

Terence P. Jeffrey

THE STUFF ON WRIGHT

Old Dirty Paws reaches into oil, shaky banks, belles-lettres, and much, much more.

On the evening of July 7, 1948, on a country road in Parker County, Texas, a Chevy sedan pulled to a stop in front of an isolated farmhouse. Eugene Miller, a candidate for the local seat in the state assembly, stepped out his door to see who'd come calling.

"Is this Eugene Miller?" asked a voice from the darkness. Before Miller could answer, his visitor drew a .45 caliber pistol and opened fire. Miller collapsed on the lawn with a lead slug embedded below his heart and another in his right leg; his attacker escaped in the Chevy.

Later that night, dying in the local hospital, Miller could not identify his assassin. Nonetheless, he was sure it was a "left-winger," a Communist "henchman"—a claim which some imaginative locals later interpreted as pointing a finger at Miller's principal opponent, incumbent Assemblyman Jim Wright. And even though Wright magnanimously showed up to donate blood, as the challenger's pulse beat down to nothing, so did the incumbent's chances for re-election.

Soon after Miller's murder a neighboring farmer named J. A. Coalson claimed that he had seen Jim Wright in a nearby field practicing with a pistol. Wright denied the story. He admitted being in the field, but said that what Coalson mistook for gunshots was actually the twanging of wires as he tacked a campaign poster onto a telephone pole. Ballistic tests performed on a handgun confiscated from Wright's home proved that it was not the murder weapon, and investigators fruitlessly shifted their attentions elsewhere. To this day, the crime has not been solved.

In 1986, the *Fort Worth Star Telegram* interviewed George Roach, a

Texas Ranger who investigated the case for twenty-five years and is not too proud to admit he never got his man. Roach said that "[Wright] was clear. I never could find anything to tie to him." But in the weeks immediately after Miller's murder, subtle distinctions like guilt and innocence were lost on Parker County voters. Two days before the election, Wright's surviving opponent, a mild-mannered teacher named Floyd Bradshaw, ran an advertisement in the local newspaper condemning . . . Communism. Wright responded the next day with his own ad celebrating the "Southern tradition of segregation." Bradshaw won by thirty-nine votes.

Jim Wright has the manner of a Lyndon Baines Johnson and the luck of a Richard Nixon. He's a good old boy, a Southwest wanna-be cowboy, who can, if he needs to, shake off the

boots, drop his hat in the vestibule, put on a silk tie, and preach to a born-again congregation with evangelical sincerity. At the same time, his political career has been pocked with ethical and legal near-misses—from which he has always come back smiling.

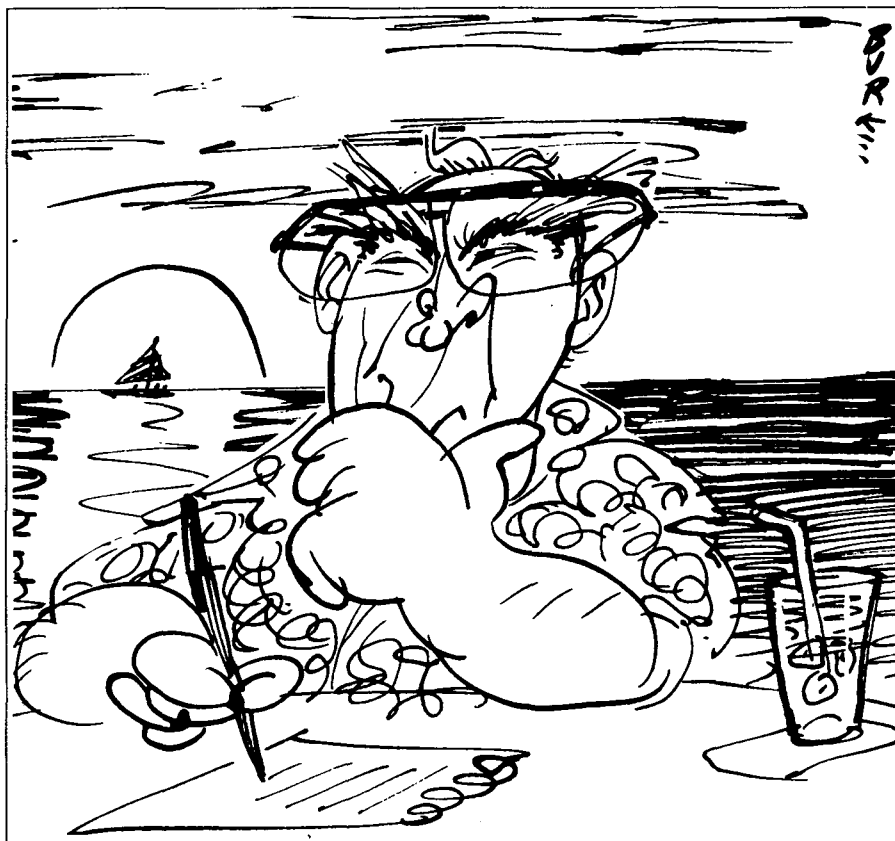
In 1950, two years after losing his state assembly seat, he ran for the mayorship of Weatherford, his home town, and won. Four years later, not yet thirty-two years old, he decided to run against Wingate Lucas, the Fort Worth Democratic establishment's happy incumbent congressman.

This time as the Democratic primary approached, Wright's activities attracted the attention of federal investigators. In late June, the Post Office Department filed a complaint against Wright and his father alleging that they had masterminded "a scheme for obtaining money through the mails." The charge was that the Wrights had signed an affidavit in 1947

promising to "refrain from using the United States mail for the purpose of conducting or carrying on any alleged lottery," but that Wright's business, the national Trades Day Association, did exactly that. Wright was subpoenaed to appear before a postal investigator in Washington the day of the Texas primary. Wright's defense was not to deny that he and his father had been running a "scheme for obtaining money through the mails" that worked very much like a lottery, but that such activity was not actually illegal and that the call for an investigation was politically motivated. His lawyers petitioned the postal service to cancel the hearing because they claimed, first, that "the violation of an affidavit, even if proven, is not an offense," and second, that "the appearance of newspapermen so soon after formal filing [of the complaint] is not only unusual but smacks of an attempt on the part of persons unknown in the government service to maliciously and wantonly smear" Jim Wright.

Wright won a half victory: the postal service agreed to postpone the hearing until after the election. But then Wright beat Lucas—campaigning as a young uncorrupted David, slaying the establishment's pet Goliath—and the Democrats swept the fall elections. The postal investigation was lost in the political shuffle.

Jim Wright's next major ethics conflict did not come until 1977 when, as House majority leader and Tip O'Neill's heir apparent, he saw his power and influence in the Congress become greater than anyone's save his Irish Bostonian mentor's. This time, suffering financial hardship resulting from failed business ventures and alimony payments to his first wife—whom he had discarded in 1972—Wright used \$48,000 in campaign contributions to pay off personal debts, and then withdrew another \$48,000 to



Terence P. Jeffrey, an editorial writer at the *Washington Times*, has been investigating the Jim Wright affair since June 1987. Stephanie Nall contributed research to this article.

pay the income taxes on the first. Wright then and now defends this action by pointing out that it was not illegal—at the time.

The very same year Tip O'Neill was pushing through new ethics laws that would limit the outside income congressmen could earn through honoraria and would make it illegal for congressmen to convert campaign funds to personal use.

As Wright ascended toward the speakership, his power and arrogance grew in equal measure. Unlike O'Neill, he was not at all avuncular in persuading his Democratic colleagues to do it his way; and in a Texas tradition dating back to Sen. Joe Bailey and continuing through House Speaker and Vice President "Cactus Jack" Garner and President Lyndon Johnson, Wright never hesitated to use his Washington influence to benefit his friends, relatives, and business partners back in the Lone Star state.

One incident in late 1987 stands out as emblematic of the Wright style. The House was voting on a \$12 billion tax bill that the Speaker had pushed. At the end of the 15-minute voting period, the bill had seemingly lost 206-207. But rather than record the vote, Wright suspended the proceedings. His chief legislative aide, John Mack, physically cornered Rep. Jim Chapman, a moderate-to-conservative Democrat from Sam Rayburn's old district, who with great financial assistance from Wright's friends and the Democratic Congressional Campaign Committee (DCCC) had just barely scraped past a Republican challenger in a special election in 1985.

In a few minutes Mack, who is sometimes derisively called Mack the Knife because of his 1973 conviction for having slashed a woman, beaten her with a hammer, and left her to bleed in an automobile, somehow found a way to convince Chapman that he really should support the \$12 billion tax hike. Mack escorted Chapman to the Speaker's podium, the voting was reopened, Chapman changed his vote, the voting was closed. The Speaker won.

In the long run, however, the Speaker may lose. His unbending partisanship, his parliamentary machinations, and his intrusions into foreign policy, highlighted by the campaign to defund the Nicaraguan resistance, have elicited an unprecedented antipathy from the minority party. Some Republicans feel not merely disenfranchised, but mocked in their disformity. The only weapons of vengeance available to them have been provided by the Speaker himself: a political life replete with shadowy dealings, and a Democratic party moved only by partisan loyalty to protect a leader too oily to embrace.

On June 10, the six Democrats and

six Republicans on the House Committee on Standards of Official Conduct (also known as the Ethics Committee) voted unanimously to investigate six charges that the Speaker violated House rules or ethical standards, the first such investigation of a sitting speaker in American history. One charge, generated by confusing lan-

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guage on the Speaker's financial disclosure statements, has already been more or less dropped. Of the others, one involves Wright's efforts on behalf of a billionaire Texas oil clan, with whom the Speaker shared some investments; another concerns his free use of a condominium owned by a business partner who could have benefited from legislation moved by the Speaker in 1985-86; and another his dealings with the Federal Home Loan Bank Board on behalf of two insolvent Texas thrifts. The final two regard the composition, publication, and sale of the Speaker's unusual memoirs. These are the stories behind the charges:

THE OIL MAN

In early 1979, Richard Montcrief, a Texas oil magnate and long-time friend of Wright's, asked the House majority leader to join him and other members of the Montcrief family in a natural gas well being sunk in East Texas. Wright signed on and it proved to be a profitable move. In 1980, his financial disclosure statements revealed that he had already made between \$5,000 and \$15,000 on the deal and that his investment in the well was valued between \$15,000 and \$50,000. He continued to draw income from the deal until 1987 when he sold his interest for between \$15,000 and \$50,000.

Also in early 1979, Monty Montcrief (Richard's father) asked Jim Wright if he would like to invest in two additional oil wells. Over the next nine years Wright's financial disclosure statements claim that he made between \$50,000 and \$205,000 from one of these wells.

What made these deals so interesting was that after they had been set, Jim Wright personally lobbied Egyptian President Anwar Sadat on Richard Montcrief's behalf. Montcrief had invested \$130 million in oil wells in Israeli-occupied Sinai and was fearful that following the Camp David Accords, the Egyptian government would nationalize his property. On March 27, the day after Sadat and Begin signed the accords in Washington, the House majority leader confronted the Egyp-

tian president at the Capitol and handed him a letter pleading Montcrief's case. The wells were nationalized anyway.

Wright says now that he is bewildered that people would draw a connection between his investments with the Montcriefs and his efforts to save their Sinai oil wells. In a brief submit-

ted to the Ethics Committee this June, Wright demurely claims that it "was entirely natural and proper for me, as Congressman for the 12th District of Texas, to assist my constituent, Richard Montcrief."

Since January 1987, when he stepped into Tip O'Neill's cavernous shoes, the national press has been tracing Wright's footsteps with greater attention to the sort of mud he leaves behind. Revelations arising from three scandals in particular now threaten to put an early end to his speakership.

THE STOCKYARDS

In 1985-86, Wright used amendments tacked onto the budget appropriations for the Army Corps of Engineers and the Economic Development Administration to funnel \$26.8 million into the development of the Fort Worth Stockyards district. The *Fort Worth Star Telegram* reported that George Mallick, the Speaker's business partner, was also a partner in Triad Corporation. Triad was the company which owned Billy Bob's Texas, the largest honky tonk in the world, and also the principal concession and landholder in Fort Worth's dilapidated Stockyards district. The *Washington Times* reported that Bill Beuck, the titular head of Triad Corporation, made (with his wife) an \$11,000 contribution to Wright's campaign and had helped H. Ross Perot, Jr. secure federal grants through Wright's intercession.

Mallick told the *Star Telegram* that he had a deal with Billy Bob Barnett, the nightclub eponym: if Mallick could find \$100 million in financing to develop Barnett's Stockyards land, and adjacent land for which Barnett held options, Barnett would give Mallick a share of the development. Bill Beuck, like Mallick, had been brought in to help Barnett find financing to develop his land. As Perot told the *Washington Times*, Beuck had a reputation for being "great at economic development." Mr. Beuck became the chairman of "Triad Corporation."

After signing on with Barnett, Beuck started talking up the idea of damming

Marine Creek—which runs through the Billy Bob property—making it into a recreational lake. His idea was to build a "Western theme park" around this would-be body of water. In 1986 he brought the idea to the Fort Worth city council, and a bond issue was put on the November ballot. It failed.

According to Russell Lancaster, a Fort Worth city councilman, Beuck and Barnett showed up at a council meeting in early 1986 accompanying an official from the Economic Development Agency. They announced to a startled council that good old Jim Wright had secured a \$4.5 million grant (later reduced to \$4.3 million) for the Fort Worth Stockyards, but that the money could not be paid out until the city carried through on the formalities of actually applying to the EDA for the grant. Lancaster told the *Washington Times* he had never heard of the grant before the meeting, and supported his claim by producing a January 21, 1986 memorandum from the mayor's office. The memorandum, signed by City Manager Bob Terrell, describes Billy Bob's contributions to the redevelopment of the Stockyards district and concludes: "This grant is classified as a 'demonstration' grant, so no City match is required. Although the funds have been made available, the City must still follow the normal application process in order to receive them. The inclusion of this allocation is the direct result of Triad Corporation working closely with Congressman Jim Wright's office."

When asked about this memo, Wright's chief of staff, Marshall Lynam, denied that the Speaker had worked directly with Bill Beuck, George Mallick, or anyone else at Triad to secure the grants. Lynam produced a letter from Fort Worth Mayor Bob Bolen dated September 17, 1985, which thanks Wright for his previous support of the Stockyards development, and reminds him that "we do, however, need the continued involvement of the Federal Government." The mayor's letter, however, was not an application for an EDA grant, and was sent without the knowledge of the city council.

The next year Wright wrote another \$7.5 million EDA grant for the Stockyards development into the final draft of the continuing resolution. Because of a cutback in the size of the original grant—which had not been disbursed—by the spring of 1987, the EDA was holding \$11.8 million, nearly ten percent of its annual public works grants authority, which could go no place but the Fort Worth Stockyards. Then in August, the *Washington Times* reported that Jim Wright had written an amendment into the fiscal year 1987 continuing resolution that directed the Army Corps of Engineers to "eliminate

flood damage in the historical stockyards along Tony's Creek and Marine Creek." As many in Fort Worth interpreted it, Jim Wright had found the money to build Bill Beuck's lake.

In a telephone interview, chief of staff Lynam contested this conclusion.

On March 11, 1987, the *Fort Worth Star Telegram* published a story further tying the Speaker's business partner, George Mallick, to the EDA grants, reporting that the Fort Worth City Council was forming a corporation to loan the grants to Mallick as seed money for a 20,000-seat amphitheater to be built on the property Triad held an option for.

But an August 6, 1987 memorandum

Thoughts on a Mexican Sunset

I stood and watched the sun descend

To ocean's rim past Acapulco Bay
And felt I must be nature's friend
Thus entertained in such a regal way
(To take it in one almost had to pray).

Each moment's change brought new delight
As color blends from pink to gold to grey
Rent clouds with hues new to my sight;
To capture all the things they had to say,
I would have had to start on yesterday.

I thought how often in my life,
Preoccupied with busy things to do,
I've missed the glory now so rife;
Not looking, I have lost the chance to view
What can't be reproduced again, anew.

Like lives, each sunset is unique
(No two've been quite the same since time began);
We lose when'er we fail to seek
The beauty cloistered in each fellow man;
We ought to try to see it if we can.

Just so, we ought to pause and drink
The loveliness in each of nature's days,
And not allow one sun to sink
Unseen, unsung, its power to amaze
Unnoted; God unthanked for pinks and greys.



From *Reflections of a Public Man*,
by Jim Wright, Madison Publishing
Company, 1984, \$5.95 paper.

from Hugh Farmer, the Texas regional director of the EDA, put an even stranger spin on the three grants. The memorandum describes an unofficial meeting with a group of Fort Worth city council members that included Mayor Bolen but not Republican councilman Russell Lancaster, who had been critical of the grants. At the meeting the mayor and his cohorts first suggested that some of the \$11.8 million being held by the EDA could be used to buy "several of the facilities at the Stockyards from the private owners." Farmer informed the mayor that this was impossible because "there would be a natural suspicion that the use of grant funds for property acquisition would be a 'bailout' of the private developer and the banks holding the mortgages on these properties."

In fact, the specific properties mentioned were the Livestock Exchange Building, the Exhibits Building, a parking lot, and some abandoned cattle pens. Triad Corporation owned the parking lot and the Exhibits Building with a \$3 million mortgage from Landmark S&L, and held an option on the other properties. They also were defaulting on a \$3 million loan that had been taken out to finance improvements at Billy Bob's and were sinking rapidly toward bankruptcy. A Fort Worth lobbyist, familiar with the negotiations between Triad and the city, claims that Triad intended an elaborate maneuver in which they would take \$8 million from the city, purchase their option on the Livestock Exchange Building, and then sell the building to the city for a profit. Farmer's refusal to sanction the EDA grants in this turnover foiled the deal.

As a second option, Mayor Bolen and company suggested that the city could use part of the \$11.8 million in EDA money for \$5 million the city was required to put up to qualify for the \$15 million Jim Wright had set aside for "flood control." The EDA wouldn't budge on this one, either.

Orson Swindle, the hard-nosed former POW who directs the EDA, exchanged fire with Jim Wright, but held the line on disbursing grants that totally bypassed the competitive processes legally outlined in the Public Works and Economic Development Act. But the colorful drama of the Stockyards grants drew attention to Jim Wright's unorthodox partnership with Triad financier George Mallick.

In 1979, when congressmen were first compelled to file disclosure statements detailing their sources of income, Wright and his wife put together a holding company—Mallightco—in partnership with George Mallick and his wife. Mrs. Wright also was paid a

salary by Mallick Properties, Mallick's development company, from 1979 to 1985. Although House rules specifically state that members must reveal the "underlying assets" of all holding companies on their financial disclosure statement, for six years as House majority leader and one as Speaker, Jim Wright simply ignored the rule. Finally this March, he amended the statements to reveal Mallightco's holding. The company's most lucrative venture is selling loose gemstones.

There was one other area where the Speaker finally buckled to media pressure and changed his relationship with George Mallick. In September 1985, the *Fort Worth Star Telegram* revealed that during 1979-85, Wright and his wife had lived rent-free first in a Mallick-owned apartment, then in a Mallick-owned luxury condominium. Both Wright and Mallick claimed that the arrangement was partial compensation to Mrs. Wright for her work with Mallick Properties. But after the story appeared in the *Star Telegram*, Mallick began charging the Wrights a \$21 per diem for the nights they actually slept in the condominium. The rest of the month the House majority leader and his wife stored their furniture and clothes in the condo free of charge. Wright told the paper that the arrangement was "not a gift," and therefore violated no ethics standard.

The free condo is another of the questions the Ethics Committee is investigating.

THE S&LEAZE

In September 1986, Jim Wright placed a call to Federal Home Loan Bank Board (FHLBB) Chairman Edwin Gray to discuss a series of loan foreclosures that the Federal Savings and Loan Insurance Corporation (FSLIC) was bringing against Craig Hall, a Texas land developer. According to Phil Duncan, Wright's assistant chief of staff, Gray refused to do anything to interfere with the actions of the FSLIC conservator running Westwood Savings and Loan, the thrift that was foreclosing on Hall. But for some reason, in October Gray called back the Speaker-to-be. He apologized for his earlier intransigence and said that he had removed the Westwood's conservator and would work a deal with Hall. Before saying goodbye, Gray implored Wright to give him a call anytime he heard complaints about the Federal Home Loan Bank Board.

Wright did just that. In a June 22, 1987 interview with the *New York Times*, William Black, an FHLBB attorney who investigated the massive insolvency problems in the Texas thrift industry, claimed that in the late fall of 1986 and into the winter of 1987 the Speaker made a series of calls to Gray

trying to get him to reconsider bringing a suit against Thomas Gaubert, the principal owner of the Independent American S&L of Dallas. The suit alleged that Gaubert had fraudulently mismanaged the thrift.

Gaubert was not unknown to Wright. One prominent figure in the Texas thrift industry who doesn't believe Wright has done anything wrong in his dealings with the FHLBB attributes all of the Speaker's problems in the savings and loan scandals to Gaubert's fast-talking wheeling and dealing. "Gaubert," says this fellow Texas good old boy, "liked to go around leaving the impression that he could deliver the Speaker anytime, anywhere, that he had some sort of power over the man. No one really believed it. We knew he was good at raising campaign money and selling houses, but he didn't know anything about running a savings and loan. He thought Washington worked like a Texas real estate deal; he was too dumb to matter to a guy like Wright."

On the other hand, in 1985 Gaubert and his 19-year-old son Michael, a freshman at SMU, donated \$14,000 to the "Wright Appreciation Fund." And in 1986 Gaubert worked with Wright's ally, Rep. Tony Coelho, as the finance co-chairman of the DCCC.

At the same time Wright was talking with Ed Gray about Gaubert problems, he was fighting to kill a bill that would pump a \$15 billion recapitalization into the tottering FSLIC. Even this sum was ludicrously small. Estimates on the cost of cleaning up the nation's insolvent thrifts were already climbing toward \$40 billion.

Wright's assistant chief of staff Phil Duncan told the *Washington Times* on July 21, 1987, that Wright also spoke to Ed Gray about a planned FSLIC takeover of Vernon S&L, which was operated by Don Dixon, another Dallas real estate developer. Duncan claimed that Wright did not know Dixon and spoke with Gray on his behalf only because another congressman, whom Duncan would not name, asked the Speaker to do so. Gray, for his part, agreed to postpone the takeover; and between the Speaker's phone call and March, when Vernon was finally closed down, Dixon cranked out additional millions in bad loans.

Although Wright says that to this day he has never met Dixon, in 1986 he took a number of flights on an airplane owned by Dixon's S&L. Also, in 1985-6 the DCCC used a yacht—the refurbished sister ship of the former presidential yacht *Sequoia*—for a series of campaign fundraisers. Neither Wright nor the DCCC listed the air travel or the yacht chartering on their

Federal Election Commission—required “debts and obligations” until their use was revealed last June in the *American Banker*. On July 1, the DCCC meekly forked over \$48,150 for the yacht and plane chartering to the FSLIC, which had finally taken control of Vernon. The Speaker’s man Duncan justified the oversight later that month, telling the *Washington Times* that Wright had not only not known who owned the plane he traveled on but was unaware that no one had paid for his seat.

Under pressure from the White House, the Speaker finally acquiesced to an \$11 billion compromise recapitalization for the FSLIC.

The House Ethics Committee is now investigating whether the Speaker put unwarranted pressure on the FHLBB on either Dixon’s or Gaubert’s behalf. In his brief to the committee, the Speaker claims that in dealing directly with FHLBB Chairman Ed Gray, he was “clearly acting as a ‘go-between’ for some constituents who were being treated unfairly.” In a recent interview with the *Wall Street Journal*, Gray characterized it somewhat differently, claiming that Wright had tried to pressure him into firing Joe Selby, the regulatory officer of the Federal Home Loan Bank in Dallas. The Speaker denies it.

THE FRIEND

How did Jimmy Hoffa’s bagman become Jim Wright’s publisher? The question has more political sex appeal than the others raised about the Speaker’s ethics, and it may prove more damaging to his credibility.

In 1967, before Jimmy Hoffa went to jail, he made William Carlos Moore, one of Jim Wright’s oldest friends, the national director of DRIVE PAC, the Teamsters’ political organization. In 1971, when President Nixon commuted Hoffa’s sentence, Moore resigned the position and returned to Fort Worth, where he reportedly went into private business.

But in 1973 he returned to Washington, this time to work not for the Teamsters, but for the government. He joined Jim Wright’s staff as an aide assigned to the National Commission on Water Quality.

While Moore toiled with the future House Speaker to protect the quality of American drinking water, federal investigators were looking into his activities on behalf of Jimmy Hoffa. The government had evidence that Moore had skimmed more than \$90,000 from DRIVE PAC between 1968 and 1970. They could prove that he had deposited the money in a Crofton, Maryland checking account, that he had written checks on that account to the Union Travel Associates of Washington, D.C., and that this travel agency had kicked

the money back to Moore. The trail came to a dead end, however, when the cash dropped into Moore’s wallet. By early 1975, federal investigators realized that Moore would just as soon go to jail as reveal the final destination of the slush fund money. So on March 18, they made a deal: If Moore would plead guilty to one count of tax evasion for \$32,000 embezzled in 1970, the government would refrain from prosecuting him for any “use (or misuse) of the funds of the Teamsters’ Union Political Organization.”

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The government also agreed to ask the sentencing judge to incarcerate Moore for no more than six months and to remove from public record the pre-sentencing report which includes all the evidence that had been accumulated concerning Moore’s association with Hoffa.

Still, this was not enough for Moore and his new boss. On March 24, 1975, two days before Moore was due to be sentenced, Jim Wright sat down at a typewriter and wrote the judge a letter on his official congressional letterhead. Splotted with white-out and poorly typed, it reads: “It is my desire to take this opportunity to lend my personal support to Mr. William Carlos Moore. I am aware of the basic factors and circumstances concerning the matter before your honor today and it is in the face of this knowledge that I write to you on Mr. Moore’s behalf. . . . It is my opinion that his character and his value to his community is far above the average. It is without reservation that I now ask the court, on Mr. Moore’s behalf, to take into consideration the obvious value to us all of Mr. Moore’s continued presence in our communities.”

Jim Wright was not alone in seeking clemency for Moore. At the sentencing, the prosecuting attorney produced an affidavit from Jimmy Hoffa. The affidavit confirmed that Moore had unselfishly created and disbursed a slush fund at Hoffa’s direction, that Moore had not used any of the money for his own enrichment, and that every single dime had been illegally paid out to politicians. Unmoved, the judge gave Moore six months in the federal pen. Four months later, Jimmy Hoffa disappeared. Six months after that, having done his time, Carlos Moore began working for Jim Wright as a campaign contractor.

THE PUBLISHER

Between 1976 and 1987, Jim Wright’s campaign committees paid Carlos

Moore approximately \$656,000 for services ranging from printing “auto stickers and yard signs” to “political consultations.” In the 1984 election cycle, when Jim Wright ran unopposed in both the primary and general elections, and paid no money in campaign staff salaries, he paid Carlos Moore \$68,000. More than a third of this money was for something called “professional services.” On November 1, 1984, a few days before the House majority leader took 100 percent of the vote in an uncontested election, Carlos

Moore’s Madison Publishing Company brought out its first book. It was Jim Wright’s now-famous *Reflections of a Public Man*. Moore had agreed to pay for the printing of 20,000 copies of the book, to sell them for \$5.95, and deliver \$3.25 of that sum back to the Speaker. In 1985-86, Wright’s campaign committees paid Moore \$305,000 for services rendered, and Moore paid Wright \$55,600 in book royalties.

The deal revealed, more than anything else, that within the soul of Jim Wright, the majority leader, there still lurked the entrepreneurial heart that put him in trouble with the Post Office Department back in 1954.

There is only one bookstore anywhere in the world—Barber’s in Fort Worth—that ever regularly stocked *Reflections* on its shelves. Larue Perkins, the wife of Barber’s owner Brian Perkins, expressed befuddlement upon hearing that the book had earned Jim Wright more than \$55,000 in royalties. “That li’l thing?” she said. “That li’l paperback thing? That just doesn’t sound right. We couldn’t have sold more than forty or so copies. And we had them all signed by the Speaker himself.”

Mr. Perkins elaborated: “In the whole run of that book, over three years, at the minimum we sold forty books; on the outside, the absolute maximum we sold was eighty.”

The Perkinses, who take pride in the fact that Barber’s stocks more “Texana” and local interest books than any other bookstore in the area, claim that they first learned about *Reflections of a Public Man* when a customer came in asking about it. They contacted the Speaker’s regional office; the Speaker’s staff put them in touch with Carlos Moore—whom Mrs. Perkins describes as a “hail-fellow-well-met sort of man.” Between 1985 and 1987, Moore came by the store three or four times to drop off a dozen or so copies of the book. Mr. Perkins brought each shipment over to the Speaker’s office at the

Fort Worth Federal Building and several weeks later they would be returned inscribed by Jim Wright. Mr. Perkins’s deal with Moore was to sell the books for \$6.95 apiece, returning 60 percent of that, or \$4.17, to Madison Printing Company.

The *Wall Street Journal* reported in May that Carlos Moore’s old employer, the Teamsters’ DRIVE PAC, had purchased 1,000 copies of the book, as did John C. White, the former chairman of the Democratic National Committee. In June, the *New York Times* found another 1,000-copy man in Gene Payte, a Fort Worth developer, who claimed that he knew it was illegal just to give money to the Speaker so he bought his book instead. Wright has since admitted that Texas lobbyist Leslie Berkowitz also bought 1,000 copies, that the Teamsters actually bought 2,000 copies, and that the New England Life Insurance Company took \$2,000 worth. But that still leaves approximately 12,600 copies of *Reflections* that the Speaker was paid royalties for that weren’t sold at Barber’s.

The most damning thing about the Speaker’s book, however, is the book itself. Pieced together by staff aide Matthew Cossolotto from old speeches, sermons, and a poem (“Thoughts on a Mexican Sunset”), it is a 117-page paperback, glued in a binding of oily paper that has something of the same texture as an old telefax or photocopy. Though it is astounding that Barber’s bookstore even sold the handful it did, in a telephone interview Mr. Perkins attributed the bulk of his sales to the fact that the Speaker had signed each copy. He found it amusing that Willie Mays could get a better price for his autograph without even throwing in his book.

In the brief he presented to the Ethics Committee on June 10, the Speaker argued that no matter what subjective judgments people might want to make about his 55-percent royalty, it did not violate the laws restricting congressmen’s outside income. Books like his *Reflections* were exempted from those limits. He even had the daring to compare his small winnings to those taken in by Tip O’Neill for his professionally ghost-written, nationally marketed, \$19.95 *Man of the House*, which was published by Random House last year.

The Speaker is probably correct as to the legality of his little deal with Carlos Moore, but if he ever pauses to consider the ethics of the thing someone should refer him to page 84:

“Nobody has to tell you. You know. In the quiet recesses of your soul, a still small voice repeats the verdict in almost deafening tones. And no clamorous overplay of noisy self-justification can silence it.” □

Ambrose Evans-Pritchard

THE CONTRAS COULD HAVE WON

How U.S. policy snatched defeat from the jaws of victory.

At the beginning of this year there were signs of insurrectionary conditions in Nicaragua. I believe that if the contras had received American military aid for another two years the country would have become ungovernable. The Sandinista Front would have had to sue for peace on terms that effectively dismantled the one-party military state, or risk eventual collapse. This is impossible to prove. There are no polls in Nicaragua. There is no opposition movement like Solidarity that captures the imagination. And the overwhelming majority of Americans who know the country would disagree with me vehemently. Some still insist that the Sandinistas would win an open election in Nicaragua if it were held tomorrow.

It is easy to forget how strong Anastasio Somoza looked two years before the revolution. In 1977 he was able to fill the Plaza de la Republica with tens of thousands of seemingly enthusiastic supporters—more than the Sandinistas are able to turn out now. The country had the best educated managers and technocrats in Central America. Living standards had been rising rapidly for a generation, labor laws were relatively progressive, and even farm workers could afford transistor radios. True, Somoza had plenty of headaches. Archbishop Obando y Bravo, accused of being a Communist by the chief of police, was issuing damning pastoral letters. Pedro Joaquin Chamorro was publishing broadsides in his family newspaper *La Prensa*. Jimmy Carter's ambassador, Mauricio Solaun, was reading the riot act on human rights. Least among Somoza's troubles was a band of student guerrillas with connections to the Granada aristocracy, calling themselves Sandinistas. Their leader had been killed in 1976 and the quarreling fac-

tions were accusing each other of "putschist adventurism" and "petit bourgeois deviation." They did not look very dangerous. The lesson is that insurrectionary conditions are not always obvious. For some they will never be obvious. While units of the National Guard were fleeing to El Salvador on rafts in July 1979, Jim Wright continued to stand behind Somoza and was puzzled that everybody was turning against a stalwart American ally.

Gauging the mood in Nicaragua is difficult. The people dissemble, particularly with foreigners, some of whom they abusively call "sandalistas" on account of their footwear and politics. But it is possible to make them talk, provided you travel alone, without an interpreter, and don't wear Sandinista sympathies on your sleeve. All you have to do is drive along Managua's Carretera Sur, for example, and there

will be the pathetic sight of thirty, fifty, perhaps even a hundred people trying to hitch a ride. Half-empty Ladas and Toyota landcruisers race past, carrying the party apparatchiks. They rarely stop. Occasionally buses come past. They don't stop either, because they already are jammed full. So if you pull over to offer a ride, these desperate creatures will fall like animals on your car, piling in from every door until you shout "basta ya," and heartlessly push the stragglers back into the dusty street.

I usually ask about the rice ration first. It is a subject that evokes fury in this culture where many families traditionally eat rice and beans twice a day. Before the revolution Nicaragua was a rice exporter. No longer. Now huge donations come from Bulgaria and the Soviet Union and there is still a critical shortage. The Sandinistas fixed the ration at four pounds per person per

month. In reality it hovers between one and two pounds. "It doesn't last a week," scream the women from the back of the car, "and why isn't there any milk? We have to wait for three hours in the sun to get milk for our children and then they say it's run out." Next comes a barrage of recriminations about everything. I dare not repeat some of the amazing remarks I have heard, for fear of losing credibility. (Once when I quoted a Nicaraguan family saying that it hoped for an American invasion, the editor of *Private Eye* insinuated in print that I had made it up.)

The shortage of food was becoming serious by the beginning of this year. An emaciated old peasant in the area of Rivas said that his cooperative was reduced to two- or three-hour workdays. "By nine in the morning we just can't keep going, we're too weak from hunger." But on the whole, few Nicaraguans look starved. They probably get as much to eat as the British during the Second World War. The British, however, were disposed to suffer. In Nicaragua the sense of common purpose that makes such sacrifices tolerable has completely broken down. Even if the people believed that American imperialism was the cause of their troubles, which the majority no longer do, it would be hard to rally patriotic support when the hardships are so unevenly shared.

Nicaragua has the most regressive wage system I have ever seen. While inequalities in Honduras are ugly, in Nicaragua they are grotesque. This was not intended. It is the consequence of hyperinflation in an economy with fixed exchange rates. I remember that in early 1984 the purple 50 cordoba note could buy you breakfast at the Intercontinental Hotel in Managua. On a visit last January, I was surprised to find that the note was back in circulation with 50,000 clumsily printed



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