

Eye on Washington by Stanley Ezrol

Jesse's way to 'rebuild America'

Jesse Jackson is threatening to mobilize a youth rebellion behind Felix Rohatyn's pension grab scheme.

While other news media coverage of Jesse Jackson's June 12-14 National Leadership Summit has focused on presidential candidate William Clinton's choreographed critique of one of the rappers on Jackson's program, public attention should rather be paid to Jackson's promotion of the "Rebuild America" plan drafted for his Rainbow Coalition, and presented to the "summit" by Wall Street investment banker Felix Rohatyn.

Jackson called upon the 200 summit participants to gather at a point mid-way between the Los Angeles riots and the July Democratic National Convention, in order to take advantage of the "arithmetic" of a three-way presidential race to mobilize for action regarding the conditions that led to the Los Angeles disturbances.

Jackson invited Lazard Frères partner Rohatyn, who otherwise has received attention recently due to his 30-year business association with populist billionaire H. Ross Perot, to present the coalition's plan of action to the summit. Rohatyn's plan is to have Congress establish an American Development Bank, which will invest \$500 billion during the next five years and over \$1 trillion within 10-15 years into infrastructure.

Details, such as what infrastructure projects are to be built, and how the financing will work, are hazy. Rohatyn said that an additional 5¢ per gallon gasoline tax, to be added every year for the next 10 years, would both provide investment capital and retire other bonds issued to finance the scheme.

What Rohatyn made absolutely

clear—and Jackson emphatically endorsed—is that the leading purchasers of the bonds, at a level of over \$300 billion, are to be employee pension funds, rather than banks or other private capital sources.

With him at the speakers' table was New York City Finance Commissioner Carol O'Cleireace, who made it to the big time with Rohatyn a decade and a half ago, when, as trustee for the pension fund of New York District Council 37 of the American Federation of State, County, and Municipal Employees, she channeled funds in her trust into Rohatyn's Municipal Assistance Corporation's ("Big MAC") accounts. "There is a big line," she stressed, "between what we want to do . . . and the rape and pillage of . . . employees' pension funds." Rohatyn repeatedly assured the group that these would not be "junk bonds," of the type that his Wall Street cronies had sold to pension funds throughout the 1980s, but would be "investment-grade fiduciary instruments."

After the Rohatyn panel presentation, Jesse Jackson personally grabbed the floor microphone to monopolize the "audience" question period. "Mr. Rohatyn has mentioned a figure of \$500 billion," he said, "I'm interested in that figure," and lied that no presidential candidate had proposed investment in infrastructure on that scale. He emphasized that he, Rohatyn, and O'Cleireace had extensively discussed the plan "to get the pension funds," and had prepared to jointly present it to this summit. He

then asked panelists House Majority Leader Richard Gephardt (D-Mo.) and Senate Banking Committee Chairman Don Riegle (D-Mich.) to explain how they would enact the Rohatyn plan, warning, "Slavemasters didn't end slavery, the slaves have to end it. . . . If Congress is too paralyzed . . . we're going to have to take it to an electronic town meeting." In his prepared luncheon address following this panel, Jackson threatened that there would be "massive direct action by young America, this fall," led by what he called "the rappers and the hip-hoppers." Gephardt and Riegle pledged to draw up legislation and try to get it through Congress. Rohatyn assured the support of the business community and O'Cleireace agreed that labor leaders would agree.

When this reporter asked Jackson why he didn't mention Lyndon LaRouche, the winner of the North Dakota Democratic presidential primary, who had proposed massive infrastructure investment without robbing pension funds, he asked, "Did he win?" and denied that the plan was robbery.

That afternoon, Mayors David Dinkins of New York City, Raymond Flynn of Boston, Elihu Harris of Oakland, California, and Cardell Cooper of East Orange, New Jersey told the group that the level of their support for any presidential candidate would depend on that candidate's endorsement of "The United States Conference of Mayors' 1992 Emergency Jobs and Anti-Recessionary Initiatives," consisting of proposals for funding public works and jobs out of monies cut from the defense budget. Harris and Cooper told this reporter, as did Rep. Kweisi Mfume (D-Md.), who also addressed the group, that they spoke for themselves, but had nothing to do with the Rohatyn pension fund scheme.