

Congressional Closeup by William Jones

Gallucci defends nuclear accord with North Korea

In testimony before a Senate Foreign Relations subcommittee on Dec. 1, Ambassador-at-Large Robert Gallucci defended the nuclear accord with North Korea, saying the accord "addresses all our concerns about North Korea's nuclear program."

Under questioning from senators, Gallucci admitted that North Korea could withdraw from the accord in about 15 years after the two new light water reactors are completed, and reprocess the reactors' spent fuel rods to extract plutonium for use in weapons. He added, however, that spent fuel from the light water reactors would contain dangerous radioactive isotopes, making handling difficult. Gallucci said that any such move on the part of North Korean authorities would cause Washington to halt new fuel rod shipments, leaving them without the capability to generate electrical power.

Gallucci indicated that the fate of the spent fuel is still open for negotiation, and that the administration would seek to clarify the matter in a pending contract between North Korea and a multinational consortium. When asked by Chuck Robb (D-Va.) and Frank Murkowski (R-Alaska) why the accord remained at the level of a "framework agreement" rather than a treaty subject to the advice and consent of the Senate, Gallucci explained that the administration didn't want a legally binding agreement that the North Koreans could enforce through litigation.

Gallucci said that the administration had consulted with the Senate at every step in preparing the agreement. He added that any Department of Energy funding for "recontaining" the spent fuel from the reactors (now lying in ponds) would have to be okayed by Congress, thus giving the Senate a direct say in further formulation of the

agreement. Gallucci said that the North Koreans had already begun to live up to their side of the agreement by shutting down construction of the two nuclear power plants, mothballing a plutonium processing factory, and idling their single operational nuclear plant.

Gonzalez warns action needed on derivatives

In a Dec. 1 statement, House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) warned the incoming Congress that the Republicans will have to do something to "curb derivatives speculation." He urged Republicans "to do the right thing." He pointed in particular to the losses suffered by Orange County, California, because of investments in the derivatives market.

"Today's announcement that Orange County, California stands to lose more than \$4.1 billion from gambling with derivatives is further proof of the hazards posed by these often misunderstood exotic financial instruments," Gonzalez said. "Now you can add Orange County to the ever-growing list of investors who thought they could beat the house. Orange County taxpayers have every right to know why their hard-earned tax dollars were squandered on interest-rate bets. Orange County's financial earthquake and its aftershocks will undoubtedly cause needless hardships for taxpayers for years to come."

Gingrich under fire for improper use of PAC

Charges that incoming House Speaker Newt Gingrich (R-Ga.) violated House rules by improperly using GOPAC, a Republican political action committee that Gingrich heads, to de-

velop and raise money for the course he taught last year at Kennesaw State College in Marietta, Georgia, are currently being weighed by the Committee on Standards of Official Conduct. The complaint, filed by former Rep. Ben Jones (D), who unsuccessfully ran against Gingrich in the November election, charged that contributors who funded the course received tax deductions because their donations were sent to the college's foundation.

The committee must decide whether it will begin an investigation of the complaint. Gingrich sent a letter to the committee on Nov. 29 questioning whether the committee had authority to investigate this matter at all, and claiming that it is rather a matter under the purview of the Internal Revenue Service.

In April the Federal Election Commission (FEC) charged GOPAC with violating federal campaign regulations by advocating the defeat of Democratic House members in a 1990 fundraising solicitation. The committee finally registered as a political action committee in May 1991 after the FEC found reason to believe it had failed to meet federal disclosure requirements.

Dole, Gingrich call for tougher policy on Serbs

Incoming House Speaker Newt Gingrich (R-Ga.) called for more aggressive action against Serb forces now in the process of overrunning the U.N. "safe haven" of Bihac. Sen. Robert Dole (R-Kan.) has long called for a tougher policy toward the Serb aggression against Bosnia, saying that NATO should respond to the attacks on Bihac with a "robust" bombing of Serb positions.

Gingrich, who previously dismissed the Serbian war of aggression

as a "European problem," said on Dec. 4 on the NBC News program "Meet the Press" that the United States should warn the Serbs that they would "take them apart" in three to five days if they launched a general offensive. Responding to Gingrich's comments on Dec. 4 on ABC's "This Week with David Brinkley," Secretary of State Warren Christopher said that such a strategy threatened to escalate the war.

House GOPers propose committee restructuring

The committee structure of the House will be radically changed, if the new Republican majority has its way.

Already, three committees have been scrapped, including the Post Office and Civil Service, the District of Columbia, and the Merchant Marine and Fisheries committees. But there are at least 25 subcommittees being targeted by the GOP leadership in a plan worked out by David Dreier (R-Calif.).

The jurisdiction of some of the more important committees would also be significantly reduced, according to the plan. The Energy and Commerce Committee, now to be called the Commerce Committee, will no longer have jurisdiction over the Glass-Steagall banking law, railroads, food inspection, the Trans-Alaska Pipeline, or energy and research, as it did previously. In addition, each full panel, except Appropriations and Government Reform and Oversight (previously called Government Operations), will be limited to only five subcommittees.

New House rules would also eliminate proxy voting and joint referral of bills to more than one committee. Bills whose jurisdiction falls under more than one committee would be referred to the committee of primary

jurisdiction, although other interested committee chairmen could play a role in shaping the legislation.

Proposed name changes of committees also indicate the new GOP agenda. The House Foreign Affairs Committee will now be known as the International Relations Committee. Armed Services will be called National Security. Education and Labor will be known as Economic Opportunity. And Science, Space, and Technology will be called the Technology and Competitiveness Committee.

In addition, House Republicans have agreed to take away the budgets, staffs, and Capitol Hill offices of 28 caucuses, including the Hispanic Caucus and the Congressional Black Caucus. This has raised an outcry from minority groups. Bill Clay (D-Mo.) said that this was an attempt by the Republican majority "to abolish the Black Caucus."

New leadership elected in House and Senate

Both the House and the Senate elected a new leadership during the first week in December. In the House, Newt Gingrich (R-Ga.) was elected Speaker. Tom DeLay (R-Tex.) was elected Majority Whip, something of a defeat for Gingrich, who backed Robert Walker (R-Pa.) for that post.

On the Senate side, veteran Republican Whip Alan Simpson (Wyo.) was defeated in his bid to retain that post by one vote by Trent Lott (Miss.), who is generally seen as closer to the more aggressive tactics of Gingrich in the House.

In a similar "squeaker" vote on the Democratic side, Tom Daschle (S.D.) was elected Minority Leader, defeating Chris Dodd (Conn.) by a single vote. Daschle had intended to challenge Budget Committee Chair-

man Jim Sasser (Tenn.) eight months ago for the post, which was being vacated by retiring Senate Majority Leader George Mitchell (Me.). Sasser lost his Senate election, and Dodd, supported by some of the older Democratic war-horses like Wendell Ford (Ky.) and Robert Byrd (W.Va.), entered the race. (Ford was unopposed for the post of Minority Whip.) The 47-year-old Daschle called his victory a "generational vote."

Also, an attempt by Congressional Black Caucus Chairman Kweisi Mfume (D-Md.) to unseat House Democratic Caucus Chairman Vic Fazio (D-Calif.) was unsuccessful.

GATT passes, as Hollings invokes Hamilton, List

The Senate approved the General Agreement on Tariffs and Trade (GATT) treaty on Dec. 1 by a vote of 76-24. The House approved GATT on Nov. 30 by a vote of 288-146.

Leading an uphill struggle to defeat the GATT trade agreement, Sen. Ernest Hollings (D-S.C.) brought up the theories of Alexander Hamilton and Friedrich List. While the United States was "trying to set the good example of Adam Smith and David Ricardo of comparative advantage, open markets and free trade," eastern Europe and much of the rest of the world were following a different drummer. "They are going for Friedrich List, as the Germans long since have with their interlocking directives and Japan with the Keiretsu," referring to the families of Japanese companies that maintain long-term alliances. "Competition, according to Alexander Hamilton or Friedrich List, is measured not by a cheap shirt or what you can buy, but by what you can produce. Decisions are made that weaken or strengthen the economy."