

Congressional Closeup by Ronald Kokinda and Susan Kokinda

Project Democracy set back in Senate

"Project Democracy," a proposal of Secretary of State George Shultz that the government fund "democracy-promoting programs" of such non-official institutions as Lane Kirkland's AFL-CIO, suffered a setback in the Senate May 26, when the Appropriations Committee rejected the administration's request for \$20 million in funding to be added to the FY1983 supplemental appropriation.

Senators including Republican National Committee general chairman Paul Laxalt objected to appropriating money for a controversial program that has not yet received proper authorization.

The House has appropriated \$15 million for the project in the supplemental appropriation, but the Senate is expected to delete the funds in House-Senate conference. Project advocates are redoubling efforts to get the program properly authorized and the money appropriated for fiscal year 1984.

According to Capitol Hill sources, Democratic Party pressure is being brought to bear to force the project through. Numerous Democratic Party leaders are said to be calling Sen. Fritz Hollings (D-S.C.) to overcome his resistance to the scheme. Hollings is the ranking minority member on the Appropriations Subcommittee on State, Commerce, Justice and the Judiciary. The Appropriations Subcommittee on the House side reluctantly approved only a tiny amount of funding; yet three weeks later reversed itself and voted up \$15 million.

Some opponents of Project Democracy object to the increased operational capability the program would give to private networks, including right-wing Social Democrats, the

AFL-CIO, and the League for Industrial Democracy. Others oppose the plan because its programs would be promoted as a substitute for a genuine military and economic recovery in the United States and allied nations.

Senators violate rules to pass IMF quota

In an effort to force the \$8.4 billion International Monetary Fund quota increase through an increasingly reluctant Senate, IMF supporters added the funds to the FY1983 supplemental appropriations bill which was reported out of the Senate Appropriations Committee on May 26.

According to Capitol Hill sources, the original game plan was to pass the supplemental appropriation, including the IMF funds, *before* the Senate passed an authorization bill renewing U.S. participation in the IMF.

This violation of Senate rules was planned in the hopes that the procedural constraints that apply to floor action on an appropriations bill would prevent IMF opponents from making amendments the IMF supporters are unwilling to accept. After being forced to accept the IMF funding in an up-or-down vote on the appropriations bill, the Senate would be presented with the authorization bill as a *fait accompli*.

The supplemental bill is scheduled for floor action on June 8. However, the gross violation of Senate rules (the passage of appropriations for an unauthorized bill) may have backfired on its perpetrators, including Senate Banking Committee chairman Jake Garn (R-Utah), the Senate leadership, and IMF supporters in the administration. It now appears that the IMF authorizing bill, S. 695, is being scheduled for floor action on June 6 or 7.

No matter how this parliamentary maneuvering resolves itself, the full

dimensions of the bankrupt monetary system may soon force themselves upon the Congress; Congress then might radically amend the bill or reject it, as representing no solution to the crisis. As one source put it, "I think someone looked at Brazil and counted heads and decided that we had better get this vote over with very quickly."

The Percy amendment mandating U.S. consideration of membership in the supranational Bank for International Settlements remains part of the bill.

Hearings scheduled on R&D for manufacturing

Members of the Subcommittee on Science, Space, and Technology of the Senate Commerce Committee have introduced legislation and scheduled hearings on how to strengthen U.S. manufacturing through technological and scientific advances. Led by subcommittee chairman Slade Gorton, Senators Goldwater (R-Ariz.), Tribble (R-Va.), Heflin (D-Ala.), Riegle (D-Mich.), Lautenberg (D-N.J.), and Tsongas (D-Mass.) introduced S.1286, the Manufacturing Sciences and Technology Research and Development Act of 1983, on May 16. Hearings are scheduled for the second half of June.

In a floor statement accompanying the introduction of the bill, Gorton said: "Major breakthroughs are possible in the productivity of manufacturing because of potential and existing advances in robots and other programmable machine tools, automated materials handling, industrial uses of computers, lasers, and other exotic sensors allowing degrees of precision, of automation, and of production flexibility which are impossible with conventional manufacturing methods."

The legislation mandates the sec-

retary of commerce to establish a research and development program for industrial science and technology in the Department of Commerce, a provision that could provide the foundation for improving the productivity of U.S. manufacturing processes and methods.

The sponsors propose that a sum of somewhat less than \$200 million be spent over the next five years on the program. The *Executive Intelligence Review* has offered to provide the committee with the results of its study of the impact of plasma technologies on the U.S. manufacturing base.

Democrats want to stop plutonium production

Democratic presidential aspirants Sens. Gary Hart (D-Colo.) and Alan Cranston (D-Cal.), supported by Walter Mondale, introduced the Nuclear Explosives Control Act of 1983, S. 1326, on May 18. The bill would halt the production and export of plutonium, highly enriched uranium, and related technology.

The sponsors justify this assault on international nuclear energy development with the claim that there is a danger that nuclear weapons can be fashioned with material diverted from energy production.

In the House, population-control advocate Rep. Richard Ottinger (D-N.Y.) has introduced an identical piece of legislation, H.R. 3058, with Reps. Ed Markey (D-Mass.), Moe Udall (D-Ariz.), Don Bonker (D-Wash.), Michael Barnes (D-Md.), and Howard Wolpe (D-Mich.) as co-sponsors. Ottinger also introduced a related resolution on June 1 calling for a "global freeze" on production and export of plutonium technology. He is calling his efforts an extension of the nuclear freeze movement.

Among the steps that the legislation would mandate would be "banning U.S. exports of enrichment and reprocessing technology"; establishing a moratorium on foreign reprocessing of plutonium from spent fuel originating in the United States; barring U.S. exports of highly enriched uranium as soon as foreign research reactors can use alternative fuels; and requiring an automatic cutoff of all nuclear and other assistance to nations that explode nuclear devices. Ottinger singled out India, Pakistan, South Africa, Argentina, and Brazil as nations that "are now testing the depth of the U.S. resolve to combat the spread of nuclear weapons."

In their attacks on the Reagan administration's alleged laxity on nuclear non-proliferation, sponsors made clear that their real target was halting nuclear energy development. Markey cited the fact that the administration had "eliminated the ban of the previous two administrations on *domestic* reprocessing of plutonium from spent fuel, and promoted reprocessing, plutonium use, and breeder development *at home* and abroad [emphasis added]." Ottinger claimed that the administration's commitment to "not inhibit" civil reprocessing and breeder reactor development "in nations with advanced nuclear power programs where it does not constitute a proliferation risk" was "self-contradictory and self-defeating" for efforts at non-proliferation.

Noticeably absent as a co-sponsor was Sen. John Glenn (D-Ohio), the author of the 1978 Nuclear Non-Proliferation Act and one of the most fervent advocates of non-proliferation. While some Capitol Hill observers speculated that Glenn might be shifting his stand to gain pro-nuclear labor support, Glenn staffers protested such suggestions.

Senate subcommittee only wants the 'little crooks'

The Senate Permanent Investigations Subcommittee (SPIS), which in February released a report titled "Crime and Secrecy: The Case of Offshore Banks and Companies," narrowed its sights in follow-up hearings on May 24. The February report was an exposé of certain aspects of the network of British- and Swiss-connected offshore (and onshore) banking havens and their role in laundering the financial flows of the international narcotics trade.

But in a staff statement summarizing the purpose of the May 24 hearings, SPIS revealed that it is primarily interested in the lower levels of the offshore networks, not the "legitimate" financial institutions which run "Dope, Inc."

The summary states: "We have found that the legitimate use of private banks [in offshore havens] is very limited and almost the exclusive province of major corporations and banks with their vast resources and long-established reputations. These owners are found primarily in established offshore financial centers such as the Bahamas, Cayman Islands, Panama, and Hong Kong. We are not particularly concerned with private banks which exist in these major offshore centers. . . . Offshore banking is vital to the international financial community."

The subcommittee, chaired by Trilateral Commission member Sen. William Roth (R-Del.), has chosen to ignore the activities of Dope, Inc. banks such as the Hong Kong and Shanghai Bank or the Bank of Nova Scotia, and instead is turning its attention to offshore banking havens such as Anguilla, Palua, Vanuatu, and the Northern Mariana Islands.