

Congressional Closeup by Barbara Dreyfuss and Susan Kokinda

House passes emergency housing subsidy

The House passed an emergency \$1 billion plan May 11 to help moderate-income families to purchase new homes by subsidizing 4 to 6 percent of the interest rate on new mortgages. Passed by a veto-proof vote of 349 to 55, Congressional proponents hope to generate 74,000 new homes and 140,000 jobs this summer, which would shave one-tenth of one percent off the unemployment rate.

While the rush for any remedies for a housing industry in depression conditions is understandable, the subsidy is a clear congressional capitulation to paying Federal Reserve Chairman Paul Volcker's "protection money" on behalf of the housing industry. Congressional despair of ever challenging Volcker successfully was clear in the comments of House Majority Leader Jim Wright (D-Tex.), one of the most adamant opponents of high interest rates. "There is no alternative" to the subsidy, Wright said. "We have to subsidize interest rates because we can't mandate that they come down." House Minority Leader Robert Michel (R-Ill.) attacked the subsidy, saying that "we're again locking ourselves into subsidies for the next five to seven years when we should be dealing with [economic problems] in the next five to seven months." Michel, however, offered nothing more than the time-worn argument that balancing the budget would bring down interest rates.

An attempt to finance the housing plan by taking money from the synthetic fuels program, offered by two Republicans, Tom Corcoran

(Ill.) and Thomas Evans (Del.), was pointed out to be deceptive since the synthetic fuels program is based on loan guarantees, not direct spending. The House will next consider appropriating the money in a supplemental appropriation bill, granting \$3.5 billion to continue the subsidy over the next seven years beginning Oct. 1, 1982. A similar Senate proposal has allocated \$5 billion for a five-year program.

House passes new reclamation bill

The House passed H.R.5539 on May 6 to revise federal land reclamation laws. The major provision in the bill would amend the current law, which has been on the books since 1902, and increase the amount of acreage receiving lower-cost federally supplied water from 160 acres per owner to 960 acres for a family-farm unit, encompassing 97 percent of all farms and 70 percent of the land under reclamation. Any farm over 960 acres would pay the full cost of water delivery. The vote was 228 to 117, with one abstention.

An amendment offered by Rep. Dale Kildee (D-Mich.) providing that any corporation with 18 or more share-holders holding reclamation land would have to pay the full cost of water delivery for any land over 160 acres, passed by a vote of 220 to 160. Kildee argued that the federal government should not be subsidizing corporate giants such as Southern Pacific Land Company, a subsidiary of Southern Pacific Railroad, and various

oil companies that have large land holdings. Others pointed out, however, that Congressional Budget Office estimates expect a paltry \$10 to \$12 million to be realized in this cost-recovery scheme. Rep. David Emery (R-Me.) offered another amendment to restrict the amount of acreage receiving the lower-cost water to 640 acres, which failed by voice vote.

Water-related and farming organizations have been ready to accept any legislation as preferable to the 160-acre limitation. Environmentalists and proponents of the "small is beautiful" outlook have threatened modern farming operations and the economies of scale that exist today by fighting to attempt to enforce the 160-acre provision, a move that would turn modern operations back to the "160 acres and a mule" situation of 1902.

The Senate Energy and Natural Resources Committee meanwhile passed their version of new reclamation legislation on April 29 with 1,280 acres for a qualified recipient and 640 acres for a limited recipient allowed to receive low-cost water. The full Senate is expected to take the matter up as early as the week of May 17 and the conflicting versions will go to House-Senate conference.

Rep. Mitchell cites Monroe Doctrine

Congressman Parren J. Mitchell (D-Md.) signed the following letter to President Reagan May 13, and is circulating it among members of Congress:

"With the Falkland/Malvinas Islands crisis escalating from a series of verbal threats to a succession of armed engagements, I am very concerned that this administration may decide to provide military aid and logistical support to Great Britain in its undeclared war with Argentina. Such a deviation from the U.S.-espoused position of neutrality would jeopardize U.S. interests and the U.S. commitment to maintain peace in the Western Hemisphere.

"Furthermore, U.S. support for Great Britain would create numerous diplomatic and legal problems. By refusing to maintain a neutral position, the United States would be neglecting the historical ties Argentina has established with the Falklands. These ties, established between 1820 and 1831, were abruptly severed as the United States [under President Andrew Jackson—ed.] forced the original Argentine settlers to leave the Falklands. Consequently, Great Britain was able to declare sovereignty over the Falklands, and establish a permanent colony.

"In addition, as a member of the Organization of American States, the United States is legally bound to uphold and protect the sovereignty of Argentina should the Rio Treaty be invoked. Finally, the Monroe Doctrine blatantly forbids European interference in the affairs of the Western Hemisphere. By supporting Great Britain, the United States would be abandoning its responsibility as a member of the Organization of American States, while at the same time contravening the Monroe Doctrine, one of the cornerstones of U.S. foreign policy.

"I strongly urge your administration to reaffirm its neutralist position by refusing to provide any aid to Great Britain that could be used against Argentina and her allies during this dispute. Such a statement would encourage a negotiated settlement to the Falkland Islands dispute, reassert a U.S. commitment to the Monroe Doctrine and the Organization of American States, and confirm this country's anathema towards colonialism."

Senators outline broad Abscam operation

The first substantive and fully attended meeting May 11 of the Senate Select Committee investigating Abscam resolved to expand its investigation to cover a broad range of government undercover operations of recent years. James McClure (R-Id.), second-ranking Republican on the committee, stated, "If we fail to look beyond Abscam to see if it was typical or atypical, we will fail in our charter."

James Neal, the newly appointed counsel to the committee, presented a preliminary outline of the tasks before the committee at the meeting: 1) what policies did exist or now exist in the Justice Department governing such undercover operations; 2) how do these operations square with the existing laws and policies of the nation; 3) how well were the operations controlled and carried out; and 4) what should be done regarding such operations in the future?

Neal noted that the committee should investigate in particular, when the FBI changed its policies

from its more traditional activities to those of creating opportunities of crime. Committee Chairman Charles Mathias (R-Md.) concurred.

Senator Dennis DeConcini (D-Ariz.) questioned whether it was in the interests of the committee to "look at a very broad scope of investigations. . . . I have reservations about us doing that here." But Sen. Warren Rudman (R-N.H.) disagreed. "I think we would be doing a disservice if we made this investigation so narrow as to fail to fully expose more than that. We are not really interested in what happened to members of Congress, but how the Justice Department does its targeting. I think we have to answer questions: How does the Department establish probable cause or reason to believe that someone should be investigated, and once having made that decision, what procedures and controls govern the investigation? We have to know what are the standards and how they were implemented, and if the standards used in Abscam were different than those used in other investigations."

The Vice-Chairman of the committee Walter Huddleston (D-Ken.) added, "I would feel very uncomfortable if we zero in only on Abscam. We are not in a position of being concerned only about members of Congress. I think we need to do an inventory on whether or not innocent parties have been injured and their civil and constitutional rights violated."

The committee decided to mandate the counsel to prepare a broad inventory of government undercover operations for presentation to the next meeting in two weeks.