

Congressional Closeup by Carl Osgood

Negotiators Reach Agreement on Farm Bill

On April 26, leaders of a House and Senate conference committee announced that they had reached agreement on a compromise farm bill that expands crop subsidies by some \$50 billion over ten years, once again makes legal immigrants eligible for food stamps, increases price supports for some crops, and sets up a national dairy support program.

The bill replaces the 1996 Freedom to Farm bill, which was crafted by the neo-conservative Republicans to put farmers under the yoke of the "free market." The result was that prices collapsed, and every year since, Congress has had to pass rescue packages of several billion dollars in order to prop up the collapsing rural economy.

Senate Agriculture Committee Chairman Tom Harkin (D-Iowa) said that one of the negotiators' goals was that "we had to have a better safety net" for farmers, a reference to the 1996 bill, which dismantled the safety net. Harkin also cited other provisions, including a strengthening of conservation programs by about \$1.7 billion per year, "strong provisions for rural economic development," promotion of ethanol production, and strengthening of nutrition programs.

One of the bones of contention was the placement of limits on crop subsidies and on assistance to farmers and livestock producers under the Environmental Quality Incentives Program. The negotiators agreed to a \$450,000 limit on the environmental program, and \$360,000 on subsidy payments, which is down from the current \$460,000. Harkin defended the limits. "We've agreed we're going to make the system transparent so that we know, down the road, who gets what," he said.

The reaction of the Bush Administration to the compromise was optimistic but noncommittal. On April 26, Agriculture Secretary Ann Veneman said that the administration was "encouraged," and that "many objectionable provisions have been eliminated." She indicated that the administration would be "examining more closely" the provisions of the bill to ensure that the agreement "adheres to the intent and spirit of the Congressional Budget Resolution."

INS May Be Split Into Two Agencies

On April 25, the House voted 405 to 9 to replace the Immigration and Naturalization Service (INS) with two new agencies, one dedicated to immigration law enforcement, and the other that would provide benefits and services to legal immigrants. The bill would establish an Associate Attorney General for Immigration Affairs, who would oversee the two agencies and coordinate a national immigration policy.

While INS reform efforts have been around for a number of years, the current effort was catalyzed by the Sept. 11 attacks and by the subsequent bad press received by the agency—especially the granting of a student visa to alleged Sept. 11 hijacker Mohammed Atta, long before those events took place. House Judiciary Committee Chairman James Sensenbrenner (R-Wisc.) said that the INS "has long been considered the undesirable and unwanted stepchild of the Justice Department." He described the INS as a threat to national security, because of the 8 million illegal immigrants living in the United States and the 300,000 people who have been ordered de-

ported and of whom "the INS does not have the slightest idea where they are." Sensenbrenner also pointed to the INS backlog of some 5 million applications and petitions at the end of fiscal year 2001, to illustrate his point that the agency is not able to provide the services to legal immigrants that the law requires.

The bill has critics. Mel Watt (D-N.C.) questioned splitting the INS into two parts. He warned that "what you are going to end up with is two inefficient agencies." Zoe Lofgren (D-Calif.) said that the bill does not deal with management issues. "We need to clean house in the management ranks," she said, but "we have not in this bill given the tools necessary" to do that.

Soros Outlook Offered at Senate Hearing on Colombia

On April 24, the Senate Western Hemisphere subcommittee, chaired by Chris Dodd (D-Conn.), held a hearing on the future of U.S. policy in Colombia. In his opening remarks, Dodd expressed interest in the Bush Administration's policy in Colombia, especially the changes in authorities it is asking for. He said that while he was open to policy changes, "I want to know with more specificity what those changes are and how they're going to make things better."

Undersecretary of State for Political Affairs Marc Grossman told Dodd that the Bush Administration is seeking more flexibility for Colombia to use U.S. aid to fight terrorism and drug trafficking. He specified that the administration is not seeking to remove human rights conditionalities imposed on Colombia's use of that aid by Congress. "Human rights concerns remain or must be a central element in our Co-

Colombia policy,” he said. The acting commander of the U.S. Southern Command, Maj. Gen. Gary Speer, said that the Colombian Army has been performing very well, especially since the operation to retake the Revolutionary Armed Forces of Colombia (FARC) demilitarized zone began on Feb. 20, but they are woefully short of resources to defend the entire country.

Also testifying were Mark Schneider, a senior vice president of the International Crisis Group, and José Miguel Vivanco, executive director of Human Rights Watch Americas. Billionaire speculator George Soros, who advocates drug legalization, is a leading participant in and funder of both organizations. Both Schneider and Vivanco seemed to be more concerned about the right-wing paramilitaries and human rights abuses by the Colombian Army than about the destruction being wreaked on the country by the narco-terrorist FARC. Schneider said that he agreed that the use of U.S. aid should be expanded to include combating terrorism, but “only after the Colombian military makes significant progress in ensuring accountability for human rights violations.”

Corporate Accountability Gets House Backing

On April 24, the House voted 334 to 90 for a bill to impose greater regulation on corporate officers and auditing and accounting firms. The bill, the Corporate and Auditing Accountability, Responsibility and Transparency Act, is based on ten proposals issued by President George Bush on March 7, on how to provide better information for investors, hold corporate officers accountable for company financial statements, and develop a stronger, more independent audit

system.

The bill was a response to Enron, its auditor Arthur Andersen, and Enron’s associated partners. Financial Services Committee Chairman Michael Oxley (R-Ohio), referring to the bankruptcies of Enron and the telecommunications firm Global Crossing, said, “We must act for our nation’s investors, retirees, and employees of publicly traded companies.”

Opponents of the bill said that it was too vague and did not give the Securities and Exchange Commission enough direction. Paul Kanjorski (D-Pa.) said that the bill responded to the problems exposed by the Enron collapse “in a largely illusory and superficial way,” and that its language “is simply too vague to ensure that essential standards for effective oversight will be met.” He said that “Congress should not shirk its responsibility by delegating these urgent problems to the Secretary or shunting them off to the oblivion of bureaucratic studies.”

The bill does not take up the system, created in large part by Congress, that allowed Enron’s practices to flourish. Nor does it tackle the fraud of the “new economy,” which placed a high premium on share values and looting of productive activities for the benefit of shareholders at the expense of the general welfare.

Hollings Invokes Hamilton Against Free Trade

On April 26, the Senate began debate on the Andean Trade Preference Act, which includes trade promotion authority legislation, trade adjustment legislation, and an extension of the Generalized System of Preferences. The Senate invoked cloture on April 29 by a vote of 69 to 21. While most of

the debate has been focussed on either the pro-free trade propaganda typical of the GOP, or on the need to protect the benefits of workers who lose their jobs as a result of free trade, of the Democratic leadership, Ernest Hollings (D-S.C.) blasted free trade as being the opposite of what built the United States.

On April 29, Hollings said that the process in the Senate is rigged in favor of the pro-free traders. He said it was an “easy fix” in the Senate, because a measure can be withheld until there are 60 votes for cloture, under which debate is limited and amendments can be limited. “And since the Senators know the debate is limited and the vote is fixed, no one listens.”

Hollings described how “we are exporting jobs faster than we can create them,” with emphasis on his efforts to protect the textile industry of his home state. He said that free trade is a British dogma, and that the first U.S. Treasury Secretary Alexander Hamilton wrote a little book called *A Report on Manufactures*. He called Hamilton “one of the most disregarded former Treasury Secretaries with a magnificent history of having built this industrial giant, the United States.” He reported that Hamilton countered the British by, in effect, telling them, “We are not going to remain your colony shipping to you our coal, our timber. . . and import from England the manufactured products. We will become a nation-state by developing our own manufacturing capacity.”

Hollings said that Abraham Lincoln used the construction of the first transcontinental railroad to create the steel industry, that Franklin Roosevelt protected agriculture, and Dwight Eisenhower protected the oil industry with import quotas. “We built this industrial giant,” he said, “with protectionism.”