CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore (Mr. EVERETT). Under a previous order of the House, the gentleman from Kentucky (Mr. WHITFIELD) is recognized for 5 minutes.

Mr. WHITFIELD. Mr. Speaker, as a result of the 1996 presidential elections, the Nation's news media and many other people began to focus upon the way campaigns are financed in America. This focus was generated because of the Clinton/Gore campaign violating provisions that said, you cannot receive funds from foreign sources.

The Democratic Party is not the only one guilty of violating campaign finance laws, whether deliberately or not deliberately, because they are very complex.

I would like to suggest to my colleagues that when people talk about campaign finance, they focus on two things. First of all, they talk about special interests as if it was something horrible. Yet what special interest means is that any citizen belonging to any group in America, whether it be a nurse, a labor union member, a doctor, a tobacco farmer, a teacher, whatever, has a right to speak on issues that affect them and to join together with others to speak on issues that affect them.

Those are what you refer to as special interests. That is all that they are. All of us have some special interest. So I do not see that there is anything particularly negative about having a special interest.

The second thing that people talk about in a very negative way is this term ''soft money.'' Now, what is soft money? Soft money is money spent by any organization in America, any individual in America, any political party in America, regardless of their philosophy, to take time on television or in the newspapers or on the radio to educate the American people about issues that affect them. And they pay for that with their money. And when they run these ads, they are required to put at the bottom of the television the group that paid for it. But we all talk about soft money, and those who are advocating the Shays-Meehan bill and others are talking about, we have got to get rid of soft money.

Now, what is hard money? Hard money is money that candidates themselves and their committees spend to expressly ask that you defeat or elect a particular candidate. And hard money is regulated by the Federal Government, and it has been for some time. But reformers, when they talk about reform, it is interesting to note that they never want to talk very much about the hard money. That is the money they spend. They want to talk about the soft money. That is the money that can be spent by any person in America. And the Supreme Court has repeatedly said that it is a constitutionally protected right.

So in the Shays-Meehan bill, for example, they talk about any time within 60 days of an election, they broaden the definition of express advocacy to include any ad run 60 days prior to the election and they would stop those ads from being run, if it is paid for by soft money. It would be stopped.

And when you do that, this is what you end up guaranteeing will happen. Sixty days before an election, there will be two groups talking about candidates running for office, the candidates themselves will be running their ads and then the only other group speaking will be the news media through editorials. And it is not surprising that the news media editorialize all the time about we need campaign finance reform, because the way these bills are designed to eliminate soft money, the American people's money, the interest groups, the labor unions, the pro-choice, the environmentalists, the management groups, whatever, eliminating them spending their money, then you get down to a point that the news media is the only entity that will be editorializing on which candidate should be supported.

I hope that as we continue this discussion that we will think deeply about these terms and what they really mean.

APPLAUDS ''OPERATION CASABLANCA''—DRUG MONEY LAUNDERING CASE—CALLS FOR INVESTIGATION INTO CITICORP/CITIBANK'S ROLE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WATERS) is recognized for 5 minutes.

Ms. WATERS. Mr. Speaker, it is about time. The big money laundering bust successfully executed by the United States Customs Department is the kind of work that our government ought to be doing. Clearly we know that 70 percent of the cocaine and over half the heroin is imported by the multinational drug cartels, like the Colombian Cali cartel and the Mexican Juarez cartel. Finally, the money operations of these international syndicates have been successfully targeted.

If we are to get drugs off the streets of our communities, South Central Los Angeles, East Los Angeles and other cities, we must capture, indict and convict the white collar criminals that run the drug trade's money laundering operations and not spend all of our time and resources going after the small time street level criminal.

Without the ability to spend the profits of drug trafficking, the drug trade would come to a screeching halt. It is money laundering that keeps the drug trade going. But we must go further. We must also target the American banks who cooperate with foreign banks to launder drug money. Today I wrote to Attorney General Janet Reno to inquire about Citicorp/Citibank's involvement in the latest money laundering raid. Citicorp/Citibank is currently under investigation into its involvement with the drug money laundering activities of Raul Salinas, the former senior Mexican official and brother of former President Carlos Salinas. Citibank controls one of the three banks that was indicted just the other day in the money laundering case. Confia is one of three Mexican banks indicted in Operation Casablanca for systematic involvement in drug money laundering for the Juarez and Cali cartels.

According to the Attorney General and Customs officials, they have been involved in massive money laundering for years. Confia's previous parent group, Abaco Grupo Financiero, was recently implicated in a major bank fraud case in which Abaco's chairman was sent to prison for defrauding investors of $170 million. During the same period, Citibank worked to acquire Confia in order to expand its position in the Mexican market.

In August of 1997, Citibank signed a letter of intent to acquire Confia; this is the bank that is known to be trafficking and laundering money. They paid $45 million over the market value to secure control of Confia. Why? On May 11, 1998, Citibank took control over Mexican bank Confia and a week later guess what happened? Confia was indicted in this big drug raid. This is the bank that just was acquired by Citicorp and Citicorp acquired the bank at the same time that it was under investigation by the Justice Department for money laundering.

I am interested in determining whether Operation Casablanca raises new questions about Citicorp/Citibank's banking practices. Today we learned that, in addition to that, $4.2 million was seized in this operation from an account in Bankers Trust in New York as part of further arrests and indictments.

We do not know where this is going, and we do not know where it is going to stop, but there certainly are a lot of unanswered questions. I am pleased that this enforcement action appears to have been a success. However, we should not allow the indictment of the banks to stop at the border. They could not be successful without the cooperation of some of our American banks. We cannot allow our American banks off the hook.

To that end, I am calling on Attorney General Janet Reno to look into the role of Citicorp/Citibank, Bankers Trust of New York and any other U.S. bank that is involved in this and related money laundering cases.

Let me just say that this is a big discussion going on in this House. The Republicans have taken it up as a political issue in an election year. They would like to point their fingers at the Democrats and say, oh, you have not done enough. Let me warn the Republicans and the Democrats, this issue is not to be played with. This cannot be a short-term Band-Aid type look at these