

By Joel Bleifuss

The long arm of the CIA

In the past year millions of U.S. taxpayer dollars have poured into Central America to help Nicaragua hold free elections. Last week *Newsweek's* Bob Parry and Douglas Waller reported that the CIA spent \$6 million outside of Nicaragua to try to swing the election toward the National Opposition Union (UNO). *In These Times* has since learned some details of that covert operation. Larry Birns of the Council on Hemispheric Affairs told *In These Times* that he has it from "an extremely good source" that sometime shortly before October 1989 a presidential finding was signed that gave the CIA a five-month appropriation of \$6 million for "regional program support." According to Birns' source, the money was used to train UNO activists in San Jose, Costa Rica. It was also spent to help finance Radio Impacto, a San Jose station which has a long history of CIA connections. The station, ideally suited for reaching the population of southern Nicaragua, heavily slanted its news reports in an anti-Sandinista direction. Another part of that \$6 million was used to pay Western European journalists of an anti-Sandinista bent to come to Nicaragua to cover the election. One of the rumored fruits of this CIA project was an article published in the *Frankfurter Allgemeine Zeitung* by the Bonn bureau chief well known for his anti-Sandinista stance. He reported that President Daniel Ortega, his brother, Defense Minister Humberto Ortega and Interior Minister Tomas Borge were stashing away millions of dollars in European banks. He based his reports on Western intelligence sources, i.e., the CIA. The story was widely quoted in Nicaragua prior to the election, and in the U.S. the *Washington Times* picked it up. Although par for the course, this CIA interference is particularly significant because it was a clear violation of an agreement former President Jimmy Carter had reached with President Ortega early last fall. That agreement allowed \$9 million from the National Endowment for Democracy to enter Nicaragua on the condition that the U.S. not finance a covert operation to influence the election. This was not the only agreement broken in the Bush administration's successful bid to undermine Nicaraguan democracy.

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The administration was active on other fronts, like a White House fundraising effort on behalf of Nicaragua's president-elect Violeta Barrios de Chamorro. Never mind that such efforts appear to have violated Congress' intent that U.S. financial involvement in the Nicaraguan election be limited to non-partisan activities. *Newsday's* Peter Eisner and Knut Royce report that in mid-January, State Department Counsel Abraham Sofaer sent a legal memorandum to the White House acknowledging that although no federal statute explicitly prohibits the president or members of his administration from raising money for Chamorro, "any such solicitation by the president or other White House official ... does raise legal concerns." In an allusion to Iran-contra, Sofaer wrote that Congress has "repeatedly questioned the legality or propriety of efforts to solicit private funds to accomplish objectives which Congress itself has either prohibited or refused to support." He said that Congress, when it approved money last year for the Nicaraguan election, "limited its authorization ... to assistance that supports the election process rather than particular candidates. The limitation does not apply to privately solicited funds, but raising such funds involves government officials in pursuing as U.S. policy an objective Congress did not adopt, and which it may have deemed undesirable."

A White House visit: Administration fundraising efforts got their start on Nov. 8, 1989, when Chamorro and her campaign manager, Antonio Lacayo, visited the White House. At the time, White House press secretary Marlin Fitzwater said that Chamorro and Bush had discussed, among other things, "international assistance to the electoral process." What Fitzwater did not reveal was that campaign manager Lacayo met privately with White House Chief of Staff John Sununu. A White House aide told *Newsday* that during this meeting Sununu pledged to Lacayo that the White House "would do all that we could do to meet any special requests for the [UNO] campaign." That assurance prompted Lacayo to write Sununu last December 12, thanking him for being "kind enough to talk with me separately about our campaign. ... I honestly appreciate your suggestions." He then told Sununu that UNO's ability to raise money from Republican contributors would be helped "if the White House expressed interest in the matter." A



Postcard issued by McDonald's boycotters. The back urges the food giant to raise inner-city wages.

McBoycott against unfair wages

PHILADELPHIA—Stop by the golden arches in Philly and you'll find the usual McNuggets and Quarter-pounders. But you'll also find picketers protesting McDonald's policy of paying its inner-city workers an average of \$1 an hour less than workers in the surrounding suburbs.

"They're treating one group of people better than another group of people," said Rev. Melvin Carter Jr. of the Friendly Friends Baptist Church, one of the boycott organizers, "and that's not right."

With cries of "the McCott is on!" the Campaign for Fair Wages, a coalition of community organizers and church and labor leaders launched a boycott earlier this month of Philadelphia's 45 McDonald's restaurants. The group is determined to win a raise for the city's fast-food workers.

The pay discrepancy issue cropped up last November when the Philadelphia Unemployment Project (PUP) surveyed area fast-food restaurants and discovered that

workers in the city made an average of \$3.82 an hour, while their suburban counterparts made about \$4.82.

"We can cripple McDonald's in Philadelphia," Carter said. "We have our congregations, and they can make things happen." He pointed to past successes with boycotts to change hiring practices at Tastykake, Bond's Bread and Coca-Cola. Most recently black community leaders stopped R.J. Reynolds Tobacco from test-marketing a new cigarette targeting black smokers. "I'm certain we can bring McDonald's to its knees," Carter said.

"People say, 'They're just burger-flippers,'" said John Dodds, the director of PUP. "But that's an attitude that needs to be changed. If someone is sweating out a day's pay, they should be paid."

The PUP survey shows a majority of Philadelphia's fast-food workers are adults. It also shows that 77 percent of inner-city workers are minorities, while 67 percent of suburban workers are white. Dodds points out that North Philadelphia, a predominantly black neighbor-

hood in the poorest part of town, has the most consistently low wages in the area.

"It's not purely an anti-McDonald's move," Dodds said of the boycott. "We want to show people where the economy is headed. Unemployment is not the issue. Now it is low wages."

Boycott leaders have had no luck negotiating with McDonald's. "They cried poverty. You'd think they were on food stamps," said Rev. M. Lorenzo Shepard, pastor of Mount Olivet Tabernacle Baptist Church about a recent meeting. "They want to put their money in public relations and advertising instead of giving people who deserve it a little bit more. But I guess that's the way the corporate mentality works."

Dodds sees the boycott as a tactical shift from organizing fast-food workers, a way of showing that supply and demand can work both ways. "If we're going to buy the burgers, we want to see the wages go up," he said. "I can't believe for a second that Philadelphia is the only city exploiting its fast-food workers."

—Paul Choitz

Thatcher's poll tax revolts British citizens

LONDON—Conservative politicians and financial markets in the United Kingdom are in a state of near-panic as widespread protests against a new British tax instituted by Prime Minister Margaret Thatcher grow more violent. The demonstrations, the most serious of which resulted in 30 injuries and extensive looting in the north London borough of Hackney, have raised hopes and fears that the 11-year-old Thatcher government could fall from power.

Opposition to the tax has sparked demonstrations in virtually every corner of Britain. In Bristol, police used clubs on demonstrators when they tried to storm the government council building, while protesters in Birmingham and Norwich forced

their way into meetings held to set local tax rates. Violent protests have also erupted in Bradford, Exeter, Plymouth and other smaller towns throughout the country.

The fury is centered on the new local taxation system, commonly known as the poll tax. Described by many as the most unjust revenue system ever instituted in Britain, the poll tax replaces the former property tax with a flat levy determined by local governments on everyone over the age of 18, regardless of income. This means that a wealthy London lawyer will pay the same poll tax as a London cleaning woman. It also means that a family with two adult children at home in the northern city of York, who might have paid \$400 a year on their modest home under the old system, will now have to pay \$264 per person with the poll tax—a total annual bill of \$1,056.

Where one lives also plays a major

role in how much one pays. For example, Britain's *Guardian* newspaper reports that a family of three in London's Wandsworth District will pay £444 a year, while the same family across the road in Lambeth District will have to pay £1,950.

The anger erupted in early March as local councils began setting the per-head rates. Trying to keep basic, locally financed necessities—garbage collection, schools, etc.—afloat while minimizing the damaging increases that most people will be obliged to pay, the councils have found themselves in a no-win situation. A BBC survey found that the councils, even while trimming some services to the bone, will probably increase the average household tax bill by about 35 percent in the coming year.

Why was such an unpopular tax system passed by Thatcher in the first place? The reason is pure politics. The Conservative government

has long argued that opposition Labour-run councils, with their more extensive public services and higher rates, should be held responsible for their greater spending. Thatcher's plan is to place such a large tax burden on residents in Labour-run councils that they will oust council members in the next elections and replace them with "financially responsible" Conservatives.

For Thatcher, the eventual results of the poll tax seemed clear. In an address to the House of Commons, she declared, "The lesson will be learned that it is the Labour authorities which are the high spenders and it is the Conservative ones which look after their constituents."

To the government's great embarrassment, though, taxpayers are getting hit the hardest in the Conservative strongholds of southern England, where most of the poll tax protests have taken place. Forced to set rates at more than \$400 per person—much higher than previous government estimates—Conservative council members have in some cases charged more than the Labour-controlled inner-city coun-

cils that are Thatcher's primary targets. To make matters worse, the Labour Party issued a list of 50 Conservative-controlled councils that have exceeded government tax estimates—a list that includes the home councils of Thatcher and other leading Conservative politicians.

Thatcher's goal to encourage outraged voters to kick out high-spending Labour councils seems to have backfired. The anger of demonstrators is clearly aimed at the prime minister and not the local councils, which are quick to point out that it was Thatcher who dreamed up the poll tax.

So far the government's response to the demonstrations has been to blame the whole thing on radical leftists—or Militant—members of the Labour Party. While some Militant supporters have reportedly been involved in a few of the demonstrations, the widespread nature of the protests, as well as the fact that both Conservatives and Labour supporters are involved in the demonstrations, rules out any radical leftist conspiracy theories. Even the queen, a pillar of British conservatism, has

joined the protests by announcing that she will pay her servants' poll taxes.

The question now is: will the protests go beyond demonstrations and into non-payment? If Scotland is a bellwether, the Thatcher government may have a serious problem. Implemented as a test case in Scotland one year ago, the poll tax remains highly unpopular, with a large number of people refusing to pay. Non-payment is reportedly widespread in some parts of Glasgow, while some 700,000 Scots have fallen at least three months behind on their payments.

But Scotland may be more an exception than the rule for the simple reason that the Scots can't be thrown into jail for non-payment. For angry residents of England and Wales, the alternative to jail terms is the ballot box—and with a recent *Daily Telegraph* Gallup poll showing Labour with an 18.5 percent lead over the Conservatives, it seems possible that Thatcher's grand plan to break the opposition may instead lead to her downfall.

—Daniel Pruzin

The Jewish peace movement's new kid on the block

Until last May, the conservative American Israel Public Affairs Committee (AIPAC) billed itself as the only organization registered with Congress to lobby on U.S.-Israeli relations.

Now there's a new kid on the block.

The Jewish Peace Lobby (JPL), with about 2,000 members around the country, hopes to help guide U.S. policy toward encouraging direct talks between the now-unsettled Israeli government and the Palestine Liberation Organization (PLO) and the eventual formation of a Palestinian state.

JPL President Jerome Segal says his group backs U.S. efforts to host talks between Egypt and Israel in Washington, as well as other efforts to bring the Israelis and Palestinians together at some point in Cairo. But, he continues, the JPL has a "much broader vision of U.S. policy."

The U.S., Segal says, should create "an environment in which it is likely that the negotiations are not just started but are successful." Specifically, he says, he wants the U.S. to encourage further PLO moderation, earmark 1 percent of its economic aid to Israel for grass-roots efforts to bring Israelis and Palestinians together and strongly oppose the violation of civil rights in the Occupied Territories while remaining sensitive to Israeli security concerns.

The JPL is the youngest of several new Jewish organizations on the left. In 1988, the leftist Jewish magazine *Tikkun* sponsored a forum in New York to mark the emergence of a new movement among Jewish progressives. Conference speakers told the audience that progressive Jews

had both allowed the conservative Jewish establishment to speak in their name and not challenged anti-Semitism on the left.

Although the JPL is less than one year old, the group has already started making a name for itself. It was the only Jewish organization involved in promoting congressional legislation that encouraged Israel to reopen West Bank schools. And when Israeli leader Yitzhak Shamir came to the U.S. last November, the JPL presented him with an open letter signed by more than 200 U.S. rabbis supporting the exchange of land for peace.

Segal, a scholar and former adviser to the Agency for International Development (AID), runs the Washington, D.C.-based JPL on a small budget. He calls the group the "McDonald's of the peace movement—we take on a few tasks in order to do them well." And he's received wide support from many well-known personalities, including backing from Grace Paley, Isaac Bashevis Singer, Gloria Steinem, Nathan Glazer, Adrienne Rich and Stanley Hoffman.

The organization has not, however, received an endorsement from the much larger and more powerful AIPAC. AIPAC spokeswoman Toby Dershowitz declined to comment when asked about the JPL, although it appears that AIPAC is watching the JPL's growth. AIPAC, Segal says, is keeping a "fairly fine-grained track on what we're doing" and adds that he's heard that the group has taken note of which rabbis have endorsed the JPL.

The attitude of the Jewish establishment can be gleaned from a press release on the JPL issued by B'nai B'rith International, which bills itself the "world's largest Jewish organization." B'nai B'rith Executive Vice President Thomas Neumann

says in the release that Segal "began his involvement in the Arab-Israeli conflict not as an advocate of Israel but of an independent PLO state. Given the goals of this fledgling organization, no one should be deluded into thinking that the new Peace Lobby is a voice of any significance in the Jewish community."

Although the JPL and the Jewish establishment differ on some major issues, Segal says he doesn't want the group to define itself as "anti-AIPAC." And the two groups agree on several issues, such as preventing the sale of sophisticated U.S. weapons to countries at war with Israel.

The two groups also don't want to see the U.S. use aid to Israel as a lever to get Israel to the negotiating table—but for very different reasons. The JPL view is that such efforts would likely push Israeli politics and policy to the right.

Working toward a secure Mideast peace may seem quixotic given the level of violence in the *intifada* and the political stalemate within Israel. But Segal believes that unexpected change can occur. Segal was one of the first American Jews to open a dialogue with the PLO, and he met with PLO Chairman Yassir Arafat for the first time in June 1987. In 1988, he urged Palestinians to unilaterally declare their independence and wage a campaign for peace. At the same time, Segal played a role in getting the PLO to renounce terrorism.

Now Segal and the JPL are turning their attention toward fostering the conditions necessary for a political settlement. To this end, the JPL is developing a piece of model legislation called the "Israeli-Palestinian Peace Environment Act of 1990." One supposes that this will be the Big Mac on JPL's lobbying menu this year.

—Mark Feinberg

senior administration official told *Newsday* that the White House then asked Bernard Aronson, assistant secretary of state for inter-American affairs, to sign a letter endorsing UNO's fundraising efforts. The State Department, however, refused the request. So on January 13 National Security Adviser Brent Scowcroft had Sununu sign a letter that said private contributions to UNO were legal and would provide "greatly needed support" for its campaign. And on January 15, the White House dispatched the president's son Jeb, a board member of a Miami-based group that raised money for UNO, and William Pryce, a special assistant to the president for Latin American Affairs, to Houston for a private meeting with Chamorro. A White House official told *Newsday* that the three discussed campaign strategy and finances.

Give that UNO may live: Around the time of this Houston meeting, Scowcroft received attorney Sofaer's warning that White House fundraising for Chamorro "does raise legal concerns." On January 23, Scowcroft wrote and inaccurately advised the president that the State Department believed that this fundraising raised "policy rather than legal concern[s]." He also said that the State Department "cautions about possible adverse congressional reaction." In an apparent effort to defuse any such reaction, Scowcroft then recommended that Bush write and invite both the Republican and Democratic parties to contribute to UNO, which Bush did the next day. Democratic Chairman Ron Brown refused the request, but Republican Chairman Lee Atwater sent UNO \$25,000 in party funds.

Teflon legacy: Bush's contra-funding scheme, more subtle than the Iran-contra conspiracy, appears to have come off without a hitch. Once again a Republican administration turned to private money to promote a policy that a Democratic Congress had refused to fund. Don't expect to read all about it. These days nobody is as kind or as gentle as the national media when it comes to the political indiscretions of a president who's riding high in the polls.

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UNO was not the only rightist political party in Central America that Washington Republicans were greasing wheels for. On February 4, Rafael Calderon Fournier was elected president of Costa Rica, rolling to victory with the help of hundreds of thousands of U.S. taxpayer dollars. Calderon, the godson of former Nicaraguan dictator Anastasio Somoza, was a vocal opponent of former Costa Rican President Oscar Arias and his Central American peace plan. Calderon, a contra backer, has said that he would like to militarize his country by creating a "police force" trained by U.S. military advisers. The money to support his candidacy originated in the National Endowment for Democracy (NED), a "private" organization founded in 1983 "to support democratic traditions, strengthen new democracies, open closed societies and sustain democratic possibilities in countries in crisis"—none of which apply to Costa Rica. The NED is funded by Congress through the U.S. Information Agency. Last year NED received \$15.8 million. It doles out money for democracy through a network of "core grantee" organizations. One of those is the National Republican Institute for International Affairs, which from 1986 to 1989 provided \$434,000 to the Association for the Defense of Costa Rican Liberty and Democracy, a front group of Calderon's right-wing Social Christian Unity Party. In an excellent report Vicki Kemper of *Common Cause Magazine* relates that Republican Institute President Keith Schuette told her: "The association was created to receive the grant; it was not a pre-existing institution." The Republican Institute in effect managed the Association for the Defense of Costa Rican Liberty with the help of Calderon, who, having lost the 1986 election to Oscar Arias, was named the association's executive director. For his labors the Republican Institute paid Calderon \$20,000 in 1986 and \$29,500 in 1987. He resigned from the association in 1988 to run again for president. Republican Institute funding made it possible for the association to hire and train 200 political organizers and to fund the creation of an anti-leftist labor union. Republican Institute money also helped support the Association for the Defense of Costa Rican Liberty and Democracy's publication, *The Forge of Social Christian Thought*. In the magazine's September 1986 inaugural issue Calderon called Arias's peace plan "a deformation of masculine values" that was "impugning the national virility" of Costa Rica.

Next week: More on the National Republican Institute for International Affairs.