

Congressional Closeup by William Jones

Jim Wright case tried by lynch mob

House Speaker Jim Wright (D-Tex.) continues his fight against what Wright's defense lawyer Stephen Susman characterized as a "lynch mob." In pleas to the Committee on Standards of Official Conduct, Susman urged the committee to drop the most serious charges leveled against the Speaker arguing that the panel would be "rewriting rules in midstream" and engaging in "ex post facto lawmaking" if it finds him guilty of the charges at an upcoming disciplinary hearing.

The pleas by Susman and committee counsel Richard Phelan were televised, thus turning the kangaroo court into a "bread and circuses" event for gullible TV viewers.

The Wright case is just the initial phase of what promises to be a general move to utilize "ethics legislation" as a bludgeon directed against all political institutions in the country.

Part of the show is to attribute the present economic depression to financial "skulduggery" by greedy politicians and savings and loan executives rather than to the insane economic policies imposed by the Congress and the Executive Branch, especially since the high interest rates of Federal Reserve Chairman Paul Volcker.

Wright, who has made a lot of enemies in the Congress with his heavy-handed tactics during his tenure as Speaker, and who knows what economic development policies are, is an important target. Many of his Democratic Party colleagues would now leave the sinking ship rather than fight. They foolishly believe that they themselves will not be targeted if they now distance themselves from Wright.

House Whip Tony Coelho (D-Calif.) and Wright ally Rep. Charles Rose

(D-N.C.) are already in the cross-hairs. This atmosphere of fear and suspicion is meant to prevent any "break-out" from the scenario of imposing fascist austerity on the United States. Given the political cowardice manifested by legislators, it doesn't take much to get them to toe the line.

Jim Wright is still fighting, but how long he will be able to withstand this well-orchestrated scandal is still an open question.

Although Susman began a principled counterattack against prosecutorial abuse, and asserted that in a nation "governed by the rule of law" a person is innocent until proven guilty, media reports say Wright will try some plea-bargaining ploy, agreeing to relinquish his Speaker's post in return for a dignified farewell.

Sources say that Wright received such advice from Clark Clifford, a key player among the U.S. political elite and a legal adviser to Wright. Wright says that he intends to fight on to clear his name.

A source quoted by the *New York Times* explained one possible scenario: "If the committee would take out all the Mallick stuff, everything related to Betty [Wright], that would leave the book. Jim would step down, resign from Congress and the whole ball of wax." It is unclear at this writing whether the ethics committee will allow Wright such an opportunity.

If Wright leaves Congress, the ethics committee would lose jurisdiction over him, but the Justice Department and the IRS could conduct their own investigations. "With the law books filled with a great assortment of crimes, a prosecutor stands a fair chance of finding at least a technical violation of some act on the part of almost anyone," Susman said.

House committee lowers S&L fraud penalties

Some of President Bush's measures targeting savings and loan institution executives for engaging in "fraud," were alleviated, with the help of Republicans, by the House Judiciary Committee.

The Bush S&L bill had been referred to that committee after passing the Banking Committee because of the stiff penalties provisions. This measure was partially designed to shift the blame on the S&L crisis from the legislative and executive branches of government to the S&L executives.

The penalties proposed by the White House were halved in a 17-3 vote in committee on May 24, but the penalties are still astronomical. Bush's original proposal of \$5 million in fines that could be levied against an individual, for instance, will now only be \$2.5 million. This amendment was introduced by the chairman of the Crime Subcommittee, Rep. William Hughes (D-N.J.).

The tough capital requirements proposed by the administration were nearly eliminated in a 17-17 tie vote. The amendment by Rep. Henry Hyde (R-Ill.), which was defeated, would have also allowed savings associations to delay regulatory action by the government, and would have required regulators to go through a lengthy review process which could ultimately be appealed to the courts, before forcing an institution to write off its "goodwill," the difference between what a buyer pays for a company and what the company would be worth if it were closed and its assets sold off. The thrifts obtained the right to put the goodwill on their books as assets during the last eight years in exchange for agreeing to take insolvent S&Ls off

the government's hands. The Bush administration has argued that since goodwill is only an accounting concept and cannot be used to pay off depositors when an S&L fails, it should not be counted as capital.

Hyde has many GOP allies and has threatened to take the amendment to the floor. The bolting of these Republicans from the administration's position puts Bush in the ironic situation that the administration bill is being heavily pushed by the Democrats, but opposed by a good number of Republicans. The lobbyists for the S&Ls also worked hard to get the Hyde amendment into place. The S&L bill is expected to pass with tough capital restrictions by a close vote.

In a letter to the House leadership dated May 23, President Bush warned that each day's delay in passing the bill added at least \$10 million to the cost of the rescue.

Constraints placed on FSX agreement with Japan

The House Foreign Affairs Committee has put more problems in the way of the agreement with Japan to build the FSX fighter jet. The proposals infringe on the President's right to negotiate treaties.

Although less restrictive than the Senate version, the proposals are unacceptable to the administration because they impose limits on the President's executive powers and may require another round of negotiations with Japan. The administration will seek to remove these constraints when the proposal is considered by a House-Senate conference in June.

Republicans have warned that

there will be a presidential veto if the constraints are not removed. The House committee replaced a prohibition on the transfer of U.S. engine technology to Japan with a non-binding resolution giving Congress the opportunity to vote on any such transfer. It also requires congressional approval on any sale by Japan of FSX or its technology to a third country. The House bill, like the Senate bill, proposes that the General Accounting Office report every 12 months on the progress of the project, and that the Commerce Department should have a strong role in managing the program.

Conservatives move to maintain Jackson-Vanik

Sen. Steven Symms (R-Id.) and Sen. Dennis DeConcini (D-Ariz.) introduced on May 18 a Sense of the Senate Resolution encouraging President Bush to consult with leaders of allied countries during the NATO summit in Brussels and the Group of Seven economic summit in Paris over granting loans and credits to the Soviet bloc.

Symms indicated the resolution resulted from concern that Bush's statements in his Texas A&M speech about a possible waiver of the Jackson-Vanik Amendment might be interpreted by our allies "as a green light for additional financial credits and loans to the Soviet Union well before our diplomatic efforts have borne fruit."

Jackson-Vanik makes increased trade and credits to the Soviets contingent upon Soviet Jewish emigration. Although there is great optimism in the West over the new Gorbachov

administration, Symms said, the real question was, "How much of what we are seeing is real? How much is simply the Machiavellian consolidation of power by a strong new leader—a new dictator?" Waiving the Jackson-Vanik Amendment now "would simply reward Gorbachov for doing nothing except entertaining us with his showmanship."

Symms expressed doubt that the Soviets would use loans and capital transfers for economic growth and investment, calling such operations an investment in a "Potemkin village." Characterizing the Soviet economic system as a "medieval throwback to feudalism dressed up in 19th-century scientific jargon," Symms said that the central position of Jackson-Vanik is "as an obstacle to the Soviets in obtaining financial assistance in the West. So long as the denial of Most Favored Nation status continues to stigmatize the Soviet Union it is impossible for anyone to pretend they are a part of the international economy."

Rep. Burton suspects 5 million AIDS infected

Calling the AIDS epidemic "out of control," Rep. Dan Burton (R-Ind.) said May 18 that from extrapolations of known rates of AIDS infections, there are probably 5-6 million infected in the United States today.

Burton said that he believed that the Atlanta Centers for Disease Control were pulling their much lower figures "out of the sky." "In 1999 we will have between 4 and 8 million people dying in this country," said Burton, "and we are fiddling while Rome burns."