

National News

Major U.S. colleges bet the farm on hedge funds

At least 75 universities, through their endowments, placed their finances at great risk by investing in hedge funds last year. Schools include Loyola, Colgate, Cornell, Harvard, Yale, and Brown. The last two are known to have lost significant amounts through their investment in the Everest Capital hedge fund.

Cornell University began putting money into hedge funds about three years ago, where it now parks about 11% of its \$2.3 billion endowment. James Clarke, Cornell University's chief investment officer, tried to defend the practice, in spite of the failure of Long Term Capital Management: "I don't think that LTCM was hedging anything really. In general . . . hedge funds make a great deal of sense. The main advantage is that it dampens volatility of the holdings."

Justice Dept. moves vs. Steelworkers NAFTA suit

On Sept. 12, the Justice Department moved to dismiss the lawsuit brought by the United Steelworkers (USWA) which claims that the North American Free Trade Agreement is unconstitutional. In a Sept. 14 statement, USWA President George Becker countered: "It appears our government's position is that no one can sue for redress, no matter how many U.S. jobs have been lost to Mexico or Canada since NAFTA's 1993 adoption, and no matter how many workers have been forced to accept lower wages or benefits under threat of a plant moving across the border. That's because, according to the government's lawyers, those injuries were caused by implementing laws and regulations adopted pursuant to NAFTA, rather than by NAFTA itself. Never mind that no such laws or regulations would ever have been contemplated, let alone adopted, except for the mandates contained in NAFTA."

In a related development, the USWA has formed a political alliance with the major steel producers to call on President Clin-

ton to move against the dumping of cheap steel by nations made desperate by the economic collapse. The union's call motivates the action by stating that: "Asia, Russia, and other countries are dumping unprecedented amounts of steel in the United States, causing serious damage to the American steel industry and its workers. Due to the economic problems in their home markets, many foreign producers are no longer selling steel in a rational business manner. As a result, millions of tons of foreign steel are pouring into America at cutthroat prices."

Clinton rejects freedom for Israeli spy Pollard

According to several press reports, when Israeli Prime Minister Benjamin Netanyahu met with President Clinton in early October, he again asked the President to free Jonathan Pollard, a former Navy Intelligence staffer who is serving a life sentence for spying for Israel. White House press secretary Mike McCurry dispelled a report published in the Israeli daily *Yediot Aharonot*, that Clinton had agreed in principle to free Pollard. McCurry stated, "The President . . . accepted the expression of concern . . . but indicated that there was no change in our views on the matter and certainly no agreement." McCurry said the President made his decision based on "the enormity of Pollard's offenses, his lack of remorse, the damage done to national security, the need for general deterrence, and the continuing threat to national security that he posed."

Mental health groups fight HMOs' chiseling

The Mental Health Liaison Group sent a letter to Senate Majority Leader Trent Lott on Sept. 23, calling for him to push through the Patients' Bill of Rights. Such action would help protect 160 million Americans who receive mental health services through health maintenance organizations (HMOs). The group, which includes 36 national organizations representing medical professionals, advocates, families, and unions, details

some of the reports they receive of HMOs denying care to patients, including: emergency services for psychiatric crises; rigid criteria to slash outpatient mental services; treatment plans, diagnoses, and clinical decisions overturned by HMO personnel with no medical or mental health training; and of HMOs' insistence on using least-cost medications, whether clinically appropriate or not.

In addition, according to a Sept. 28 release from the American Psychological Association, the APA and the California Psychological Association have filed suit against Aetna USHealthcare, Inc. of California, Human Affairs International, and Adventist Health Care, a subcontractor of Human Affairs International, for utilizing deceptive practices that harm patients and undermine laws meant to protect patients. They charge the HMOs with lying to patients, routinely overriding doctors' determination of necessary care, and delaying authorization of treatment. Whereas Aetna would advertise that their plan provides mental health treatment benefits of 20-50 outpatient visits per year, contractors were imposing an undisclosed four-visit limit on benefits.

Did Reno oppose Sudan, Afghan bomb attacks?

According to an Associated Press story on Oct. 5, Attorney General Janet Reno opposed the Aug. 20 U.S. bombings of the Al-Shifa pharmaceutical plant in Sudan, and of reported terrorist training camps in Afghanistan. AP was reporting on a forthcoming article in the Oct. 12 *New Yorker* by Seymour Hersh. According to Hersh, Reno did not believe there was sufficient evidence to link bombings of the U.S. embassies in Nairobi and Dar es Salaam, to British-backed terrorist financier Osama bin Laden. Hersh says that Reno did not believe that the level of evidence met the "Tripoli standard" that had led to the 1986 bombing of Libya in retaliation for the terrorist bombing of a U.S. nightclub in Germany.

Other analyses have placed the blame on an anti-Sudan coterie headed by Secretary of State Madeleine Albright and Assistant Secretary of African Affairs Susan Rice.