

National News

RTC report vindicates Clintons on Whitewater

A report submitted to the Resolution Trust Corporation (RTC) "corroborates most of President and Mrs. Clinton's assertions about their Whitewater real-estate investment," the *Wall Street Journal* claimed on June 26. The RTC, set up to oversee the fate of U.S. savings and loan institutions which went bankrupt during the mid-1980s, was investigating the Clintons' financial dealings in Arkansas with Madison Guaranty Savings and Loan, and the Whitewater Development Corp.

According to the *Journal*, the RTC report shows that the Clintons were initially only passive investors in Whitewater Development Corp., and had no active role until after 1986. Money transfers from Madison Guaranty to Whitewater prior to 1986 are alleged to have contributed to Madison's collapse. The report also verifies, the *Journal* stated, that the Clintons did lose the \$46,000 they claim to have lost in the Whitewater venture.

The *Journal* noted that the report's findings have added significance due to the fact that it was authored by Jay Stevens, who was retained by the RTC despite being a Republican critic of Clinton. If the *Journal's* account is accurate, the RTC report would cut the ground from under the original Whitewater allegations against the Clintons. It might also provide the answer to why Whitewater special prosecutor Kenneth Starr and his army of FBI agents are going so far afield in their Arkansas witch-hunt and indictments.

Arkansas governor slams Whitewater prosecution

Following his June 22 arraignment for alleged campaign finance irregularities, Arkansas Gov. Jim Guy Tucker made his own observations concerning the corruption of Whitewater special prosecutor Kenneth Starr and his promoters. Tucker noted that

Sen. Lauch Faircloth (R-N.C.), a rabid opponent of President Clinton who has pumped up even the tiniest allegations of scandal into massive rhetorical balloons, had in fact helped arrange Starr's appointment to replace the previous independent counsel.

"Of course," Tucker declared, "since this independent counsel represents tobacco company interests as part of his million dollars a year income, not counting the \$100,000 a year he gets from taxpayers for his job, it's not surprising to see a tobacco state congressman, who was instrumental in [Starr's] appointment by Judge Sentelle, make such charges." Tucker was apparently referring to the fact that Starr is representing the British-owned Brown & Williamson Tobacco Co. in a case before the Washington, D.C. Circuit Court of Appeals, at the same time that he is acting as the Whitewater independent counsel.

Tucker went on to blast Starr's investigation as one "where you investigate people and go through persons' lives, try to put together a charge and then charge them with it. . . . Now, when you're granted that kind of power in private life or in public life, there is a need to use with restraint the power granted. This has not only been absent restraint, it has been overflowing with abuse."

Governor Tucker called Starr "a very thin-skinned man" who "wants to be a United States Supreme Court justice. He's made no secret of his ambition for higher appointment by the next Republican administration. This is his ticket to that higher appointment."

Governor Wilson sped up L.A. County bankruptcy

California Gov. Pete Wilson, widely billed as the front-runner for the GOP Presidential nomination, played a major role in accelerating the Los Angeles County financial crisis, the *Los Angeles Times* claimed on June 25. Mustering its powers of hindsight, the *Times* noted that Wilson's previous siphoning off of county property tax revenues—to cover some of the state's massive budget shortfalls—left Los Angeles County

unable to pay its own bills.

California's state budget deficits began skyrocketing in the late 1980s, and dramatically worsened due to wholesale shutdowns of its aerospace and electronics industries during George Bush's occupation of the White House. In 1993, Governor Wilson rammed through measures enabling the state to seize major chunks of local property tax revenues and toss them into the expanding sinkhole of state debt. More than \$1 billion was dragged out of Los Angeles County.

Mike Antonovich, a 15-year veteran of the Los Angeles County Board of Supervisors, told the *Times* that "if the state had not confiscated the \$1 billion in tax revenues, we wouldn't have the crises that we have today." The county also expected to receive \$600 million in federal and state aid this year, which never materialized.

No adjusting of the books, however, can rebuild the collapsed economic base which has driven all levels of government into virtual bankruptcy. County officials are currently wrestling with proposals to eliminate \$1.2 billion worth of public services, in hopes of securing a \$1.3 billion loan from Wall Street. The county already carries a debt of \$7.9 billion.

Conservative guru sees 30-year Republican rule

Grover Norquist, president of Americans for Tax Reform and a crony of House Speaker Newt Gingrich (R-Ga.), told a luncheon meeting of the American League of Lobbyists on June 27 that the ruling Republican coalition will last as long as 30 years. One of the key premises in Norquist's scenario is that more Democrats will die than Republicans.

Norquist described the Republican coalition as a collection of groups "who only want the government to leave them alone," citing the National Rifle Association, taxpayers' rights and property rights groups, small businessmen, and the so-called Christian Coalition as leading elements. The Democratic coalition, Norquist claimed, is not only shrinking, but consists of groups

who are at each others' throats. Unlike the one formed under President Franklin Roosevelt, the current Democratic coalition "is based on interests, not religion or trade union issues, and is therefore less likely to change."

Norquist's version of a peek into the future went way beyond tea leaves in forecasting decades of GOP domination. If the Republicans go through with their plans to cut a trillion dollars from the federal budget by the year 2002, Norquist predicted, the result would be a shift of 4 to 6 million jobs from the public sector to the private sector. That would build the Republican majority, since "the people who hold these jobs will be objectively Republicans."

That reasoning may not have fully convinced the lobbyists, but Norquist had not yet delivered his *coup de grâce* to political prognostication. He unabashedly declared that "2 million people a year die in this country, and 1.2 million of them are Democrats. That means there's a 400,000 net loss of Democrats every year."

Riot over conditions at 'private' prison

The Conservative Revolution's dream of replacing the government penal system with dirt-cheap, privately run prisons has already become a nightmare at one such facility. About 300 illegal aliens held at the Esmor Immigration Detention Center in Elizabeth, New Jersey, rioted for nearly six hours on June 18 to protest their abysmal conditions. During their rampage, the detainees smashed furniture and broke windows, until subdued by nearly 200 police officers using pepper spray, Associated Press reported.

According to the *New York Times* on June 21, inmate unrest was the result of the intense austerity imposed by the Esmor Correctional Service, which ran the facility solely for profit. The *Times* interviewed former employee Carl Frick, the first warden of the detention center, who said Esmor officials instructed him to lie to immigration officials who were investigating conditions at the facility. According to the *Times*, Frick was directed to tell them a doctor had been

hired, when in fact he could find no doctor willing to work for the low wages Esmor was offering.

He was also instructed to renegotiate a food-service contract, because \$1.12 a day was considered too expensive for an inmate's meals. An attorney for the Lawyers Committee for Human Rights told the *Times*, "This facility was run on the cheap with guards hired off the street with no training."

The detainees, who were awaiting deportation hearings, and in most cases had applied for political asylum, caused an estimated \$100,000 worth of damage to the center, making it uninhabitable. They were moved to other Immigration and Naturalization Service facilities in New York, Pennsylvania, and Maryland. The INS had agreed to investigate after U.S. Rep. Robert Menendez (D-N.J.) asked the Justice Department in May to look into charges of abuse.

Reich punctures hoax of 'family values' pushers

Addressing the National Baptist Convention in San Diego on June 21, Labor Secretary Robert Reich took to task proponents of "family values" who use the words to generate political divisiveness rather than solutions to real problems.

"It used to be," he said, "that someone could walk directly from the high school graduation ceremony to the factory gate, and then get a decent job that would last a lifetime." Today, however, Reich noted, "almost all families work, and they are working harder than ever," yet more and more families are "getting nowhere."

Reich attacked the "sirens of cynicism" for using "divide and conquer" tactics, and made direct references to Republican Presidential candidates Pete Wilson and Pat Buchanan. Frequently, Reich said, the strategy of those who invoke the words "family values" is to "ignore the real problems, get anxious people scared and mad at each other, and hope this fear puts enough points on the board to win when the buzzer sounds."

Briefly

● MARGARET THATCHER

spent some extra down time with Fed chairman Alan Greenspan, at a farewell party for British Ambassador Robin Renwick in Washington on June 26. The *Washington Times* reported that, besides stroking a few other Bush puppies at the event, Thatcher spread pillows on the floor and settled down to a half-hour chat with Greenspan. Thatcher was allegedly in the United States to promote her new book, *The Path to Power*.

● HENRY KISSINGER

met recently in New York with Hollywood actor Paul Sorvino, who wanted to size him up before playing Fat Henry in Oliver Stone's forthcoming film "Nixon." According to an item in the June 21 *Washington Post*, Kissinger told Sorvino, "You're fatter than I am." Having read the script, Kissinger also told him, "I'm a slimeball in it, but at least it's not a big part."

● DONALD NIXON, Jr.,

nephew of the late President Richard Nixon, has been detained by Cuban authorities, Associated Press reported on June 23. "Don Don," who had worked closely with top narco-financier Robert Vesco, was in Cuba arranging "for a pharmaceutical test there," according to AP.

● VIRGINIA PRISONERS,

under a directive effective July 1, will be required to pay \$5 for health care visits, and an additional \$2 for any medication dispensed other than aspirin. There are few exceptions to the policy. Prison inmates make approximately \$7 a week, which must also cover such purchases as shaving cream and toothpaste, if they have no other source of funds.

● THE LAW PARTNER

of Anti-Defamation League national commissioner Murray Janus pled guilty to sexual assault on June 19. Richmond, Virginia attorney James Baber was accused of asking a woman who was a potential client to perform oral sex in lieu of a fee. Janus, charged with bribing Baber's accuser with \$10,000, pled not guilty.