

Congressional Closeup by Barbara Dreyfuss and Susan Kokinda

Drug hearings soft on Hong Kong, Jamaica

There was considerable disappointment when Sen. Sam Nunn (D-Ga.) wrapped up his Senate Permanent Subcommittee on Investigations (SPIS) hearings on the international dope traffic and its finances on Nov. 18.

The hearings had been announced a few days after an Oct. 22 seminar on the subject, co-sponsored by the National Anti-Drug Coalition (NADC) and *Investigative Leads (IL)*, the law-enforcement bulletin of *EIR*. The seminar had focused heavily on the central role of Hong Kong in the international drug-banking networks.

After five days of "in-depth" hearings by Nunn's committee, the Crown Colony on the edge of Communist China came out smelling like the proverbial rose. In fact, the minority staff's fact-finding mission to Asia led by Nunn praised the role of Hong Kong's notoriously corrupt police department for its role in the war against drugs!

On Nov. 10 the subcommittee convened the hearings on "International Narcotics," which assembled more than two dozen witnesses, including prosecutors, drug-enforcement officials, administration officials, and convicted drug felons, to document the dirty-money operations behind the international drug trade. The central role of Hong Kong banks has been thoroughly documented in many locations including the best-selling exposé *Dope, Inc.* Most recently, a Sept. 4, 1981 article in *Far Eastern Economic Review* titled "Chinese

Laundry Blues" quotes Sen. Sam Hayakawa (D-Cal.) blasting the vast money laundering going on in Hong Kong banks. "Money, regardless of its source," reported the journal, "can easily be moved through Hong Kong's financial institutions and 88,000 registered companies to make it untraceable to the narcotics trade."

In contrast, the subcommittee minority staff statement reported that "Although there are currently some 30,000 to 50,000 heroin addicts residing within the colony, Hong Kong is no longer considered to be an exporter of heroin. Hong Kong suppliers import the drug into the colony, largely from Thailand. . . . In the area of enforcement within the colony, Hong Kong authorities have shown a willingness to utilize a wide variety of different approaches. . . . Hong Kong has, in many areas, proven to be a leader in the employment of new legal and operational law-enforcement techniques in Southeast Asia. . . . Equally praiseworthy have been the efforts . . . in tracing of narcotics profits through various financial institutions. *Given Hong Kong's long-standing tradition as a financial Mecca, banks in the colony are run as professionally, if not more so, than banks in the United States. This is true despite the fact that no central system of regulation governs the Hong Kong banking community* [emphasis added]."

A subcommittee report on Caribbean drug trafficking urged protection of the notoriously pro-drug Prime Minister of Jamaica, Edward Seaga, who presides over what many drug-enforcement offi-

cials call the "Hong Kong of the West." Testimony suggested that if Seaga were pushed on the drug issue this might lead to his overthrow.

Vesco investigation may be reopened

Senators Orrin Hatch (R-Utah) and Dennis DeConcini (D.-Ariz.) are seeking Senate funds to continue their investigation into whether there were a number of politically motivated decisions in Benjamin Civiletti's Justice Department, including the case relating to the Libyan-connected fugitive financier Robert Vesco. Hatch and DeConcini have requested that the Senate Judiciary Committee be appropriated an additional \$168,000 over a six-month period to hire two lawyers, two investigators, and a secretary for the purpose of completing the investigation of the Justice Department's Public Integrity Section which was begun in the last Congress. The resolution passed the Senate Rules Committee at the end of October and full Senate passage is expected shortly.

In a statement before the Senate Rules Committee in late October, Hatch said, "I would like to stress our oversight function regarding the Department of Justice. That is our primary effort here, not to investigate politically sensitive cases. . . . The integrity of the Senate is on the line." During their 1980 investigation of the handling of six cases by the Public Integrity Section at Justice, Hatch and DeConcini had been forced to wage a subpoena battle with the

Justice Department to gain access to documents in many of the cases. The most explosive case involves the alleged relationship between Vesco and former Democratic National Committee Chairman John White and allegations that the Carter White House blocked an investigation of that relationship. The investigation was occurring at the same time a Select Senate Committee was investigating Billy Carter's relationship to Libya. A number of common threads between the two investigations emerged, centering on Libya.

When asked if the reopened investigation could track back onto the Billygate coverup, a Senate source commented, "Who knows where Vesco will lead us?" While the \$168,000 request will cover investigative requirements for six months, its sponsors think the wrapup investigation may take two years, and intend to return to the Senate for further funds to complete the investigation.

Lester Brown pollutes Capitol Hill

Lester Brown's new book *On Creating a Sustainable Society* is now polluting Capitol Hill, thanks to Brown's friends Paul Simon (D-Ill.) and Benjamin Gilman (R-N.Y.), who have sent a copy to every member of the House. Brown is the head of Worldwatch Institute and a leading spokesman for the Club of Rome, which created the limits-to-growth doctrine.

Brown's book is a tirade against further population growth. "We have entered a period of per-

manent industrial decline," he writes, concluding that "continued population growth is intolerable. We need societies like China that are running scared and have seen the light on the population question. . . . Fear is the key element."

Brown has been asked to address the Members of Congress for Peace Through Law during mid-November. The liberal group in which Simon is very active, has been run in part by Richard Ottinger (D-N.Y.), the leading advocate of population control in the House who has introduced legislation to coordinate budget policy with population control.

New non-proliferation bill introduced in Senate

Charles Percy (R-Ill.), Chairman of the Senate Foreign Relations Committee, and Gary Hart (D-Colo.) introduced the Nuclear Non-Proliferation Act of 1981 (S. 1812) on Nov. 4. The bill would prohibit the government from acquiring weapons-grade nuclear material from commercial reactors unless Congress specifically authorizes it.

Percy explicitly cites the effort to develop the plutonium laser isotope-separation method, which would allow plutonium produced in nuclear power plants to be refined to the purity necessary for nuclear weapons, as his reason for introducing the legislation now. The laser-isotope-separation method is expected to be one of the most important breakthroughs in decades. The process would drast-

ically reduce the cost of providing nuclear energy, and is so efficient that countries with even small nuclear fuel resources would be able to provide vast quantities of nuclear energy for their populations. The process would also have major implications for other industries.

Capitol Hill sources report that Percy and Hart's real intention with this legislation is to abort any private-sector involvement with the new technology. Percy's office acknowledges that it has worked closely with the Natural Resources Defense Council, a leading environmentalist lobbying group. In introducing his bill, Percy criticized the separation process directly, claiming that the economic advantages of the new method in fact might "be illusory." He also claimed that the development of the process "could run into years of technical snags and delays."

The development of the plutonium laser isotope separation process and its use at commercial plants would immediately save \$3 billion that would otherwise have to be spent on a new plutonium defense production reactor to provide for defense needs of the 1980s.

There would also be tremendous benefit to the commercial nuclear energy industry, providing very cheap fuel for nuclear energy and eliminating the problem of nuclear waste disposal.

The bill has been sent to the Foreign Relations Committee where Percy intends to hold hearings on it Nov. 19. The legislation was also attached as an amendment to a nuclear waste bill by Senator Hart and this was reported out of committee Nov. 16.