

Congressional Closeup by William Jones

Foley damps attempt to oust Lee Atwater

House Speaker Thomas Foley (D-Wash.) is trying to put a damper on the burgeoning campaign to oust Lee Atwater as chairman of the Republican National Committee.

On Friday, June 10, Rep. Dave Nagle (D-Iowa) sent a letter to his colleagues calling for Atwater's resignation after Republicans, earlier in the week, had issued a leaflet attacking the new Speaker, comparing him to Rep. Barney Frank (D-Mass.), a self-confessed homosexual.

Democrats were furious and believed that Lee Atwater, noted for his dirty campaign tactics, was behind the memo. But Nagle withdrew the letter at the request of Foley. Ginny Terzano, spokeswoman for the Democratic National Committee, told the *Washington Times* that she believes that Foley had asked DNC Chairman Ron Brown to drop the matter.

Foley, elected in the aftermath of a major campaign which succeeded in ousting Jim Wright from the speaker's post, is considered more pliable than the feisty Wright by the Bush White House.

Dixon latest target of ethics frenzy

Rep. Julian Dixon (D-Cal.), the chairman of the House ethics committee who did the dirty work in axing House Speaker Jim Wright, is now the target of an ethics investigation.

In February 1986, Dixon hired Los Angeles attorney Johnnie Cochran, the president of the Los Angeles Airport Commission, as a consultant to the House ethics committee. Cochran was paid \$170,000 in 1986 and 1987 for

legal work during the investigation of the personal finances of Rep. Fernand St. Germain (D-R.I.), who lost reelection as a result of the suspicions cast over him by the investigation. Two months later, in February 1986, the Los Angeles Board of Airport Commissioners awarded a concession to run seven duty-free stores at the airport to a joint venture between two firms, Mir Kanon Inc. and Peideau Inc. In July 1986, Dixon's wife, Betty, bought a 12% interest in the stock of the two businesses—an investment which earned her more than \$150,000 in 1987 and 1988. Dixon has said that when the committee hired Cochran, neither he nor his wife were aware of the investment opportunity.

The only impropriety which seems to have occurred, is that Dixon reported the investment in the wrong category. One Republican source said that it didn't look like the Republicans were going to go after Dixon as they had Wright, but it is clear the Damocles sword of similar "ethics investigations" hangs over anyone in Congress.

Nunn, Aspin try to stop MX missile deployment

The chairmen of the Senate and House Armed Services Committees, Sen. Sam Nunn (D-Ga.) and Rep. Les Aspin (D-Wisc.), respectively, urged the Bush administration to change the U.S. position on mobile missiles and to ban mobile missiles that carry more than one warhead. The proposal would effectively kill the MX missile, which the administration plans to mount on railcars, in favor of the Midgetman missiles, which are to be mounted on truck-like vehicles.

Nunn claimed that the votes aren't there to sustain the administration's

two-missile package. Although this might mean that the Soviets, under a future strategic arms treaty, might also be so restricted, they currently have a large number of single-warhead missiles deployed, whereas the U.S. has deployed none.

The recommendations of the committee chairmen came on the eve of a National Security Council meeting which will consider new initiatives in cutting strategic arms. NSC Chairman Brent Scowcroft, a Midgetman backer, advised clients who produce the missile before he accepted the NSC post.

Gephardt, Gray elected to Democratic leadership

The election of Rep. Richard Gephardt (D-Mo.) as Democratic Majority Leader and Rep. William Gray III (D-Pa.) as House Majority Whip, has increased the hopes of Republicans that the Democratic opposition will be a "kinder, gentler" opposition than that led by Jim Wright and Tony Coelho.

The new leadership leaves the House more firmly in the grip of Eastern Establishment forces. This was evident during the House passage of Bush's legislation to deal with the Savings and Loan crisis by a 320 to 97 vote on June 15. The House leadership allied with the White House against Democrats and a majority of House Republicans in beating down amendments which offered some protection to the S&Ls against the depredations of the major financial institutions.

Speaker Foley is heavily funded by financial interests tied to Salomon Brothers, the institution leading the buy-up of S&Ls by the major money institutions.

Gregg nomination to be forced to a vote?

In what could be the final day of hearings, Sens. Alan Cranston (D-Cal.) and John Kerry (D-Mass.) grilled Donald Gregg, President Bush's nominee for U.S. ambassador to South Korea, on his ties to the Iran-Contra scandal on June 15.

Gregg gave contradictory and vague statements concerning his knowledge of the Iran-Contra affair. One of the more damaging indices that Gregg was not telling the truth, was the notes in former National Security Council aide Lt. Col. Oliver North's highly redacted diary referring to a meeting between North, Col. James Steele, and Gregg in January 1986. Gregg claims to have had no knowledge of the Iran-Contra affair until a discussion with Felix Rodriguez in August 1986. Gregg says that he did not attend the January meeting, a claim that has recently been corroborated by Steele, who was himself involved in the Contra operation.

Gregg did admit, however, that he had introduced Steele to North at that time. Kerry said that everything could be cleared up if the NSC agreed to release North's unredacted diaries from that period. Kerry has been seeking the diaries for his investigations into the Iran-Contra affair, but without success.

If the diaries indicate no reference to Gregg, "I will vote for him myself," said Kerry. Gregg then commented that the diaries mention him only once, which caused some surprise in the panel. When Sen. Paul Sarbanes (D-Md.) asked where he learned that, Gregg said that he learned it from one of the Irangate investigators, insisting that he did not mean the unredacted diaries, whose content would only be known by someone in the administra-

tion or by North himself.

The subcommittee agreed that they would request the diaries from the administration. Cranston has said that there will be a committee vote on the Gregg nomination on Monday, June 20.

In a related development, the office of independent counsel Lawrence Walsh revealed on June 14 that they are investigating Gregg to determine whether he may have lied to the 1987 House-Senate Iran-Contra committees about his knowledge of a secret Reagan White House operation to resupply the Nicaraguan Contras, according to sources cited by the *Washington Post*. State Department legal adviser Abraham Sofaer said, however, that Walsh had told Gregg last month that he was the subject of the criminal investigation, but not a "target."

House prepares minimum wage compromise after veto

House Democrats are prepared to work out a compromise with the White House after falling 41 votes short of that necessary to override the President's veto of the minimum wage bill in a 247 to 178 vote on June 14.

President Bush has proposed a bill which would increase the minimum wage to \$4.25 an hour over three years, 30¢ less than what the Democrats were demanding.

The chief sponsor of the bill in the House, Rep. Augustus Hawkins (D-Cal.), said that he would want to talk with the administration before crafting an alternative.

Sen. Edward Kennedy (D-Mass.), however, reintroduced virtually the same bill in the Senate, where the at-

tempt at override fell only 4 votes short of the 67 needed, in what seems to be a tactic of proceeding on separate tracks in the House and Senate, in order to see which approach picks up enough votes to ensure a veto override.

It appears that the Bush administration has won the first round in what will undoubtedly prove to be a major legislative tussle with the Democratic Congress.

Medicare cut in doctor's fees could mean less care

A House Ways and Means subcommittee approved on June 14 changes in the way physicians are compensated for treating Medicare and Medicaid patients, as part of a plan to reduce Medicare's projected growth by \$2.4 billion, half the reduction recommended by President Bush.

Although presented as a plan to make the compensation system more "equitable," health experts expect that the compensation system will be organized in a way that will reduce the rate of growth in spending, and therefore, the amount of care provided.

The committee also cut \$690 million by continuing a 15% reduction in reimbursement for hospitals' capital costs, and cut \$520 million which would have helped hospitals keep up with the costs of inflation. Instead of receiving compensation for a projected 5.3% rate of inflation, physicians would receive only a 2% increase.

Rep. Henry Waxman (D-Cal.) noted that the targets will discourage physicians from participating in the program, thus reducing the number of physicians available to treat Medicare patients.