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Global Goals: Bailouts, Bosnia, Lies, and Hot Air

Congress Should Just Say No to IMF Funding

While most Americans were celebrating Christmas and exchanging gifts with family members, Secretary of the Treasury Robert Rubin spent Christmas Eve at the Federal Reserve Bank of New York conniving to force the American taxpayers to give gifts of unprecedented magnitude to the big U.S. banks that made foolish loans to corrupt Asian regimes. It is now obvious that those who mouth the mantra "free trade" expect the rest of us to save them from the free market.

Closeted with Rubin at this emergency holiday gathering were the heads of Citicorp, Chase Manhattan, J.P. Morgan, BankAmerica, Bankers Trust, and Bank of New York. These big banks would take a bath if Korea defaulted, and they expect Rubin to devise a plan to save them from the consequences of their bad investments and loans.

Only a few weeks ago, Bill Clinton was reassuring us that the Asian financial flu was causing just a "few little glitches on the road," and Rubin was saying it would be a "moral hazard" to ride to the rescue of South Korea. At most, he said, Korea would need "only" \$5 billion from us as a "second line of defense."

Rubin now admits that his strategy for containing the Asian flu has failed. The South Korean *won* has continued to devalue (plunging 40% in one week) and money continues to flow out of the country.

The Clinton Administration has agreed to lend \$1.7 billion to South Korea by the second week of January from the Emergency Stabilization Fund. That's a little-known currency reserve fund created in the 1930s to support the American dollar.

Rubin claims that the Administration does not need to get Congressional approval to raid this fund. But since this fund was created to support the American dollar, Congress should immediately act to prevent its misuse to prop up the Korean *won*.

This imminent transfer of \$1.7 billion is only the tip of the iceberg. After all, his friends at Citicorp are on the hook for \$60 billion in Asian loans, Chase Manhattan for \$32 billion, J.P. Morgan for \$23 billion,

and BankAmerica for \$16 billion. Something has to be done, and fast!

In the 1990s, U.S. investors poured hundreds of billions of dollars into Asia in the form of direct investments, building factories to hire cheap local labor, bank loans, bonds, and investments in local stock markets. U.S. money managers were so heady with faith in the "Asian miracle" that they closed their eyes to risk and bought Asian bonds paying interest rates only about one percentage point higher than U.S. Treasuries!

The middleman that conceals the scope of U.S. foreign aid is the International Monetary Fund (IMF), a bank account into which Congress puts U.S. money that is given away by a European bureaucrat named Michel Camdessus. He has already doled out \$100 billion for the Asian crisis, and now is asking Congress for \$28.8 billion to "replenish" the IMF.

If bailouts solved anything, the IMF bailout of Thailand would have stopped the Asian flu months ago. IMF rescue attempts have even become part of the problem because they reward stupidity, socialism, and cronyism.

Rubin claims that the 1994 Mexican bailout, which aroused stormy public criticism, was successful because Mexico paid back the loan. But Mexico put up its oil production as collateral for the U.S. loan, while South Korea is putting up no collateral whatsoever.

Secondly, the bailout was disastrous to Mexico. The peso devaluation forced a 50% pay cut on Mexican workers, the rising middle class was virtually wiped out, and the country is plagued with new political instability.

Administration officials said they are "not concerned about repayment" because the South Koreans like us and are dependent on our keeping our 35,000 troops there. But they may not be so friendly after they realize that the IMF handouts come with regulations that will impose real economic hardship on average Koreans while protecting the rich U.S. and Korean bankers and investors.

Rubin obviously planned his announcement while

all Congressmen were away from Washington and their offices closed for the holidays. When Republicans return in January, they should explode in outrage and "just say no" to all bailouts, both direct and through the IMF.

When Administration spokesmen recite the mantra "free trade," our response should be: We're for the free market. Events have now proved that "free trade" is a racket that forces the taxpayers to protect the big boys from the risks of the free market.

Asian economies are ruled by anti-free-market cliques that give the commercial goodies, such as loans, investments, contracts and favorable terms, to their political pals. "Free trade" means subsidizing the trade of wealthy U.S. banks and corporations with regimes that are built on Communism, slavery, despotism, religious persecution, theft, bribery and corruption, and have no intention of permitting commercial, political or religious freedom.

No Exit from Bosnia

President George Bush reneged on the most famous campaign pledge of modern times ("No new taxes; read my lips") after his adviser Richard Darman told him, "Nobody believed that anyway." Bush discovered that, on the contrary, people did believe him and were angry enough about his betrayal to defeat him for reelection in 1992.

Bill Clinton promised that he would have American troops out of Bosnia by the end of 1996, and that the mission would be "precisely defined with clear, realistic goals" that could be achieved within the year. He reneged on that promise only days after he was re-elected in November.

Then he made another promise that our troops would come home by July 1998. On December 18, 1997 he reneged on that promise and called for an open-ended commitment to keep our troops in Bosnia.

Clinton apparently figured that nobody believed him anyway and that he could get by with a sort of an apology during the Christmas holidays. He said he was "wrong about the timetable." All evidence indicates that his "timetable" statement was not an apology but a fresh deception. He wasn't just "wrong" about his timetable; he lied about the timetable in order to conceal his real intention to keep American troops indefinitely in Bosnia.

The announcement in December 1997 that State Department experts had just discovered that, if we pull our troops out of Bosnia, the locals will resume fighting, is black comedy. Of course, they'll resume fighting, and everyone with common sense has known this all along.

The Serbs, the Croats, and the Muslims don't like each other, and they are not willing to live under the untenable Dayton accord forced on them by Clinton. "Peace" exists in Bosnia today only because U.S.

troops are playing policemen, social workers, and (to quote Rush Limbaugh) providing "meals on wheels."

The whole idea of using American fighting troops to build a multiethnic Bosnian democracy sounds like a theory hatched in academia by the high priests of multiculturalism and diversity. History tells us that prolonged bloody ethnic fighting ends only in dictatorship or partition.

The Bosnian situation today is fundamentally no different from what it was before we spent \$8 billion supporting American troops there. Bosnia is not a nation; it is an artificial "made in America" police state.

The goal of Clinton's "peacekeeping" expedition is not peace (except as enforced by U.S. troops). The goal is not "nation-building" because there is no nation to build. Clinton has no exit strategy for Bosnia because he has no plans to exit. At his 94-minute news conference on December 18, Clinton was asked a question about his "open-ended U.S. military commitment to Bosnia." He declined to assure us that U.S. troops will be out even by the time he leaves office three years from now.

Clinton's goal is permanent intervention in foreign conflicts, using NATO as the mechanism to preempt Congress. Why? Because Clinton and his advisers all believe in U.S. interventionism in foreign, particularly European, conflicts as a permanent feature of U.S. policy. They call this "showing leadership."

If the Senate is so foolhardy as to ratify the upcoming NATO Expansion Treaty, we will have one "Bosnia" after another, and it will be an economic as well as a military drain on U.S. resources. Clinton's advisers are quite frank in acknowledging this.

Ever since the Berlin Wall came down, ending the threat that the old Soviet Union would invade Western Europe, NATO has been a bureaucracy in search of a mission. Those who believe in U.S. interventionism as the indicia of "leadership" have been desperate to find a rationale to keep American troops in Europe.

In a May 20, 1997 speech to the Atlantic Council, Clinton's personal foreign policy and Rhodes scholar roommate Strobe Talbott said: "NATO today doesn't need an enemy. What it needs is an enduring purpose, and that it has; namely, to undergird trans-Atlantic security, . . . to maintain the collective will and capacity to meet new threats."

Describing his plan to bleed American taxpayers in behalf of his global goals, Talbott added, "We want to do for the Central and East Europeans what Dean Acheson and George Marshall's generation did for Western Europe." Echoing Talbott's enthusiasm for a multi-billion-dollar "Marshall Plan" for Eastern Europe, Secretary of State Madeleine Albright told NBC's Meet the Press on January 26, 1997, "We have to do for Eastern Europe what we did for Western Europe."

Who are "we"? The American people never voted to spend our money that way. But the democratic process doesn't matter to Albright, who *Time* magazine

reported has a "passion for American activism."

On December 18, Clinton sanctimoniously declined to set a new deadline and he laid down "benchmarks" by which he will decide when U.S. troops can come home. He said that U.S. troops will stay in Bosnia until there is a "self-sustaining, secure environment" and its media are free from "hate and venom."

Those are code words for never! Clinton doesn't even think the U.S. media are free from hate; his spokesmen are constantly whining on television that the United States is plagued by "hate radio."

Freedom to Lie on Labels?

We're learning more every month about what "free trade" really means. Not only does it mean NAFTA, stunning defeats in disputes before the World Trade Organization (too bad for Eastman Kodak, which lost its effort to open up the Japanese market and has announced layoffs of 16,000 employees), and billion-dollar bailouts of corrupt Asian regimes, but now we find that free-trade proponents want freedom to lie to American consumers.

The advocates of now-we-all-live-in-a-global-economy cooked up a sneaky plan for the Federal Trade Commission (FTC) to change its rules so that products could display the label "Made in U.S.A." even when that label is a lie because up to 25% of the product is *not* made in the U.S.A.

The standard for the last half century has required a product to be "all or virtually all" made in the U.S., with only "negligible" foreign content, in order to carry the coveted "Made in U.S.A." label. This standard has been interpreted to mean 98% of the merchandise's value.

The regulatory legerdemain was to be accomplished by a change published in the May 5, 1997 *Federal Register*. However, some people actually read the 16 pages of fine print and, after the firestorm subsided, the FTC backed down and abandoned its proposal.

Nobody was threatening any business's right to sell products that are 25%, or even 100%, foreign made or containing foreign content, or to charge any price the seller wishes. The issue was over allowing businesses to lie about their products, label them falsely, and deceive their customers about where the merchandise comes from. This was wholly a truth-in-labeling issue. As Sen. Fritz Hollings (D-SC) said: "Polluting the 'Made in U.S.A.' label with non-American products makes about as much sense as calling polyester a natural fiber."

The FTC, which was "surprised" at the fierce opposition to the change, didn't understand that this was an honesty issue. Jodie Bernstein, director of the FTC Bureau of Consumer Protection who wrote the proposed change, described it as "a complicated issue" and whined that "I thought we came up with something very reasonable." Wouldn't you think that protecting

consumers against false labeling would be a priority for the Bureau of Consumer Protection? But no apologies were forthcoming; like many current politicians, Ms. Bernstein pleaded the excuse of style rather than substance: "We just didn't communicate the proposal well enough."

What's so fascinating is not only that the grassroots won an upset victory over the bureaucrats, but the way this regulatory war was reported by the newspapers that always line up on the side of free trade and the interests of global economy. The news stories were exemplars of obfuscation.

Those who opposed the change were branded as "emotional" and put down for supporting a "half-century-old standard," a "World War II-era standard." In touchy-feely words, we were admonished that it's "time to update the standard," to "relax the standard," to give the economy "more flexible standards" and "more leniency."

The *New York Times* admitted that "The idea of changing it grew out of a recognition of America's place in an increasingly global marketplace, and a growing sophistication among consumers, who realize that fewer and fewer goods are made within a single country." That *non sequitur* is no justification for lying to the American consumers. Our "sophisticated" American consumers should be allowed to decide for themselves if they prefer to buy products made in the U.S.A., and if they care whether or not a product has foreign content. It is possible that the "Made in U.S.A." label is even more valuable today than it was 50 years ago.

The proposed FTC change was defended as an "effort to recognize the reality of American commerce in the global bazaar." Contrariwise, it was an effort to conceal the reality that multinationals want to sell low-priced foreign goods marketed under a false U.S. label.

The FTC was unable or unwilling to estimate how much of our economy would be affected by its proposed ruling, but it seems clear that this was another issue that divides the multinationals, who make extensive use of cheap foreign labor, against smaller, American-owned businesses. The successful Made in U.S.A. Coalition included agriculture associations, small businesses, consumer advocates, and grassroots Americans.

Rep. Bob Franks (R-NJ), who lined up 150 Republicans and Democrats to sign a House resolution opposing the change, said, "The agency charged with upholding truth in advertising is attempting to pull a fast one on America's consumers." But truth won out, and the FTC had to bugle retreat.

Global Warming = Hot Air

It's becoming more obvious every day that the Climate Change/Global Warming Treaty produced in Kyoto, Japan in December 1997 should be called the

Hot Air Treaty. The only warming we are experiencing is the hot air manufactured by politicians who seek higher taxes and more regulations, wacko environmentalists who want to make humans serve the Earth instead of vice versa, and envious Third World regimes that seek to transfer U.S. wealth to themselves.

This Hot Air Treaty would legally bind us to reduce our energy emissions to 7% below our 1990 levels with a deadline of 2008 to 2012. This would reduce our gross domestic product by \$200 billion annually, cost us more than a million jobs, and cause massive disruption in the American economy.

These drastic cutbacks would be enforced by the typical liberal "solutions": taxes and regulations. The Federal Government would impose a massive energy tax that would drive up the cost of home heating and electricity by 30 to 40 percent, put an additional tax of at least 60 cents on every gallon of gasoline, and drastically reduce our standard of living. Every product produced with the use of energy, including food, would increase in price, and major industries (such as paper, steel, petroleum refining, chemicals, aluminum, and cement) would be crippled. The average family would pay \$1600 to \$4000 per year in increased energy costs.

The rationale behind this treaty is the claim that America's high standard of living, based on our large consumption of energy produced by burning oil, gas and coal, causes carbon dioxide emissions, which in turn produce a worrisome warming of the global atmosphere called the greenhouse effect. The evidence to support this theory is so inconclusive and contradictory that it cannot be dignified by the term science.

Clinton's predictions of global warming rely on a 1996 United Nations report. But before releasing it, the UN bureaucrats deleted two key paragraphs written by the scientists who made the analysis. The omitted passages, which refute the global warming thesis, state: (1) "None of the studies cited above has shown clear evidence that we can attribute the observed climate changes to increases in greenhouse gases," and (2) "No study to date has positively attributed all or part of the climate change to man-made causes."

The only thing that we know for sure is that temperature fluctuations occur. Many observers think that global warming, if indeed it is taking place, would be a good thing and would generate net benefits and savings to the United States.

Science Times suggests that, if our planet is heating up, the cause may be the sun, over which we have no control. Almost all the demonstrable global warming occurred before 1940, and so it can't be blamed on the widespread use of the automobile.

The Illinois State Climatologist Office released a report on October 22, 1997 stating that projections from several new international climate models indicate that parts of the United States will "cool by several degrees Fahrenheit through the year 2050." This report states that current climate models are now "more realistic"

and predict "cooler, wetter weather for the central United States rather than the warmer and drier predictions of earlier models."

The Hot Air Treaty is manifestly unfair to the United States because Third World nations, including Mexico, China, Indonesia, India, Brazil, and 120 other countries absolutely refused to accept any emissions restrictions whatsoever. That would accelerate the flight of U.S. industries and jobs to those countries.

Like all Clinton's other treaties, the Hot Air Treaty would create a new global agency to deal with "non-compliance," and the upcoming conference in Buenos Aires, Argentina in November 1998 will work out the details. This means rationing our energy through global governance.

The Clinton Administration is attempting to wiggle out the "box" it has put itself into by floating two "options." One option is "emissions trading," *i.e.*, a plan to allow industries that find the emissions limits prohibitively expensive to buy emission permits from the Third World. That's just a devious type of foreign giveaway and would redistribute U.S. wealth to other countries. Another option is to force U.S. taxpayers to finance exotic alternative energy sources such as solar and wind energy, and automobiles that run 70 miles to the gallon. Those are just more expensive government boondoggles.

Clinton can't control global climate any more than King Canute could hold back the tides. But the Hot Air Treaty can change the temperature in your home if you can't afford the high energy taxes to keep it warm in the winter and cool in the summer.

The Kyoto Conference was partially planned to enhance Al Gore's candidacy for President, since the wacko environmentalists are one of his major constituencies. Now that Americans are beginning to see the fakery of the alleged "science" about global warming and the total unfairness of the treaty, Clinton says he won't submit the treaty to the Senate this year.

But look out! Clinton will probably follow the pattern of his other global initiatives by attempting to implement the unratified treaty anyway through his Council on Sustainable Development.

Tell your U.S. Senators: Stop Global Whining and Vote No on the Hot Air Treaty. Kyoto is a No-No.

A "must see": Eagle Forum's video *Global Governance*. \$25 from Eagle Forum.

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