

Congressional Closeup by William Jones

GOP shifts to local re-election strategy

Republican electoral strategists seem to be shifting to a more local-oriented election strategy this year, abandoning their previous reliance on major national issues like defense, crime, and taxes.

Candidate recruitment is also focusing on bringing in candidates with strong local reputations. Republicans have not made any gains in congressional elections since the Republican breakthrough of 1982, when seats were won in the wake of the general enthusiasm of the "Reagan revolution."

Republicans don't feel that they will make much headway in 1990, although they hope they will at least break their losing trend. Many feel that even minor gains this year will give them the momentum for a major sweep in 1992 when they hope to hang onto the coattails of the Bush re-election bid. This, of course, presupposes that Bush is successful. As things look now, with the onset of a financial collapse, there is a distinct possibility that after four years of George Bush's "kindler, gentler" police state, Americans will reject both him and his congressional entourage.

Pro-life Republican flip-flops on issue

Rep. James Courter (R-N.J.), a longtime opponent of abortion who lost the New Jersey governor's race last year, announced that he had "changed his mind" and now supports a woman's "right" to abortion, according to the *Washington Times*.

Courter's legislative aide, Bob Friant, said that it had been an "excruciating" experience for Courter to

change his mind on the issue. The day after his loss to James Florio, Courter said he would reconsider his position on abortion. "He is now stating he will vote pro-choice on all relevant legislation," said Friant.

Congress turning against deregulation

As the breakdown of the savings and loan system proceeds, accelerated by the deregulation of the industry initiated by the passage of the Garn Bill (which eliminated previous restrictions on the type of investments S&Ls were allowed to make), the S&L bailout is becoming more expensive than was originally calculated. The looming bailout costs are prompting Democrats to attack the Bush administration for their handling of the problem.

House Banking Committee chairman Rep. Henry Gonzalez (D-Tex.) attacked the "disarray and indecision" of the administration on the issue, and said it will "do nothing but increase the cost of the bailout and delay the resolution of the pending cases."

Sen. Donald Reigle (D-Mich.), the chairman of the Senate Banking Committee, issued a statement lamenting the resignation of Resolution Trust Corp. oversight board president Daniel Kearney and criticizing the White House for laxity.

"There is very strong sentiment in Congress that deregulation was essentially wrong," said Kenneth A. Guenther, the executive vice president of the Independent Bankers' Association.

Congress to take on drug-money laundering?

On Feb. 8, a report was released by Sen. John Kerry (D-Mass.) and Sen.

Mitch McConnell (R-Ky.) that said U.S. efforts to stop drug sales will be futile without international cooperation to monitor the drug cartels' enormous cash transactions. They urged President Bush to negotiate international banking laws to match tighter U.S. rules passed by Congress in 1988.

"Money laundering may be the most important segment of white-collar crime in this country," said Kerry. "But this is not a priority because of big money, big profits and big questions about the international banking structure."

"Every effort should be made to target money-laundering activities and deprive the cartels of their financial security," said McConnell.

The extent of money laundering first achieved notoriety with the 1978 publication of *Dope, Inc.*, a study commissioned by Lyndon LaRouche, in which many of the money-laundering banks were named. This led to a campaign initiated by the dope banks to discredit the book. In Venezuela, as a result of pressure from one of the *Dope, Inc.* families there, the Spanish edition of the book was banned and all extant copies confiscated.

Although little has been done to go after the drug banks since the initial launching of the Reagan war on drugs, there is now obvious interest in the issue on Capitol Hill. Whether they are willing to take a fight with some of the bigger, more politically prominent, fish in the money-laundering operations still remains to be seen.

Black Rep. targeted on conspiracy, mail fraud

In what seems to be becoming a *modus operandi* of political life in these United States, Rep. Harold Ford (D-

Tenn.), a black, is being brought to trial on 19 counts of conspiracy, bank fraud, and mail fraud.

Ford was indicted in April 1987, and his case has taken nearly three years to come to trial. Ford, a popular congressman with a strong political base in his hometown of Memphis, heads up an independent black political machine, the type of independent political machine which has been targeted for elimination by the Thornburgh Justice Department in its attempt to create a police state.

Dems move to gut MX, Midgetman

Rep. Les Aspin (D-Wisc.), chairman of the House Armed Services Committee, on Feb. 8 warned the Bush administration that it would find itself in an awkward situation if it signed an arms-control agreement which would allow strategic weapons that Congress won't fund.

The administration has requested \$9 billion in Fiscal Year 1991 for funding of the rail-based MX and the truck-mounted Midgetman missiles and five B-2 Stealth bombers.

Aspin said the developments in Eastern Europe could prompt Congress to scratch one of the ICBMs and seriously curtail or even cancel the B-2. Aspin's statements were part of an overall Democratic offensive against the Bush defense proposals, branding the \$295.1 billion budget as too large in the face of the alleged decrease in the Soviet threat.

The Bush proposal represents a 2.6% decline over 1990 spending after inflation.

Even so-called pro-defense Democrats like Sen. Sam Nunn (D-Ga.), chairman of the Senate Armed Services Committee, are accusing the ad-

ministration of lacking a "broader vision" on defense. Commenting on the Bush program on NBC's "Meet the Press" on Feb. 11, Nunn said, "I don't think in Congress there's going to be a lot of receptivity to going forward with huge weapon systems unless there is a strategic concept that fits into the arms control."

Nunn proposes that the United States get rid of the MX in exchange for the Soviets eliminating the SS-24. Aspin and Nunn have suggested that as much as \$10 billion will be slashed from defense outlays.

Ford and three co-defendants are charged with conspiring to funnel political payoffs to the congressman through bogus loans from some of the 40 lending institutions once run by East Tennessee bankers Jake and C.H. Butcher. The Butchers are presently serving 20-year prison terms after convictions on other bank fraud charges. The Butcher convictions were part of a political operation targeting key layers of the Tennessee Democratic Party.

Many aspects of the Ford case are reminiscent of the Department of Justice railroad conviction of Lyndon LaRouche and his associates.

The government began the investigation in Memphis, but would have been unable to get an indictment there, since it is heavily black and Democratic Party-controlled. The government then took the case to Knoxville, which is predominantly white and Republican.

Defense attorneys were successful in getting the case transferred back to Memphis. Ford requested access to the grand jury testimony of FBI Special Agent Donald MacDonald and C.H. Butcher, but the requests were denied, with the judge claiming that the defense had failed to show a particular need to justify the disclosure. A

gag order was placed on Ford and the other defendants, but was amended when Ford asserted that his constitutional rights were being violated. A series of pre-trial motions by the defense led to accusations that these were simply "delaying tactics."

Ford has stated that racism and politics lie behind the actions brought against him.

Moynihan Social Security proposal opposed

The much-publicized proposal of Sen. Daniel Moynihan (D-N.Y.) to cut the Social Security tax is coming under heavy fire even from Moynihan's own party colleagues.

Sen. Lloyd Bentsen (D-Tex.), chairman of the Senate Finance Committee, said on Feb. 7, "I refuse to support it, because that kind of a loss of revenue would lead to some extremely serious problems. . . . There'd be an enormous increase in the deficit, and you would have foreigners beginning to question whether we could manage our economy."

Sen. Donald Riegle (D-Mich.), chairman of the Senate Committee on Housing, Banking, and Urban Affairs, said he too was ambivalent and needed more time to study the measure.

Polls show the public solidly opposed to cutting Social Security taxes. Even Moynihan seems to be backing away from his proposal, commenting that he felt that he had accomplished his main objective by exposing "misuse" of the Social Security trust fund. House Majority Whip Rep. William Gray III (D-Pa.) said on Feb. 7 that the House leadership probably will not endorse the tax cut, but will recommend that Social Security be taken out of the deficit calculation.