

Congressional Closeup by William Jones

Senate passes minimum wage bill

On May 18 the Senate voted to raise the minimum wage by \$1.20 an hour over three years, which would raise it to \$4.55 an hour, passing the legislation by a vote of 63 to 37. Earlier this month, the House voted approval by 247 to 172.

This puts the Congress on a direct collision course with the White House, which has promised to veto any bill which raised the minimum wage above their proposal of \$4.25 an hour.

Minutes after passage, Senate Democrats went before TV cameras to accuse President Bush of trying to appear tough by "standing on the necks and backs of the working poor of this country," as Sen. Edward Kennedy (D-Mass.) phrased it. "The President has a perceived political need to look tough, to veto a bill," said Senate Majority Leader George Mitchell (D-Me.). "If he wants to prove how tough he is, let him choose a bill other than one in which a veto will harm millions of the poorest Americans."

President Bush claims that the conflict is not about 30¢ an hour, but about the massive unemployment which will result as many low-paying jobs are lost. But not all Republican senators are behind the President on this issue, since 10 Republicans voted for the bill. Neither House nor Senate supporters of the higher minimum wage have the two-thirds majority support to override a presidential veto.

Jap-bashing accompanies FSX fighter deal approval

By an extremely narrow margin, the Senate on May 17 voted 52 to 47 to approve the agreement between the United States and Japan to jointly pro-

duce the new FSX jet fighter.

The Senate also adopted 72 to 27 an amendment by Sen. Robert Byrd (D-W.Va.) imposing new and tougher conditions on the co-production arrangement aimed at assuring that Japan doesn't receive vital U.S. aerospace technology. The amendment, opposed by the administration, was called a "killer amendment" by Minority Leader Robert Dole (R-Kan.) since it would require reopening negotiations with the Japanese government.

Byrd's measure calls for the United States to get at least 40% of the work producing the plane, including work on spare parts, includes binding language that would prohibit the transfer of certain jet engine technologies to the Japanese, and prohibits the Japanese from selling or transferring FSX technology to third parties.

In three days of heated debate, supporters and opponents of the deal vented their rage toward Japan over its trade surplus, its expenditure on defense, and over allegations that the Japanese were involved in a Libyan plant suspected of producing chemical weapons. Even some senators who supported the treaty did so reluctantly. Sen. John Danforth (R-Mo.) voted for the treaty because, "it would be a mistake to pull the rug out from under the new administration." He claimed that Japan had not taken its responsibilities as an ally seriously.

The debate was also combined with not-so-subtle threats of U.S. cutbacks on military spending related to the security of Japan if the U.S. feels that the Japanese are not giving the U.S. what they consider a "square deal." "If we spent 1% of our gross national product on defense [as Japan does], our budget deficit would disappear overnight and their economy would be in chaos, deprived of the oil our nation

escorted out of the Persian Gulf," warned Sen. Lloyd Bentsen (D-Tex.).

OTA warns U.S. losing technological edge

A congressional study issued on May 16 by the Office of Technology Assessment, warned that U.S. technological superiority, which it called the cornerstone of the nation's security since World War II, "is not crumbling, but over the past decade it has withered significantly."

The study, entitled "Holding the Edge: Maintaining the Defense Technology Base," had been requested by the Senate Armed Services Committee in order to find out what is needed to be done to maintain the U.S. technological base.

Some problems are caused by Congress, said the report, including civilian control over military procurement, too close congressional control, measures for protection of constituent interests, the environment, competition, accountability, minority interests, against conflicts of interest, and prevention of large profits at taxpayer expense. "The consequences of achieving these other objectives," continues the study, "have included high costs, long procurement times, inefficient production and restricted access to technology."

The study noted that foreign companies had made "deep inroads" into high-technology markets that had been more or less the exclusive domain of American industry. It also noted that the "Department of Defense reports that Soviet defense technology is catching up with ours, and sophisticated Western military equipment is routinely sold to Third World nations." The study concludes by rec-

ommending that Congress ease the rules under which the Defense Department conducts its business, allowing Pentagon practices to move closer to those of the private sector.

House Democratic Whip is 'ethics' target

As the investigation of House Speaker Jim Wright (D-Tex.) continues unabated, Democratic House Speaker Tony Coelho (D-Calif.) is now being targeted for alleged "shady deals."

A front-page article in the *Washington Post* on May 14 refers to a deal where Coelho had in 1986 purchased \$100,000 in high-yield Drexel Burnham Lambert junk bonds. Since Coelho did not have the money initially to purchase the bonds, they were purchased for Coelho by Thomas Spiegel, a Beverly Hills savings institution officer and, according to the *Post*, a close associate of junk-bond king Michael Milken.

Spiegel, Milken, and several Drexel junk bond traders were major donors to the Democratic Congressional Campaign Committee in 1985-86 when Coelho headed the committee. Coelho is also alleged to have failed to report a \$50,000 loan used to finance the transaction on his House financial disclosure statements as required by law.

Because of what is described as a misunderstanding either by Spiegel's office or at Drexel, the account was opened in the name of the Democratic Campaign Committee. Robert F. Bauer, Coelho's attorney, said he could not determine how the mistake was made, but found that no campaign funds were used to purchase the bonds, which would have been a breach of House rules.

Whether violations or irregularities occurred, it is clear that political damage is being done before those accused have a hearing.

House approves budget resolution for 1990

A \$1.7 trillion budget resolution for FY1990 cleared the House by a vote of 241 to 185 on May 17. The bill now goes to the Senate, where approval is also expected.

The resolution, in line with the agreement hammered out earlier with the White House, meets the Gramm-Rudman-Hollings targets, at least on paper. But in social and economic terms it is a monstrosity.

Entitlement and other mandatory spending would be cut by \$8.3 billion, including \$2.3 billion for Medicare and \$1.9 billion for agriculture. Defense spending would be cut \$6.7 billion in budget authority. Nevertheless, in light of the austerity guidelines which have become the "beacon of truth" for congressional cretins, the budget falls far short of their desires.

"We did the best we could do," said Rep. Silvio Conte (R-Mass.), ranking minority member of the House Appropriations Committee, somewhat dejectedly.

Veterans spending faces House deadlock

House Democratic leaders are scrambling to find a compromise on an emergency spending bill that includes money needed to maintain medical services at the Department of Veterans Affairs' hospitals and clinics. The measure will allot extra money to programs that have run out of funds soon-

er than expected.

The House Appropriations Committee had increased the Bush proposals for the bill by \$2 billion, and the House rejected attempts by the leadership to offset those increases with cuts in other programs. The bill was sent back to the Appropriations Committee.

Key Democrats urge Wright to prepare for the worst

Some of House Speaker Jim Wright's (D-Tex.) closest House colleagues have told the Speaker that unless he knocks down two of the most critical charges against him in an upcoming ethics panel hearing, he will have to step down as House Speaker. In what was described by participants as a grim two-hour meeting with Wright on May 17, they attempted to assess political damage.

"It's rough," said one lawmaker who attended the meeting, in comments to the *Washington Post*. "There's an exhaustion level, a frustration level. The feeling was that in the legal battle he's still on good footing but in the political battle, there's no footing left."

But Wright indicated the broader stakes involved in comments to May 17. "It's important not just to me but to the whole Congress," Wright said, arguing that the ethics committee is on the verge of reinterpreting House rules in a manner that could endanger many of his colleagues.

Wright's lawyer has moved to have the committee strike two of the more serious charges. If the committee decides to maintain these charges, Wright's attorney will move to have the panel proceed to the trial phase of its probe immediately.