

Congressional Closeup by William Jones

Money-laundering bill introduced

Sen. John Kerry (D-Mass.) and Sen. Mitch McConnell (R-Ky.) of the Senate Subcommittee on Narcotics and Terrorism announced at a press conference on Oct. 5 that they were going to offer an amendment to the Omnibus Drug Act which would attempt to deal with the problem of drug money laundering.

The amendment would require all financial institutions with any ties to the United States to cooperate with U.S. authorities seeking suspected international drug dealers by: 1) maintaining records of all transactions in U.S. dollars valued at \$10,000 or more; 2) obtaining from any person initiating such a transaction a waiver of any secrecy or privacy right with respect to such records, if the records are required in connection with a narcotics-related investigation; and 3) obtaining from each person depositing \$10,000 or more, personal identification and a document stating the source of the funds being deposited or transferred.

Senator Kerry, a Massachusetts liberal recently become a "born-again" crusader against drugs, has been using the drug issue as a battering ram against the Reagan administration, and against the leader of the Panamanian Defense Forces, Gen. Manuel Noriega.

At the press conference, Kerry described a hypothetical situation where "drug money would be shipped to Panama, where it would be met by the Panamanian Defense Forces of General Noriega and then sent to the Federal Reserve. From the Federal Reserve or the CHIPS Electronic System in New York, it will go into an account." "It's high time we put an end to this form of electronic money-laundering," said McConnell. "This bill

will make it very difficult for drug lords to cover their money tracks when they deal with U.S. banks."

Whether such legislation will be used against the real drug lords or as an arm-twisting device applied to political foes remains an open question.

Rohatyn commission under fire

The National Economic Commission, a bipartisan group set up to work out fascist levels of austerity for the next administration in order to bring down the budget deficit, has come under fire from House Republicans.

The commission, co-chaired by Democrat Bob Strauss and Republican Drew Lewis, includes such notables as Felix Rohatyn, the senior partner at Lazard Frères investment bank whose "Big MAC" slashed the budget of New York City to the bone, with effects that can be readily seen today on the streets of New York City.

The commission was intended to operate quietly behind the scenes in formulating an austerity program for the next President, to come into the light only after the votes were cast.

However, the semi-clandestine commission was exposed when Bob Strauss, at a press conference last month, said that the commission would in all likelihood recommend major cuts in Social Security and defense spending—creating a flurry of unfavorable publicity requiring both presidential candidates to distance themselves from the commission.

But that was not the end of it. On Oct. 4, Rep. Richard Armey (R-Texas), serving on the House Budget Committee, said that the commission was stacked with people who are like-

ly to recommend a federal tax increase.

Any NEC proposal is likely to be "embraced with enthusiasm" by the Democratic-controlled Budget Committee in the House, said Armey. Armey, who has already succeeded in passing a bill for closing domestic military bases, is obviously not opposed to the austerity proposals of the commission.

Republicans introduce their drug bill

As the 100th Congress approaches its end, the floor of Congress is becoming the forum for electoral politics. Congress has only a few pieces of legislation to deal with, now that they have succeeded in passing all the necessary appropriations bills. The most important remaining item is the drug bill.

A bipartisan group of Senators on Oct. 2 introduced the Senate's version of a drug bill, a compromise package that includes language permitting a death penalty for convicted drug traffickers or individuals involved in drug-related killings. Legislation approved by the House in mid-September contains a more sweeping death penalty provision that has drawn fire from liberal lawmakers and civil liberties groups. The Senate inclusion of the death penalty virtually assures that some type of capital punishment provision will be a part of any drug measure Congress passes this year.

Senate Majority Leader Robert Byrd (D-W.Va.) said that he had suggested inclusion of death penalty language because such a measure would almost certainly have been offered as a floor amendment and could have provoked a filibuster or extended debate by liberal Senators that would

have delayed action on other parts of the legislation.

The Senate version of the bill does not, however, contain the provisions of the House bill, which would allow the admission of illegally gathered evidence in criminal trials. The Senate bill calls for the creation of a cabinet-level position for a director of drug control policy, stiffer penalties for drug offenses committed near schools or involving sale and distribution of drugs to children or use of children to sell drugs, and would require that employees in "safety sensitive positions" in transportation industries be subject to random pre-employment and post-accident drug testing. Amendments to the bill are expected when it reaches the Senate floor.

The President accused the Democrats of using delaying tactics on the bill, and urged GOP lawmakers to pass a responsible bill.

'Reform' caucus wants to shift funds from SDI

A report entitled, "Budgets and Bullets," issued by the two chairmen of the Congressional Military Reform Caucus, Reps. Charles Bennett (D-Fla.) and liberal Thomas Ridge (R-Pa.), calls for more guns and tanks and fewer nukes and lasers. "We have spent \$20 billion on MX missiles designed to fly 5,000 miles and hit within 100 yards of their targets, but we do not have in our arsenal an infantry weapon that can fly 500 yards and stop a modern Soviet tank," says the report.

The report says that it only expresses the views of the two co-chairmen. Had these two gentlemen had their way, however, no money would have been spent on MX missiles at all.

They both voted against the program.

The report complains about "nuclear addiction" and calls for "changing directions," investing more in conventional armaments. The report expresses ostensible concern about the way our conventional forces are becoming "hollow" for lack of ammunition, spare parts, and training. In a period of budgetary constraints, says the report, we must re-think our priorities. The expensive Strategic Defense Initiative and high-technology strategic nuclear weapons—which the two seem to think we have so many of—should be gutted in order to purchase anti-tank missiles, mines and mine-launchers, new hypervelocity missiles, and artillery and tanks.

If we were to refight World War II, such a strategy would undoubtedly gain us victory. But as with the Polish cavalry facing Hitler's tanks, it doesn't really matter how many items you have in your armory, if you haven't got the right kind of stuff for the job.

If it's anti-military, they're for it, so, the report also presents a program of "procurement reform." The two gentlemen want to "beef-up Pentagon investigators and focus them on the major contractors, protect whistleblowers, register all consultants and lobbyists, and close the 'revolving door' between the Pentagon and industry."

Gramm says WWII mobilization a mistake

Sen. Phil Gramm (R-Tex.) thinks that President Roosevelt's military buildup for World War II was "totally wrong."

Senator Gramm, author of the notorious Gramm-Rudman bill, was a

bit perturbed when asked to comment on the criticisms of former deputy CIA director Bobby Ray Inman. Inman, in a commentary in the *Washington Post* on Oct. 3, had made a number of proposals to the next President to maintain a strong defense posture. He said that we were allowing the "erosion of U.S. technological leadership," pointing out how the United States was losing its competitiveness in manufactured products and scrapping the "smokestack" industries.

Inman said that the "United States has to develop new federal technology policies to facilitate private-sector efforts to move ideas from the laboratory to the marketplace." He called for upgrading the position of national science adviser to that of assistant to the President for national security affairs, with direct access to the President. He proposed working out new and better ways of working with Congress to set R&D funding priorities, stressing that funding should be done under a two-year budget resolution, rather than under a one-year resolution as is now the case, so as to provide continuity in the programs. Inman called this "a major challenge" facing the next President.

When asked to comment by this writer, Senator Gramm said, somewhat in a huff, "Inman's point is absolutely false. . . . We have created more jobs in the last eight years. Federal government involvement is the death of the economy," said Gramm.

"Then you think FDR was wrong in '39," I asked.

"Yes, I do," said Gramm, "and I think history proves it."

Perhaps just in order to carry his argument *ad absurdum*, Gramm also commented, "Military strength can be increased, even with a flat defense budget." More calisthenics for the troops, perhaps?