

Congressional Closeup by William Jones

'Up, up and away' for S&L bailout estimates

In testimony before the Senate Budget Committee on May 23, Treasury Secretary Nicholas F. Brady and Office of Management and Budget Director Richard Darman upped the ante for the estimate of the bailout of the savings and loan industry. Bush administration officials said that the estimate had exploded more than eightfold since January to \$61 billion for this year alone.

But even this figure was characterized as a "guesstimate" by House Budget Committee Chairman Rep. Leon Panetta (D-Calif.). Federal Reserve Chairman Alan Greenspan called the size of the gap "astronomical."

Brady said the government will need to borrow between \$89 billion and \$132 billion to cover the debts from federally insured thrifts, and indicated the higher estimates reflect a weakening economy, particularly commercial real estate.

Treasury officials now estimate that between 722 and 1,030 more S&Ls will fail over the next few years, up from a projection of between 450 and 550 when President Bush signed the thrift industry cleanup bill last August. The Federal Reserve has been monitoring lending statistics to ensure that the credit crunch does not lead to a general economic slowdown. "Our concern," said Greenspan, "is to make certain that what is emerging is contained and to make sure that it does not have a negative impact."

New Office of Thrift Supervision head Timothy Ryan said that he now expects about 300 S&Ls to fail in the next two years, bringing the total of government takeovers to 722. By the end of the decade, Ryan said, total failures may exceed 1,000, or more than one-third of the industry.

Senators term Baker arms sellout 'the worst'

Secretary of State James A. Baker III came under attack for the arms control concessions he had made in discussions with Soviet Foreign Minister Eduard Shevardnadze preparatory to the Bush-Gorbachov summit.

Senate Armed Services Committee member Sen. Malcolm Wallop (R-Wyo.) labeled the concessions "the worst piece of negotiating I've seen in a while." "He [Baker] leaves undone all of the objectives we started out with. It puts START above CFE [Conventional Forces in Europe], which the President and Mr. Baker always said they wouldn't do." Wallop and eight other Republicans signed a letter to President Bush which sharply questioned the new proposed agreements with Moscow.

But not only conservative Republicans are worried by the concessions. "My observation was, I am not overwhelmed by a deal whereby we're giving up our best stuff, air-launched and sea-launched cruise missiles, where we're just overwhelmingly better in a technological sense," said Sen. Alan Dixon (D-Ill.), a Democratic member of the Armed Services Committee. "I'm unimpressed so far. Maybe it's better than it looks at first blush. But maybe anybody could make this deal."

Baker lamely answered his critics at a May 23 White House press conference where he claimed the concessions he made were necessary for completing a treaty "in the national security interest." Baker attempted to discredit his critics by saying that most of the criticism was coming "from those who in the past from time to time have simply rejected the concept of arms control generally."

The Soviets "needed START

more than we did," said Wallop, "and then we gave them everything they wanted. It seems as though the secretary has determined there is no U.S. national interest above the Soviet interest of keeping Gorbachov in power."

Tougher espionage laws proposed in Senate

A panel of former government and intelligence officials presented 13 proposals to Congress on May 23 for new laws that would make it easier to "deter, detect, and prosecute" espionage cases through stiffer top-secret clearance checks, polygraph tests, and new penalties for "espionage-related activities."

One proposal would expand the powers of the FBI in cases related to national security. Another would amend privacy laws to permit FBI access to unlisted telephone numbers of suspected foreign agents. A third would amend surveillance laws to allow physical searches in national security cases. It would also amend consumer law to permit the FBI to obtain consumer reports on people suspected of being foreign agents.

The panel proposed to make it a crime to possess spy equipment with intent to commit espionage. Senate Intelligence Committee Chairman Sen. David Boren (D-Okla.) said that Congress would vigorously pursue the proposals of the panel this year. Espionage cases "continue to surface with disturbing frequency," he said.

The panel included former CIA director Richard Helms, former White House counsels Lloyd Cutler and A.B. Culvahouse, former Deputy Secretary of State Warren Christopher, and former OAS ambassador

Sol Linowitz. Sen. William Cohen (R-Me.), vice chairman of the panel, said during hearings that he was concerned that the U.S. intelligence community would "Stalinize" spy-catching efforts.

Bush civil rights stand angers black leaders

At a Rose Garden press conference on May 17, President Bush indicated that he would not sign the recently crafted 1990 Civil Rights Act in its present form, calling it a "quota bill." Bush said he would "leave no stone unturned" in trying to advance the nation's civil rights agenda, but pointed to three areas which he could not accept.

The White House said it was concerned with the burden of proof issue in certain discrimination cases. The new bill would reaffirm the principle, reversed by a 1989 Supreme Court decision, that plaintiffs in a discrimination case do not have to prove discriminatory intent on the part of an employer, but only have to present statistics that show racial or gender imbalance in the company's workforce. The administration also objected to imposing monetary damages for victims of intentional discrimination. The bill also would limit "reverse discrimination" suits that challenge the validity of court-ordered affirmative action plans.

Negotiators are presently working to find language acceptable to the President, but it is doubtful whether agreement can be reached.

Black leaders are disconcerted by the President's refusal to sign the bill in its present form. Ralph Neas, executive director of the Leadership Conference on Civil Rights, said, "There

continues to be a considerable gap between the President's soothing rhetoric and the hard-line positions of his top aides. Indeed, the Attorney General's statement reaffirming his opposition to the core elements of the bill is certainly inconsistent with the President's statement earlier this week that there are only minimal differences left. The administration cannot have it both ways on civil rights."

Senate readies stricter death penalty code

The Senate voted on May 24 to forbid federal courts from imposing capital punishment on the mentally retarded. This was perhaps the only positive aspect of an omnibus anti-crime bill which will increase the use and the swiftness of the death penalty. Following complaints by Supreme Court Chief Justice William Rehnquist that the appeal process for death row inmates was much too long and drawn out, the bill would impose new restrictions on appeals by death row inmates.

The bill has been swamped by a flood of 271 proposed amendments, some prompted by opposition to a partial ban on assault weapons that was approved on May 23. The bill lowers the minimum age at which a defendant can be sentenced to death from 18 to 17, and would reinstate the federal death penalty for 30 offenses, primarily involving murder, espionage, and treason.

When passed by the Senate Judiciary Committee, the bill contained a provision which banned imposition of the death penalty in state and federal courts if statistical evidence showed that the race of the victim or defendant was a factor in sentencing. This proviso was, however, taken out of the bill

on the floor by a 58-38 vote. Critics claimed that such a requirement would effectively nullify all capital punishment laws.

In order to keep the bill from drowning in amendments, Senate leaders have scheduled a vote on cloture for June 5 to weed out extraneous proposals, which may not receive the necessary 60 votes. Without cloture, the bill will probably not survive, Judiciary Committee Chairman Sen. Joseph Biden (D-Del.) said.

EPA home inspection bill goes to Senate

Senate Majority Leader George Mitchell (D-Me.) has introduced legislation which would force homeowners to obtain an "air quality test" from the Environmental Protection Agency before selling their homes. The Indoor Air Quality Act is expected to cost billions of dollars a year; homeowners would have to spend thousands of dollars in order to "mitigate" any "problems" before they sell. The bill was marked up on April 24 by the Senate Environment and Public Works Committee.

The alleged dangers are a hoax. The EPA considers the risk of indoor air pollution to be 1,240 cancer deaths per year. The Food and Drug Administration, on the other hand, estimates the risk to be about 124, and that mainly from cigarette smoke. The real health problem found in buildings arises from federal regulations which require "energy efficient" buildings which recirculate the air, creating the conditions for fungal and bacterial diseases to grow in the air conditioning system.