

# National News

---

## IMF-World Bank officials use servants as slaves

A front-page article in the Jan. 5 *Washington Post* reports on the alleged use of imported servants as “modern-day slaves” by officials of the International Monetary Fund (IMF) and World Bank in Washington, D.C. A Federal “worker exploitation task force,” formed by Attorney General Janet Reno, is investigating some of the worst alleged offenders as part of a broader crackdown on labor abuse. The *Post* provides several case studies in its page-long article.

The domestic servants, most of them poor women from Ibero-America, Africa, Asia (one-quarter of them are from the Philippines), are typically imported under a provision of immigration law that allows foreign diplomats, embassy employees, and officials of organizations such as the World Bank, IMF, and UN, to bring in personal household workers, so long as the employers agree to abide by U.S. labor law. Many don’t, and there is virtually no oversight by the agencies involved. More than 30,000 domestics have been brought in under these auspices this decade.

Typical accounts include women who are paid 3¢ an hour, never allowed to leave the residence, and who are beaten if they try to leave.

---

## ‘Arizona Republic’: Did Rehnquist lie to Senate?

The *Arizona Republic* raised the question on Jan. 10, whether William Rehnquist lied during his Senate confirmation hearings in 1971, and again in 1986, during Senate Judiciary Committee hearings on his appointment as Supreme Court Chief Justice. “In 1962,” writes the *Republic*, “Republican activist William Rehnquist was the leader of Operation Eagle Eye, a flying squad of GOP lawyers that swept through polling places in south Phoenix to question the right of some minority voters to cast their ballots.

“Less than a decade later, when Rehnquist testified at a U.S. Senate hearing on

his appointment to the Supreme Court, his memory of his role in those events had grown dim.

“At a second hearing in 1986, when Rehnquist was asked more detailed questions about the operation, he had lost virtually all recollection of his role in it. But he did repeat his assertion that he never directly challenged any south Phoenix voter at the polls. It didn’t become an issue at the time, but some who challenged Rehnquist’s appointment to the Supreme Court now say they think he lied under oath, at both hearings.”

The *Republic* quotes Manuel Peña, a 30-year veteran of the Arizona Legislature: “It’s just ironic that we have somebody presiding over a Senate that may find the President guilty of perjury, who is himself guilty of lying under oath before the same committee that accused the President.” Peña was a poll-watcher in 1964, when the GOP challenged every black or Hispanic voter in Democratic districts, preventing many people from getting to the voting machines. At the time, Peña testified in 1986, he and Rehnquist nearly came to blows, when he tried to stop Rehnquist’s obstructive challenge to individual black and Hispanic voters.

---

## Argentina’s Menem offers Clinton ‘solidarity’

Argentina’s President Carlos Menem took the unusual step of telling foreign press in Buenos Aires, that he intends to express “all my solidarity” to President Bill Clinton, during his visit to Washington, which began on Jan. 11. Menem told a Jan. 7 press conference that “as I know this is a worrisome moment for [Clinton], I intend to express all my solidarity. I don’t wish to offend anyone, but I feel that the American legislators are going against what the U.S. public thinks, and that is serious,” and pointed to Clinton’s high ratings in opinion polls. He said that, otherwise, he and the U.S. President have “an open agenda” for discussions.

The Argentine Embassy in Washington circulated a press release with Menem’s remarks on impeachment. According to the Jan. 8 *Washington Times*, an aide to Sen. Trent Lott responded that this was unprecedented, since no other world leader, “not

even Tony Blair!” had come to Clinton’s defense.

Sources close to Menem in Buenos Aires have told *EIR* that they greatly fear Al Gore because of his ties to Prince Philip’s “anti-corruption” mafia, called Transparency International. Transparency has aggressively targeted Argentina and Menem personally as part of the offensive against the nation-state.

---

## Clinton raises concerns over global speculation

President Bill Clinton expressed his concern over the international financial crisis, during his address to the Detroit Economic Club on Jan. 8. Aside from unfortunate allusions to the non-existent recovery of the U.S. economy, the President did, at several critical points, return to the theme that he first developed during a speech on Sept. 14, 1998 at New York Council on Foreign Relations, about the global financial crisis and the need to develop a “new architecture.” “Strengthening the foundations of trade also means we have to stabilize the architecture of international finance,” he said. “Now, I’d like to just talk about this for a moment.

“You know that—all of you know in the last year how the global financial crisis has hurt our farmers, our ranchers, our manufacturers. You’ve seen it in the steel industry. One of the problems we have with the import of steel from Russia is that the currency value has collapsed as the money has flown the country. One of the problems that they had in a lot of the Asian countries—from Indonesia, to Korea, to Thailand, to other countries that have been troubled—is that money flees the country. Money moves across the globe in volumes and at speed far greater than ever before.

“And it has created a situation which permits enormous increased investment almost overnight, but also can trigger a collapse. All these financial mechanisms, the derivatives and hedge funds and all that, very often have investments that are guaranteed by only 10% margins, far lower margins than people can buy stock, for example. And the real danger has been, as you have seen all this happen, is, number one, that a problem in one country

**THE LOS ANGELES** County Democratic Party Resolutions Committee passed a resolution condemning the coup against President Clinton on Jan. 6. The resolution was drafted by LaRouche activists, three of whom are on the Central Committee, and will be introduced to the general meeting by county chair Gary Shay. Many attendees expressed their distrust of Al Gore.

**PRESIDENT CLINTON** introduced a package on Jan. 4 “to help Americans provide long-term care for aging, ailing, and disabled loved ones,” especially for home-based care, which is not covered by insurance. The initiative proposes a \$1,000 tax credit to offset some costs of home care, such as hiring aides to assist invalid relatives with activities such as bathing, using the toilet, and eating.

**A ‘GORE REPUBLICANS’** movement is suggested by *San Francisco Examiner* columnist Steven Lubet on Jan. 6, if President Clinton is railroaded from office: “Al Gore could tighten his grip on the Presidency, and do the nation a huge favor, by breaking with tradition and naming—a Republican. Think of it: our first National Unity government. . . . And I have just the right Republican in mind—William Weld.” When Boston Brahmin Weld was U.S. Attorney for Massachusetts, he imposed a minor fine on the Bank of Boston for laundering \$1.2 billion to a Swiss bank connected to his family’s interests.

**DETROIT MAYOR** Dennis Archer (D) declared a state of emergency on Jan. 8, a week after a snowstorm buried the city. Detroit, which gets as much snow annually as Chicago or Boston, only has 59 plows, whereas the other two have 400-600. As part of the emergency, prison chain gangs were brought out to clear the clogged streets.

**PRESIDENT CLINTON** will propose spending \$7 billion over the next six years to build a nationwide ballistic missile defense system, the Pentagon announced on Jan. 7.

can spread to another, and a problem in one region can spread to another region, and then if all of our trading partners are affected, then we are affected because there aren’t any markets for our products anymore.

“Now, we can’t have a global trading system unless people can move money around in a hurry and at great volumes. . . .

“But to give you some idea of the magnitude of the problem, every day about \$1.5 trillion crosses national borders in currency transactions, far, far, far, multiple times more than the annual—than the daily value of trade in goods and services and daily investments. So the trick is, that we’ve been struggling with the Europeans, struggling with the Asians, struggling with people on every continent who understand this, how can we modernize the financial architecture which was created 50 years ago to facilitate trade and investment so that it also supports this global economy and the movement of money in ways that never could have been imagined?

“I think we’re making progress, but I expect it to be a major focus of my international efforts this year. And I hope, even though it’s a fairly obscure process, it will be clear enough to everyone that we will have support for the United States leading the way.”

## Court finds in favor of witness bribery

The Tenth Circuit Court of Appeals, sitting *en banc* on Jan. 8, overturned a three-judge panel ruling that had found it illegal for prosecutors to offer leniency or other bribes to a cooperating witness. The Justice Department had reacted immediately to the bombshell from the three-judge panel, which held prosecutors to the law, by appealing the ruling to all the Tenth Circuit judges *en banc*. The July ruling of the three-judge panel was overturned by a 9-3 vote.

Effectively this restores the status quo, whereby Federal prosecutors can offer everything from money, to leniency, to promises not to prosecute at all, to cooperating witnesses for their testimony against a targeted defendant. Although this is not reported, it is likely that the defendant in the

case, *U.S. v. Singleton*, will appeal the decision to the U.S. Supreme Court.

One crucial provision in the McDade-Murtha Citizens Protection Act, which is expected to be introduced in the new Congress, holds Federal prosecutors accountable under the Federal anti-bribery statute—the statute at issue in the *Singleton* case.

## Austerity, bungling left embassies open to attack

Adm. William Crowe, former Chairman of the Joint Chiefs of Staff, has delivered the report of his blue ribbon commission to the Clinton administration on the terrorist bombings of the U.S. embassies in Dar es Salaam and Nairobi on Aug. 7, 1998, which includes intense criticism of Federal agencies, dating back to the early 1980s. The report’s findings and recommendations were nearly identical to those of a commission chaired in 1985 by Adm. Bobby Ray Inman, which was appointed following terrorist attacks against U.S. facilities in Lebanon. Inman’s study set strict guidelines for adequate embassy security, focussing on site selection, security systems, and procedures. But in the 14-year interim, only 15 U.S. embassies were upgraded to those standards.

The Crowe report praised U.S. Ambassador to Kenya Prudence Bushnell, for her persistent cables to Washington demanding that the embassy be brought up to the “Inman standards.” Her requests were ignored, even after credible intelligence emerged that the embassy complex was threatened with attack.

The Crowe report, in addition to demanding that the funds be allocated to upgrade all U.S. embassies, blasted the government for relying too much on “tactical intelligence” rather than a global assessment of terrorist dangers, and the overall need to upgrade security. The Crowe panel recommended that the Federal government allocate \$1.4 billion a year over ten years to implement the security improvements. In the 1980s, the Office of Management and Budget balked at the spending, and in the 1990s, Congress cut the budget of the State Department to such a degree that funds were not available for the security upgrade.