

Tells the Facts and Names the Names CounterPunch

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Written by Ken Silverstein & Alexander Cockburn

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He dated Barbara Walters,
He squires Andrea Mitchell,
He's ruined two presidents,
He almost broke the stock
market in the fall of 1987.

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Anything Else To Live For?
Yes, He Has One Thing Left
To Do:

Destroy The United States.

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Steal Millions

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Stop Him Before He Kills Again The Many Victims of Chairman Greenspan

Alan Greenspan's term as chair of the Federal Reserve doesn't end until March of 1996, but Bill Clinton will probably decide whether to reappoint or replace him within the next few months. Already friends of Greenspan are hard at work. Clinton "has few alternatives" to the Fed chief, John M. Berry and Clay Chandler of *The Washington Post* recently advised. "There is no obvious successor waiting in the wings [and] Clinton could ill afford to upset financial markets around the world by choosing someone without international stature and strong inflation-fighting credentials."

We'll be reading a great deal of such pro-Greenspan material in the months to come. Barry, in fact, is a long-time recipient of self-interested leaks from Greenspan and other top Fed officials. Some colleagues refer to him as the "Whore of Babylon." Chandler is another sycophant, whose compliant reports on Beltway power brokers are legendary. "The transition from Bentsen to Rubin has the air of a venerated chairman passing the reins to a trusted junior associate," Chandler gushed last December about the changing of the guard at Treasury.

(Greenspan, the frequent escort of NBC's Andrea Mitchell, and the Fed are skilled at manipulating the press. Paul Starobin of *National Journal* has detailed such useful tactics as inviting favored journalists for private chats in the chairman's office, as well as to the annual Fourth of July bash at the Fed and to an annual economics conference in Jackson Hole, Wyoming. There, economic reporters and their wives mix work with hiking, tennis and white-water rafting.)

Greenspan's chief competitor for the Fed post is vice chair Alan Blinder. A

Democrat and friend of Treasury Secretary Robert Rubin, Blinder is viewed by Wall Street as a dangerous radical more concerned with stimulating economic growth than with fighting inflation, the bondholder's No. 1 priority. At the Fed's Jackson Hole conference last September, Blinder stunned the dignitaries by pointing out that "the central bank does have a role in reducing unemployment".

The reaction to Blinder's remarks was swift and violent. *Newsweek* columnist Robert Samuelson charged that Blinder lacked "the moral or intellectual qualities needed to lead the Fed". In *National Review*, Lawrence Kudlow — nostrils perhaps atingle with the drugs which have become his public nemesis — denounced Blinder for "contradicting the views of his boss, Alan Greenspan, and offending Bundesbank head Hans Tietmeyer, both of whom were present".

Blinder, of course, is no menace to the upper classes. Walker Todd, a former Federal Reserve official, calculates the Greenspan-Blinder difference at about half of one percent on inflation and one percent on long-term bonds, which may be troubling to the prudent investor but is scarcely cataclysmic for the market.

Following the Jackson Hole debacle, Blinder has been eager to reassure Wall Street. In a number of interviews, he has promised that inflation is his top priority, that he is in entire agreement with the chairman on economic matters, and that the growing size of the reserve army of the unemployed leaves him unperturbed.

Clinton could turn to an alternative candidate. The most likely prospect is New York Federal Reserve President William McDonough, though he has aroused suspicion on Wall Street by pub-

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Punch Bowl

Savanarola Unzipped

With all eyes focused on British actor Hugh Grant and his brief companion, Stella Marie Thompson, better known as Divine Brown, this seems an opportune moment to review a strikingly similar case — but one with different consequences for its two players: Rep. Ken Calvert (R-Calif.) and Lore Lindberg.

Calvert, who is divorced, is a stern crusader for heightened morality on the part of the people, especially the licentious welfare moms whose benefits he favors cutting. When not promoting family values, Calvert uses his chairmanship of the Energy and Mineral Resources subcommittee to assist Rep. Don Young of Alaska in raping and pillaging the environment.

In the wee hours of Nov. 28, 1993, Officer Jeffrey Bennett of the Corona California police force in the east Los Angeles area spotted a man, apparently sleeping or unconscious, sitting in the driver's seat of a parked Ford Taurus.

After illuminating the Taurus's interior with his flashlight, Bennett, as he later wrote in a police report, saw a woman whose "head was originally laying on the driver's lap" suddenly sit upright in the passenger seat.

Both of the car's occupants were in disarray. The woman, soon identified as a local prostitute, was clad in a pair of unzipped shorts. Calvert was more formally attired, but his trousers were in the same state, a condition he sought to conceal with his dress shirt. Calvert started

The woman was clad in a pair of unzipped shorts. Calvert was more formally attired, but his trousers were in the same state.

his car and tried to flee the scene, but finally surrendered after Bennett, for the third time, ordered the congressman to turn off the engine.

Calvert claimed he didn't know Lindberg was a prostitute and that their acquaintance began when she flagged his car as he innocently cruised downtown. Lindberg said the two had met in a bar and that Calvert had offered her a ride home.

Whereas the Los Angeles Police Department lost no time in providing all known details of the Grant-Brown case to the press, Corona law enforcement authorities did everything possible to shield Calvert. The police not only failed to charge Calvert, claiming there was insufficient evidence to make an arrest, but also declined to make the matter public. It was only in April of 1994, after the local *Press-Enterprise* sued the city to gain access to relevant records, that the Calvert-Lindberg affair became known — and then scarcely beyond the goldfish bowl that is Corona.

The fate of the four players involved in the two cases was also dissimilar. Whereas California voters re-elected Calvert to a second term in Congress last November, Grant's attempt to patch things up with his companion, Elizabeth Hurley, appears to be troubled. And

while Lindberg soon returned to anonymity, Brown at least was financially rewarded for her part in the Grant affair, netting \$150,060. The actor provided \$60 of that amount, with the balance being supplied by a British tabloid.

Fishy Business: Andrus and the Bull Trout

When Cecil Andrus stepped down as Governor of Idaho at the end of 1994, he did not let time hang heavy on his hands. Laden with plaudits from the eco-crowd as the most environmentally sensitive official in Idaho's (admittedly bleak) history, he made haste to accept invitations to the boards of two mining companies, Coeur D'Alene and Nu-West, and of a grocery chain — Albertson's — which stocks Rep. Helen Chenoweth's favored brand of endangered sockeye salmon. In January of 1995, Andrus — whose *curriculum vitae* contains a spell as Jimmy Carter's Interior Secretary and as an employee of the Wilderness Society — also joined the Gallatin Group, an influence-peddling firm.

Thus equipped with nourishing retainers, the former governor set up the Andrus Center for Public Policy, a non-profit think tank on natural resources issues. The Center is lodged rent-free at Boise State University.

First up on the think tank's agenda was the bull trout, one of God's creatures of immense significance to logging and mining companies. The bull trout is disappearing from the waters of the West and any listing of the fish as endangered would impede exploitation across an area stretching from the Pacific coast to the crest of the Rockies.

At the start of 1995, as consequence of a petition filed by the Alliance for the Wild Rockies, federal scientists were poised to list the bull trout as endangered. In this fraught hour — with timber and mining companies aghast at the prospect of yet another lowly fish interrupting their predations — Andrus sprang into the breach, suggesting that the bull trout issue would best be decided at a conference of reasonable folk assembled at his Boise think tank.

The invitation list was contrived to include corporate predators and exclude any friends of the bull trout, such as Mike Bader and Steve Kelly, who had drafted the original petition on the trout's behalf. In the first week of June the conference

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commenced, graced by the presence of Andrus's former boss at the Wilderness Society, George Frampton, now No. 2 in the Interior Department with special responsibility for fish.

In this harmonious atmosphere, Frampton declared that the Fish and Wildlife Service would not list the trout as endangered and instead would consign its fate to the hands of individual states. To which comforting pronouncement a Plum Creek timber executive, Charles Grenier, proclaimed, "That's the icing on the cake." Plum Creek owns 1.5 million acres of land that are habitat for the bull trout.

Later, Kelly and Bader put together the final pieces of the puzzle. Andrus's Gallantin Group has Plum Creek as a client. Gallantin also holds a contract with a consortium of aluminum compa-

nies with a similarly keen interest in impeding any effort to preserve the bull trout.

First the Report, Then the Election

As reported in our May 15, 1995, issue, the International Republican Institute (IRI) — the GOP's foreign policy think tank — ran a "democracy enhancement" project in Haiti prior to that country's June 25 legislative election. The IRI's effort, funded by the U.S. Agency for International Development, at first proposed working exclusively with political parties opposed to President Jean-Bertrand Aristide, but this was altered, at least on paper, when AID pointed out that Agency guidelines prohibited its grant recipients from taking sides in an election.

Given the IRI's original intent, and expectations that Aristide's forces would sweep the elections, we predicted that the IRI would seek to discredit the balloting as a farce. Led by Rep. Porter Goss (R-Fla.), the IRI is doing just that.

It has declared that the vote in Haiti "seriously challenged the most minimally accepted standards for holding a credible election." What's curious is that this observation is contained in a "pre-electoral assessment" which the IRI issued on June 24, one day prior to the actual voting. The report — a glossy, 300-page affair — had clearly been prepared many weeks earlier. On June 23, as run-up to the report's release, the IRI held a press conference in Haiti to denounce the election as a sham.

There's no doubt that the election in Haiti was not a smooth affair, as every-

More Treasure from the Black Lagoon

Last in our CounterPunch excavations of CIA archives was a post-war advisory on the construction of a gas chamber along lines perfected at Auschwitz. Here now is a memo from October 1952, planning the poisoning of targets (names were deleted) who were probably members of an Asian Communist guerrilla group.

The precise nature of the toxic agent is unclear, though some sort of hallucinogen is a distinct possibility. The CIA had already begun investigating LSD by the late '40s. We are investigating the nature of the substance and the targets in question. A (very) small prize to the first CounterPunch reader who solves the mystery.

Notice a significant unconscious slip at the conclusion of the paragraph headed "Discussion". The memo's author — clearly pained at the lethal opportunities being passed over for purely tactical considerations — omits a "not" in the final sentence which, by the sentence's logic, should have preceded the word "seemed".

The memo, in full, follows:

14 October 1952

Subject: Requisition for #3

Target: Top [deleted] and [deleted] Leaders

Occasion: Conference Top Field Leaders, to be held 25 December - 1 January, 1953.

Purpose: Creation of dissension and mutual distrust; re-awaken old jealousies and antagonisms, induce new ones; for exploitation through covert psychological warfare mechanisms.

User: Civilian of high standing in the community, trusted by top [deleted]. Formerly sympathetic to the movement and still the close friend of many leaders, now anxious to see it disband, but unwilling personally to be the instrument of death or capture of old friends.

MO: Treatment of coffee or beer of one or two (not more) individuals at a time — thus allowing others to observe how foolish or self-centered they are.

Quantity: Sixteen doses.

Technical Specifications: Small white or gray pills dissolving in one minute or less; non-effervescent, non-staining, compatible with hot water based liquids such as coffee or soup and with alcoholic beverages. Preferably so compounded as to permit crushing in the fingers if administration as a powder is desired. Dose: one per customer, medication becoming effective as soon as possible, lasting for a minimum of four hours.

Discussion: User, who is also inform-

ant, long a personal friend of [deleted] of proven reliability, will not cause death or capture of his friends in the movement with whom he has associated during the war. From experience with him it is deemed virtually impossible that he would betray any information regarding the medication. Possibility of lethal contamination without his knowledge of the supplies he furnishes [deleted] friends has been under consideration for some years but has always been rejected. Unless contamination could be done in a way not traceable to him, and in such a way that he would never learn of it, it has [not] seemed to [be] worth the loss of his services.

Conference will be held near [deleted] northern sub-headquarters, since experience has shown that [deleted] operational activity minimal during period designated. Security is extreme. Leaders are aware that unidentified defectors hold high positions in the "legal" party, hence it is probably [sic] that no "legal" (unwanted) persons other than user will be informed or invited to attend.

If [deleted] is in the area he will act as case officer. If he is not, [deleted], only other contact with operative, will be case officer. ■

one, including Aristide, admits. But there's been no evidence of pre-ordained fraud. Some of the problems were logistical; others resulted from the ineptitude of election officials and the fact that Haiti, under heavy pressure from the U.S. and international community, didn't have sufficient time to organize the balloting.

A delegation from the Organization of American States reported that the difficulties were caused by inexperience, not fraud nor — as in previous elections in Haiti — intimidation and violence by security forces. The delegation head said that “the overall picture was much more positive than reflected by some,” and that “the conduct of the voting process significantly improved” as the day wore on. Of course, the IRI's real agenda is to ensure that the Haitian elites maintain power on the national political scene, and the purpose of the pre-election report is to lay down a paper trail against the day that the next big attack on Aristide is launched.

Footnote: In a speech on the floor of Congress, Porter Goss was able to score points by invoking a ripe conflict-of-interest involving one of Haiti's prime supporters in Washington. Recall that in early 1994, Randall Robinson, director of TransAfrica, held a 27-day hunger strike to pressure the Clinton administration to offer greater support for Aristide. Robinson's wife, Hazel Ross-Robinson, was hired earlier this year to serve as a lobbyist for Aristide's government. She's making \$12,500 a month to “maintain contact with legislative and executive branches of the U.S. government on behalf of Haiti.” Ross-Robinson, who formerly worked for Rep. Ron Dellums of California, has no prior experience as a lobbyist. In her Justice Department filing, she lists her occupation as “foreign policy specialist”.

Too Coarse for Mammon, Meet for Academe

Riordan Roett, author of the Chase Bank memorandum that called for the elimination of the Zapatistas to appease Wall Street, is making a comeback. Though dismissed by Chase after we exposed the memo last March, Roett has returned to his post as director of Latin American studies at Johns Hopkins.

Journalists again cite Roett as a wise authority on Mexico. Tod Robberson of

The Washington Post recently quoted Roett (“The numbers [suggesting stabilization of the Mexican economy] look good, which tend to paint a patina of progress over the situation”) and chastely identified him as a “former analyst for Chase Manhattan Bank”.

Naturally, Roett's firmest support has come from the financial community. A recent article on the *Business Wire* said that the crucial line in Roett's Chase memorandum (“the government will need to eliminate the Zapatistas to demonstrate its effective control of the national territory”) had been distorted, and quoted Roett as now saying that any attack on the Zapatistas would be “morally

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repugnant”. Roett's moral standards were endorsed by Alan Stoga — “I respect him and value his judgement” — of Kissinger Associates, a firm whose ethical refinement is justly renowned.

Mary D'Ambrosio also rushed to Roett's support in an article in *LDC Debt Report*. She wrote that his dismissal from Chase demonstrated “the difficulty of insisting upon independent or controversial views in a volatile and negative market”, and that the incident sent the message that “risktaking and independent thought may no longer be tolerated”. D'Ambrosio wondered “if other bold views will be muzzled by fear of the knife”.

So, we give you Roett, martyr to the First Amendment.

Clint Eastwood's Water Works

California Gov. Pete Wilson's drive for the Republican presidential nomination will not advance the cause of civilization but it is already proving vastly beneficial to Clint Eastwood. As we reported a few months ago, Eastwood has substantial properties in the Carmel area of California's central coast. He plans to “develop” one particular parcel on the north side of the Carmel valley for million-dollar homes.

As Eastwood knows well, the success of this real estate speculation depends on

the provision of water to the sites. No water, no homes, no deal. Furthermore, Water Board hearings in recent years have provided evidence that the Carmel River is already over-committed or, in the language of water law, “fully appropriated”.

It is the function of politics to dissolve the contradictions between a supposedly immovable object (California water regs) and eternally irresistible forces (money and power). In this instance, Eastwood has money, Gov. Wilson power, and the possibilities of synergy are being fruitfully explored.

Eastwood has long been a major contributor to Republican causes and Gov. Wilson's fundraisers in the Monterey area have him earmarked as a big contributor to Wilson's nomination bid. By a fortunate coincidence, one such fundraiser is Marc del Piero, formerly a Monterey county supervisor and now on the State Water Resources Control Board, appointed by Wilson.

Eastwood applied for rights to pump water, apparently confident that the Board would designate the water he wanted to pump as “surface” or “underflow”, in contrast to “groundwater”, which would have been no use to him so far as the real estate speculation was concerned.

After some arm-twisting by Wilson's office, the Water Board duly began to process Eastwood's application, even though it had never formally resolved the matter of how the Carmel River should be designated, despite prolonged complaints by the local trout lobby.

But Eastwood had some additional hoops he wanted to put the Water Board through. Below the “development” is Eastwood agricultural land, drawing water from the Carmel river. But the water here could not be used for the real estate development higher upstream. Such use requires the State Water Board to designate this ag-land water not only as underflow but as “appropriative” rather than “riparian”, which may not mean much to 99.9 per cent of the population, but spells millions to those few who flourish on such vital legal distinctions.

On July 6, the State Water Board issued Decision 1632. It gave Eastwood the all-important “appropriative” right to water flowing under his ag-land. Furthermore, it jumped him to the head of the

.....
 line of those seeking appropriative rights, even though the hallowed rule is "first in time (of application), first in right".

Best of all, Eastwood didn't have to wait until July 6 to hear the good news. Tipped off in advance that the Water Board was about to leap through the required hoops, Eastwood quickly turned to one particularly star-struck fan, namely Sam Karas, currently a Monterey county supervisor, to put his insider knowledge to further good use.

Led by Karas, the County Supes swiftly voted to release money from the Mountain Lion Initiative (a California proposition) to buy yet another Eastwood property, south of Carmel Highlands. With these extra millions of dollars in hand courtesy of the Supes, Eastwood then bought a big artichoke field in Carmel Valley just east of Highway 1. This gave the actor/real estate speculator pleasing headlines in the local paper about Eastwood saving fields from condos. But his motive was scarcely so uplifting. The purchase allowed him more water rights, which—in light of the Water Board decision which had not yet been made—he would be able to appropriate for his real estate development and which indeed would allow him to enlarge the development by buying more property for more million-dollar houses, which Eastwood promptly did.

So Wilson will pocket a few thousand from Eastwood for his campaign chest, and Eastwood will likely pocket several million. Multiply this process several thousand times and you get the contours of any presidential campaign. ■

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(Greenspan, continued from p. 2)

licly worrying about income polarization and a consequent populist rebellion.

The chance of a non-Binder "dove" being selected is virtually nil. In late June, Clinton abandoned his effort to appoint Alicia Munnell, a cautious centrist, to an open seat on the Federal Reserve Board. Munnell had been mercilessly assailed by Wall Street for lacking inflation-fighting fervor, and for career crimes while at the Boston Fed, such as having attacked mortgage discrimination by banks.

The high reputation of Alan Greenspan is one of the miracles of our age. On significant matters of economic policy he has a career of unmatched disaster. He is directly responsible for the downfall of two presidents, Ford and Bush, and is now working hard to ruin a third. And in the greatest financial scandal of our age—the S&L crisis—he gave, at a crucial moment, a ringing endorsement to Charles Keating, one of that debacle's primary scoundrels.

As Gerald Ford's economic advisor, Greenspan in 1974 counseled the president to tighten an economy already sliding into recession. Too late, flinging aside his "Whip Inflation Now" button, Ford discarded Greenspan's advice, but by that time his presidency was already doomed by the "great recession".

In 1983, Greenspan headed a bipartisan commission that advocated an enormous increase in regressive payroll taxes, thus prompting an entirely unnecessary (and deflationary) surplus in the Social Security fund.

Two years before his elevation to the chairmanship of the Federal Reserve in 1987, Greenspan was running his own unsuccessful firm specializing in what he bravely called "statistical espionage" and what others less charitably described as rendering whatever opinion a given client paid for. One such customer was the thief Keating. He paid Greenspan to write a letter to the Federal Home Loan Bank in San Francisco, urging that Keating's Lincoln Saving be exempted from the 10 percent limitation on direct investments.

Lincoln's new management, Greenspan promptly wrote on February 13, 1985, has "effectively restored the association to a vibrant and healthy state, with a strong net worth position". He praised Keating's "long and continuous track record of outstanding success." The

collapse of Keating and Lincoln a few years later were among the most sensational in the whole S&L affair.

An Ayn Rand disciple, Greenspan used to write schoolboyish essays in Rand's *Objectivist Newsletter* back in the early-Sixties. One of them, "The Assault on Integrity", expressed the view that businessmen have a self-interest in being honest, and that government regulation promotes dishonesty. So presumably Greenspan's defense of Keating and himself would be that government made them do it; i.e. government created the insurance of S&Ls, thus prompting Keating to thievery, and appointed the regulatory officer whose bureaucratic function prompted Greenspan to lie on Keating's behalf. Such are the beauties of objectivism, which Greenspan still espouses. (The Fed chairman never completed his Ph.D; he was finally given an honorary doctorate from NYU after he left the Ford administration.)

More than anyone else, Greenspan bore responsibility for the October 1987 stock market crash, when the market fell by more than 500 points. As recently appointed Fed chairman, Greenspan had raised the discount rate to exhibit to the world his credentials as a Paul Volcker look-alike.

As *The New York Times's* Louis Uchitelle described in a July 2, 1995 review of newly released policy meetings from 1989, the Fed under Greenspan's direction was quick to slow down the economy that year—to the delight of the financial sector—but was snail-like in boosting it. Thus, Greenspan's '89 tight money policies doomed Bush in '92, even though Greenspan made belated efforts to re-elect him by lowering the federal funds rate from 6 per cent to 3 per cent over a six month period. The economy did turn around, but the numbers weren't out by the time the voters went to the polls in November.

Since Clinton's election, Greenspan has tried to finish off the Democratic administration with seven interest-rate hikes over the last 18 months, ratcheting rates up by more than three percentage points since early 1994. The Uchitelle piece may have helped hasten Greenspan's decision to drop rates very slightly on July 6.

The deadly nature of Greenspan's brand of medicine has been well described by professors Timothy Canova and Lynn Turgeon in *Newsday* for July

16. Across the last year the interest rate on New York City's long-term municipal bonds (which finance the city's capital needs) has gone up by about 1.5 percentage points, adding around \$67 million to the city's debt service at a time when fierce cuts are being imposed on summer education, training and work programs for thousands of children and teenagers. New York faces a budgetary shortfall of \$2.5 billion in fiscal '95, while paying more than \$2.4 billion in interest on its capital debt. (The situation in Los Angeles, where interest hikes have also taken their toll, is even more desperate. Pressure from Wall Street bond brokers in the wake of Orange County's collapse has caused a violent attack on the budget, which threatens to close the main L.A. county hospital for the poor.)

With the balanced budget mania now transfixing Congress and the White House, creative fiscal policy has gone out the window as a way of promoting economic recovery. There is only monetary policy, now controlled by Greenspan and the bond market. The seven interest rate hikes since November of 1992 have added \$125 million to the federal deficit, thus wiping out more than one-fourth of

the savings from Clinton's '93 deficit reduction package.

Canova and Turgeon correctly identify the political dynamite in this situation:

"When the Federal Reserve regulates higher interest rates, it is mandating a higher price of money for most Americans — essentially mandating a redistribution of income from net borrowers (most of the middle and lower income population) to net creditors (including the wealthiest Americans). *Higher interest rates constitute the largest and least recognized of the so-called 'unfunded federal mandates', federal regulations which impose enormous costs on state and local governments, as well as the private sector* (our italics). But unlike most Congressionally-imposed mandates, the Federal Reserve is shielded from public scrutiny and operates entirely behind closed doors."

Awaiting any political strategist of vision is a potent coalition, ranging from manufacturers desiring lower interest rates, through to state, county and local governments who have seen their budgets lacerated by Fed policies, and on to public workers and blue-collar populists, who have seen incomes and jobs destroyed and whose natural hatred of the Fed and the bankers reaches most vivid expression in the language of the militias.

A populist would place himself at the head of the call now backed by more than 3,200 state and local tax-supporting bodies — including Buffalo, Cleveland and St. Louis — and support a Sovereignty Loan Proposal requiring the U.S. Treasury to create a fund of \$90 billion a year across four years to lend, interest-free, to state and local governments. A populist would call for greater Congressional control over the Fed. A populist would ... but then, Clinton is no populist. He backed down on the effort to put Munnell on the Fed Board, which would have left Greenspan potentially at the wrong end of a 3-4 vote in the months to come.

Greenspan will do anything to ensure his reappointment as Fed chairman, hence the interest drop at the start of July. But Clinton will presumably do anything to assist his own re-election. Refusal to reappoint Greenspan would at least be an indicator of Clinton's sense of economic and political survival. Reappointment would show how irretrievably the Democrats are in the hands of the enemy. ■

There's Gold In Them Thar Ethics

As of early July, the House Ethics Committee has failed to investigate charges against House Speaker Newt Gingrich. Committee Chairwoman Nancy Johnson (R-Conn.) had promised that the bipartisan ethics panel would decide whether to appoint an independent counsel in the case by July 4.

The most serious accusations against Gingrich pertain to quid-pro-quo arrangements between the House Speaker and his financial supporters. Example: on July 1, 1993, Richard Berman a lobbyist for the restaurant industry, sent Gingrich \$25,000 along with a note that said, "Newt — Thanks again for the help on today's committee hearing." This was a reference to proceedings before a House Judiciary subcommittee during which Berman had testified against lowering the blood-alcohol threshold for drunk driving.

Given that four of the five Republicans on the Ethics Committee have close links to Gingrich, it's easy to see why the investigation is going nowhere:

- Rep. Johnson seconded Gingrich's nomination as House Speaker and contributed \$640 to his 1994 re-election campaign.
- Rep. Jim Bunning (R-Ky) has previously received \$1,000 from GOPAC, Gingrich's Political Action Committee.
- Rep. Porter Goss (R-Fla.) gave at least \$5,000 to GOPAC last July.
- Rep. David Hobson (R-Ohio) contributed money to Gingrich's 1992 campaign; the House Speaker came to Ohio to campaign on Hobson's behalf.

Gingrich himself has frequently demanded that independent counsel be appointed to investigate his foes. In 1988, when Gingrich filed charges against then-House Speaker Jim Wright, he said, "It is vital that the Ethics Committee hire outside counsel and pursue these questions thoroughly. The trust of the public and the integrity of the House will accept no lower standard." ■

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