

National News

Federal workers contest line-item veto measure

The National Treasury Employees Union (NTEU) has filed suit in federal court, challenging the constitutionality of the line-item veto legislation signed into law by President Clinton on April 9. Representing 150,000 federal employees in 18 departments and agencies, the NTEU contends that the legislation will severely undermine its ability to defend its members.

The NTEU suit claims that the line-item veto bill violates the U.S. Constitution in several respects: by altering the separation of powers; and by giving legislative power to the Executive, while diminishing the power of the Legislative branch. Specifically, the NTEU suit charges that the line-item veto violates the procedures for enacting legislation set forth in Article I, Section 7; and for Presidential authority to exercise the veto power. The suit also contends that the line-item veto violates Article I, Section 8, which grants the Congress the power "to make all laws which shall be necessary and proper."

Congressional Dems blast GOP amendment on taxes

The Republican "Contract with America" scheme for a constitutional amendment, requiring a two-thirds vote to enact any tax increase, was defeated in the House on April 15. Senate and House Democratic leaders also denounced the Republican tax plan as a swindle, intended to fatten the rich at the expense of the rest of the population.

House Minority Leader Richard Gephardt (D-Mo.) told a press conference, "Under the Republican tax plan, two-thirds of all families get nothing or higher taxes." The Republicans, Gephardt said, are "like dogs after a bone. They have one thing in mind: cut taxes for the wealthiest Americans, and it will trickle down, and we'll all live happily ever after. It's never worked."

Sen. Byron Dorgan (D-N.D.) revealed that the GOP tax package includes a pro-

posal to provide \$244 million in tax breaks to companies that move jobs overseas. He claimed they are also proposing to give more than 2,000 corporations \$7 million each in tax relief, by adjusting the minimum tax. That amounts to \$16.2 billion in tax reductions, he said, which average Americans must make up. Dorgan charged that there are dozens of such proposals in the Republicans' tax plan.

The failed Republican amendment on tax increases, Dorgan added, was the third Constitutional amendment they had proposed in the Senate in April, bringing the total to more than 100 since last September. "This is not conservatism," he said. "If you are willing to trifle with the U.S. Constitution to advance your political agenda, you fit in."

Shalala rules out drug legalization

Donna Shalala, President Clinton's secretary of Health and Human Services, declared April 12 that "we will never, ever support the legalization of marijuana or any other illicit drug." Speaking at a conference of the U.S. Center for Substance Abuse Prevention, Shalala said, "We're also pursuing a major research agenda to deflate all the myths that drugs don't cause lasting harm. This is a big problem among young people. . . ."

"We're challenging the media and the entertainment industries to de-glamorize drugs and re-glamorize opportunity. We're sending a clear anti-drug message to every American: Drug use is illegal, it's dangerous, and it's wrong."

To the nation's employers, she urged, "You must tell young people early on, through your recruiters and through your job advertisements, that if they use drugs, you have absolutely no interest in hiring them. No matter how talented they are; no matter how good their grades or how smart their professors say they are; no matter how hard working, our young people must know that drug use is a clear and present danger; and when it comes to their careers and their futures, business isn't interested in them if they start playing with drugs early on."

Whitewater prosecutor should resign, says Times

In a tactical about-face, the *New York Times* editorially declared April 17 that Whitewater special prosecutor Kenneth Starr should resign on grounds of conflict of interest—so that the British-directed witch-hunt against President Clinton might continue with at least a fig-leaf of plausibility.

As reported by *EIR*, Starr's now broadly exposed record, of continuing to represent such clients as the Republican National Committee in his private practice, has made his Whitewater fishing a political liability. The *Times* editorial drops the line it put forth as recently as March 31, when another editorial argued that Starr should not resign, because his work was "too far along to start over." The *Times* then urged Starr to take a leave of absence from his law firm, until he had completed his Whitewater tour of duty.

Its latest editorial concludes that Starr's conflicts of interest have grown so great in the meantime, that he should step aside—and leave the investigation to one of his senior staff.

AFL-CIO President calls for 'social contract'

Speaking at a forum in Minneapolis April 12, AFL-CIO President John Sweeney sharply denounced the disregard for working people shown by corporations, Wall Street, and the World Bank. Sweeney called for a renewal of the "social contract" which in former times insured a rising standard of living for all Americans.

When this social contract worked, said Sweeney, "here's what our leaders in government understood—and President Kennedy said it best: 'A rising tide lifts all boats.' For almost 30 years after winning World War II, we all prospered because we prospered together. We were concerned with raising the standard of living for all Americans—not just accumulating enormous wealth for a fortunate few. That social contract was a formula for the strongest econ-

omy, the largest middle class, and the most successful society this world has ever known."

Sweeney described the "snapshots from hell" which characterize the relationship of corporate America to the workforce today: restructuring, downsizing, pension raids, privatization schemes, runaway plants, and falling real wages. Speaking of the Conservative Revolution's virtual "Contract on America," Sweeney said, "To add insult to injury, we've been hit this past year-and-a-half with an all-out assault on all the government programs and policies that protect the standard of living for workers and their families . . . and a safety net for the young, the old, the poor and the disabled."

Asking whether a rising tide now sinks all ships, except for the "luxury yachts," Sweeney attacked "the Wall Street wizards who are operating dangerously beyond the fringe of current regulation." He also questioned U.S. financing of the World Bank, which helped arrange financing for the Caterpillar Corp. to expand operations in Russia and "emerging nations" in Europe. In the United States, Caterpillar has engaged in major union-busting operations against its employees.

Broad-based stock market is a myth, study reports

Wall Street's claim that America is a country of stockholders is nothing more than "a reassuring economic fable," economist Robert Kuttner writes in the April 22 *Business Week*. As Kuttner summarizes the delusion, "Today, wage and salary income may be flat, while stock prices soar—but it doesn't matter: Why? Because stocks are after all owned by individuals."

Kuttner reports that the myth is propped up by figures showing that in 1992, some 36 million American households, or 37% of all households, held some form of stock, directly or through institutions. That was up from 33% in 1983.

According to a study published in the *Brookings Papers on Economic Activity*, however, by economists James Poterba and Andrew Samwick, the appearance of broad-based stock ownership is, in reality, a mi-

rage. As Kuttner reports, the top 5% of American households own 77% of the value of equity holdings held by all Americans, including individual shares, defined-contribution pension funds, IRAs, Keoghs, 401(k)s, and mutual funds. The next top 15% of households own 21.2% of the value of all equity holdings.

Meanwhile, the bottom 80% of households own only 1.8% of the value of equity holdings—a statistically negligible figure.

Infrastructural collapse hitting Baltimore County

Baltimore County, Maryland, is the latest acknowledged casualty of malign neglect, imposed on the nation's infrastructure by the lunatic policies of the "post-industrial society." According to the April 14 *Baltimore Sun*, county budget director Charles R. Olsen has determined that "there isn't enough money in the entire state of Maryland" to meet all the needs of repairing the county's decaying infrastructure.

Baltimore County comprises a broad suburban and rural corridor stretching north from the city of Baltimore—which also lies in virtual ruins following the destruction of most of its heavy industry. The county planning board's proposed \$1.1 billion capital budget, says Olsen, is nothing more than an attempt "to stanch the bleeding."

According to the *Sun*, more than half of the county's bridges have structural defects—some so severe that they are off limits to fire trucks. Alleys are deteriorating, and 12 miles of alleys have such severe pot holes, that they may be impassable for trash trucks and emergency vehicles. Sewers are blocked, and 120 miles of water lines need cleaning and relining.

Budget director Olsen projects that in 10 years, 50% of the county's homes, streets, and alleys will be more than 50 years old—at which point they will have exceeded their "design life." Olsen concludes, the *Sun* reports, that the county's deterioration will not be reversed without more revenue—either from economic growth or tax increases. "The fat is being driven out of the government," Olsen says. "To cut us any further, we will have to cut basic services."

Briefly

PRISON factories will soon start up in Virginia, following an April 12 agreement by the state's Department of Corrections with The Boling Co. of Siler City, N. C. Up to 300 inmates, in at least three prison factories, will assemble and finish office furniture from components manufactured by Boling. The slave-labor scheme will supposedly help inmates to "acquire a positive work ethic."

PRESIDENT CLINTON nominated current U.S. Trade Representative Mickey Kantor April 12, to replace the late Ron Brown as secretary of commerce. He also nominated African-American banker and former Rhodes Scholar Franklin Delano Raines, to succeed Alice Rivlin as director of the Office of Management and Budget, who was recently appointed to the Federal Reserve Board.

DWAYNE ANDREAS, chairman of the grim-reaper cartel Archer Daniels Midland, expects another speculative killing. Worsening shortages, due to the deliberate wrecking of Midwest grain production, have sent prices skyrocketing. Andreas pretends to chalk them up to bad weather. "Every few years, Mother Nature doesn't treat us too kindly," he told *Business Week* recently.

U.S. FARMERS who have ever rescheduled their debt, or have declared bankruptcy and reorganized to continue farming, are barred from participating in the various programs defined under the new "Freedom to Farm Act," according to Schiller Institute agriculture activist Fred Huenefeld, who said of the act, "This is a disaster."

BARRY CLAUSEN, an investigator who infiltrated the self-professed terrorist group Earth First!, canceled a press conference on April 11 because of death threats against himself and bomb threats against the hotel. He had prepared material on the violent nature of Earth First! and the potential connections between Theodore Kaczynski, EF!, and Prince Philip's Native Forest Network.