

Congressional Closeup by William Jones

Democrats target Kissinger Associates

The investigation by the House Banking Committee into U.S. relations with Iraq prior to Saddam Hussein's invasion of Kuwait has become the object of interest of several more committees, including the House Agriculture Committee and the House Foreign Affairs Subcommittee on International Economic Policy, which have begun their own investigations. The issue threatens to derail President Bush's hope to revive the aura of the Persian Gulf "victory" to rally broader electoral support.

In testimony before the House Banking Committee on May 22, Deputy Secretary of State Lawrence Eagleburger took sharp exception to allegations that he had "past ties" to Banca Nazionale del Lavoro (BNL), because of the bank's connection to Kissinger Associates. House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) had accused Eagleburger of a conflict of interest because of his former business affiliations with Kissinger Associates, which had extensive connections with both Kuwait and Iraq. The Gonzalez investigation has targeted Commodity Credit Corporation (CCC) agricultural credits provided to Iraq in 1989, which were allegedly diverted by Baghdad to third parties in exchange for military hardware and nuclear-related equipment. The credits had been approved by the Bush administration.

Eagleburger claimed that he did not recall doing any substantive work for BNL and had played no role in the administration's handling of the BNL affair. Eagleburger also claimed not to have intervened on behalf of Iraq to secure the CCC credits for them.

The issue heated up when Attorney General William Barr stated in early May that the Department of Justice will no longer turn over classified information to the House Banking

Committee for reasons of "national security." Gonzalez responded by saying that he would ask the House Judiciary Committee to consider the option of appointing an independent counsel to investigate possible Justice Department misconduct in connection with the BNL investigation, accusing the department of "obstruction of justice."

On May 23, Sen. Richard Lugar (R-Ind.), the ranking Republican on the Agriculture Committee, said that he, together with committee chairman Sen. Patrick Leahy (D-Vt.), were requesting that the Bush administration turn over documents concerning U.S. agricultural aid to Iraq prior to the Gulf war.

Vote forced on balanced budget amendment

On May 21, supporters of a balanced budget constitutional amendment obtained the 218 signatures needed on a so-called "discharge petition," which would allow them to bypass the traditional committee process and bring the balanced budget amendment to the House floor for a vote, in a record one day's time. The amendment is opposed by the House Democratic leadership.

In an interview on the NBC News program "This Week With David Brinkley" on May 24, House Speaker Thomas Foley (D-Wash.) said that a balanced budget amendment "would complicate our fiscal policy, might create increased cost, would certainly lead to inflexibility in dealing with economic problems, and could . . . force U.S. government securities to scream upwards and cost the American people billions of dollars."

Nevertheless, in an election year in which "corruption in Washington" has become the dominant theme,

members were so anxious to be on record favoring a balanced budget that they stood in line to sign the petition. The amendment, sponsored by Rep. Charles Stenholm (D-Tex.), currently has 278 co-sponsors. A two-thirds majority, 290 votes, is required in the House for passage of a constitutional amendment.

Supporters are confident that it will pass when it comes up for a vote in June. A similar amendment has been introduced in the Senate by Sen. Paul Simon (D-Ill.). The Senate bill is scheduled to be voted on in the next few weeks. If passed by both houses, the amendment would have to be ratified by 38 states, and could then take effect in 1997.

Many people foolishly consider the balanced budget amendment simply an election-year gimmick to give the appearance that its supporters are really grappling with the budget deficit. In effect, such an amendment will provide a mandate for those who want to gouge entitlements. Sen. Phil Gramm (R-Tex.), who sponsored the notorious Gramm-Rudman legislation, announced on May 24 that he was drafting an implementation act to the amendment which would allow the U.S. Court of Appeals for the District of Columbia and the U.S. Supreme Court to decide if a federal budget is balanced.

Baucus dissatisfied with NAFTA negotiations

Sen. Max Baucus (D-Mont.), a Democratic point-man for the North American Free Trade Agreement (NAFTA), at a press briefing on May 21, indicated that Democrats have concerns in the area of environmental protection and worker adjustment for displaced workers which have not been addressed by the Bush administration.

Baucus indicated that this could cause problems for the treaty on Capitol Hill.

When asked if he thought the bill would pass if it didn't address those issues, Baucus said, "Well, I will oppose it, number one, and I think he [Bush] is going to have a tough row to hoe. It's going to be difficult."

Baucus said he felt that the administration was "playing politics" with the treaty, trying to get an agreement to the Hill before the election in order to embarrass the Democrats, who are divided over their support for the treaty.

Senate quadruples urban aid in new bill

The Senate passed an urban aid measure sponsored by Sen. Edward Kennedy (D-Mass.) and Sen. Orrin Hatch (R-Utah) by a 61-36 vote on May 22, which was four times larger than the request submitted by the Bush administration.

The administration supports a bill, passed by the House the previous week, which would provide \$822 million in loans and grants for disaster relief and small business loans for cities. The Senate tagged on \$1.45 billion to the House bill, adding \$700 million for summer youth jobs, \$250 million for a summer Head Start program, \$250 million for summer school for disadvantaged students, and \$250 million for the administration's "weed and seed" program of tougher law enforcement and community development.

Although the Bush administration is opposed to the large outlays for the cities, there will probably be little objection to the bill, given the very tenuous situation in the nation's cities after the Los Angeles riots. Although Bush has stopped short of threatening a

veto, he has said he will oppose an urban aid package bigger than the one he proposed. The Office of Management and Budget, however, has indicated the added spending in the Kennedy-Hatch measure might be acceptable in return for congressional compliance with some other proposals.

Energy provision favors nuclear power plants

The House accepted an amendment to the 1992 energy bill on May 20 which formally would make it easier to build nuclear power plants. The measure, which was added on in a 254-160 vote, would streamline the licensing process and cut the time it takes to put a new reactor into operation from a current average of about 14 years, to about six years.

The measure, however, accedes the right to any individual citizen to demand a formal hearing by the Nuclear Regulatory Commission after a nuclear plant's construction if significant safety issues are discovered, a provision which could be used to block any new atomic power plant. Supporters say that if that particular item remains part of the bill, there will be very few new nuclear power plants built.

Aid cutoff to Indonesia threatened

A bill introduced in the House by Rep. Tony Hall (D-Ohio) on May 13 would end U.S. aid to Indonesia because of alleged human rights violations. The bill would terminate all U.S. bilateral assistance and suspend the Generalized System of Preference benefits for Indonesian products. It would also re-

quire the U.S. representative to the World Bank to oppose loans to Indonesia.

In floor comments, Hall said that estimated military and economic aid for Indonesia in the current fiscal year totaled about \$58 million. Commercial arms deliveries total about \$43 million, and U.S. government sales about \$10 million. Under the legislation, the aid ban would remain in effect until the President had certified that Indonesia had withdrawn its troops from East Timor, allowed a U.N. referendum for Timorese self-determination, and international monitors had reported that human rights violations had ended.

Economic sanctions against Serbia sought

The Senate passed a resolution imposing economic sanctions against Serbia and Montenegro (which the measure designates as "Yugoslavia"), in a vote of 99-0 on May 21.

The resolution would suspend all forms of U.S. assistance going to these countries, and suspend air travel to and from Belgrade. It also mandates U.S. representatives in international financial institutions to vote against any aid from these institutions to Serbia or Montenegro. The sanctions would remain in place until Serbia has ceased its war of military aggression against the newly liberated countries of Croatia, Slovenia, and Bosnia-Herzegovina.

The resolution also requires that the Serbs withdraw from the areas of the other republics which they have occupied, and that they recognize the borders of Croatia, Bosnia-Herzegovina, and Macedonia as these borders were specified in the 1974 Yugoslavia Federal Constitution (before the forced annexations).