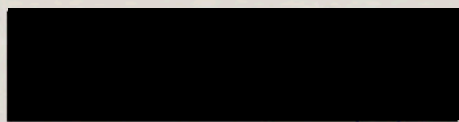


8/9/93

To whom it may
concern,

I'm a big fan of both
C-Span's — keep up
the good work.

Most enjoyable stuff
on tv — have you
heard this story yet?



Amherst, MA

■ PEROT

Continued from Page 17

Neither Perot would discuss the proposed foreign trade zone for this story, referring all questions to an Alliance Airport attorney.

"This is all about creating jobs, and Alliance's foreign trade zone will allow us to bring jobs to this country that would have otherwise stayed overseas," said Hays Lindsley, an attorney overseeing the Alliance Airport's foreign trade zone application. "This project will stimulate international trade and provide an impetus for investment."

As the US trade deficit has soared during the past decade, economists and trade specialists have debated whether foreign trade zones actually create jobs or help move high-paying American manufacturing jobs to low-paying overseas markets. The specialists agree, however, that a program that once encouraged American exports, now aids foreign companies to export their products into the United States.

Started in the 1930s as a way to help American companies to succeed in the export market, foreign trade zones were established at deep water ports and allowed businesses to avoid customs duties on products that are imported, combined with American goods and then reshipped

to foreign ports. Until the 1970s, most of the goods shipped into US foreign trade zones were exported into foreign markets.

But in the 1980s, the foreign trade zone program tilted to favor imports into the US market. Rather than being located at deep water ports, foreign trade zones popped up near international airports in major cities and manufacturing firms used the trade zones to import foreign parts without paying tariffs until the completed products were ready for sale in the US market.

Companies located in foreign trade zone receive cash flow benefits and reduced tariff rates if the product is finished in trade zone and sold in the United States. Today, nearly 90 percent of all goods produced in this country's more than 200 foreign trade zones are imported into the United States.

Most of the activity centers on the auto industry. Detroit's Big 3 automakers - along with Nissan, Honda and Volkswagen - receive the trade zone tax breaks for their US assembly plants. The foreign car companies reap the biggest rewards from the trade zones because they use more imported parts. The savings to the foreign car companies can be \$20 to \$50 per automobile, which translates into millions of dollars in tax breaks for each factory operating in the zone.

In evaluating zones, 'We look for a public utility principle. We look to see if the zone will have a net positive economic effect.'

JOHN J. DaPONTE Jr., Commerce Department

"Quite simply, foreign trade zones undermine the US tariff programs and increase imports," said Steve Beckman, an economist with the United Auto Workers. "What the zones do is give an incentive to import products."

It is estimated that the US Treasury lost more than \$100 million in customs duties from the more than \$84 billion in economic activity in foreign trade zones in 1991.

Nevertheless, US trade specialists support the trade zone program, seeing the revenue loss as a trade-off for foreign-owned companies creating jobs in America. Companies operating in trade zones employ nearly

240,000 people nationwide.

"When we evaluate foreign trade zones, we look for a public utility principle," said John J. DaPonte Jr., who evaluates trade zone applications for the Commerce Department. "We look to see if the zone will have a net positive economic effect."

Opponents of foreign trade zones say they pit one region of the country against another, and merely create lower-paying assembly jobs while high-paying manufacturing jobs are moved overseas.

The United Auto Workers claim that foreign trade zones have contributed heavily to the loss of 60,000 manufacturing jobs in the United States during the 1980s. A 1988 congressional report estimated that foreign trade zones may have contributed to the loss of up to 10,000 manufacturing jobs, most in the auto parts industry.

In Texas, 25 foreign trade zones have prospered during the past decade as goods manufactured in Mexico are moved across the border to be combined and repackaged with American parts in the foreign trade zones.

Nevertheless, Alliance Airport's Lindsley defends the Perots' bid for

a 26th trade zone.

"The purpose of the trade zone is to bring jobs to the United States," Lindsley said. "We can do that because we are going to be offering a unique product. We can offer the the kind of space near an international transportation hub that is unheard of. It boils down to jobs being created in the United States that would not have existed before."

But others see the Alliance Airport foreign trade zone as part of a huge real estate deal that will ultimately increase the value of the

Perot family property near the airport.

"They want the foreign-trade zone designation as a marketing tool," said Bernard Weinstein, an economist at the University of North Texas. "Is it needed? Perhaps. Since everyone else has the trade zone designation, Alliance Airport probably needs it to compete with other industrial projects."

"But," he added, "it really doesn't make any sense why Perot would be so vocal against NAFTA and supportive of this foreign trade zone."

IBM workers overseas wary of Gerstner's axe

ASSOCIATED PRESS

PARIS - IBM workers in Europe and Japan are wondering how heavy the ax will fall after the company's top executive last week said international operations will be hit harder than in the past by job cuts.

"Our biggest worry is, how will it happen?" said Gerard Taponat, secretary general of the labor union at an IBM semiconductor plant in Corbeil, a Paris suburb.

IBM last week announced a record quarterly loss of \$8.04 billion, largely to pay for a restructuring that includes early retirement incentives for thousands of workers.

About 50,000 employees have taken incentives so far this year and

chairman Louis V. Gerstner Jr. said an additional 35,000 will have to leave by the end of next year.

And he added, "There will be a higher percentage (of cuts) in non-US operations than we've had in the past."

He was not more specific.

Prior to the announcement, IBM Europe had undertaken steps to reduce its staff of 90,000 by 10,000 to 11,000 over the next two years.

The new cuts "will mean a substantial number in Europe," said Alan Gillings, a spokesman for the Paris-based IBM Europe. "We're not ready to give any specifics for any countries."

IBM Japan, while not shedding jobs outright, has encouraged retirement and cut back recruiting.

Edison pays Shaw's store \$237,000 to save electricity

■ SHAW'S

Continued from Page 17

that will impact oil- and coal-burning plants the most, as well as community resistance to new power plants of almost any kind, many utility executives see energy conservation as a vi-

high-efficiency motors, a computerized system that turns off refrigerators when they are unneeded, as well as ways to reduce wasted cold air.

Boston Edison paid Shaw's \$237,000 for the cost of carrying out Vanderweil's energy efficiency im-

Harshbarger award winner

The Association of Certified Fraud Examiners has named Attorney General Scott Harshbarger the 1993 recipient of its award for white-collar crime education and prevention.

In naming Harshberger the winner of the Donald R. Cressey Award, association chairman Joseph T. Wells said the attorney general "has established fraud detection and prosecution as a major priority, and has devoted extensive legal and investigative resources from throughout his office to fight fraud in many areas."

The Texas-based association was founded to improve the detection and deterrence of white-collar crime

Swing shopper sign of times

■ BRAND

Continued from Page 17

In addition, "The quality of the private label has improved" in the past few years, Bishop said. "It's even better [than the brand-

sponse to consumer demand for prices they can live with. The lower prices are set to take effect today. And Phillip-Morris announced last week it was making permanent some of the originally

wasted today. Consumers like Paula Haviland of Quincy say they consider more than price when they shop.

Haviland, whose three children are 21, 18 and 10, said: "If I

convention-goers back and forth.

is one of the few trade shows that also offers for sale to consumers — and the added revenue from the sales taxes will benefit the city and said Jeffrey Arcuri, vice president of marketing at Hall Associates, the firm that is producing the show.

company can not only bring in their top management, they can bring in their salespeople to sell," said Arcuri.

World attendees typically stay three days and one day and all evenings outside the exhibition hall, said Arcuri. All that means extra business at the hotel and eateries from Newbury Street to Faneuil

Market, which plans special events and meetings nationwide. "It has spokes that go so far into the community. When I do an event, I hire florists, caterers, bus companies, entertainment, linen people, people that lay dance floors, lighting people, sound people. Profits are far beyond what the average reader would expect."

Boston hoteliers said convention business is important to help fill vacancies. "It's probably worth \$500,000 to us," said John Moore, director of marketing at the Copley Marriott Hotel, where 1,200 rooms next week are sold out — half of those to Macworld tourists. Moore says conventions make up about 60 percent of the hotel's business.

EXPO, Page 18

Macworld facts

• **When:** Tuesday-Thursday, 10 a.m. to 6 p.m.; Friday, 10 a.m. to 3 p.m.

• **Where:** World Trade Center and Bayside Expo Center. Most parking available at Bayside Expo.

• **Cost:** Exhibits only, \$30 (cash only). Exhibits and conferences, \$130.

• **Highlights:** 16 conference sessions on using the Macintosh computer as a classroom teaching tool. MacResource Center displays education-related products; 20 conference sessions on multimedia technology.

Portuguese escudo, had been able to move only 2.25 percent up or down against a central rate. The peseta and the escudo had a 6 percent fluctuation range.

The new margin of fluctuation is meant to be only temporary, but no time limit was given. Belgium Finance Minister Philippe Maystadt said the caps would be gradually narrowed. The changes were effective immediately.

The finance ministers, along with Central Bank chiefs, worked furiously during the weekend to ease the currency crisis before Monday morning, when the money markets reopen and the EC's weak currencies could again come under attack from speculators.

The turmoil has been the worst since the monetary linkage was set up in March 1979 to bring stability to the nations' exchange rates.

EC, Page 18

ossible el strike verted

ASSOCIATED PRESS

PITTSBURGH — Negotiators for a possible strike by more than 100 steelworker union members at three companies over the weekend with two tentative contract offers and one contract extension.

Monday, Bethlehem Steel and the United Steelworkers reached a tentative settlement on a six-year contract for workers, said union spokesman Hubbard. The contract would give the union more say in how the company is run, Hubbard

said. The union will have a say about many of the company's board of directors," said Hubbard, adding that the company agreed to allow "the influence of workers in big decisions. It will breathe new life into this company," said Hubbard.

Hubbard said a tentative agreement was reached yesterday for about 6,300 Bethlehem Steel Corp. employees at



GLOBE FILE PHOTO

Ross Perot refused to discuss proposal.

'Quite simply, foreign trade zones undermine the US tariff programs and increase imports.'

STEVE BECKMAN, economist with the United Auto Workers.

Business Section — Globe, Boston Mon 8/2

Perot bid inconsistent?

Many of his supporters are against foreign trade zones

By Dan McGraw
SPECIAL TO THE GLOBE

FORT WORTH — When Texas billionaire Ross Perot speaks at political rallies these days, he's sure to use his trademark description of the relationship between free trade and American jobs: the infamous "sucking sound" that Perot claims will be heard when American companies rush to take advantage of the cheap labor in Mexico.

But while Perot lambastes some government trade policies as "economic treason," he and his son, Ross Jr., are asking the federal government to relax foreign trade rules at a huge industrial park they are developing around an airport in Fort Worth. If the US Department of Commerce approves the request, the Perots will own the largest foreign trade zone in the country, some 9,600 acres of land that will not be subject to US tariff laws.

In the application for the trade zone, the Perots acknowledge that Alliance Airport will serve "many companies that take advantage of Mexico's inexpensive labor for manufacturing."

And American unions charge that free trade zones in

general are hastening the export of high-quality American jobs.

The Perots' request has created some interesting political wrinkles. Ruling on it will be the Clinton administration, which the elder Perot has railed against in recent months as being inept and downright dishonest.

But it is the populist billionaire's protectionist views — his opposition to the North American Free Trade Agreement and to government programs that promote foreign imports — that has some critics claiming Perot is playing by one set of rules in his political life and another set in his private business interests.

Said Barry Bosworth, an economist with the Brookings Institute in Washington: "It's hard to figure out how he could be for a huge foreign trade zone and against NAFTA. He's being very inconsistent."

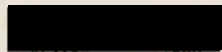
Indeed, some of the groups at the core of Perot's supporters — small business owners, labor unions and "America-first" nationalists — are most opposed to foreign trade zones as nothing more than a tax break for foreign-owned companies.

PEROT, Page 18

Adios Amigo



C-SPAN
400 North Capitol Street
#650
Washington, DC 20001



Amherst, MA 01002

