

## First Boston strategy: sweatshops in 1980s

A private meeting of bankers and corporate executives in Boston Feb. 9 sponsored by the First National Bank of Boston hopes to lay the groundwork for turning the United States industrial Northeast into a model of the "free enterprise zones" proposed by the Heritage Foundation and already implemented in a modified form in Great Britain by Industry Minister Sir Keith Joseph and Chancellor of the Exchequer Sir Geoffrey Howe.

First National's senior vice president, James Howell III, has personally taken charge of organizing the meeting. Howell handpicked 35 to 40 top corporate executives, deciding to keep the meeting "select and private to encourage wide-ranging discussion."

Howell has arranged for British subject Stuart Butler, the Heritage Foundation's urban policy analyst, to attend the meeting. Butler will take the meeting's recommendations to various congressional sources. An enterprise zone bill is currently in the redrafting stage among the staffs of Rep. Jack Kemp, the Buffalo Democrat, and Sen. John Chafee, a Republican from Rhode Island. (Chafee, a board member of the First National-allied Industrial National Bank of Rhode Island, is a "good friend" of Howell.)

Howell burred to a reporter this week: "The Heritage people like to think they're running things. Quite frankly, the good old Eastern Establishment is behind the idea and we're going to shape it."

Howell described the enterprise zones as placing small, nonunion factories in the decaying inner city areas of such cities as New York, Newark, and Boston. A strong emphasis would be on "postindustrial" enterprises like computer hardware and electronic games. Reportedly, both Wang and Digital computer companies are interested in the project, and plan to send representatives to the Boston meeting.

Such industry would meld with small service-related entrepreneurs, employing 10 to 15 workers each. Howell indicated that the low-wage cottage industries would serve as feeders for slightly more skilled, labor intensive, electronics related plants. He described such a "conveyor system" as a "Hong Kong job development program."

Howell, echoing the conclusions of President Carter's

Commission for an Agenda for the '80s, said, "We are talking about making the zones attractive by providing a low-wage labor pool from inner-city unemployed and ghetto residents who can't be moved out to somewhere else. When the idea is compared to the Hong Kong sweatshops, people here get all upset. . . . What we are doing is delivering an ultimatum to some dying cities and desperate people. You do what we say or you are going to depopulate. Even if we don't say this publicly, we are . . . going to convey this message privately."

Howell went on, "It is not even debatable that the country must enter the postindustrial age. The only question is how do we accomplish this transformation."

Normally, such proposals would meet with opposition from organized labor, since Howell et al. propose the elimination of the minimum wage, union shop requirements, and the Davis-Bacon Act that mandates the payment of the prevailing (union scale) wage for federally funded projects. Howell's best hope is to "split the labor movement"; to that end, overtures have been made to the left-wing social-democratic labor leaders in the U.S. like the Machinists' William Winpisinger, and the United Autoworkers' Doug Fraser, both of whom have connections to the social-democratic German Marshall Fund, which is strongly backing the enterprise zone proposal.

The upcoming Boston meeting is not, however, the first time this idea has been discussed. A recent forum in Washington, D.C., sponsored by the German Marshall Fund and the Academy for Contemporary Problems, met to discuss the zones, with speakers like Stuart Butler, the British Fabian Society's former chairman Peter Hall, and Paul McQuail, British minister of the environment. Hall, it should be noted, is the original author of the enterprise zone plan and helped implement it in Britain.

"It is quite remarkable that there is so much agreement among so many apparently ideologically opposed groups on the idea of enterprise zones," remarked Howell. "The archconservatives like Sir Geoffrey [Howe] and the Heritage Foundation have stolen an idea from under the wing of the Fabian Society. I am a radical capitalist," he added. "The enterprise zone says that there really isn't all that much difference between radical capitalism and what is called Fabian socialism."

C. Kenneth Orski, the vice president of the German Marshall Fund, also saw collaboration between "socialists and the Heritage Foundation" as fruitful and necessary. Orski, whose group funded a December conference of the Second International in Washington, told a reporter that "we tip our hat to the work of a Heritage Foundation." Such statements have led many in Washington to speculate that the nominally right-wing Heritage outfit is in fact controlled by Fabian Socialists such as Peter Hall and represents a Second International Trojan Horse inside the new administration.