

Arkansas Plutocrats Fight Back

Our March 1 report on the Northwest Arkansas Regional Airport — a scheme by which taxpayers will shell out \$100 million to finance an airport whose prime purpose is to enrich its sponsors, chiefly Bill Clinton's wealthy Arkansas cronies — was picked up widely, most conspicuously on the front-page of the April 1 *The Washington Post*.

In the president's home state, a furor quickly ensued on publication of our story. The Arkansas billionaires behind the airport scheme — notably the Tyson family of Tyson Foods and the Waltons of Wal-Mart — are accustomed to enjoying the benefits of the public treasury undisturbed, and are angered and amazed that it is now necessary to justify use of state resources.

A p.r. counter-offensive was duly launched, pitting Northwest Arkansas against *CounterPunch*. The *Northwest Arkansas Times* ran a story on March 29

headlined "Airport advocate angry at claims in newsletter". The advocate referred to was Carol Lindsey, a long-time Friend of Bill, who said our article on the Poultryport represented "a patent violation of freedom of the press". The article closed with another quote from Lindsey, who said that "Northwest Arkansas has a lot to offer not just this country but the whole world. [The *CounterPunch* article] is just another attempt to slam the business and industry of Northwest Arkansas."

Moir Minielly of the *Benton County Daily Record* — a newspaper in which the Walton family has a major interest — called to find out why we hadn't interviewed the Waltons or the Tysons about the story. We informed her that we had absolutely no interest in what those parties had to say, as they had had five years to present their views on the subject while the local media had shut out the airport opponents we spoke with in preparing our report. Minielly — a recent transplant to the region from Chicago who appears to have quickly learned that criticism of the Waltons is not the prudent path to success in Northwest Arkansas — seemed most interested in finding out the names of our Arkansas informants, a detail she was naturally denied. ■

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reports of security forces extracting confessions by beating the soles of prisoners' feet or by bending or twisting fingers."

As to the "very concrete process of democratization" that has taken place under Bongo — in power since 1967 — the State Department report said that the December 1993 election in which Bongo won with 51 percent of the vote, was "marred by serious irregularities, including a secret vote count that excluded all but government observers. In Bongo's home region of Haut-Ogooué, the number of votes cast for Bongo was greater than the population reported by the 1993 census.

Carol Tucker Foreman

At our last encounter (see *CounterPunch*, Jan. 1, 1995) Foreman, founder of the Safe Food Coalition and ardent

lobbyist for more rigorous food inspection standards, was quietly flacking for Monsanto, the maker of the milk-inducing cow drug, recombinant bovine growth hormone (rBGH), and of various cancer-causing pesticides. Foreman has been using her reputation as a consumer advocate to set up visits by activists to Monsanto's St. Louis H.Q., for sales pitches for BGH.

Foreman, we have since learned, is also lobbying for Procter & Gamble. Her allotted cause is the fat substitute, olestra. The FDA has been reviewing olestra since the mid-1980s. If approved it will mean millions for the company.

As with Monsanto, Foreman's standing as a crusading champion of consumers has served her corporate client well. She's arranging for activists to attend luncheons P&G has been holding around the country, where well-known chefs whip up meals cooked with olestra. Dieticians and nutritionists are also on hand to promote the virtues of the product. But since olestra is still not approved by the FDA, participants at these banquets must sign a statement which frees P&G of liability in the event of any untoward reaction.

We called Michael Jacobson of the Center for Science in the Public Interest, which works with Foreman in the Safe Food Coalition. He professed himself incapable of spying any conflict-of-interest in Foreman's dual roles as consumer advocate and industry flack — even though he mused that industry hires her because she has "credibility": "The Coalition has stayed away from food additives and biotechnology issues," Jacobson says. "If we got involved in those areas I'm sure Carol would recuse herself."

Jacobson lauded Foreman's talents and defended working with her. "She's tough as nails. If anybody can find a better person working on food safety issues than Carol, I'd like to know about it."

Robert Chlopak

Lobbyist and Democratic Party operative. One of Chlopak's tasks in the early Clinton days was to co-opt the national green groups to the "Option 9" plan for the public forests of the Pacific Northwest. His firm of Chlopak, Leonard, Schecter & Associates recently signed up to work for the Mexican government, which is most definitely in need of a

serious p.r. makeover. The February 5 filing says Chlopak's firm will "provide the Office of the President of Mexico with advice and assistance on communications issues". No fees are being paid at the present time but Chlopak is not known for his charitable work. Large sums of money will no doubt soon be changing hands.

Chlopak also has signed up to do communications work for the government of Colombia, by far the worst human rights abuser in the hemisphere and recipient of about half of all U.S. military aid in the region. As Ana Carrigan points out in the March/April *NACLA Report on the Americas*, during every year since 1986, more people have been killed, disappeared, or suffered death by torture at the hands of the Colombian government or death squads than the total number of victims of political repression during the 17-year Pinochet dictatorship in Chile.

However, Chlopak's firm fulfills a daintier task for its client, seeking to build support for roll-back of tariffs and protectionist measures against Colombian cut flowers. Towards this end, Chlopak secured a study by Mark Falcoff and Claude Barfield of the American Enterprise Institute which warned that protectionist policies could "undermine free-trade gains produced by NAFTA and GATT". The study was released last Dec. 6, exactly two weeks before Mexico's economy collapsed and even the pretense that there might be any NAFTA-linked "free-trade gains" went up in smoke.

(The AEI study distributed by Chlopak's firm is typical of the way p.r. firms now routinely make use of "independent" academics. One industry rep described his technique for us: "I call up an 'expert', feign interest in his or her work, confirm that it's consistent with the industry viewpoint, and then seek to strike a deal", normally for either a study or an appearance at a press event. "We don't say that we want an industry mouthpiece, but that's what it amounts to — and they know it", this person says. "Buying an independent voice is a simple matter." He recalls asking conservative economist Murray Weidenbaum to appear at a media briefing on behalf of one of his clients. Weidenbaum said he was very busy but might be able to squeeze in half a day — if the p.r. firm was prepared to fork over \$15,000.)

Hyde and Clyde: What He Knew and When He Knew It

Henry Hyde now enjoys the illustrious post of chairman of the House Judiciary Committee. He also faces the inconvenience of being sued by the Resolution Trust Corporation for his role in the failure of Clyde Federal, an Illinois S&L. This indecorous state of affairs is still a relative secret in Washington. *CounterPunch* reported on the Illinois Republican's unpleasant circumstances last year and has now obtained new information.

Hyde sat on Clyde's board of directors between 1981 and 1984. The thrift went bankrupt in 1991, costing taxpayers roughly \$67 million.

During Hyde's tenure, Clyde engaged in risky options trading which resulted in losses of \$10 million, traded with Refco Inc., the notorious Illinois firm which later was involved in Hillary Clinton's commodity trading deals, and abandoned Generally Accepted Accounting Principles in favor of Regulatory Accounting Procedures — a smoke-and-mirrors system which Congress created to allow financially ailing financial institutions to appear to be solvent.

Hyde has always claimed that he played a minor role in Clyde's affairs, and was only remotely aware of the thrift's difficulties and the board's actions. Tim Anderson, an Illinois-based banking consultant, provided us with nearly 400 pages of documents regarding Hyde's years at Clyde. The material reveals that the congressman's explanation does not fully reflect the true state of affairs.

Hyde not only approved all the steps mentioned above, but also was a prime player in a number of other disastrous moves taken by the thrift. In 1982, Hyde seconded a motion by which the S&L purchased \$28 million worth of Eurobonds through a U.S.-owned bank in the Cayman Islands, where terra firma is more shark-infested than the surrounding waters.

That same year Hyde also seconded a motion authorizing the thrift to offer bank directors and officials below-market rates on mortgage loans. Here Hyde

was effectively violating the law since the House Banking Committee in 1978 — when Hyde was a member — approved a bill, later passed by Congress, which bars financial institutions from offering directors or officers better credit terms than those they offer to the public.

Hyde claims that Clyde was in fine shape when he left the board, and that he was entirely unaware that the S & L was in dire financial shape. But records show he was privy to a May 7, 1982 letter from a Federal Home Loan Bank Board agent advising the board that Clyde's position was so precarious that it might go bankrupt within 14 months.

In one arresting new development, the Judiciary Committee Chairman's lawyer, William Harte, told *American Banker* that he hadn't been billing the congressman for his work on the Clyde case because the two men are old friends. Upon being told that the donation of free legal services to a member of congress is a violation of ethics law, Harte hastily informed the magazine that he would "bill [Hyde] for every minute".

Asked about his legal bills, Hyde said he had no idea what he owed his lawyer, but said he's put \$10,000 in an escrow account to pay his lawyers. That money didn't come out of Hyde's pocket, but from his leftover campaign contributions, the same method which Dan Rostenkowski used to finance his legal defense. This arrangement is highly suspect since lawyers must inform clients how the meter is running on at least a quarterly basis. As Anderson points out, \$10,000 couldn't possibly cover two years of legal work in federal court, which Hyde is already liable for.

Anderson visited Washington in late April and presented the same material he gave us to Barney Frank, Joe Kennedy and many other House members (as well as to the press). Thus far the Democrats have been extremely hesitant to use the Clyde material against the Judiciary Committee chairman, a timidity perhaps explained by the party's own complicity in the S&L crisis. ■