

# National News

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## Working poor can't find rental housing

A lack of affordable rental units and a freeze in Federal housing subsidies have created a housing crisis for working poor families. The Department of Housing and Urban Development (HUD) reports that 5.3 million families—about 14% of U.S. renters—pay at least half their income to keep a roof over their head. Among these families, tens of thousands of heads of households were forced off welfare and into low-paying jobs, and now can't find housing.

Caty Royce, director of the Community Stabilization Project, a low-income-tenant advocacy group in St. Paul, Minnesota, pointed to the thin margin of survival many poor families must live with: "I have literally had parents say that because they paid for a field trip, or had to get diapers, or bought some shoes that their kids wanted, that they didn't have enough money for rent. And these are not people on welfare, or drug addicts. These are working families." Typical is the case of Rigoberto and Alba Murcia-Andrade: Along with their two-year-old son, they share two bedrooms with a relative. All three adults work, earning about \$1,000 a month. Their rent is \$480.

According to the Pennsylvania Low-Income Housing Coalition, Pennsylvanians who earn the minimum wage would have to work 86 hours per week, just to afford rent on a two-bedroom apartment.

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## Louisiana considers securities sales tax

On May 5, a bill that would impose a 1% tax on the sale or transfer of securities was introduced into the Louisiana House of Representatives by Rep. Charles Hudson of Opelousas. The bill has three co-sponsors, Arthur Morrell (New Orleans), Willie Hunter Jr. (Monroe), and Ernest Baylor, Jr. (Shreveport); all four representatives are signers on the open letter to President Clinton, calling for the exoneration of Lyndon LaRouche, are Democrats, and are members

of the Legislative Black Caucus. LaRouche was the first to propose the idea for levying the minuscule tax on securities transfers in 1993, when he commissioned *EIR* to investigate the explosion of off-balance-sheet financial derivatives.

The "Louisiana Securities Transfer Tax Act," House Bill 262, is identical to a bill introduced in Pennsylvania last year by Rep. Harold James, except it levies a higher tax. Similar legislation in New Hampshire was prompted by a December 1997 State Supreme Court decision ruling that the state's property tax unfairly burdened property-poor school districts. The sponsor for New Hampshire's 1% tax, Rep. Bill McCann, estimated that a transfer tax on all securities—stocks, bonds, and off-balance-sheet speculative instruments—would yield revenues of \$5 billion over four years.

Louisiana's proposed bill reads: "It is the legislature's intent to provide a disincentive to financial speculative activity destructive to the economic well-being of this state and its citizens; to encourage stable investments and job creation; and to enhance state revenues without harm to the lives and health of the people."

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## Chiquita ships found carrying illegal drugs

Belgian authorities have found over a ton of cocaine in seven seizures in 1997, on ships carrying Chiquita brand fruit, according to a May 3 article in the *Cincinnati Enquirer*. Chiquita's CEO is the Cincinnati-based Carl Lindner, who succeeded organized-crime figure Max Fisher as chairman of United Fruit, which was later renamed Chiquita Brands International. According to the *Enquirer*, the most recent seizure was on Oct. 31, when more than 500 kilos of cocaine were discovered on a ship belonging to Chiquita Brands, in a large container packed with boxes of fruit.

A companion article focusses on Lindner's good relations with both Democrats and Republicans, under the headline "Contributions Buy Influence."

In the 1970s, insurance magnate Lindner was involved in the takeover and restructuring of organized crime's United Brands,

which was renamed United Fruit. He was a central figure in organized crime's involvement in the junk bond/takeover operation run under Drexel Burnham's Michael Milken in the early 1980s, through his operations in insurance and S&Ls.

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## Defense motions denied in Houston FBI sting

The judge in an FBI bribery sting against three minority Houston city councilmen rejected a defense motion to dismiss the case, but dropped all four counts against the one white defendant, lobbyist Ross Allyn, on April 27. The sting involved alleged bribery by a dummy contractor for a construction project, whose bid the councilmen had already approved.

The case follows the pattern of the FBI's "Operation Fruehmenschien," which targeted African-American office-holders for prosecution.

The defendants pointed out that they had announced their support for the otherwise legitimate construction bid, before the FBI front man had made his contribution, now alleged to be a bribe, to them.

In the latest blow to the prosecution's case, defendant Ben Reyes, a former City Councilman who was the main target of the sting, testified that he never delivered the alleged bribes to the other Councilmen. Reyes's attorney provided evidence that Reyes used the bribe money to buy property, which Reyes said he did so that he could develop it, using minority contractors to create minority jobs.

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## Private toll road is failing fast

With less than 90 days left before it must come up with a plan to refinance its massive debt load, time is running out for the Dulles Greenway, the country's first private toll road, which runs from Washington's Dulles airport west to suburban Leesburg, Virginia. Various financial sources say that the Greenway, touted as a model private infrastructure

**ABE FOXMAN**, chairman of the Anti-Defamation League, came out swinging in defense of "Get Clinton" prosecutors Kenneth Starr and Hickman Ewing, in an interview with the May 7 *New York Post*. Foxman's Irish was got up by White House aide Sidney Blumenthal, who had referred to Ewing and Starr as religious fanatics, and described their operation as a "perverse episode" and a "reign of witches" (a phrase borrowed from Thomas Jefferson). Foxman, stuck with a target he couldn't tar as anti-Semitic, bristled, "There's no room for introducing a religious component or factor into this debate."

**THE PEW CHARITABLE** Trust announced on May 7 that it will provide \$5.2 million to create the Pew Center on Global Climate Change, to help shape the debate on the Malthusian dogma of global warming. Sunoco, British Petroleum, Boeing, and Toyota have endorsed the center and will let it use their corporate logos in its literature.

**A MIDEAST EXPERT** who has written several books on the Israeli Labor Party, remarked, in a May 7 discussion with *EIR*, on the coincidence that "it's all one crowd going after Clinton," referring to the fact that the same crew trying to bring down the President (Jerry Falwell, Pat Robertson and the Newt Gingrich crowd) is also opposed to his Middle East peace effort.

**THE POSTAL** Workers Union plans to hold informational picket lines nationally on May 27 to protest privatization and contracting out schemes by the U.S. Postal Service. The union is also planning a national radio ad campaign to warn against future privatization plans.

**JOHN SWEENEY**, AFL-CIO president, told the Economic Strategy Institute on May 5, "An untrammelled global economy is morally—and ultimately politically—undefensible." However, he made no mention of the need for a New Bretton Woods monetary system.

project when it opened, years behind schedule, in 1995, has less than a 50% chance of averting bankruptcy; if bankruptcy should occur, a state takeover of the road might occur.

The Greenway must have some refinancing deal in place by July 31, when the latest extension on its debt service from its creditors, including the state, expires. The Greenway's investors, who include Hunt Country millionaire Magalen Ohrstrom Bryant, have yet to make even one debt service payment, which is supposed to be \$7 million quarterly.

As *EIR*'s local subsidiary, *News for Loudoun County*, first reported, desperate Greenway officials had approached Loudoun County with the scheme to establish a tax-exempt shell corporation, with participation from the county and a group of the Greenway's investors, which would take over "ownership" of the road and seek a tax-exempt, low-interest refinancing of the debt, estimated at more than \$325 million. Sources say that Greenway's creditors have demanded the involvement of the county or some other "fresh blood" in the arrangement, because they are unconvinced that either the road or its current investors could ever pay off the debt.

## One in 50 Americans are in 'corrections' system

In a devastating front-page article in the May 12 *Richmond Times-Dispatch*, criminal justice writer Frank Green documents the degree to which the United States has been turned into a gulag culture: In 1997, one in every fifty Americans was behind bars, on parole, or on probation. About 1.7 million people—more than the total number of people in the U.S. Armed Forces—were in state or Federal prisons or local jails. From 1987 to 1997, the number of prison inmates doubled, while the population rose only by 11%.

What he called the "correctional-industrial complex" cost at least \$33.4 billion last year—equal to almost 15% of the U.S. defense budget. Corrections has eclipsed Medicaid as the fastest-growing budget item for many state governments. Seven states had prison budgets of more than \$1 billion—California, New York, Michigan, Florida,

Ohio, Pennsylvania, and Texas.

According to the Justice Policy Institute of Washington, D.C., 1995 was the first year in which more money was spent on prison construction than on college and university construction. In Virginia, it costs an average of \$16,317 a year to keep an inmate imprisoned. By comparison, the state allocated \$4,219 per higher-education student, and public schools spent \$5-7,000 a year per student.

## Israel admits Pollard was their spy

The Israeli government has finally officially admitted that Jonathan Pollard, a former U.S. Naval Intelligence employee who was convicted of spying for Israel in 1985 and has been serving a life sentence in a Federal prison since then, was working for the state of Israel as a spy. The official statement reads: "Jonathan Pollard was an Israeli agent handled by high-ranking Israeli officials in an Israeli authorized bureau, Lakam. In light of this fact, the State of Israel acknowledges its obligation to Mr. Pollard and is ready to assume full responsibility accordingly."

The admission, demanded by Pollard, in order for him to be released to Israeli authorities, was the subject of a case before the Israeli High Court, which has now been withdrawn. His attorney, Larry Dub, told the May 12 issue of *Ha'aretz*, "Unless Israel comes clean, there is no opportunity to have him released." The agreement to make this admission was worked out between Dub and the office of Prime Minister Benjamin Netanyahu and was written by the Prime Minister's legal adviser. Left unsaid by the Israeli government is the fact that Pollard was deployed under then-Prime Minister Yitzhak Shamir, of the Likud party, and that his handler was Ariel Sharon's protégé, Rafi Eytan.

The admission occurs on the eve of Netanyahu's trip to the United States, where he will brainstorm against Clinton, with the old Pollard support apparatus including such Congressional Republicans as Sen. Jesse Helms (R-N.C.), "strategist" Richard Perle, and the "Christian" right around Jerry Falwell.