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Hurting the Law On Political Cash

LAST APRIL a new law took effect which was supposed to assure that the public would know before election day where candidates for national office were getting their campaign cash.

But an astonishing ruling from the Internal Revenue Service, coupled with the characteristic sluggishness of the government agency in charge of enforcing the law, may have already defeated its purpose.

The law requires all political contributions of more than \$100 to be reported to the government, together with the name, address and occupation of the contributor.

The General Accounting Office was given responsibility for compiling and cataloging the reports filed by hundreds of fund-raising committees coast-to-coast. The GAO is supposed to produce a coherent, alphabetical list of contributors—and their total donations—no matter how many different committees may have received the money.

But the GAO's job has been made immeasurably harder by a ruling from the IRS which actually encourages big political contributors to scatter their donations over as many different fund-raising committees as possible.

The ruling works this way: Political contributions up to \$3,000 are exempt from the gift tax. So the IRS was asked to rule whether contributions to different fund-raising committees for the same candidate would be considered separate gifts.

The IRS, incredibly, ruled that such donations would be considered separate as long as one-third of the officers of the fund-raising committee were different—even though all the money is obviously destined for the same place and the same candidate.

Thus a man wishing to give George McGovern or Richard Nixon \$90,000 is encouraged

to spread it out over 30 fund-raising committees in order to avoid the gift tax.

The more political gifts are scattered, the more difficult it will be to assemble them in a single, alphabetical list. The GAO has now declared that it cannot have such a list ready in time for the election.

The IRS ruling is so suspicious that the agency has been asked to disclose who asked for the ruling and what role the White House may have played in it. Predictably, the IRS won't say.

Guerrilla Movement

COMMUNIST guerrillas are operating across Latin American borders with increasing boldness.

For instance, two Guatemalan guerrillas, known by the underground names of "Tomas" and "Raul," are reported to have delivered Cuban financial aid to the Nicaraguan Sandinista movement in Managua.

Huberto Alvarado Arellano, a Guatemalan Communist leader, has been quoted by the CIA, meanwhile, as stating that "the Latin American parties are very much interested in settling their differences with the Cubans, since it appears that the Cuban Communist Party is finally lining up with the Soviets."

Both Soviet and Cuban funds are now used to finance subversion in Latin America.

Big Power Plays

A FEW weeks ago, the prime ministers of India and Pakistan sat down at a conference table and reached an agreement that could bring peace between these neigh-

bors who have fought each other three times in the last quarter century.

Their latest war threatened to engulf the world in a larger, more terrible conflict.

A U.S. naval task force, headed by the nuclear carrier Enterprise, was detached from the Seventh Fleet and ordered to the Bay of Bengal as a "show of force." The task force had contingency plans for a Dominican Republic-style invasion.

The plans were disguised, as was the Dominican landing, as an "evacuation." All the while, the White House insisted America was remaining neutral.

In the meantime, the Chinese moved troops near the Indian border, and Pakistan's President Yahya Khan was quoted by the CIA as saying he had assurances the Chinese were ready to invade India.

The Russians promised India that any Chinese attack would be countered with a Soviet thrust against remote Sinkiang province, the Chinese nuclear and rocket test area. The Russians also assured India they would use their naval forces in the Bay of Bengal to block any hostile action by the U.S. task force.

In the end, a wider conflict was avoided, not by the diplomacy or good intentions of the great powers, but by the collapse of the Pakistan army in the east.

It was a shabby chapter in the history of big-power politics. It was an even worse blot on the record of the United States, which lectures the rest of the world on democracy but supported the Pakistani military dictator.

It is interesting to note that the agreement reached at the recent summit conference between Indian Prime Minister Indira Gandhi and Pakistani President Ali Bhutto, was the result of their own efforts. They decided that the best interests of their two nations lay in peace.

It was not the result of diplomacy by the United States, or Russia, or China. It was the result of the great powers at last, minding their own business.