Bureau of Investigation hasn't interviewed Mr. Chalabi himself or many current and former U.S. government officials thought likely to have information related to the matter, according to lawyers for several of these individuals and others close to the case.

The investigation of Mr. Chalabi, who had been a confidant of senior Defense Department officials before the war in Iraq, remains in the hands of the FBI, with little active interest from local federal prosecutors or the Justice Department, these people said. There also has been no grand-jury involvement in the case.

The investigation centers on allegations that one or more U.S. officials in early 2004 leaked intelligence to Mr. Chalabi, including the fact that the U.S. had broken a crucial Iranian code, and that Mr. Chalabi in turn had passed the information to the Baghdad station chief of Iran's Ministry of Intelligence and Security. The assertions about Mr. Chalabi's involvement came after U.S. intelligence agencies intercepted a cable from the station chief back home to Iran, detailing what the chief claimed was a conversation with Mr. Chalabi about the broken code.

Former intelligence officials said such a leak could have caused serious damage to U.S. national security. The broken code had enabled U.S. intelligence agencies to monitor covert cable traffic among Iranian operatives around the world. The encrypted cable traffic was a main source of information on Iranian operations inside Iraq. The leak also threatened U.S. efforts to monitor any Iranian steps to develop nuclear weapons. And there was concern that the disclosure could prompt other countries to upgrade their encryption, making it more difficult for the U.S. to spy on them.

Mr. Chalabi has strongly denied the allegations. He once was a close Bush administration ally and a key proponent of the Iraqi invasion, though he has more recently appeared to fall from American favor. Before the war, during his long period as a prominent Iraqi exile, he also cultivated close ties to the government in Iran, which was his ally in opposing former Iraqi leader Saddam Hussein. Just this weekend, Mr. Chalabi made a trip to Tehran to visit Iranian government leaders.

The handling of the Chalabi investigation so far stands in contrast to the aggressive inquiry conducted by special counsel Patrick Fitzgerald into the leaking of intelligence agent Valerie Plame's name, which led to the indictment of I. Lewis Libby, Vice President Cheney's former chief of staff.

Questions about the progress of the Chalabi investigation also follow the FBI's disclosure last week that it had closed an investigation into forged documents purporting to show Iraq had sought uranium ore from Niger. The Niger claim set off an intense intelligence debate, which was at the center of the leaking of the intelligence agent's identity.

Whitley Bruner, a former longtime undercover Central Intelligence Agency official in the Middle East who has followed Mr. Chalabi's career closely since 1991, said that, in contrast to Mr. Fitzgerald's investigation, the Chalabi leak inquiry ''just sort of disappeared.''

FBI spokesman John Miller strongly denied that the Chalabi investigation has languished. ''This is currently an open investigation and an active investigation,'' he said, adding that ''numerous current and former government employees have been interviewed.''

Mr. Miller said that, because the investigation is an active one, he couldn't discuss specific individuals nor comment on how the inquiry is being conducted. A Justice Department spokesman declined to comment.

Mr. Chalabi's lawyer, Boston attorney John J.E. Markham II, said neither the FBI nor Justice Department ever responded to an offer to have Mr. Chalabi come to Washington to answer law enforcement questions and aid in the investigation. Mr. Markham made available a copy of a letter he said he had sent on June 2, 2004, to then-Attorney General John Ashcroft and FBI Director Robert Mueller. It categorically denied that Mr. Chalabi had leaked any U.S. intelligence. And it stated ''Dr. Chalabi is willing and ready to come to Washington, D.C. to be interviewed fully by law-enforcement agents on this subject and to answer all questions on this subject fully and without reservation.''

Mr. Markham, a former Federal prosecutor, said that, ordinarily in a leak investigation, ''the first thing you would do would be to get the tippee,'' the person to whom the information was leaked, ''in there and say 'Who talked to you?' '' But, he said, ''That never happened.''

The FBI's Mr. Miller said he wouldn't comment on Mr. Chalabi but said the FBI, in general, interviews witnesses when an investigation indicates it is best to do so, not necessarily at the beginning of an inquiry. He added, ''The fact that this person or that person has or hasn't been interviewed yet is just not material to whether there's an active investigation.''

One likely focus of FBI inquiries would be a small group of people in the Pentagon and White House who had frequent contact with Mr. Chalabi and also probably knew the closely guarded secret of the broken code. Interviews indicate that many of these individuals haven't been questioned by the FBI.

Among the officials with whom Mr. Chalabi at one time had close ties, for instance, was Douglas J. Feith, who until earlier this year was an undersecretary of defense and headed the Pentagon's powerful office of policy and planning. In an interview, Mr. Feith said he has never been questioned by the FBI or federal prosecutors in connection with the investigation and that if others had been, he was unaware of it.

Lawrence Di Rita, spokesman for Defense Secretary Donald Rumsfeld, said in an emailed response to questions that he had no knowledge of the FBI or federal prosecutors having questioned current or former Defense Department officials. ''I don't know anything about a [Department of Justice] investigation in this matter,'' Mr. Di Rita said.

Mr. Chalabi had been considered a trusted ally by influential figures within the administration, but last spring those ties appeared to have ruptured. On May 20 of last year, Iraqi police backed by U.S. troops raided Mr. Chalabi's headquarters, searching for evidence of corruption and leaked American intelligence.

Since then, however, the Bush administration has become more open to dealing with Mr. Chalabi again, spurred on by his rise in the current Iraqi government, the possibility that he might become prime minister and his current control over, among other things, Iraqi oil production.

Mr. Chalabi's visit to Washington this week is his first since the leak allegations. He is scheduled to meet with Treasury Secretary John Snow and with Ms. Rice, now secretary of state. He also is to give a speech to the conservative American Enterprise Institute.

Senate Democrats have been pressing for an investigation into the role Mr. Chalabi played in drumming up support for a war to depose Mr. Hussein. They also are critical of Mr. Chalabi because of alleged corruption; in 1992, he was convicted in absentia by a Jordanian court of having embezzled $288 million from a bank at which he was managing director. He has strongly denied the corruption allegations.

Spokesmen for both Mr. Snow and Ms. Rice said they were meeting with Mr. Chalabi, despite past events, because he is a powerful government figure in Iraq. State Department Iraq adviser James Jeffery said Mr. Chalabi ''is deputy prime minister of a critically important country at a critically important time, he was democratically elected, and it's on that basis that we see him.''

IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. OSBORNE) is recognized for 5 minutes.

Mr. OSBORNE. Madam Speaker, in roughly 1 month, general elections will be held in Iraq. I would like to comment on my perceptions as to what I have seen as I visited there on three different occasions and talked to many of our soldiers. Soldiers often comment on the fact that there are really two wars, apparently, going on in Iraq. There is a war that they see on CNN, and they watch cable television regularly. Then there is the war that they are actually fighting.

Apparently, in their minds, at least, there is some discrepancy between the two versions. They have asked me to come back on occasion and talk about what they see happening over there.

First of all, in the area of education, 746 schools have been renovated, and these projects have all been completed; 36,000 teachers have been trained since the war started; attendance in the schools is up by 80 percent, and most of these increases are young women, who are attending school for the first time.

In the area of health care, 17 new hospitals have been built; 3.2 million children under the age of 5 have been vaccinated for the first time, 97 percent of all children have been vaccinated; 700,000 pregnant women have been vaccinated; and 142 new clinics are currently under construction or have been completed. It is certainly not perfect, but it is an improvement.

As far as the economy is concerned, many small businesses and entrepreneurial activities are springing up. As you fly over Baghdad at tree-top level, you see satellite dishes on practically every building. They were not there under Saddam. Newspapers are springing up. Many news outlets that were not there are present today. There are 1 million more automobiles in Iraq today than under Saddam, and Iraqi income, of course, has increased as well.

As far as a political process, as many people know, the elections for a constitutional assembly were held last January, and the turnout exceeded expectations. The constitution was written in August. The constitution was approved about 2 weeks ago, October 15, with a 78 percent approval rating. A new government will be elected December 15, and the Sunnis have been kind of a wild card here. They boycotted in

large numbers the first election, and it appears that they will participate fully in the December 15 elections.

As far as an exit strategy, you often hear that there is none. Yet at the present time 210,000 Iraqi security forces have been trained and equipped as of this date. The goal is 270,000 total, so we are more than three-fourths of the way toward our goal. There is no shortage of recruits. Every time they put out a call, more people volunteer than they have room for in the Iraqi army.

Some areas of Iraq are totally controlled at the present time by Iraqis with no American backup. The intent is to draw down U.S. troops as Iraqis are prepared to control their own destiny. That is the exit strategy. We are moving in that direction. It is certainly not done yet, and we will be there for some time.

The next few weeks will be violent before the elections. It will be a very difficult time. Some agree and some disagree that we should have gone into Iraq, but we are there, and this is an irrefutable fact. The observation from a soldier in Kuwait is something I would like to pass on at this time. He said this: We pull out and we pull out prematurely, three things are going to happen.

Number one, every soldier who died or was wounded will have been sacrificed in vain. Currently the morale of our troops is generally very good. They do not want to leave prematurely. Many of them have reenlisted.

Secondly, if we pull out early, Iraqis will die in large numbers. Tens of thousands and possibly hundreds of thousands will die. We will have broken a promise, and this is what happened after the first Gulf War. We cannot let the Iraqi people down at this point.

Thirdly, if we pull out prematurely, at this point terrorists will be encouraged worldwide. They will be shown that terrorism does work. The U.S. will become an even bigger target, and our population will be under a greater threat.

This is a difficult and a dangerous process. Nothing is certain at this point. It is difficult, but many positive things have happened. I think it is important that the American people be aware of these issues.

BUDGET RECONCILIATION: BALANCING THE BUDGET ON THE BACKS OF MEDICAID BENEFICIARIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GENE GREEN) is recognized for 5 minutes.

Mr. GENE GREEN of Texas. Madam Speaker, I rise tonight to speak out against the budget reconciliation bill, which we will consider soon. The bill contains a number of harmful provisions, but my primary opposition to this legislation stems from its $11.9 billion in cuts to the Medicaid program. This reconciliation process has been flawed from day one.

The Energy and Commerce Committee was given an arbitrary budget number and was forced to mold the policy to achieve that number. Without doubt, there are certainly ways that we can improve the Medicaid program, but sound public policy, not budget targets, must be the driving force behind any Medicaid reform.

This quest to meet budget targets superseded Congress's responsibility to ensure that the Medicaid program continues to provide comprehensive and quality health care to our Nation's most vulnerable. Unfortunately, the bill the House will consider takes away that assurance and further frays the safety net that Medicaid beneficiaries depend on.

While the Senate's bill largely shielded the beneficiaries from any cuts to Medicaid, the House bill places a bull's-eye squarely on the backs of Medicaid beneficiaries and aims Medicaid cuts directly at them. In fact, $8.8 billion of these cuts in this bill are achieved through cost-sharing and benefit reductions for beneficiaries. The increased cost-sharing allowed for in the bill exposes Medicaid beneficiaries to new premium requirements and copays that many beneficiaries simply cannot afford. The reason you are on Medicaid is because you are poor.

What is more, Medicaid beneficiaries already pay a higher percentage of out-of-pocket health care costs than higher-income individuals who can better afford out-of-pocket costs. In 2002, higher-income adults with private insurance paid 0.7 percent of their income on the out-of-pocket medical expenses. Yet during the same year low-income, nondisabled adults on Medicaid spent more than three times as much, 2.4 percent of their income on out-of-pocket expenses.

Low-income disabled adults on Medicaid fared even worse, forced to spend 5.6 percent of their income on out-of-pocket medical expenses. Unfortunately, the growth of out-of-pocket health care spending is more than double that of the income for Medicaid adults, with income growing at 4.6 percent annually, out-of-pocket increases increasing by 9.4 percent annually.

This bill is only going to make worse a problem we already know is occurring. Faced with increased out-of-pocket costs, Medicaid beneficiaries are less likely to seek health care, which is exactly the result that proponents of this bill are looking for. The problem is, health care conditions worsened for these folks, and they will only seek care when their health problems reach emergency portions and the cost of care is exponentially greater.

While we do not want to encourage overutilization, we also do not want to cut off our nose to spite our face by discouraging preventive care. To make matters worse, the bill takes an extremely heavy-handed approach to the enforcement of those with cost-sharing measures. The bill will allow health care providers to refuse to treat sick Medicaid patients if they do not have the copay on hand.

The State can also drop Medicaid beneficiaries altogether if they cannot afford the premium for the Medicaid. A recent study of cost-sharing on Medicaid beneficiaries in Oregon foreshadows what will happen under these circumstances. Less than a year after Oregon implemented premium increases through a waiver process, its Medicaid population decreased by one-half.

Make no mistake about it, the Medicaid program is the health insurer of last resort. Without health insurance through Medicaid, it is safe to say that these folks in Oregon joined the growing ranks of the uninsured, a trend we will likely see continued if we enact this bill to allow every State in the Nation to follow Oregon's lead.

□ 2015

Not only does the bill make Medicaid beneficiaries pay more for health care; it also reduces the health care benefits they receive under Medicaid.

The bill allows States to reduce benefits as long as the Medicaid package mirrors private coverage or SCHIP coverage.

The flaw in that policy lies in the fact that the Medicaid program was always intended to provide benefits that low-income individuals could not afford to purchase through private coverage, such as an array of benefits needed by disabled individuals.

This reduction in benefits flies in the face of the goal shared by Democrats and Republicans alike to remove the institutional bias inherent in the Medicaid program by providing the necessary tools to keep disabled individuals in the community.

Without these benefits, low-income disabled individuals will have no option other than to enter a nursing home setting.

This bill also eliminates a benefit that has long served as the cornerstone of the Medicaid program's approach toward children's health.

If Medicaid costs are truly growing at an unsustainable rate, there is no way increased costs can be attributed to children.

Health care for pregnant women and children is arguably the most cost-beneficial aspect of the Medicaid program, with pregnant women or children accounting for nearly 70 percent of all Medicaid enrollees, but only 30 percent of the program's costs.

The bill's elimination of the Early, Periodic, Screening, Detection and Treatment program for children above the poverty level means that childhood illnesses will not be detected as early, and more low-income children will lack the good health that puts them on the path of learning and productivity.

According to the March of Dimes, the situation would be even more dire for children with significant physical and developmental conditions.