

## Eye on Washington by Nicholas Benton

### Unreported: one of the biggest stories in years

One of the biggest stories to hit Washington in years barely made the papers in most parts of the country. No wonder—it involved crimes by four of the nation's biggest banks!

Yes, the very New York money-center banking nexus that Lyndon LaRouche and *EIR* have been pointing at for years turned up guilty of failing to report over \$1.3 billion in cash transactions since 1980.

Assistant Treasury Secretary John Walker, Jr. made the blockbuster announcement at a press conference here on June 18. David Rockefeller's Chase Manhattan, Manufacturers Hanover, Irving Trust, and Chemical Bank were all levied fines of over \$1 million for violations of the Bank Secrecy Act.

Moreover, Walker made it clear that these crimes were not the result of oversight by poorly trained bank tellers, but that the money transactions involved were handled by persons of vice-presidential status, minimally. In the case of Chase Manhattan, for example, the size of the average unreported cash transaction was over \$500,000. Such transactions, Walker said, were typically transfers from foreign banks, handled directly by vice-presidents.

The number of cases that went unreported, and the amounts, are staggering:

Bank/Cases	Amount
Chase/1,442	\$862,852,762
Manufacturers/1,393	139,761,697
Irving/1,242	309,824,072
Chemical/857	25,839,835

The timing of these revelations is especially noteworthy. Walker said that the banks came forward voluntarily, but he also smiled while saying that the Bank of Boston case probably

figured in their decision to "voluntarily" reveal their "violations."

They knew they were going to get nailed, so tried to preempt it.

Now, the only question is whether the case is closed, or whether the Treasury, Justice, and IRS will move in to put the appropriate people "above suspicion" behind bars for laundering the billions that finance the international drug trade. The similarity between these unreported cash transactions and those of the Bank of Boston drug-money-laundering case is very marked.

Walker indicated that "nothing precludes a further investigation," should evidence of any criminal activity be related to these huge unreported transactions. He added that over 140 banks are now under official, Treasury-authorized investigations by the IRS.

The fact worth noting is that Walker is the point-man in the Treasury Department for the administration's War on Drugs. He was with Attorney-General Edwin Meese only one week earlier, briefing the press on the administration's new bill to make money-laundering a formal crime. Naturally, he judiciously denied that there is any evidence "at this time" indicating that the unreported cash was linked to criminal activity. But then, why was the Treasury's War-on-Drugs man chosen to brief the press?

In short, this was the best news to come out of Washington in a long time. The entire press corps was there to catch it, too. Surprised it didn't make the big banner headlines it warranted, aren't you?

### Tunisia's President calls on Reagan

The message delivered to President Reagan by the venerable, 81-year-old

President of Tunisia, Habib Bourguiba, during his trip to Washington on June 18 was an appeal to follow Jordan King Hussein's lead in resolving the Middle East crisis.

Bourguiba has stood for even-handed, negotiated settlement of the Mideast crisis, dating back to the beginning of his leadership in 1956. He drew the ire of then Egyptian President Nasser in 1965 for advocating a U.N. framework for resolution of the Palestinian crisis.

Today, his nation is host to the leadership of the PLO, which it considers the most moderate of the groups at odds with Israel in the region today. This is why Syria is the enemy of the PLO, Bourguiba contends: Syria is manipulated by the Soviets and Qaddafi, who gain from increased turmoil in the region. Tunisia is encouraging Arafat to go along with Hussein, and would like to see the United States encourage Israel to open talks with the PLO on the basis of the principles of U.N. Resolutions 242 and 338.

Tunisia, itself, is looking around for trade in technology. The South Koreans were recently there. Since winning independence from 75 years of French rule in 1956, the country has stressed free education and great public works as the keys to economic development. Today, the country has virtually 100% of school-aged children in school. It built its economy from scratch, mostly with help from the United States and then Europe.

But the country was invaded by Qaddafi in 1980, requiring a military buildup that upset the economic balance. Despite its laudable progress, Tunisia feels "penalized for having succeeded" because, as a government official put it, "rules drop like a guilotine" from international agencies when per-capita income rises above a certain point.