

I assumed the roughly comparable post of Secretary of the Treasury. We met first in 1972 in my new office at the Treasury. We had a lengthy talk about the world's economic problems. . . . We developed a strong friendship starting with this first meeting and carrying through innumerable meetings of finance ministers. In part through Schmidt's good offices a small group (dubbed 'the Group of Five' by the press) was formed involving Schmidt, myself, Valéry Giscard d'Estaing, the French finance minister, and Anthony Barber, British Chancellor of the Exchequer, and later joined by Kiichi Aichi, and subsequently Takeo Fukuda, Japanese minister of finance. This group met for a day in April 1973 when all were in Washington for larger monetary meetings. This and subsequent gatherings of the Group of Five played a crucial role in the international monetary reform discussions then underway."

The first Group of Five meeting took place in September 1972, and was followed a half year later by a U.S. decision to further devalue the dollar. In February 1973 Shultz authored a 10 percent dollar devaluation. The U.S. decision inspired radical currency instabilities. Concerted central-bank intervention was arranged in March to maintain "orderly markets,"

Final and decisive economic pressure was brought to bear at the end of 1973 and the beginning of 1974, with the drastic increase in the price of world petroleum, the goal of the Kissinger-orchestrated 1973 Arab-Israeli war. Prior to the outbreak of war, with Nixon totally consumed by Watergate, Shultz was promoted to the new cabinet-level position of Assistant to the President for Economic Policy, enjoying formal full control over U.S. domestic and international economic policy. (Shultz immediately appointed Dam as his deputy.)

plete control over U.S. foreign policy.

The balance sheet

The destructive monetary reform proposed by the Chicago School in 1965-66, imposed on a brainwashed Nixon in 1971, and rammed through in a global agreement in Jamaica in 1976, guaranteed the demise of the U.S. dollar, the constriction of European trade and investment, and a savage economic assault on the developing sector. It is no accident that immediately before Shultz became Secretary of State, he was about to join the Committee on the Year 2000, an organization which promotes a reduction of the world's population by 2 billion people by the turn of the century.

It is also no accident that this year, acting privately on behalf of the Reagan administration, Shultz orchestrated the June Versailles economic summit, at which the leading industrialized nations took no action whatever to avert the global depression. And finally it is no accident that after approximately one month in office, the most destructive attack on a U.S. ally in many years occurred with the all-out IMF blitz against Mexico. As history attests, there are no accidents in this case.

Interview: Debra Freeman

Democratic candidate: 'rebuild Baltimore'

Debra Freeman is running against incumbent Barbara Mikulski in the Democratic primary on Sept. 14 for the U.S. congressional nomination in the 3rd District of Baltimore, Maryland. Mrs. Freeman, who is known throughout Baltimore for her leading role in the National Anti-Drug Coalition and her advocacy of industrial expansion, was interviewed by EIR's Mary McCourt on Aug. 26. She has won the support of the National Democratic Policy Committee.

EIR: What exactly is the "Renaissance" being proposed for Baltimore under the present depression conditions, and what is your campaign opposing Barbara Mikulski in the 3rd District offering as an alternative?

Freeman: There is a very detailed post-industrial plan for the city of Baltimore, which has been developed and discussed over the past two years with tremendous intensity. The basic policy is that the steel plant, the port, all these things are ridiculous "fixations" because they have "no future" in American society. Baltimore's role is to be one pole in a proposed "Baltimore-Washington corridor."

The planners call this a "high-technology" corridor, but it's not high technology, it's the Silicon Valley kind of concept, that Baltimore could become a leader in the new communications age. This is where the PLATO plan came from. PLATO is a computer teaching system that trains students to do little more than respond to meaningless commands on a computer screen. It can train students for little more than post-industrial, free-enterprise-zone jobs—certainly not for anything demanding the ability to think.

The plan is to build Baltimore as a convention city. The Convention Center, the harbor "renewal" are being touted as booming successes. There are plans in the works for seven new luxury hotels in addition to the four now in the city. This is coupled with a just-written proposal, that has not yet been released to the public, by East Baltimore State Delegate John Douglas, which is a proposal for legalized gambling, in the new "downtown" zone. Local legislation was passed just a year ago to re-do Baltimore's red light district—they put in new, quaint cobblestone streets and gaslights—but the pornography businesses have not been touched.

EIR: Has your campaign been able to identify just who is responsible for these policies being proposed for Baltimore?

Freeman: You have the Metro Center, run out of Johns Hopkins University. You have also the Baltimore-Washington Common Market, which City Council head Walter Orlinsky and Sen. Charles Mathias [a Republican] are involved in. This is a local version of the World Futures group. They are trying to push Baltimore into the “post-industrial age.”

I’m glad to say that the post-industrial crowd is having a tough time. The city itself is not just some city that contains heavy industry. It is a city whose identity is as an industrial center.

The black population of Baltimore did not come as lumpy ghetto residents. They came from the rural South just prior to World War I, to work at Sparrows Point Steel plant, which is the largest tidewater steel plant in the world.

They didn’t come to work in textile mills or some kind of slave-labor industry. Unlike other cities, where blacks have the worst possible jobs in the coke ovens, and the highly skilled jobs are held by white workers, you have a very highly skilled black population, and one which has located its identity very consciously in that fact.

The people who live in South and Southeast Baltimore, which is a white-ethnic area, are enraged by particularly the Harborplace operation. They see it as a major real-estate boondoggle. People who live in this area, up to the recent period, owned homes valued between \$12,000 to \$16,000. But as a result of the renewal project, their homes are being sold, “refurbished,” for anywhere from \$80,000 to \$125,000—and these are old, narrow row houses. Last year, these people’s homes were assessed at \$8,000; now they are assessed at \$60,000. Many of these people are elderly, or about to retire—they cannot afford the increase in taxes, and are being forced out of their homes.

Young people cannot afford to buy houses in the city. If they want to have children, they can’t rent: some 60 percent of Baltimore rental housing forbids children. They have no choice.

Some are moving to these new, synthetic communities in the “corridor” area, hoping that the promised post industrial renaissance will happen; others are leaving altogether, going down to the Sunbelt looking for work.

EIR: How is the population of the city responding to your program and historical perspective?

Freeman: People remember that even in the 1960s, you had a real industrial boom here. There were tremendous industrial breakthroughs going on. Ten years ago, an entire steel plant and electrical generating plant were prefabricated here and floated out of the harbor on barges piece by piece to be assembled in Turkey. This is what people saw as the future of Baltimore, and they were very excited about it. Baltimore was a real leader in this field; that kind of prefabrication of entire plants for the Third World wasn’t going on anywhere else in the United States. There are very few East Coast cities with both the port and industrial capability of Baltimore.

Baltimore has gotten a \$225 million Navy contract for

Bethlehem Steel Shipyards. But for the now-long-term unemployed shipyard workers to return to work, they had to sign a no-strike clause, and accept an austerity agreement from Bethlehem Steel, cutbacks in sanitation and other safety measures.

When I talk about doing what Franklin Roosevelt did, building our way out of this depression, people get excited.

EIR: What has been the response to the Great Enterprises project, outlined by *EIR* founder Lyndon LaRouche, which you have made part of your program?

Freeman: The *EIR* is going to be holding a seminar in Baltimore in September, on the Great Enterprises proposal. The response has been remarkable, not just from local businessmen, but from the workers in the city of Baltimore who have been drawn into my campaign. These are highly skilled workers who are now unemployed, or barely employed at 15 hours a week.

People in Baltimore really understand the difference between my proposals for industrial rebuilding, and the fact that other politicians, including Mikulski, are just attempting to blame our horrible situation on dumping of foreign steel.

EIR: What is your perspective on the primary?

Freeman: I would say, that in the blue-collar areas of Baltimore, I am running way ahead of Mikulski. And that is where you are going to get a heavy voter turnout. We have overwhelming support in those areas.

Here is where I have been getting the best response to my media campaign. One of my radio ads features a “statement”—barnyard noises, as the only thing Barbara Mikulski has to say in a primary in a depression year, followed by a statement of my program. The ad received national publicity in an Associated Press release, and six radio stations, the *Baltimore Sun*, and WBAL all interviewed me as a result of the impact of the ad. A WBAL television newsclip said that the ad did not “cloud the issues”; rather, it brought them to light.

The *Baltimore News American* came out Aug. 25 and endorsed Mikulski. They said the most notable thing about Debra Freeman was her “poor taste” in airing this commercial. The district is split down the middle. The working class of Baltimore, including the engineers, support my program and my media campaign.

Mikulski’s new district was set up on the basis of her own public relations image as “blue-collar Barbara.” It was based on the idea that she would take the liberal areas, and maintain her so-called strangle-hold on the blue-collar areas. That was a total miscalculation; that is what my campaign has totally disrupted, because Baltimore workers want my program.

We also have incredible support among senior citizens. Global 2000 [the policy of depopulation and de-industrialization] is the bottom line for these people. I have successfully made this a big, big issue in the campaign; as a result, I have 200 people going door to door campaigning for me.