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Recession Dividend

Bad Guys Will Suffer, Too

Edited by JAY PALMER

A look back at last week's important events.

AS TERRIBLE AS THINGS NOW ARE IN THE U.S. ECONOMY, and no matter how much worse they become, there's one silver lining: The U.S. and its allies stand to reap a national-security windfall from the current troubles, according to Roger Robinson, president and CEO of the Washington-based Conflict Securities Advisory Group. Robinson, a former senior director of International Economic Affairs at President Reagan's National Security Council, points out that enemies and potential enemies of the U.S. are being hurt as badly, perhaps worse.

As economic growth rates plunge in Russia, for example, Vladimir Putin's government will no longer have the funds for military excursions into Georgia and other former Soviet states. In the same way, terrorist-sponsoring nations such as Iran, Sudan, Syria and North Korea will find themselves running short of funds to bankroll campaigns of international destabilization. In short, the world may be poorer, but it will also be safer.

Robinson's firm tracks public companies doing business in those four terrorist havens -- there were 600-plus at last count -- as part of an effort to help institutional investors discover the mostly hidden risks of buying stock in those corporations. Among them are several U.S. companies, including [Halliburton](#) (ticker: HAL), [ConocoPhillips](#) (COP) and [General Electric](#) (GE) -- all of which have said they will exit the countries when contracts expire. Meanwhile, about 20 U.S. states have legislation enacted or pending to bar holdings in these companies by public pension funds, even as the U.S. Securities and Exchange Commission has set up an office to track and identify such terrorist investing.

-- Jay Palmer
