

Congressional Closeup by William Jones

Dems to continue probe of 'October Surprise'

House Democrats, reinvestigating allegations that the Reagan-Bush campaign delayed Iran's release of 52 American hostages in order to win the 1980 presidential election, have decided to probe the matter further.

The issue was raised anew by former Carter National Security Council staffer Gary Sick. Ten Democrats on the House Foreign Affairs Committee met on May 2 with Sick; no Republicans were invited. After the meeting, Rep. Lee Hamilton (D-Ind.), co-chairman of the committee that investigated the Iran-Contra affair, said the group would continue to explore the issue "on an informal basis."

Sick has stated that several of his sources confirm that then-vice presidential candidate George Bush had attended one of the meetings with Iranian and Israeli representatives in Paris where the delay of the hostage release was discussed.

Hamilton was vague as to how they would proceed. "We've reached no conclusions about what Mr. Sick said and certainly no conclusion about what follows."

Dante Fascell (D-Fla.), chairman of the House Foreign Affairs Committee, said that lawmakers must collect more information before deciding whether to open a formal congressional investigation.

Robert Torricelli (D-N.J.), chairman of the House Foreign Affairs Committee's subcommittee on the Western Hemisphere, considered Sick's charges strong enough to warrant a probe. "There is a real chance as events unfold that the American people could get a cold shower of political reality," he said. "This problem is not going to go away."

House Speaker Rep. Thomas Foley (D-Wash.) is waiting for Hamil-

ton's recommendation before deciding on how to proceed.

The General Accounting Office's Office of Special Investigations, at the behest of an undisclosed committee, has begun conducting interviews with former aides to the late CIA chief William Casey, a prime player in the Iran-Contra affair.

Kissinger role in BNL scandal targeted

Pursuing the role of the Atlanta branch of the Banca Nazionale del Lavoro (BNL) in providing credit to Iraq, with the knowledge of the Bush administration, immediately prior to the launching of Bush's "crusade" against Saddam Hussein, Banking Committee Chairman Henry Gonzalez (D-Tex.) said recently that he was investigating more thoroughly the role of Henry Kissinger.

Gonzalez notes that Kissinger did not resign from the advisory board of the BNL until over 18 months after the BNL scandal erupted. Committee investigators were told that Kissinger may still be a member of the BNL advisory board.

Gonzalez indicates there is a possible conflict-of-interest in the role played by National Security Adviser Brent Scowcroft and Deputy Secretary of State Lawrence Eagleburger because of their links to BNL and to Kissinger Associates. "These connections raise the question of Kissinger Associates' influence over the decisions of Mr. Scowcroft as well as the issue of whether or not Mr. Scowcroft can remain independent from the interests of his former boss and longtime colleague Henry Kissinger. . . . Mr. Scowcroft's past affiliation with Kissinger Associates also raises the ques-

tion as to whether or not Mr. Scowcroft can truly provide independent advice to the President in matters of national security or foreign policy when those policies can run against the interest of corporations that he owns stock in or that are affiliated with Kissinger Associates."

Armed Services committee cuts B-2, space defense

A subcommittee of the House Armed Services Committee dealt a blow to the administration's defense budget, eliminating all funds for the "Brilliant Pebbles" project (the remains of the more encompassing Reagan Strategic Defense Initiative proposal advanced in 1983), and halting production of the B-2 "Stealth" bomber.

"Brilliant Pebbles" is intended to destroy incoming ballistic missiles with high-speed projectiles in space. The subcommittee also transferred authority over \$858 million in ground-based theater missile defense programs from the SDI Organization to a new office run by the Army. The votes were along strict party lines.

Also, a Democratic effort to stop spending on a new air base in Crotone, Italy, was blocked in the subcommittee on military installations.

NASA chief defends agency's cost estimate

The House passed NASA Authorization bill on May 2 by a vote of 361-36, authorizing \$14.9 billion for 1992, including \$6.5 billion for research and development and \$5.6 billion for space flight operations including the Space Shuttle program. The amount was slightly less than the ad-

ministration's request.

Rep. Mary Rose Oaker (D-Ohio) stressed the need to "continue to invest in the programs which will keep our economy strong and which will improve the quality of our lives. The science and technology programs of NASA are one of the best examples I can imagine which accomplish these goals." Oaker warned that Congress "cannot drop our guard and allow funding for these critical programs to languish."

NASA Administrator Richard Truly, in committee testimony May 1, defended his agency against charges by the General Accounting Office that it has understated the cost through the year 2027 of the planned international space station by at least \$34 billion. Truly said that NASA's accounting practices conform to the agreement made with Congress over the accounting procedures and questioned the GAO's estimate of the space station's cost. The GAO has included in their estimates some of the fixed costs of NASA and the shuttle (which will service the space station), as costs of the space station itself.

Opponents of the space station have forced NASA to revise its design of the space station at least six times on the pretext of cost reduction, to the point where any further cuts could put the project off-track permanently.

Rep. Barbara Boxer (D-Calif.), chairman of the Government Operations Subcommittee on Government Activities and Transportation, has called for an independent audit by the National Academy of Public Administration.

Subcommittee member Rep. Dick Zimmer (R-N.J.) also wanted a study done by the National Academy of Sciences in order to determine whether the mission of the space station could be accomplished at less cost by other

means. Zimmer, however, said that "Congress is to blame for the failings of the space station," not NASA. He attributed this to Congress's demands for repeated design changes and reduced funding. "The result has been that the space station was designed by an Appropriations subcommittee, not by scientists and engineers," he said.

House leaders agree to pump money into FDIC

House Democratic leaders and the White House agreed on May 1 to pump additional funds into the Federal Deposit Insurance Corp. The agreement was reached after Treasury Secretary Nicholas Brady lobbied House Speaker Thomas Foley (D-Wash.) and met privately with Banking Committee Chairman Henry Gonzalez (D-Tex.) and ranking member Rep. Chalmers Wylie (R-Ohio).

The agreement was reached after President Bush announced his support for a banking reform bill which he outlined in a speech to the Society of American Business Editors and Writers in Washington on May 1. The bill includes a reform of deposit insurance, strengthens bank regulation, permits interstate banking, and allows banks to offer additional financial services.

House leaders agreed that they would move to complete action on banking reform before July 4, but there is significant opposition to the deregulation thrust of many of the White House proposals. Opponents blame deregulation as partly responsible for the savings and loan crisis.

There is concern that the administration's proposal to allow "financial institutions to compete across state lines," will lead to serious problems for smaller regional banks. Also, there is opposition to removing the restrictions on

banks selling stocks, bonds, and insurance, since present banking legislation is formulated precisely to prevent commercial banks from entering areas of high-risk investment.

Differences also exist between the White House and the Federal Reserve on the one hand, and the House and Senate Banking committees on the other, over the powers that would be ceded to bank regulators. Both Gonzalez and Senate Banking Committee Chairman Donald Riegle (D-Mich.) want to make it mandatory for regulators to tighten control over banks as soon as their finances begin to show signs of deterioration.

Sovereignty threatened by Horn of Africa bill

A bill was introduced into the House on March 14, referred to as the Horn of Africa Bill, which would redirect U.S. aid funds from the governments in the war-torn and devastated African horn—Somalia, Sudan, and Ethiopia—and instead give them directly to non-governmental organizations for relief work.

The bill was introduced in the House by Rep. Byron Dorgan (D-N.D.). A similar bill will be introduced by Sen. Paul Simon (D-Ill.) on the Senate side.

The bill appears designed to strengthen the political clout of non-governmental organizations in countries where relief aid is desperately needed. Coming in the aftermath of the Gulf war, it is coherent with the Bush administration's policy of punishing sovereign governments, especially Sudan's, which had supported Iraq against the U.S. attack. The bill would also make the practice of "cross-border" relief operations into a routine practice.