

National News

Brown mission stressed investment in Bosnia

Speaking in Tuzla before his ill-fated flight to Dubrovnik, Croatia, on April 3, U.S. Commerce Secretary Ron Brown said that the long-term economic development of Bosnia would depend on foreign investment, not just foreign aid.

"I think we shouldn't just look at aid. Aid is a kind of a one-shot deal. We'd better look at long-term economic development, and it can only come through investment," he said. "Our desire is to have American companies fully engaged in the reconstruction of this region. Our presence today is a sign that we want to help you," Brown said at a meeting with management of Tuzla's thermo-electrical plant.

Brown was leading an American business delegation representing 15 companies, including a number of major infrastructure and energy development corporations. Among the 32 other persons killed in the plane crash with Brown were executives of the Parsons Corp. (water projects), Bechtel, ABB Asea Brown Boveri (power-generating equipment), Foster Wheeler Energy Corp., Harza Engineering Co. (dams and hydroelectric projects), and Enserch International Ltd. of Dallas (power projects).

Bingaman cites economic community of interest

In an April 2 speech to the Economic Strategy Institute, Sen. Jeff Bingaman (D-N.M.) stated that there is a "community of interest" between corporate management and their employees, as well as between management and the communities in which they operate. There is also a third community of interest, which all Americans share, in seeing "a more prosperous economy with a prosperous and growing middle class," he said.

Bingaman went on to describe the proposals included in the Senate Democratic Policy Committee report, "Scrambling to Pay the Bills." Of the proposed securities

transaction excise tax, Bingaman stated that "we are not discouraging investment in securities. We are discouraging speculation and short-term trading. In our view, the country will benefit, working families will benefit, corporate management will benefit if the owners of corporations have a community of interest with the corporate management and want to help them by focusing more on the long term."

Bingaman suggested that there would be a hard core of traders who would continue short-term trading, even with the existence of the transaction tax, but that this activity would bring in as much as \$10 billion in revenue to the federal government per year.

Can Wisconsin prisoners bail out pension fund?

Gov. Tommy Thompson (R-Wisc.) is attempting to add a new twist to the Conservative Revolution's plans for implementing slave labor in America's prisons. Although a March 21 press release announced the selection of two Wisconsin firms which will be given the right to exploit cheap prison labor, the governor has set his sights on bringing in the Jacobs Trading Company as a participant in the Wisconsin prison and private business partnership.

In his "State of the State" speech in January 1995, Thompson singled out corporate raider and reputed organized crime mobster Irwin Jacobs of Minneapolis, as "one of the very best" business executives for "bringing the work to our prisons." The bill which would allow Jacobs to do so did not pass through the Wisconsin legislature, and is currently stalled in committee. Little wonder, since the Wisconsin State Investment Board, which invests the state's pension funds, has been dealing with the Jacobs group of financial interests for several years—with unhappy results.

By late 1992, some of Wisconsin's pension funds were invested with Jacobs, and in mid-1994 Jacobs closed a deal for an equity infusion of \$165 million through the Wisconsin State Investment Board to prop up Jacobs's ailing Minstar boat business consortium. It was discovered in 1995 that the

State Investment Board had lost some \$95 million in derivatives trading, partially through Jacobs pension fund investments. Governor Thompson controls the appointments of several members of the board, who decide what investments the pension fund will make.

On Christmas Eve, 1992, Irwin Jacobs and four associates donated \$40,000 to Thompson's 1994 election campaign. Reacting to charges of conflict of interest after he praised Jacobs in his 1995 speech, Thompson said he would "absolutely not" return the money, adding, "I've already spent the money." Thompson is the current chairman of the National Governors Association, and is a past recipient of the Thomas Jefferson Freedom Award from the American Legislative Exchange Council—an organization funded by the British government.

Group plots change to Endangered Species Act

According to an April 6 nationally syndicated column by Alston Chase, a coalition representing Republicans, environmentalists, and big business is planning a small but crucial change to the Endangered Species Act. By adding the phrase "and their habitat" to the phrase "endangered species" every time it appears in the law, authorities could control land use merely by declaring it a habitat for the creature of their choice, without actually finding an endangered species on the property.

According to Chase, a meeting took place March 15, between staffers of four Republican congressmen and an array of environmentalist and corporate leaders. The meeting was organized by Gingrichite Rep. Jim Saxton (R-N.J.), who has been pushing for the creation of a super-environmental agency that would take over NASA, the National Oceanic and Atmospheric Administration, and many other agencies.

Meeting attendees included delegates from the National Realty Committee, Plum Creek Timber Co., Environmental Defense Fund, World Wildlife Fund, Nature Conservancy, and the Center for Marine Conservation. The National Realty Committee repre-

sents Lehman Brothers, the Rockefeller Group, Citibank, Chase Manhattan, First Boston, J.P. Morgan, Merrill Lynch, and more than 70 other major companies.

According to Chase, "The environmental groups attending reportedly receive financial support from some of the same blue-chip businesses. According to the journal *Environmental Action*, the Center for Marine Conservation has received gifts from Amoco, Chevron, Mobil, and Shell oil companies, the wood-producer giants Georgia Pacific, and Philip Morris. The World Wildlife Fund is funded in part by ARCO, Du Pont, Chevron, Philip Morris, Chase Manhattan, Chemical Bank, and J. P. Morgan."

Mexico, U.S. preparing joint anti-drug effort

Gen. Barry McCaffery, President Clinton's National Drug Policy Director, outlined further plans for joint U.S.-Mexican attacks on the drug trade, at a White House press conference April 8. Speaking following his report to the President on his recent visit to Mexico, McCaffery warned that the drug trade poses "fundamental dangers to democratic institutions on both sides of the border."

In response to provocative questions reflecting hostility to Mexico within sections of the U.S. Congress, General McCaffery emphasized, "The Mexican Army has eradicated more illegal drugs in the last year than any other nation on the face of the Earth. And they did this at the risk of their own lives, and a lot of hard work and sweat and blood [was] involved in that."

As to possible U.S. military assistance to Mexico's anti-drug efforts, McCaffery declared, "Let me, if I can, underscore most strongly: a fundamental principle that both democracies understand, is the absolute deference to the sovereign concerns of each nation, in that the airspace and land and sea frontiers of Mexico are without question subject only to the defense measures of their own police and military forces. But we do believe, there are ways in which we can responsibly assist Mexican military authorities with training or support, that they'll out-

line for us."

The United States will also look for ways to increase "cooperation on intelligence matters," and, possibly, provide support through radar, technical assistance, and Coast Guard cooperation. Specific cooperation was discussed, McCaffery added, to ensure that criminals do not use one country as a haven, from the police or judicial systems of the other. "The bottom line is that the billions of dollars of drug money, and the years that this problem has gone on, will not be fixed overnight; but I think, if we are principled in our approach and remain focused on the objective, that we can make steady progress."

Investment broker calls for lower expectations

Wall Street has an answer for Americans concerned over the collapse of family incomes: stop expecting so much. That is the message of a March 4 "issues paper" by David Hale, of Zurich Kemper Investments, Inc., entitled "How Do We Reconcile America's Economic Success with Its New Sense of Insecurity?"

Hale is worried that the current debate, which he attributes solely to Pat Buchanan, "so successfully used the theme of economic insecurity to exploit the spiritual disillusionment which millions of ordinary people feel about modern American society," that there is a "significant risk" of encouraging "bad public policy proposals from both major parties."

Hale then attempts to deny the evidence of collapsing real incomes, and of growing inequality in incomes. He concludes, nonetheless, "The primary cause of the low level of income in the bottom quintile of the U.S. population is family breakdown. Only one in five members of the bottom income quintile works full time. Two-thirds of its families are headed by single women." The solution: make welfare mothers go to work.

As for the "contentious issue" of income inequality, Hale contends that it is simply the result of "expectations which were created during the long period of steadily rising real incomes after World War II."

NEWT GINGRICH has become a definite liability. Massachusetts Gov. William Weld, challenging incumbent U.S. Sen. John Kerry (D-Mass.), threw a tantrum during their first debate April 8, after Kerry repeatedly linked his policies to Gingrich. "Hey," Weld snapped, "there's only two podiums up here. I know you want to run against Newt, but it's not in the cards this year."

THE WASHINGTON TIMES, perhaps lamenting the abolition of slavery, called for abolishing the minimum wage April 10. Its lead editorial whined, "Of course, there are perfectly legal ways to avoid the minimum wage law. You can get rid of all the gasoline station and theater attendants and let consumers fend for themselves. That's what happens when you price the attendants out of the work force."

UNION-BUSTING and wage-gouging tactics continue to spread as the depression deepens. In Pennsylvania, 350 employees of Beverly Enterprises, the nation's largest nursing-home chain, were illegally fired after a recent three-day walkout over unfair labor practices. In Michigan, Motor Wheel company told its unionized workers to take 65% pay cuts (from \$16 to \$5 an hour) or lose their jobs.

FEDERAL SPENDING on the elderly "is pushing everything else out of the budget," MIT economist Lester Thurow babbled April 4 at the National Press Club. The "liberal" author of *The Zero-Sum Society* preserved his genocidal reputation, blaming senior citizens for draining off "exactly the social investment we need to have a successful future."

FEDERAL RESERVE head Alan Greenspan testified March 27 that "most corporate restructurings have involved a significant number of permanent dismissals. It would be neither feasible nor desirable to try to restrain the technical forces that lie behind the huge structural changes . . . in the business world and in the workplace."