

Groups attack waste of 'corporate welfare'



WASHINGTON (AP) — Congress and the White House should

create a nonpartisan commission to recommend cutting \$265 billion in what Labor Secretary Robert Reich has called "corporate welfare," a think tank proposes.

The moderate Progressive Policy Institute and the conservative Cato Institute joined in attacking special-interest spending and tax cuts that benefit businesses and corporations at a Capitol Hill forum Monday.

The Progressive Policy Institute acknowledged that cutting such "subsidies" will require taking on the Washington establishment and urged creation of a commission modeled on the Military Base Closing Commission.

The Commission on National Competitiveness and Industry Subsidies would recommend a package of reforms that Congress would be required either to approve or disapprove in its entirety. Amendments would not be permitted.

In a speech last November, Reich had challenged Republicans to match their call for changes in welfare programs with an overhaul of business tax credits that he termed "corporate welfare."

"Since we are committed to moving the disadvantaged from welfare to work, why not target corporate welfare as well, and use the savings to help all Americans get better work," Reich told the Democratic Leadership Council.

The Progressive Policy Institute, the council's research arm, released at the Monday's forum an updated "cut-and-invest" budget strategy outlining how \$265 billion could be saved over five years.

The study, written by PPI Vice President Robert J. Shapiro, calls for ending or reforming 120 special spending and tax subsidies that would result in savings of \$131 billion in spending and \$134 in tax breaks.

Shapiro recommended redirecting the savings to deficit reduction, public investment and family tax relief.

Global decline in dollar no crisis

WASHINGTON (AP) — The dollar plunged to a third straight record low against the Japanese yen Monday and sank against other currencies as well. Despite the global dumping, the Federal Reserve was not expected to raise interest rates.

Private economists said a Fed rate hike in the current turmoil was extremely unlikely unless the dollar's decline turns into a free fall that roils U.S. stock and bond markets.

"The Fed isn't going to jack up rates just because the dollar is under pressure," said Bruce Steinberg, an economist at Merrill Lynch in New York. "This is not a crisis even though the dollar is going to be suffering for a bottom over the next several weeks."

Sung Won Sohn, chief economist at Norwest Corp. in Minneapolis, said a Fed effort to boost the dollar by raising interest rates could backfire by pushing the U.S. economy into a recession.

"The strategy now is for the Fed to lay low and hope the situation stabilizes," he said.

After trying without success Thursday and Friday to prop up the dollar's value by intervening in currency markets, U.S. authorities decided Monday the better course was to remain on the sidelines.

The dollar continued to drop Monday, falling to 92.80 yen in late afternoon trading in New York, down from a Friday record low of 94.05. It also declined against the German mark, dropping to 1.4042 marks, the lowest level in more than two years and down from Friday's close in New York of 1.4250 marks. The dollar was down against other currencies as well.

Analysts would not rule out further coordinated dollar-buying by the United States and other countries such as effort last Friday by 18 central banks. But they said such purchases would be used primarily to make sure the dollar's decline is orderly and doesn't alarm markets.

That strategy appeared to be working. Analysts

said U.S. markets were basically taking the dollar's weakness in stride.

On Monday, the Dow Jones industrial average managed to eke out a small advance, rising 7.95 to close at 3,997.56. However, the turmoil on the bond market continued, with the yield on 30-year Treasury issues rising to 7.58 percent, compared to a Friday close of 7.53 percent.

Some credited the relatively minor impact on U.S. markets to a recognition that the underlying U.S. economy is basically sound. The Fed's string of interest rate increases over the past year is widely perceived to be working to bring about a "soft landing" in which the economy slows to a sustainable pace without any serious inflation.

The slowing U.S. economy will help over time to reduce America's huge trade deficit, which is seen right now as the biggest negative influence on the dollar.

The generally positive outlook for the U.S. economy was highlighted Monday by a report from the Shadow Open Market Committee, a group of prominent private economists who monitor the Federal Reserve.

"For the first time in 30 years, the United States can achieve stable growth and low inflation in the near term," the group said. But it warned that if the central bank continues tightening credit "the probability of a recession in 1996 will increase."

Analysts said one of the biggest threats to their generally optimistic forecast remains the turmoil in Mexico, the United States' third biggest export market.

The Mexican peso fell Monday to a record low at 6,575 pesos to the dollar, a drop of more than 40 percent since Mexico's currency crisis began Dec. 20.

That the currencies of Canada and Mexico are both declining relative to the dollar helps offset inflationary pressures from the dollar's fall against other currencies, analysts said.

Gingrich's lesbian half-sister lobbied Congress Monday

WASHINGTON (AP) — Newt Gingrich's lesbian half-sister joined gay activists lobbying Congress Monday. The two of them had a friendly chat at day's end, though she said the ascendancy of his party was what drove her into greater activism.

She said he is not anti-gay but "maybe uninformed." He said he loves her and doesn't "mix my family with my politics."

"The Republicans being in control means that some of the support that we've been used to with the Democrats isn't there anymore," Candace Gingrich said as she made her lobbying rounds. "So it's kind of time for all of us to renew our commitment to the things that we find important."

Candace Gingrich, 28, of Harrisburg, Pa., was invited to join the lobbying effort of the Human Rights Campaign Fund, the nation's largest gay and lesbian political group. She visited her brother briefly after a day of visits with Pennsylvania lawmakers.

The family meeting was arranged at the speaker's request by another half-sister, Roberta Brown, 44, a home economics

specialist from Camp Hill, Pa., who was in town to attend a conference. Reporters and camera crews were invited in as the three siblings sat together briefly on Newt Gingrich's porch overlooking the Mall.

Asked about his relationship with his sister Candace Gingrich and her politics, Newt Gingrich said, "I don't know that one has anything to do with the other. I have a sister who I love a lot, who is my younger sister, period. I don't necessarily mix my family with my politics, period."

He readily acknowledged their different views. "She's a liberal Democrat. I'm a conservative Republican."

Asked repeatedly during her day on Capitol Hill if she felt her brother was anti-gay, Candace Gingrich said no.

"He's just maybe uninformed," she said. "Maybe he hasn't had people from both sides giving him information."

Asked if she approved of his political agenda, she replied diplomatically, "I certainly admire his efforts to try to mend things economically. I haven't really dissected his method yet, but I think his intent is good."

But she stuck to her guns when asked how lesbian to her brother about it.

probably would not vote for him.

"It's not a family thing. It's not personal," she said. "But unfortunately we're completely in disagreement on 90 percent of the issues. And I wouldn't vote for somebody that disagreed with me, so no, I wouldn't vote for him."

The activists visited dozens of lawmakers to draw attention to key concerns — from threatened cuts in AIDS funding to problems of job discrimination. Candace Gingrich met with Pennsylvania Republicans Sen. Arlen Specter and Rep. George Gekas, as well as a staff member of Sen. Rick Santorum, R-Pa.

Newt Gingrich told reporters he believes "AIDS research is very important" though not more important than research on heart attacks, breast cancer or other forms of cancer that might affect children. "I think any viral epidemic is very, very dangerous," he said of AIDS.

At a breakfast gathering, Candace Gingrich thanked her fellow activists for "not waiting until you have a brother that was speaker to become active."

She said she began telling people about her lesbianism at age 20, but had never spoken to her brother about it.

"I personally did not discuss it with him. But my mother called him because she thought he should know," she said. "And through her, I found out that his reaction was pretty much one that kind of empowered me — because his response was that it's my life and I have every right to live it the way that I feel I should."

But Candace Gingrich said her brother's attitude wasn't adequate as a policy stance.

"My position is that tolerance is not enough," she said. "At this point we have no federal protections. At any point at the job we can be fired just for being gay or lesbian, and that's completely unrelated to job performance or ability."

"That's discrimination. That's not tolerance. That's something wrong. And most Americans believe that it's wrong."

Candace Gingrich, who usually spends her days as a sorter for United Parcel Service, appeared unfazed by the half-dozen camera crews surrounding her as she walked to a Senate office building.

She said she could stay only a day because she had rugby practice back home in the evening.

Protestors of Gingrich caused cancellation

WASHINGTON (AP) — Five hundred protesters seeking to confront House Speaker Newt Gingrich disrupted a ballroom luncheon and forced cancellation of Gingrich's appearance today.

The protesters from the group ACORN, the Association of Community Organizations for Reform Now, burst into the Washington Hilton ballroom through the kitchen, waving empty school lunch trays. They chanted "No more cuts!" and "We want Newt!"

The speaker's plane was delayed and Gingrich was running late. When officials with the National Association of Counties informed Gingrich's office of the demonstration, the speaker went from the airport to his Capitol

office. ACORN officials said they were concerned about a Republican proposal to replace the federally mandated school lunch program with a state-administered system funded by federal block grants. Opponents said it could lead to cuts in free and subsidized school lunches to the poor.

Demonstrators took over the head table. After about 40 minutes, an ACORN official, speaking through the commandeered microphone at the speakers' podium, told protesters to file back to their buses.

"I think we got our message across here today," said Maude of Boston, national president of the ACORN Association Board.

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