatically.

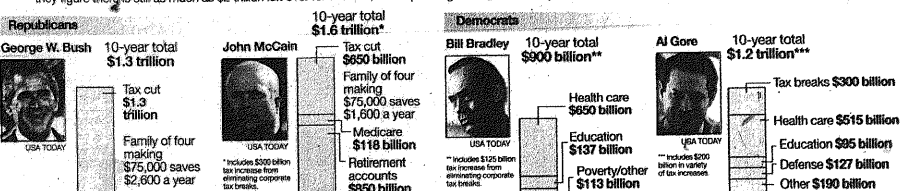


Using the Social Security surplus to pay down debt won't keep the program solvent over the next 40 years as baby boomers retire. None of the candidates proposes benefit cuts or higher taxes needed to guarantee Social Security's long-term health.



## 5 How the candidates would divvy up the budget surplus

The presidential candidates pledge to use the \$2.3 trillion Social Security surplus to pay down the national debt. Using their own forecasts, they figure there is still as much as \$2 trillion left over for tax cuts, new spending or both. What they would do with the extra money:



Source: Congressional Budget Office, Office of Management and Budget, President's Council of Economic Advisors, Social Security Board of Trustees, Deloitte Touche, USA TODAY research

By Bob Lang, USA TODAY