

# Congressional Calendar

## **O**pposition mounts to Department of Natural Resources

Growing opposition to the President's plan to create a Department of Natural Resources has already surfaced in the Senate even though the proposal has not even formally been introduced. Already Senators Talmadge (D-Ga) and McGovern (D-ND) have drafted a resolution denouncing the scheme and have 26 cosponsors to their resolution.

The Administration's plan is to have the Interior Department take control over critical natural resources on federal lands and offshore areas. The proposal was drafted by the staff at the President's Reorganization Project in the Office of Management and Budget who were responsible for the reorganization of all the emergency and civil preparedness agencies and is part of the overall effort of this project to militarize the economy. Specifically, the reorganization would remove the National Oceanographic and Atmospheric Administration from the Commerce Department, thus giving the new Interior Department control over all offshore oil and gas drilling and mineral ventures.

It would also transfer the Forest Service from Agriculture into the new department, giving the new agency oversight of the agricultural, logging and mineral development of the huge federal lands now supervised by the Forest Service. "The Department of Agriculture provides vital services and shouldn't be torn apart. It plays a vital role in rural development," declared an aide to one Senate opponent of the proposal.

The Senate opponents to the

plan are being spurred to act by a strong lobby of farm groups, mining associations, and people coordinating water resources programs, who understand that the bill will increase environmentalist control of resource and agricultural development. At least some of the latter expect that if the Administration does not get their way in this proposal, they will use other programs for a similar end.

The bill is expected to be introduced into Congress in early May and becomes law within 60 days *unless vetoed* by Congress. According to one Capitol Hill insider, a leading member of the reorganization group, Bert Carp, formerly a top staffer for Vice-President Mondale, admitted at a private meeting with congressional representatives last week that the opposition has the votes to defeat the measure but that the administration will submit its proposal regardless.

## **A**gricultural development hangs in the balance

The fate of over one million acres of some of the world's most productive agricultural lands is at stake, as Congress and the Administration grapple with the future of the Reclamation Act of 1902. The Act limits the size of farms that receive irrigation through federal programs to 160 acres. However, because that small acreage allotment is not the most productive nor profitable under modern farming techniques, the Act has not been strictly enforced.

But in August 1977 the Interior Department, in response to a legal action taken by environmentalist groups, drafted a set of rules on

how the acreage limitation was to be strictly enforced. To slow the immediate curtailment of federal irrigation programs for large farms, or the forced breakup of larger farms, a U.S. District Court in California ordered a stay on enforcement of the strict guidelines in December 1977 until an environmental impact statement on the Interior Department

This is expected by early next year, so several Congressmen have introduced laws revising or abolishing the 1902 Act, to head off the Interior Department schemes permanently.

At stake is over 1.2 million acres, the bulk of which is in the Westlands Project or the Imperial Valley in California, land that has been made some of the world's most productive because of federal irrigation programs. Senator Goldwater (R-Ariz) has introduced a bill endorsed by the American Farm Bureau repealing the 1902 law. Others, including Senators Church and McClure have bills raising the acreage limitation for federally aided lands. Action on this issue is expected this session of Congress.

## **R**ibicoff-Javits terrorism bill revived

The antiterrorism bill offered last year by Senators Abraham Ribicoff (D-Conn.) and Jacob Javits (R-NY), providing for mandatory economic and political warfare against selected target nations in the developing sector, has been revived and reissued as S-333. Hearings are scheduled in Ribicoff's Senate Governmental Affairs Committee sometime in May.

The bill is expected by its advo-

cates to pick up support as a wave of Camp David-scripted "Palestinian terrorism" hits western Europe and the United States.

The proposal would require the President to publish a list of "countries which aid and abet international terrorism." Sanctions would be automatically applied against nations on the list; including:

- 1) refusal of all U.S. foreign economic aid
- 2) refusal of U.S. credit for defense purchases
- 3) refusal of licenses for U.S. exports of sensitive materials
- 4) the end of duty free treatment for the affected country's exports
- 5) citizens of those countries would not be allowed to enter the U.S.

In addition, the bill would require the federal government to publish a list of all international airports deemed "unsafe" for travel by U.S. citizens because of insufficient anti-terrorist measures.

It is widely understood that the bill's chief sponsors, strong supporters of Israel, intend to use the measure against selected Arab nations, as a blackmail weapon to force support for the Camp David accords. However it has been learned that several Capitol Hill offices are preparing a counter to the Ribicoff-Javits bill that will define terrorism as any violence against a noncombatant population, immediately opening up Israel for sanctions because of their activity in Lebanon. Sources have confidentially told this news service that they would oppose the Ribicoff-Javits bill because "it lets Israel off the hook."

The bill is also aimed at critical nations in the Third World advanc-

ing economic development policies. One staffer working on the bill emphasized that Mexico City is considered by the Department of Transportation an unsafe airport for air transit. Therefore, under the Ribicoff-Javits bill, it would be considered unsafe for Americans.

Restricting U.S. exports of nuclear-associated technology is another important aspect of the sanctions provision of S-333, committee staff says, ostensibly to prevent nuclear weapons and / or components from falling into the hands of terrorists.

### **F**ed membership bill killed through compromise?

Capitol Hill sources are talking about compromising H.R. 7, the Federal Reserve membership bill or Monetary Control Act, having it emerge from the House Banking Committee in a virtually useless form. After a first markup, the bill was voted down by the narrow margin of 21-20 in March, following across the board Republican opposition led by Rep. William Stanton (R-Ohio). The bill would impose mandatory, federal membership and reserve requirements on all commercial banking and thrift institutions with demand and / or thrift institutions with demand and or thrift deposits over \$50 million.

Its significance is that thousands of regional banks now clearing through their reserve city bankers would have those private sector banking relationships broken and be forced to clear payments through the Fed.

A well-placed staff member on the Senate Banking Committee re-

vealed how the opposition intends to change the bill enough to force bankers who now support it to break with Fed Reserve Chairman Miller:

**Q:** *What is the status of HR-7?*

**A:** The ball is on the House side right now. That House Banking Committee held a closed door meeting on April 9 to see if they could come up with a compromise that can get out of committee. They didn't resolve anything, but they will keep working on it after the Easter recess. We won't do anything on it until the House Committee moves.

**Q:** *On that first point about lowering the reserve requirement—wasn't it Fed Chairman Miller's raising the requirement to \$50 million which brought the Independent Bankers Association on board in favor of the bill in the first place, since most IBA banks fall below the threshold? Hence, wouldn't they then be affected by the bill? Doesn't that mean that the supporters of the bill might now lose the IBA support?*

**A:** (Laughter) Yes, how about that little problem. ...

**Q:** *If the House passes a compromise, what will the Senate Committee do?*

**A:** I think we can compromise it some more. We will put forward another bill which will made the Fed more attractive, but remove the mandatory requirements.

**Q:** *Like Senator Tower's bill?*

**A:** The Tower bill or something like it—offering interest on reserves, charging interest during floats.

—Donald Baier  
and Barbara Dreyfuss