

Congressional Closeup by Carl Osgood

Conrail-CSX merger concerns House panel

The House Transportation and Infrastructure Committee, chaired by Bud Shuster (R-Pa.), on Nov. 19 held the first of a series of hearings on the proposed merger of Conrail and CSX. The witnesses were David Konschnik, of the Surface Transportation Board, and Glen Scammel, counsel to the railroad subcommittee of the full committee.

Shuster, in his opening remarks, said that his concerns centered on the effects the merger will have on jobs and retirement pensions, which still must be funded. He pointed out that two recent mergers, that of the Union Pacific and Southern Pacific, and the Burlington Northern and Santa Fe railroads, resulted in the loss of 6,000 jobs. "This raises the question about where the burden of financing railroad retirement will shift in a system that allocates financing on the basis of the number of employees on the payroll," he said.

Another area for review, Shuster said, is the compensation packages for the top management executives of the two companies involved. "It would be a shame," he said, "if these merger proposals resulted in the loss of jobs for many railroad workers, only to line the coffers of a few highly placed executives."

Shuster's concerns were echoed by other members of the committee. James Oberstar (D-Minn.), the ranking Democrat on the panel, said that the Conrail-CSX merger raises the same concerns as the two previous mergers, but with "greater fear and concern." "The question in my mind," he said, "is how many mergers can the rail sector, can the shipping public, can the working public, sustain? How many more of these mergers can communities continue to endure without serious adverse effect upon their viability?"

Oberstar later said that "maybe this hearing would not be under way and this action might not be taking place if the UP-SP merger had not been consummated or had been significantly altered, but once the megamerger took place, it was clear others would follow."

Gonzalez survives ouster attempt

On Nov. 20, Henry B. Gonzalez (Tex.) survived an attempt by the Democratic leadership to remove him as the ranking Democrat on the House Banking Committee, a post he has held since 1989. For months, scare stories about the danger of "liberal" blacks and Hispanics obtaining committee chairmanships, were the Democrats to win back control over the House, have been planted in the media and circulated in conservative junk mail. The main targets have been Gonzalez, John Conyers (D-Mich.) on the Judiciary Committee, and Charles Rangel (D-N.Y.), who would have become chairman of the Ways and Means Committee. Democratic circles responded with rumors that they would vote them out of their posts.

John LaFalce (N.Y.) and Bruce Vento (Minn.), the second and third ranking Democrats on the Banking Committee, both put themselves up for Gonzalez's place. LaFalce had the support of the Democratic Steering Committee and was nominated by Barney Frank (D-Mass.). The charge against Gonzalez was not that he was too unfriendly toward financial speculators, but rather that he gave his staff too much authority and didn't always show up for meetings. Gonzalez made a highly personal appeal, asking, "How can I be silent in the face of such an injustice? . . . I cannot—I will

not—cower. I cannot retreat and will defend myself."

"It was vintage Henry Gonzalez," declared Ken Bentsen (D-Tex.). "This is the Henry Gonzalez we have all known and loved in Texas and in Texas political history for the past 30 years." After the first vote, in which Gonzalez failed to get a majority, LaFalce confessed to reporters, "Henry gave a magnificent speech. If he could show up on a daily basis and speak the way he did, I'd want him to go on forever. . . . Henry was so good, I almost voted for him." LaFalce pulled out from the runoff, yielding the post to Gonzalez. He explained that he planned to operate as Gonzalez's "deputy," and be unopposed for the top position in the 106th Congress.

Gingrich reelected Speaker of the House

Newt Gingrich (R-Ga.) was reelected House Speaker on Nov. 20, as were all the remaining members in leadership positions, in the Republican caucus meeting the next day, including Dick Armey (R-Tex.), majority leader; Tom Delay (R-Tex.), majority whip; and John Boehner (R-Ohio), conference chairman.

After the Nov. 7 election, a number of Republicans, including Chris Shays (Conn.) and Peter King (N.Y.), publicly called on Gingrich to step aside until the House ethics panel releases its report on its investigation of the financing of certain activities tied to the Speaker's political machine. Shays put forward the name of Henry Hyde (R-Ill.) to serve as interim Speaker until the ethics panel finishes its work, but Hyde refused. King said before the vote that, because there was no other candidate, "there is no sense creating a fight for the sake of starting a fight."

Daschle: partial Social Security privatization

Senate Minority Leader Tom Daschle (D-S.D.) commented on Social Security, in a press conference on Nov. 26, saying that he supports "taking some of the trust funds and diversifying the portfolio to allow for the investment in non-government securities. I think that would add to the return on investment." Daschle admitted that he didn't know what kind of support there was for such a proposal, but said, "I think you can do it prudently and I support it."

Daschle said that the way to start would be "a pilot project of some kind, a very small percentage of funds to be invested so that we can study it and determine" how to invest the funds. "All I'm saying . . . is that we shouldn't blindly say never will we consider the prospect of finding some diversification in that portfolio for the long term."

Daschle was very specific that such investing would not be done by individuals, but by the Treasury Department. "I want to keep the Social Security concept intact and very much in keeping with the tradition for the last 60 years," he said. In response to a reporter's query, he said that the same idea ought also to be considered for the Highway, Medicaid, and Medicare trust funds.

Army attempts to stack ethics panel

House Majority Leader Dick Arney (R-Tex.) is trying to replace half the membership of the ethics panel, before the panel has finished its investigation of Speaker Newt Gingrich (R-Ga.). The pretext is a House rule that limits membership on the panel to three terms. Arney and Minority Leader

Richard Gephardt (D-Mo.) have discussed replacing part of the panel but have not reached an agreement.

Under Arney's proposal, the four members of the investigative subcommittee would remain in place until special counsel James Cole completes his work. However, the rest of the committee, which, in effect, would function as judge and jury if the investigative subcommittee finds reasonable evidence of wrongdoing, would be replaced. Chris Shays (R-Conn.) complained to the *New York Times* that ranking Democrat Jim McDermott (Wash.), who has been openly critical of panel chairman Nancy Johnson's (R-Conn.) handling of the case, "has been very much an activist prosecutor, when he's supposed to function as a juror. . . . I don't feel Mr. McDermott is an independent juror in this instance."

In response to Arney's proposal, McDermott warned, "We're halfway through and we can't run away from it." For her part, Johnson wants to leave the panel because the issue nearly cost her reelection.

A new panel might not necessarily be more friendly to Gingrich, but "changing the jury" could significantly delay resolving the issue.

Senators report back on their trip to Asia

A delegation of Democratic senators, lead by Minority Leader Tom Daschle (S.D.), plus Dirk Kempthorne (R-Id.), reported on Nov. 25 on their Nov. 8-15 trip to Vietnam, China, and Taiwan. Daschle said that the purpose of the trip was to "take into account the extraordinary questions that this country is going to be facing over the next couple of years with regard to policy toward that part of the world," and "to

impress upon many of our host countries the importance of a number of issues," including human rights. Daschle added that a third purpose of the trip was "to emphasize how critical it was that we continue to find ways with which to ensure that market access for agricultural products is something that be given a very high priority."

During the delegation's meeting with Chinese President Jiang Zemin, Patrick Leahy (D-Vt.) said that he had suggested that China, because it is embarked on a manned space program, should join in the international space station program. Leahy said that Jiang "started out his remarks to us by saying . . . there's an old Chinese saying that says sometimes the sky is cloudy, sometimes the sky is clear, and he said as far as he saw it, the relationship with the United States was basically clear. He said Taiwan was still an issue, but . . . I said I thought we should go together in space and get up above all those clouds where we can work together in space in a cooperative way."

The visit to China was not without its tensions, however, especially on trade issues. Daschle said that he didn't believe, on the human rights issue, "that having normalized economic trade relationships with a country, or to threaten in some way to curtail or to eliminate that normal relationship is in our best interest."

Byron Dorgan (D-N.D.) and Kempthorne complained about the China's trade surplus with the United States, and put the onus for correcting it entirely on China. "This is an unsustainable trade relationship until and unless the Chinese decide to meet their obligation to purchase more from America by opening their markets and by coming to America for more goods and services," Dorgan said.