

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."