

EIR

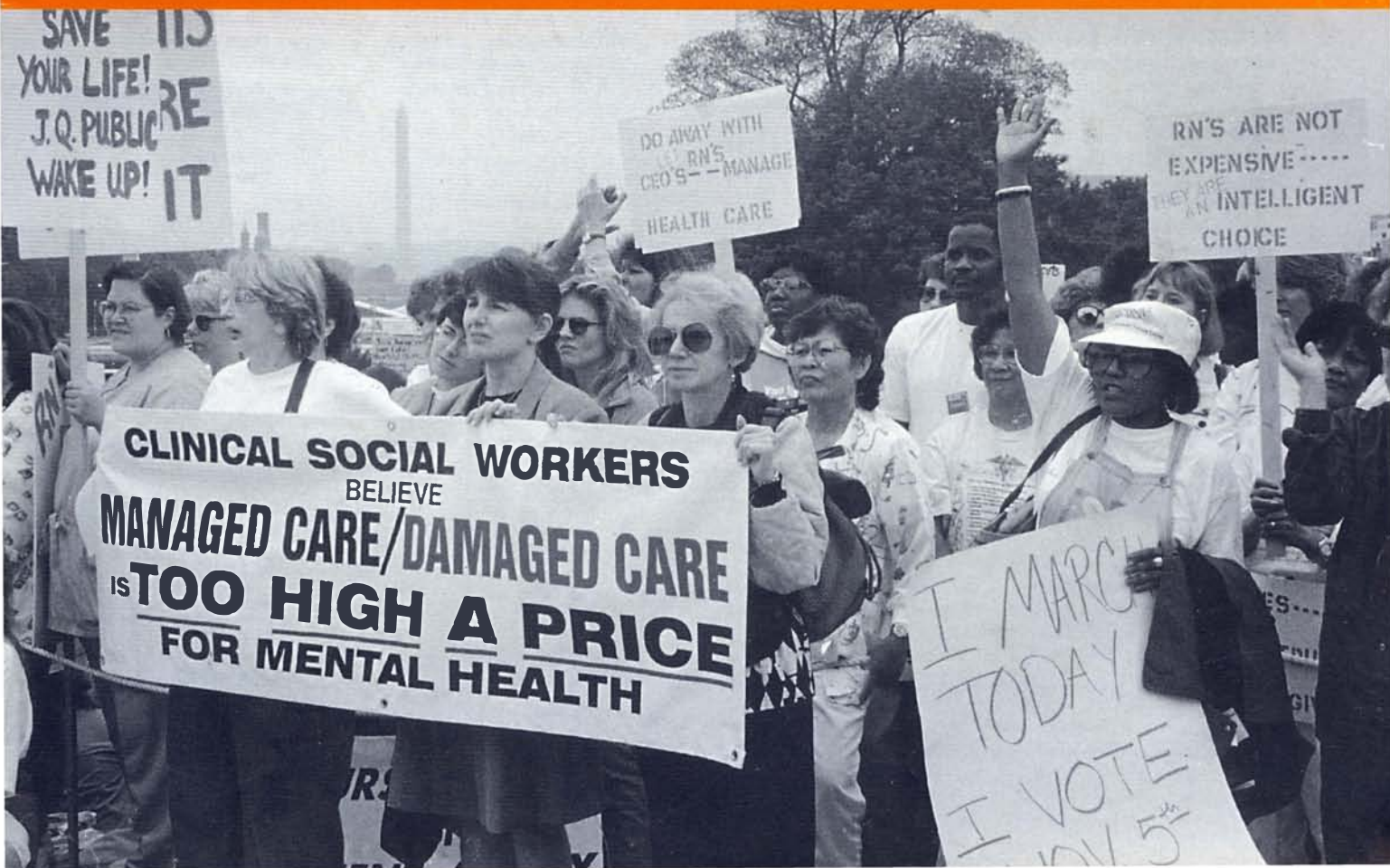
Executive Intelligence Review

October 25, 1996 • Vol. 23 No. 43

\$10.00

Weld nailed for coverup of Contra drug ties
Pakistani general backs Eurasian land-bridge
LaRouche: While monetarism dies

**'Managed health care' is
a crime against humanity**



Your Source for the Classics

Basic Books of The LaRouche Political Movement

Ben Franklin Booksellers

*Science, Music, Art, Philosophy,
Statecraft, and Literature*

Also Featuring Books by
Lyndon LaRouche & Associates



PLATO

Collected Dialogues of Plato.

Princeton University Press, hardcover, \$37.50

Portable Plato. Penguin, paperback, \$13.95

SAINT AUGUSTINE

Essential Augustine. Hackett, paperback, \$9.95

NICOLAUS OF CUSA

On Learned Ignorance.

Banning Press, paperback, \$11.00; hardcover, \$23.00

Idiota De Mente. Banning Press, hardcover, \$23.00

Toward a New Council of Florence: 'On the Peace of Faith' and Other Works by Nicolaus of Cusa. Schiller Institute, paperback, \$15.00

JOHANNES KEPLER

Excerpts from Kepler's **Epitome of Copernican Astronomy** (Books 4 & 5) and **Harmonies of the World** (Book 5), Prometheus Press, paperback, \$8.95

Kepler: A Biography. by Max Casper, Dover, paperback, \$10.95

LEIBNIZ

Monadology and Other Philosophical Essays. Macmillan, paperback, \$15.00

New Essays on Human Understanding. Cambridge University Press, paperback, \$37.95

Political Writings. Cambridge University Press, paperback, \$21.95

Philosophical Essays. Hackett, paperback, \$15.95

MATHEMATICS

Sourcebook in Mathematics.

by David E. Smith. Dover, paperback, \$16.95

PORTABLE CLASSICS

Portable Dante. \$14.95

Portable Shakespeare. \$13.95

FRIEDRICH SCHILLER

Poet of Freedom: Friedrich Schiller. Volume 1. Schiller Institute, paperback, \$9.95

Poet of Freedom: Friedrich Schiller. Volume 2. Schiller Institute, paperback, \$15.00

Poet of Freedom: Friedrich Schiller. Volume 3. Schiller Institute, paperback, \$15.00

THE FOUNDING FATHERS

Benjamin Franklin: Writings. Penguin, hardcover, \$40.00

The Political Thought of Abraham Lincoln. by Abraham Lincoln, Macmillan, paperback, \$23.00

THE AMERICAN SYSTEM OF POLITICAL ECONOMY

The Harmony of Interests. by Henry C. Carey, \$35.00

LYNDON H. LAROUCHE, JR.

Power of Reason, 1988: An Autobiography. by Lyndon H. LaRouche; paperback, \$10.00

The Science of Christian Economy and Other Prison Writings. by Lyndon H. LaRouche, Schiller Institute, paperback, \$15.00

Call Toll-Free: 1-800-453-4108

Northern Virginia: 703-777-3661

Or mail your order to:

Ben Franklin Booksellers

107 South King St. Leesburg, Virginia 20175

****Shipping and handling (U.S.):** \$4.00 for first book \$.50 each additional book. Additional shipping information available on request. Allow 3-4 weeks for delivery. Books shipped fourth class mail.

Please call to verify the availability of the books you wish to purchase.

Prices guaranteed through August 31, 1996.

ORDER FORM

AUTHOR, TITLE (abbrev).

Quantity Price

AUTHOR, TITLE (abbrev).	Quantity	Price

Make check or money order to:

Ben Franklin Booksellers

Credit card orders: Please charge my

Mastercard Visa Am. Exp. Discover

Card No. _____ Expires _____

Signature _____

Subtotal
Shipping**
Sales tax
(Va. residents add 4.5%)
TOTAL

EIR

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editorial Board: *Melvin Klenetsky, Antony Papert, Gerald Rose, Dennis Small, Edward Spannaus, Nancy Spannaus, Jeffrey Steinberg, Webster Tarpley, Carol White, Christopher White*

Associate Editor: *Susan Welsh*

Managing Editors: *John Sigerson, Ronald Kokinda*

Science and Technology: *Carol White*

Special Projects: *Mark Burdman*

Book Editor: *Katherine Notley*

Advertising Director: *Marsha Freeman*

Circulation Manager: *Stanley Ezrol*

INTELLIGENCE DIRECTORS:

Agriculture: *Marcia Merry*

Asia and Africa: *Linda de Hoyos*

Counterintelligence: *Jeffrey Steinberg, Paul Goldstein*

Economics: *Christopher White*

European Economics: *William Engdahl*

Ibero-America: *Robyn Quijano, Dennis Small*

Law: *Edward Spannaus*

Russia and Eastern Europe:

Rachel Douglas, Konstantin George

United States: *Kathleen Klenetsky*

INTERNATIONAL BUREAUS:

Bogotá: *José Restrepo*

Bonn: *George Gregory, Rainer Apel*

Buenos Aires: *Gerardo Terán*

Caracas: *David Ramonet*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Mexico City: *Hugo López Ochoa*

Milan: *Leonardo Servadio*

New Delhi: *Susan Maitra*

Paris: *Christine Bierre*

Rio de Janeiro: *Silvia Palacios*

Stockholm: *Michael Ericson*

Washington, D.C.: *William Jones*

Wiesbaden: *Göran Haglund*

EIR (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July, and the last week of December by *EIR News Service Inc.*, 317 Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451.

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, D-65013 Wiesbaden, Otto von Guericke Ring 3, D-65205 Wiesbaden, Federal Republic of Germany Tel: (6122) 9160. Executive Directors: Anno Hellenbroich, Michael Liebig

In Denmark: *EIR*, Post Box 2613, 2100 Copenhagen ØE, Tel. 35-43 60 40

In Mexico: *EIR*, Río Tiber No. 87, 5o piso, Colonia Cuauhtémoc, México, DF, CP 06500. Tel: 208-3016 y 533-26-43.

Japan subscription sales: O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 3208-7821.

Copyright © 1996 *EIR* News Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Periodicals postage paid at Washington D.C., and at an additional mailing offices. Domestic subscriptions: 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10

Postmaster: Send all address changes to *EIR*, P.O. Box 17390, Washington, D.C. 20041-0390.

From the Associate Editor

The program for construction of a Eurasian land-bridge of railroad and other infrastructure development, discussed by Lyndon and Helga LaRouche on many occasions, has received support from what some might consider an unexpected quarter: At a forum in Beijing, Pakistan's former Army Chief of Staff, Gen. Mirza Aslam Beg (ret.), very eloquently laid out the LaRouche program, its strategic significance and philosophical underpinnings (see p. 47), citing *EIR* as the institutional authority on these matters. We can be sure that the London geopoliticians and their junior partners at the New York Council on Foreign Relations, were not pleased.

Other articles in this issue provide a deeper understanding of the strategic fight behind the LaRouche land-bridge policy. First, see Lyndon LaRouche's preface to the forthcoming Chinese translation of his textbook, *So, You Wish to Learn All About Economics?* (p. 10). LaRouche's ideas will soon be much more readily available to a nation of 1.2 billion people.

In *International*, political prisoner Michael Billington and his wife, Gail, analyze the British-sponsored international networks that are trying to wreck the land-bridge policy: in this case, in Myanmar (Burma). It seems that such outfits as the International Republican Institute (IRI), which *EIR* readers know from our recent articles on Russia, are promoting the "democracy movement" in order to block the efforts of the Myanmar government to crack down on drug trafficking, in the world's largest opium-producing region. Among those involved in this campaign are Massachusetts Gov. William Weld, whose role in protecting the Contra drug-traffickers is coming increasingly into public view (see *National*).

The second principal theme of this issue, is the *Nuremberg crimes* that are being committed in the United States, under the slogans of "managed health care" and "assisted suicide" (see the *Feature* and Linda Everett's report on the "Dutch model").

Immediately following the Nov. 5 election, the FDR-PAC, a political action committee founded by LaRouche, will begin holding weekly caucuses in Washington, which will deal with these and other policy topics which the President, the Congress, and the electorate must confront. *EIR*, with its readers' help, will play an increasingly important role in shaping policy in the months to come.

Susan Welsh

EIR Contents

Interviews

36 David Schildmeier

The Director of Public Communications for the Massachusetts Nurses Association talks about the group's legislative initiatives to reverse the crisis in health care.

44 Alfredo Allende

Dr. Allende is a national deputy representing the province of Buenos Aires, Argentina, a member of the Radical Civic Union party, and the secretary of the Congressional Committee on Foreign Affairs.

Photo and graphic credits: Cover, pages 34, 69, EIRNS/Stuart Lewis. Page 11 (left), EIRNS/Philip Ulanowsky. Page 11 (right), EIRNS/Steve Meyer. Page 17, *Fidelio*. Page 21, PRNewsFoto. Pages 14, 15, 27-28, EIRNS/John Sigerson. Pages 31, 37, EIRNS/Carlos de Hoyos. Page 47, EIRNS/Muriel Mirak-Weissbach. Page 50, *National Development and Security*.

Departments

7 Report from Bonn

How fast will German labor learn?

72 Editorial

Insist on development!

Correction: In *EIR* of Oct. 11, p. 60, Zupair Mohamed Sailih was misidentified; he is Sudan's first vice president. The vice president is traditionally a Christian, and the current vice president is George Kangor.

Economics

4 Central bankers scramble to stop financial blowout

The Bank for International Settlements wants new regulations to control "cross-border banking," while former J.P. Morgan Bank chief economist Rimmer de Vries warns that if another national banking system blows up, like Mexico's did two years ago, "there will not be any billion-dollar rescue packages. The crisis will simply be allowed to happen."

6 Currency Rates

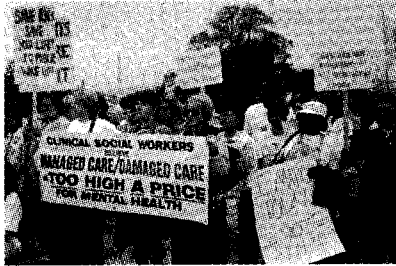
8 Business Briefs

Political Economy

10 While monetarism dies

Lyndon H. LaRouche, Jr.'s preface to the forthcoming Chinese translation of his economics text, *So, You Wish to Learn All About Economics?*

Feature



A demonstration by the Service Employees International Union on May 10, on the steps of the U.S. Capitol in Washington.

20 'Managed health care' is a crime against humanity

It's not a question of "abuses" of the system; the whole system is a threat to the public welfare. People are being killed in order to boost the profit margins of the managed health care companies. Marcia Merry Baker reports.

24 'Managed care' subverts U.S. health system, 1960s-1990s

A timeline.

26 Managed care's scorched-earth medical and hospital policy

30 Profile of a public health asset-stripper

31 The Hill-Burton Act

33 States fight back against managed care, hospital asset-stripping

36 Massachusetts nurses are 'going public' with the hospital crisis

An interview with David Schildmeier.

International

42 Ibero-American campaign: Time to bury the IMF!

A report on the "First Continental Mobilization: There Is Life After the Death of the IMF." The principal forum was in Mexico City, and events took place all over the continent.

Documentation: From the messages of support sent by Argentina's Col. Mohamed Ali Seineldin, Panama's Gen. Manuel Antonio Noriega, and France's Jacques Cheminade.

44 Much of the foreign debt is illegitimate

An interview with Alfredo Allende.

47 Pakistani Gen. Beg adopts LaRouches' concept for Euro-Asian land-bridge

From a speech delivered in Beijing on "China and the Post Cold War Paradigm in Asia." General Beg is the former Chief of Staff of the Pakistani Army.

52 Myanmar and the opium trade

Will Dope, Inc. lose control of the Golden Triangle? By Michael and Gail Billington.

57 Assisted suicide in the Netherlands: Nazi policy is no model for the U.S.A.

62 International Intelligence

National

64 Weld nailed for coverup of Bush-Contra drug ties

Exposed by Sen. John Kerry for his role in blocking an investigation of drug-running by the Contras, Massachusetts Gov. William Weld strikes out against the "conspiracy theories" of Lyndon LaRouche.

66 Brits say GOP will win the Congress

Ambrose Evans-Pritchard and Lord William Rees-Mogg, principal operatives in the slander campaign against President Clinton, are putting out the line that the "fix" is in for a Republican victory in the Congressional election.

68 Maria Elena Milton: 'It's not negative campaigning, it's telling the truth!'

"Maria is eating sharks for dinner tonight," was the comment of one supporter, after her debate with incumbent John Shadegg, the chairman of Newt Gingrich's GOPAC and a leading light of the Conservative Revolution.

70 National News

Central bankers scramble to stop financial blowout

by William Engdahl

Considerable attention has been given to new daily record highs on Wall Street and almost every major European stock market, with the Dow Jones Industrials index topping 6,000 points. Financial analysts are predicting a near-term Dow Index of 7,000 or more. In less than 18 months, the nominal value of the Dow Industrials has risen by a staggering 50%, and total market capitalization, on paper, of all publicly traded U.S. stocks exceeds \$6 trillion. Stock markets from London to Frankfurt have followed the Dow, breaking all previous records, as money flows in with no apparent end in sight.

Underneath the euphoria of these rising stock prices, however, the systemic crisis is obvious to anyone who cares to look behind the market headlines. Leading financial authorities, from the International Monetary Fund's (IMF) Michel Camdessus, to the Bank for International Settlements, have stepped up the tempo of warnings of looming bank crises. Governments, from France to Thailand to Brazil to Japan, are nervously trying to deal with unprecedented local bank losses. The reality is that the rotted-out international banking system is in slow-motion disintegration and could, at any moment, come crashing down.

This all is reminiscent of the late 1920s speculation frenzy. Then, too, stock markets reached unbelievable highs. When Wall Street finally cracked in October 1929, it was no mere stock market "correction," as had often occurred before. Instead, bank liquidity, from New York to Vienna to Berlin to London, simply vanished, leading to a chain-reaction collapse of the international banking and monetary order.

Alarm at the BIS

Less than a week following IMF Managing Director Camdessus's unusually blunt warnings of new national bank-

ing crises (see *EIR*, Oct. 11, p. 4), the Basle-based Bank for International Settlements (BIS), the organization of the world's major central banks, issued detailed new recommendations for "Supervision of Cross-Border Banking."

According to sources familiar with the background to the new BIS rules, which attempt for the first time to set minimum regulatory standards for the major offshore or unregulated foreign operations of OECD-country banks, "this isn't a response to the BCCI fiasco, as many are claiming." This latter is a reference to the Bank of Credit and Commerce International and its vast offshore banking empire, formerly backed by Britain's Thatcher government, and used as a vehicle for illicit arms and other deals by George Bush, Margaret Thatcher, and others until the bank's liquidation by British government authorities in 1991. "The latest BIS call reflects a growing sense of alarm among international banking regulators to the accidents out there, just waiting to happen," said an informed source.

The BIS report is aimed at banks in OECD countries which have subsidiaries in the world's major offshore bank secrecy havens. The BIS brought in bank supervisors from some of the world's most notorious money-laundering havens, including Cayman Islands, Gibraltar, Netherlands Antilles, Singapore, and Bermuda, to sign the final report. It was the first time such centers have been involved with BIS rule-making. "It's not a delayed reaction to BCCI or Barings Bank. Every major OECD bank today has one or sometimes many international offshore operations. These make control by the central banks of potential problem banks, all but impossible," noted one European banker.

A hint to what has the BIS central bankers alarmed, came in a report in the German financial daily *Handelsblatt*.

In an Oct. 14 article datelined Washington, the paper detailed a recent private experts' seminar, held under auspices of the Institute for International Economics in Washington. According to the report, the seminar, which included some of the world's leading bankers, as well as prominent people from the IMF and BIS, warned of an imminent new series of "Mexico-style" currency crises, to hit various Third World countries.

According to *Handelsblatt*, former J.P. Morgan Bank chief economist Rimmer de Vries warned, "This time, unlike two years ago with Mexico, if problem debtor countries like Thailand or Turkey have a currency crisis, there will not be any billion-dollar rescue packages. The crisis will simply be allowed to happen." De Vries went on to attack the headlong rush of major banks and investment funds into high-risk Third World markets, in search of ever-higher gains. "What today is called 'emerging markets' by the international credit markets, can only be likened to a casino," de Vries said. "And the time will come when the banks and investment funds responsible for this will simply pull the rip cord," that is, bail out and run. Ironically, de Vries's former bank, J.P. Morgan, is currently running full-page ads in the financial press that say, "Morgan means more in emerging markets."

According to the IMF's latest statistics, the flow of capital into these "emerging markets" is of staggering dimensions. In 1990, the total net flow of funds, including loans and direct investment as well as purchases of stocks or bonds, was \$57 billion. By 1993 that sum had risen to \$180 billion. Now, only months after the Mexico shock, the flows have again surpassed all records. In 1995, a sum of \$211 billion went to these emerging markets, and this year that record will be passed by far, at present trends.

Crisis looms in the 'emerging markets'

"The problem the next time, is that there is much resentment among especially the European members of the IMF and BIS, over the strong-arm tactics of Washington in arranging the Mexico bailout last year," said S.J. Lewis, a senior City of London financial market analyst, to *EIR*. "But the big banks and, especially, U.S. mutual funds, have again been piling into these markets, seemingly without care. A major accident is inevitable at some point."

Lewis noted a number of potential crisis candidates, including Brazil, Mexico, Indonesia, and Thailand—the last, until recently, one of the "success stories" of East Asia. "Thailand's finance minister just resigned, after only five months in office. The real issue is the licensing of banks. In Thailand, to get a bank license is tantamount to a license to print money. Thailand is notorious for its lax central bank supervision," Lewis added. On Oct. 14, Finance Minister Bodi Chunnanda resigned unexpectedly, only a month before national elections, leading to market speculation that Thai banking and financial problems were far more serious than generally

recognized. The Bangkok Stock Exchange, where large foreign investments have propped up the Thai currency in recent months, fell by another 1.5% after the news of his resignation hit. Since last year, stock values have fallen by over 30%. With Thai dependence on short-term borrowing, and with the value of company stocks collapsing, and, with declining exports, all the ingredients for a new Mexico-style currency crisis appear in place.

Indonesia has been mentioned by some as a potential crisis candidate, given the growing political opposition to the Suharto regime and signs of similar hot-money flows creating a bubble in Jakarta real estate and stocks in recent years. And even Malaysia, which had been hailed as an example of sound "emerging market" growth in recent years, is causing some concern among investors.

Trouble in Europe, Japan

But today's banking problems are in no way restricted to these "emerging market" economies. The problem involves the banks of the world's largest industrial nations, including especially Japan, but also France, as well as significant yet-hidden problems in a number of other countries. One major shock could force all these hidden problems into the open. "All it would take at this point would be, for example, a wire report that Yeltsin had died of heart failure," stated one European banker.

Japan bank bad loans, unofficially, are estimated at anywhere between \$800 billion and \$1.2 trillion, despite an almost six-year attempt by Japanese authorities to deal with the mess left from the collapse of the 1980s "bubble economy" of real estate and stock speculation. While more than 15 months of record low interest rates of 0.5% have taken that crisis off the front pages of the world's newspapers, French banking continues to hover on the brink of a major new crisis.

"The problem is Crédit Lyonnais," one senior Scandinavian banker told *EIR*. "Their losses from the misdeeds of the 1980s are simply too huge for the state to hide or to swallow." Recent estimates are that an added 100 billion French francs (\$20 billion) will be needed to clean up the huge bad debts of the largest French bank. "Because it is a state-owned bank, there won't be the classic 'run' on deposits," the Scandinavian banker continued. "The French taxpayers will simply have to pay." The bank just asked the state for another FFr 12 billion (\$2.4 billion) last week, to stabilize the bank's capital reserves.

"But if Crédit Lyonnais is now forced to dump its bad loans, something it and the government resist, that alone would bring down the entire Paris real estate market, and numerous insurance and other financial entities with it," the banker said.

In Belgium, which has been rocked by scandals of murder and pederasty in recent weeks, Parliament has just opened an investigation into \$1 billion in losses by the government in

ill-conceived derivatives speculation between 1989 and 1992. The Parliament recently gave Prime Minister Dehaene emergency powers to rule by decree, reminiscent of the austerity-by-decree Heinrich Brüning regime in Germany in 1930-32. Dehaene's mandate is to slash public spending in order to meet European Union public deficit targets for the European Monetary Union, due in 1999.

Standard & Poors has put a number of German banks on its credit "watch list," expressing concern over the depression in German real estate in recent months.

Governments must act

The global financial system is in such a precarious state at present, that any of several events could trigger a collapse. Several European bankers have suggested that a crash in the inflated U.S. government bond market, triggered by soaring oil prices, could do it. Given the sheer size of the U.S. bond and stock market, that market is viewed by many as the greatest danger point. And given the United States' dependence on foreign borrowing to support its debt, a crisis in the dollar would detonate an explosion.

Foreign central banks' holdings of U.S. Treasury securities (long- and short-term), as of Oct. 2, totalled a record \$591 billion. Rumors are rife that Asian central banks have begun to quietly dump dollars for other currencies. Were that to accelerate, and were European central banks to follow, and the dollar go into free fall, that in turn would pull stock and bond markets down with it. Given the extent of global financial derivatives contracts, some \$40 trillion worth by BIS estimates, such a dollar crisis could spread at lightning speed.

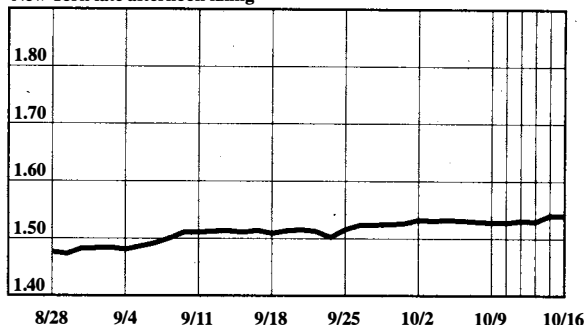
Whatever the possible detonator, the relevant issue at present is what steps governments are taking to preemptively deal with such a crisis. In the last such global systemic crisis, that of 1929-33, it was foolish governments, beginning with Herbert Hoover's United States and Brüning's Germany, which rigidly held to the orthodoxy of Montagu Norman and the Bank of England's gold standard. That monetary orthodoxy dictated savage public spending cuts to maintain budget "balance," and to stabilize the tie to the fixed value of gold. The result turned a stock market crash into a global depression.

Today, the very same governments are replaying the same madness. The deflationary role of the gold standard is now being played by the Maastricht Treaty's rigid limits on government spending for the 15 nations of the European Union. In the United States, the Republican Congress has blocked vigorous government action to rebuild national economic infrastructure, the only way to shift into sustained real economic growth again. When the full-scale financial dimension of the crisis erupts, these political fetters in the world's major industrial economies will prevent emergency action, unless there is a dramatic policy shift by the U.S. administration in the very near term.

Currency Rates

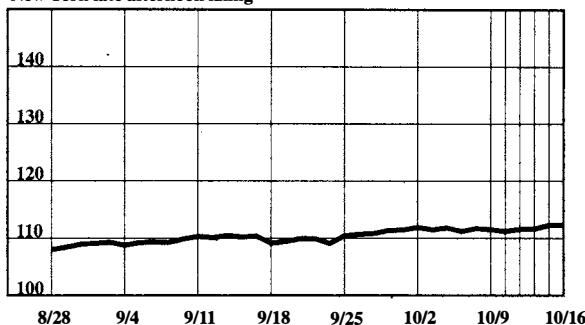
The dollar in deutschemarks

New York late afternoon fixing



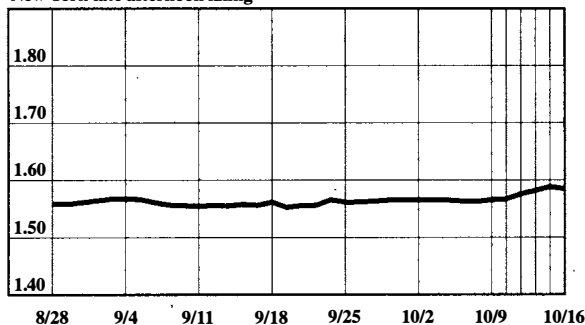
The dollar in yen

New York late afternoon fixing



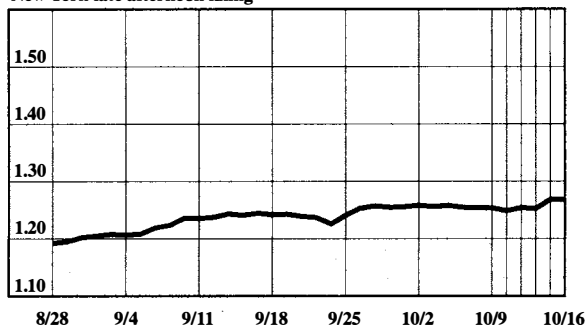
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



How fast will German labor learn?

The base of the labor movement is in a fighting mood, but the leadership is jumping into bed with the Greens.

For the first time in 25 years, Germany in early October saw a wave of plant-based industrial strikes, sparked on the local level, rather than by the trade union federations. The strikes were against a new law, which went into effect Oct. 1 and reduces sick leave pay by 20%. Staged against managers' plans to break existing wage contracts and cut sick leave pay instantly, the strikes were quite successful. One week of warning strikes in selected big firms of the metal industry, which mobilized up to 150,000 workers each day for several hours of walk-outs and protest marches, delivered an unmistakable message to government and industry leaders, not to touch existing contracts.

The strike actions mainly hit the automotive industry, which tried to implement such wage cuts by decree. "Wildcat" strike ferment mobilized up to 150,000 workers at Daimler-Benz and Opel each day of the protest campaign, halting the entire production process in some of the plants. The net loss from these few days of strikes to Daimler-Benz alone was DM 220-240 million (\$145-158 million)—which is much worse for the management than the DM 100 million they intended to "save" every year, by the cuts in the sick leave pay. The managements of Daimler-Benz and Opel, over the second weekend in October, signalled to the metal workers union that the wage-cutting plans have been called off, for the time being. Also, the government in Bonn, which had provoked this situation with its new labor law that called for these cuts, all of a sudden declared

that it had "never intended" to break existing contracts, that the industry managers had simply "misunderstood" the character of the new legislation, and that the government did not want "greater social tensions to be provoked."

The metal workers union and the national DGB labor federation responded to those signs of concession and retreat, by calling off bigger protest actions that were planned for the rest of the month, and paving the way for new talks among unions, government, and industry. Because the government is not willing to drop its budget-cutting policy, however, it is very doubtful that these new talks can result in anything positive. It is more likely that the labor unions will get bullied into new concessions, at the expense of labor's genuine interests in maintaining the present standards of living. Renewed frustration at these useless talks, and renewed labor protests in the near future are the likely outcome.

The main question now is not whether the wildcat strikes will continue, or whether they will spread; they have already spread to the chemical sector: 14,000 workers staged a spontaneous walk-out from the BASF plant in Ludwigshafen on Oct. 9. They spent their lunch break outside the plant (as they put it), marching through the city for 45 minutes, so that all traffic in the downtown area was blocked. Also, on Oct. 10, the two labor unions in the banking sector, HBV and DAG, announced a strike vote for early November.

The main question which German

labor is faced with now, is whether it can put forward new economic concepts fast enough, to be in a position to effect a change in government policy—away from the monetarist, budget-cutting line, and toward a pro-investment policy that would benefit productive industry and the labor market. In order to do so, labor first has to get rid of the ecologists that have penetrated the labor movement in the last 15 years. It is worth noting that the labor movement's traditionalist current has become more active recently, and more aggressive in taking on the ecologists. The most spectacular event of the recent period was a protest march of 6,000 chemical workers in Düsseldorf on Sept. 19, against plans of the Green party to ban production of PVC by a new law. This kind of labor anti-greenie protest had not occurred in Germany in almost 15 years.

But what also has never occurred in Germany before, is that the national chairman of a labor union addressed a Green party congress: Herbert Mai, of the public sector workers' union, Germany's second-largest, spoke to a strategy congress of the Greens in Hanover on Oct. 12, and he endorsed the formation of a "red-green" coalition government of the Social Democrats and the Greens, after the 1998 national elections. After all the bad experience labor has had with such "red-green" governments, and the situation in the state of North Rhine-Westphalia, which those 6,000 chemical workers protested against, such a statement by Mai should not have been made. But even worse: Dieter Schulte, the national chairman of the German federation of labor, DGB, is scheduled to keynote the national Green party convention in late November. The labor bureaucracy cannot be trusted. For the time being, the labor rank and file has to defend its interests on its own, as the metal workers did in early October.

Business Briefs

Middle East

Form common market, Israeli leader urges

An Israel-U.S. partnership could help create a Middle East common market, Israel Electric Corp. Chairman Gad Ya'acobi told delegates at the Israel-North America Business Conference in New York on Oct. 9, the *Jerusalem Post* reported. A former Israeli ambassador to the UN, Ya'acobi was part of the group that earlier proposed the "Peres plan" for Mideast development.

In his address to U.S., European, and Israeli officials and businessmen, Ya'acobi presented four regional energy projects either already being implemented or under discussion: The Mediterranean Sea-Dead Sea canal; connecting the electricity grids of Jordan, the Palestinian Authority, Israel, and Egypt; a hydroelectric power station to produce 400 megawatts of electricity for Israel and Jordan; and the development of an oil-shale plant (Israel's only fossil fuel resource), which is about to begin.

"Regional cooperation is the foundation for peace, and its reinforcement," Ya'acobi told delegates. "It has to be expressed in many other areas, such as agriculture, tourism, transportation, telecommunications, joint ventures in industry, and R&D." Ya'acobi and other Israeli speakers are reportedly hoping to use the conference to help raise some \$50 billion for public and private sector projects in Israel over the next 10 years.

Indonesia

Development of eastern regions gets emphasis

Plans for the development of the vast eastern regions of Indonesia, including Borneo, Sulawesi, the Moluccas, and Irian Jaya, were laid out at a conference in September, the *Asia Times* reported Sept. 30. The government now has three priorities: developing 55 zones, spread out across the region to ensure equitable distribution of development; establishing links with the Northern Territory of Australia, Malaysia, and the Philippines;

and increasing investment in the region.

The area is two-thirds of Indonesia's land mass, but has only one-third the population and accounts for only 18% of its Gross Domestic Product. Previous development efforts, including transmigration programs, moving Javanese to the sparsely populated regions, has caused serious conflicts over the marginalization of local populations.

The region is part of the East ASEAN (Association of Southeast Asian Nations) Growth Area (EAGA), which includes Brunei and parts of Malaysia and the Philippines. Asian Development Bank reports emphasize "eco-tourism" for the area. But a serious development perspective, which would have to come as part of an integration of this "Asian lake" area into the Eurasian land-bridge concept, has yet to be developed.

Bulgaria

Sell-offs stepped up in attempt to please IMF

The monetarist-minded government of Bulgaria has accelerated plans for the mass privatization of 970 state-owned firms in a national "voucherization" system, selling assets to "every citizen"; has begun the sale of 15 select "profit-making" strategic industrial ventures to foreign private investors; and has begun the shutdown of 64 "non-profitable" ventures, in agreement with the International Monetary Fund, the Swiss financial daily *Neue Zürcher Zeitung* reported Oct. 8. The IMF recently refused to grant Bulgaria a \$115 million loan.

The state ventures that are to be sold to foreigners, for the lump sum of \$1 billion, include Alumina, the nation's biggest aluminum producer; the leading polymer producer Polymeri; two shipyards; and the sodium producer Sodi-Devnia. The sale has the character of "an emergency sale of the family's silver, than a well-considered privatization offensive," the paper commented.

Meanwhile, the medical workers' organization within the Confederation of Independent Trade Unions began a petition drive and protests demanding Health Minister Mimi Vitkova's resignation for aggravating the impoverishment of medical staff and hospitals. Most medical workers are not paid

regularly, and receive less than the national average salary of about \$70 monthly. Patients have had to bring their own bedsheets and food for hospital stays. The Plovdiv hospital recently started charging patients in hard currency, in an attempt to avoid closure from lack of funds.

Labor

Canadian strike over 'economic insecurity'

Canadian Auto Workers (CAW) President Basil "Buzz" Hargrove refuted the notion that Canadian car prices have risen because of labor costs, and that slow sales should be blamed on the workforce, in a letter to the editor in the Oct. 10 *Toronto Globe and Mail*. "Slow car sales are actually rooted in the unprecedented economic insecurity that most Canadians continue to experience, not in high prices," he said.

General Motors parts plants in the United States are shutting down, as the CAW strike expands. It is expected that Canadian negotiations will stall until GM settles with the U.S. United Auto Workers union over the major issue of outsourcing of its parts manufacture.

Hargrove noted that "sales of imported luxury vehicles are booming in Canada, as the rich get richer. But stagnant wages, still-high real interest rates, and a general lack of confidence are keeping a firm brake on mass vehicle sales. . . . By preserving well-paying jobs, by creating new ones . . . and by modestly increasing wages, the CAW is addressing the real 'affordability' problem."

Economic Policy

Philippine businessmen reject free trade

The fight of Katapat, the association of small and medium-size Philippine businessmen, against lifting the 50-year-old law barring foreign firms from the retail trade sector, is rapidly becoming a fight to challenge the constitutionality of the Ramos administra-

Briefly

tion's entire strategy for trade liberalization and privatization.

According to sources in Manila, Katapat has won the support of the Federation of Philippine Industries in this fight, and the majority of the Senate Committee on Trade wants to kill pending legislation that will open up the retail-trade sector to foreign concerns. The committee is pushing for an overall review of trade liberalization. This bloc is led by Sen. Edgardo Angara, the former speaker of the Senate who was ousted by President Fidel Ramos last year, and may be a candidate in the 1998 Presidential elections. Only one of 24 senators supports opening up retail trade.

The Presidential palace, Malacanang, is now in the embarrassing position of pulling out of a proposed seminar on the constitutionality of trade liberalization, to be held at the University of the Philippines. Malacanang wants to avoid any "constitutional" debate for now, because the hottest constitutional issue in the Philippines is lifting a one-term limit on the Presidency itself.

The chairman and secretary general of Katapat attended the Schiller Institute's Labor Day conference in Virginia in September, and presented a statement asserting national sovereignty against the International Monetary Fund.

Debt

China is reviving state-owned firms

Ending interest payments and transforming corporate debt into capital input, have proven effective in "unraveling the debt chain" burdening China's state-owned enterprises (SOEs), *China Daily* reported Oct. 6. Pilot projects with 100 major SOEs have helped to optimize the firms' capital structure and reduce debt; in the first six months of 1996, SOEs were able to reduce their debt-asset ratio by 2.5%.

At least one-third of SOEs, the "pillar of the state economy," are operating at a loss and are heavily indebted. The SOEs' debt-asset ratio was less than 20% in 1980, but it shot up to 70% by 1993. In 1995, the ratio of the 148,000 SOEs hit 85%. Total debt is 3.36 trillion yuan (\$405 billion), compared to per-

sonal bank deposits of 2.97 trillion yuan. Interest payments are now up to 100 billion yuan a year.

The measures applied by the government include: returning a portion of their taxes to the SOEs, as the state's capital input to "transform the firms' fiscal debts, loans in arrears, and depreciations into the country's capital input;" ending interest payments; allowing firms which have lowered their debt-asset ratio to retain income and after-tax profits for investment; adopting a share-issuing system; and speeding up depreciation. SOEs in particularly bad situations will be encouraged, to declare bankruptcy or merge with other firms, to reduce the debt balloon.

Space

China plans manned missions by year 2000

Zhang Qingwei, vice director of the Chinese Academy of Launch Vehicle Technology, told the 47th congress of the International Astronautical Federation on Oct. 9, that a program to develop a launcher capable of carrying 20 tons would begin as soon as possible, the official *China Daily* reported. The paper, citing a "reliable source," said that China would launch its first manned space mission by the year 2000.

Some Chinese space experts at the congress protested China's lack of participation in the space station project, saying it would not be truly international without Beijing's input.

U.S. cooperation with China has just started, but closer ties are expected. According to a NASA protocol, a series of small experiments must first be conducted in space to develop a relationship with Chinese scientists, before personnel could be trained for the Shuttle. "Flying an astronaut is pretty significant," a NASA spokeswoman said.

Executives from Spacehab, a NASA Space Shuttle contractor, were in Beijing in October, to discuss prospects for launching Chinese scientific experiments, and a Chinese astronaut, into space within the next few years. The funding may come from Taiwan, Japan, and Germany.

IRAN signed agreements with Armenia and Russia on Oct. 9, for cooperation in housing and urban development. The deal with Russia focusses on construction of low-cost apartments. "Russia plans to construct about 8 million housing units in the coming years," said Russian Minister of Building Yefim V. Basin.

AN OIL PIPELINE linking Iran with Turkmenistan will be undertaken soon, a spokesman for the National Iranian Oil Refining and Distributing Co. said Oct. 8, *Ettala'at* reported. Under the agreement with the Turkmen Oil and Gas Ministry, Iran will assume civil engineering operations for the project, procure machinery, and build facilities.

FAMINE threatens 13 African nations, if they do not receive emergency food aid, the UN Food and Agriculture Organization warned in a report presented in London on Oct. 9. The threat is predominantly to countries such as Burundi, Liberia, and Somalia.

HYDRO-QUEBEC head Benoit Michel is the originator of a five-year plan to "adjust" Hydro-Quebec's workforce by eliminating 9,000 jobs, according to *Matinternet* on Oct. 9. Michel was fired by Parti Québécois leader Lucien Bouchard for not being austere enough.

RUSSIA'S harvest will be below official forecasts, with a total volume of 68-73 million tons, the Agricultural Ministry in Moscow wrote in its most recent estimate, the Austrian daily *Die Presse* reported Oct. 5. The forecast had been for 77 million tons. The 63 million tons in 1995 was the lowest in 30 years.

PAKISTANI banks are faced with large-scale withdrawals, caused by a loss of confidence in the economy, the *Asian Age* reported Oct. 10. The country is in a liquidity crunch, and there are fears that the central bank is running short of funds, as the government raises yields in a desperate attempt to get money.

While monetarism dies

by Lyndon H. LaRouche, Jr.

Mr. LaRouche wrote this preface to the Chinese translation of his economics text, So, You Wish to Learn All About Economics? on Oct. 9, 1996.

The publication of the author's 1984 textbook in Chinese could not have come at a more ironical moment of world history.

During the September 28-October 1 meeting of the combined International Monetary Fund (IMF) and World Bank, here, in Washington, D.C., Managing Director, Michel Camdessus, of the International Monetary Fund, warned, for the second time this year, of an onrushing, systemic, chain-reaction collapse of the world's banking system. Camdessus had delivered a similar warning earlier, at an event held in the setting of the Lyons, France G-7 meeting.¹

There is no exaggeration in Michel Camdessus' expressed fears. Already, virtually all among the world's banking systems are, each, in an advanced stage of financial bankruptcy. The infection of the world's financial system with the same madness typified by financiers operating out of London, Singapore, and Hong Kong, has put the entire banking systems of Germany, France, Italy, Spain, Russia, Japan, and every nation of the Americas, including the U.S.A. itself, into implicit bankruptcy.

The "derivatives"-driven, continuing bankruptcy of the world's financial system, is something which has already occurred. It has been fully under way for four years. What is new, is the IMF's open recognition of the immediate, high degree of risk, that the simultaneous collapse of one or two key banks, such as France's already bankrupt Crédit Lyon-

nais, might set off a chain-reaction implosion of the financial institutions of virtually every nation, including Japan, as well as all of Europe and the Americas. Were such a systemic chain-reaction to begin, the entire system of banking and finance could be turned into dead dust within as short a time as forty-eight to seventy-two hours: in many parts of the world, money itself would become almost non-negotiable.

The Managing Director did not exaggerate the danger. The problem is, the IMF's proposed cures are worse than the disease.

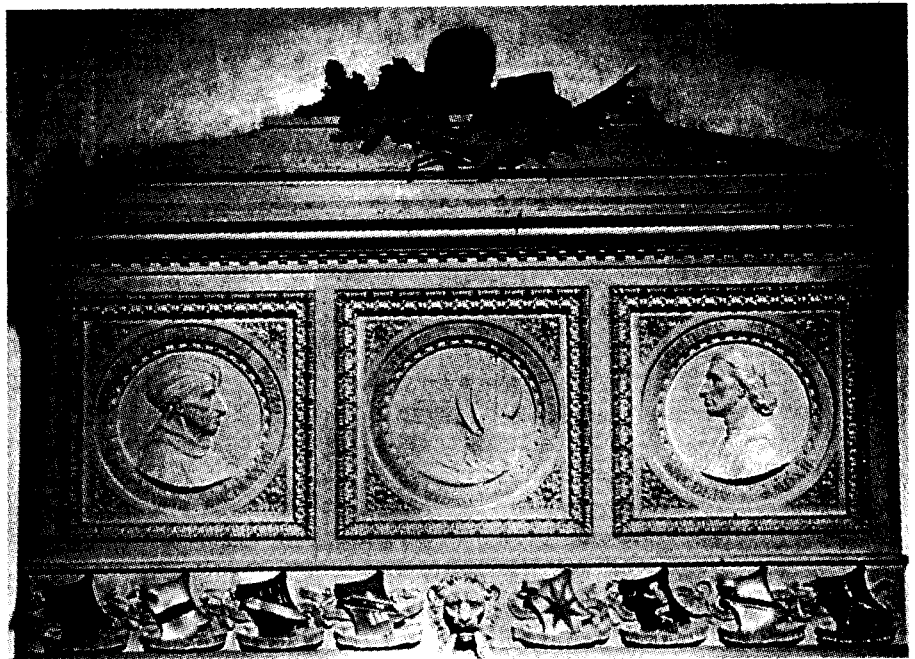
The LaRouche forecasts

The author of the textbook presented here, gave his first long-range warning of the risk of such a world-wide collapse, more than thirty-five years ago. That forecast, then, and as it has been updated over later decades, has earned unique authority in today's crisis.²

This writer's first, 1959-1961, warnings of the danger of a trend in this present direction, had been based on a study of trends in the combined U.S.A. and western European economies, over the period 1946-1959, showing the causes for the deep and stubborn U.S. recession of 1957-1959. That 1959-1961 study warned, that if the world's ruling economic authorities continued to apply the axioms adducibly underlying 1946-1960 trends in the shaping of both economic and financial policies, we must expect a series of international monetary crises during the second half of the 1960s, leading into breakdown of the Bretton Woods system of relatively fixed parities of currencies. The forecast indicated such a break-

1. John Hoefle, "IMF Admits Global Banking Crisis Is Out of Control," *Executive Intelligence Review (EIR)*, Oct. 11, 1996. Also, *EIR*, July 19, 1996.

2. *The Coming Disintegration of The Financial Markets: LaRouche's Ninth Forecast* (Leesburg, VA: New Federalist, August 1994). "The LaRouche Record," *Executive Intelligence Review* March 15, 1996. pp. 14-43.



Left: statue of Christopher Columbus overlooking New York's Central Park. Right: monument to Italian explorers in the Santa Croce Church in Florence. The relief on the left shows Paolo Toscanelli; Amerigo Vespucci is on the right. LaRouche underlines one of the most crucial principles of economics: "It was Columbus, and he alone, who acted to effect the discovery of the Americas; but, he could not have succeeded without the ships and crew."

down as likely to occur, by approximately the end of the 1960s or beginning of the 1970s.³ It was the present writer's repeated warning of an accelerating threat to the pre-1971 monetary agreements on stable parities, which established the influence he has gained since the events of August 15-16, 1971.⁴

At the time of the August 1971 crash of the U.S. dollar, this writer supplied an updated forecast for the decade ahead. He warned, that if the 1946-1971 trends in the shaping of economic and financial policy-making were continued, the leading policy-shaping institutions would turn more and more to the kinds of austerity programs of Nazi Economics Minister Hjalmar Schacht, with global social and political effects matching the 1922-1945 results of the policies of fascist economists such as Venice's Volpi di Misurata and the London-backed Hjalmar Schacht.⁵

3. *ibid.* The study was developed in two phases. During 1955-1956, the author conducted a 1946-1956 study, out of which he forecast a deep and prolonged economic recession to break out during early 1957. The actual outbreak of that recession during February-March 1957, encouraged this writer to extend the same method, to produce the long-range forecasts of 1959-1961: forecasting a series of international monetary crises during the late 1960s, leading into a breakdown of the then-existing international monetary agreements.

4. Virtually every popular university textbook, such as Nobel Prize winner Paul Samuelson's *Economics* (101), had argued, that, under the existing regulatory mechanisms, such a crisis would not be allowed to happen.

5. This was the subject of a celebrated, December 2, 1971, public debate between the author and Professor Abba Lerner, the then-influential, leading

The 1971-1972 collapse of the Bretton Woods system, was the result of both 1946-1966 trends toward radical monetarism, and the long-simmering, neo-Malthusian, so-called "post-industrial" dogmas which came to the surface during the 1964-1966 interval.⁶ The world-wide monetary catastro-

U.S. Keynesian of that period. In the end of the debate, Lerner defended Hjalmar Schacht's policies, arguing that if the German Social-Democracy had supported Schacht, "Hitler would not have been necessary."

6. The "post-industrial" utopianism, which took over international policy-shaping during the second half of the 1960s, was the accumulated result of long preparatory work, in academic and related circles, by institutions such as the London Tavistock Centre and the networks which had been built up, after the Versailles Treaty, by the circles of Bertrand Russell and H.G. Wells. The pivot of the Russell-Wells policy was the fostering of the development of nuclear weapons by the Anglo-Americans, with the intent to make general warfare so awful, that, as Russell explained in locations such as the September 1946 edition of *The Bulletin of the Atomic Scientists*, nations will be willing to give up their sovereignties to the kind of "world government" which Russell proposed the United Nations Organization (UNO) must become. Russell proposed that the Anglo-Americans launch a "preventive" nuclear attack upon the Soviet Union, to bring about such establishment of "world government." The economic and social doctrines of present-day, neo-Malthusian "utopianism," have been developed as designs for the post-nation-state world which Russell and his co-thinkers sought to bring about through a nuclear-weapons diplomacy. Thus, it was the "détente" agreements struck between the Anglo-Americans and the N.S. Khrushchev government, in the aftermath of the 1962 Caribbean "missiles crisis," which set the stage for the unleashing of "neo-Malthusian" forms of utopianism, during the second half of the 1960s.

phe, and general economic depression, fully under way today, is not an accident produced by some lowly clerk in Barings' Singapore office. It is a catastrophe built into the generally accepted monetarist and neo-Malthusian axioms of policy-shaping currently guiding nearly every leading academic, governmental, financial, and monetary institution of today's world.

The best hope for civilization today, is that the U.S.A. might use its leading position, to eradicate that combination of radical "free trade" and "neo-Malthusian" monetarism, to return to the successful methods of such economists as the founder of economic science, Gottfried Leibniz, Benjamin Franklin, U.S. Treasury Secretary Alexander Hamilton, the American Careys, and Friedrich List.

Presently, the only chance to avoid the world's plunge into a "new dark age," is to reverse the policy-trends of the past thirty-odd years, especially the past twenty-five years of the "floating exchange-rate system." If we do not return to the only successful modern model of economy, that of Leibniz and the famous "American System" of Franklin, Hamilton, et al., we must prepare our children to receive, very soon, the kind of prolonged, global "new dark age" of all mankind, which a chain-reaction collapse would inaugurate: a "dark age" resulting from the collapse of nation-state systems into

global anarchy.

The best estimate for the effects of such a "new dark age," is that, during a period of approximately two generations, the population of the planet would be collapsed rapidly to a new quasi-equilibrium-level, of perhaps less than a billion individuals, with life-expectancies falling to levels of barbarism. That "shock wave" of economic and demographic collapse would feature famine, disease, and violence, beyond anything seen on this planet during recent centuries.

For those who have mastered the existing evidence respecting the great economic and financial crises of modern European history, the alternative to the presently accelerating global financial and economic chaos, is elementary.

First, a group of governments, representing a plurality of nations, must agree in concert, to put the existing, bankrupt financial institutions of the world, into foreclosure proceedings, into reorganization in bankruptcy. Second, these governments must agree on establishing a new system of relatively fixed parities among reorganized currencies of their nations, and a new system of credit and tariffs. Third, these measures must be combined with commitment to a set of great infrastructure-building projects, which will set into motion a general recovery of the physical economies of one and all participating nations. Fourth, it is essential that those governments also identify accurately the wrong-headed, but unfortunately popular economics teachings, the which have caused this global financial catastrophe. Those governments must resolve, that never again shall the philosophy of the opium-trafficking British East India Company's "free trade" policies, or its like, be tolerated among nations which wish to be regarded as civilized.

The present textbook, originally written and published, in English, in 1984, provides an introduction to those principles of physical economy which must inform policies aimed at bringing about a general economic recovery from the disasters which the British East India Company's "free trade" dogmas have, once again, brought upon this planet.

How to understand the banking collapse

Like any original discovery of a valid physical principle, as in experimental physics, the birth of competence in economic science occurs with posing a relevant, seemingly insolvable paradox. In today's crisis, the relevant expression of that paradox is: *How might economists measure the performance of economic processes, when the existing system of money has just recently gone out of existence?* What is the alternative to measuring in terms of money-prices? The following textbook centers the problem of economic science on that issue.

For those who have studied the problems of economic planning during successive phases of the Soviet Union's administrative practices, this is a familiar question. The problem was not original to the Soviet Union. Prior to mid-Sixteenth-

So, You Wish To Learn All About Economics?

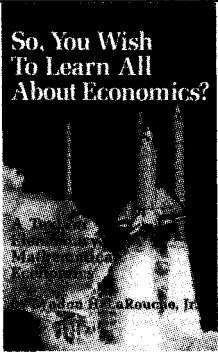
by Lyndon H. LaRouche, Jr.

A text on elementary mathematical economics, by the world's leading economist. Find out why *EIR* was right, when everyone else was wrong.

Order from:

Ben Franklin Booksellers, Inc.
107 South King Street Leesburg, VA 22075

\$10 plus shipping (\$1.50 for first book, \$.50 for each additional book). Bulk rates available. Information on bulk rates and videotape available on request.



Century western Europe, the same problem, how to measure economic performance in non-money terms, prevailed in nearly all economies of the world. Until the present writer's discoveries in economic science, that problem was sometimes circumvented in practice, but never solved as a matter of principle. The same problem, of discovering a scientific alternative for measuring economic performance in physical terms, rather than money-prices, exploded to the surface during the hyperinflationary period of 1922-1923 Germany. The same question has erupted, world-wide, since the world's monetary system spun out of control, beginning 1971-1972.

What should nations do, at the time all monetary and banking systems are shattered by the bursting of the present world-wide bubble of financial speculation?

The alternative is to be found in physical economy, a branch of physical science first developed by Gottfried Leibniz, during the years 1671-1716. Leibniz's discovery of economic science, combined with his persisting attacks upon the poisonous influence of John Locke, was the basis for the principles of the U.S. *Declaration of Independence* and the principle of law expressed by the Preamble of the U.S. Federal *Constitution* of 1789.⁷ Leibniz's principles of physical economy were incorporated in what was known as the "American System of political-economy," under the leadership of influential American patriots, such as Benjamin Franklin, U.S. Treasury Secretary Alexander Hamilton, Henry C. Carey, and also by Friedrich List, and Russia's great minister Count Sergei Witte.

The American System of political-economy, of Hamilton, the Careys, and List, was the policy and practice of the U.S.A. under early U.S. Presidents, such as George Washington, James Monroe, John Quincy Adams, Abraham Lincoln, Rutherford Hayes, and William McKinley. During the Nineteenth Century, defense of the American System, or "protectionist" policy, against the British "free trade" system, was always the policy of the patriotic factions of the U.S.A. These were the Washington-Hamilton Federalists, the Whig Party of the Careys and Henry Clay, and the Lincoln-Carey faction of the Republican Party. Only the factions of the Confederate slave-owners and the Yankee opium-traders, supported British "free trade."

7. Throughout the Eighteenth Century, both in the English colonies, and in the United States, the division of North American opinion between anti-British American patriots, and British sympathizers, conformed precisely to the opposition of Leibniz to Locke. The phrase "life, liberty, and the pursuit of happiness," in the 1776 U.S. Declaration of Independence from the British Empire, is Leibniz's formulation, in specific rejection of Locke's "life, liberty, and property." The argument that "property right," rather than the right of the human individual, must be the law, was the core of the legal-philosophical defense of slavery and racialism in the writings of racist Thomas Jefferson, and the argument for slavery by the treasonous British agents who headed up the slave-holders' Confederacy. Locke's philosophy is still the basis for the Anglophile U.S. financier oligarchy and its lackeys today.

Admittedly, under leadership of Presidents Thomas Jefferson, Dolley Madison's husband, James Madison, Andrew Jackson, Martin van Buren, Polk, and the traitors Franklin Pierce and James Buchanan, the philosophy of Locke and the British East India Company's Adam Smith predominated. Nonetheless, despite the influence of British philosophy in high places, throughout the Nineteenth Century, the patriotic, Hamiltonian economic tradition of the U.S. Federal Constitution continued under Henry Clay's Whigs, and Presidents such as James Monroe, John Quincy Adams, Abraham Lincoln, Hayes, and McKinley.

The dominant trend toward moral degeneration of U.S. foreign policy came during the Twentieth Century, with the 1901 assassination of the patriotic President McKinley, and McKinley's replacement by rabid Anglophile Theodore Roosevelt, a representative of the Confederacy faction. Rabid Anglophile and racist Woodrow Wilson, who was elected U.S. President with help of former President Theodore Roosevelt, was another Confederacy sympathizer, whose policies are typified by the fact that he used his influence as President, in 1915, to promote the revival of the racist Ku Klux Klan. President Calvin Coolidge, a product of the Yankee opium-trader families, was allied with the pro-Confederacy tradition of Theodore Roosevelt and Woodrow Wilson. During the present century, the only Presidents who have clearly represented the patriotic tradition of the American System have been Franklin Delano Roosevelt and John F. Kennedy. The policy-making of Truman, and Carter, and Bush, was in the tradition of the Confederacy, and Presidents Eisenhower, Johnson, Ford, and Reagan were of a mixed quality, under pressure of powerful factions which represented pro-Confederacy, financier-oligarchy influences.

The economics tradition of the United States Constitution generated none of the world's troubles during this century. Since the 1901 assassination of President McKinley, until the 1992 election of the current President, William Clinton, the most crucial problem suffered by the world as a whole, has been the strategic alliance among the powerful New York-Boston-centered financier oligarchy of the U.S.A. with the aggregately more powerful financier oligarchies of the British Empire and Commonwealth, the Netherlands, and France. The assembled financier-oligarchy families of these and other nations, is the supranational core of the so-called "Anglo-American" financier oligarchy.⁸ Until 1992, only the U.S.

8. Since its 1961 founding, the neo-Malthusian World Wildlife Fund, under the co-sponsorship of Britain's Prince Philip and the Netherlands' Prince Bernhard, has expressed the policy-interest of those financier-oligarchy families and their lackeys, the which have backed the neo-Malthusian operations of that Fund (since renamed "The Worldwide Fund for Nature"). The core of this supranational cabal is the famous "Club of the Isles," the league of powerful oligarchical families of the British Empire brought together under the Prince of Wales, Albert Edward, who became King Edward VII. Today, that "Club of the Isles" reaches outside the limits of British Commonwealth

Presidencies of Franklin Roosevelt and John Kennedy had interrupted this Twentieth-Century trend; from the 1963 assassination of President Kennedy, until the defeat of President George Bush's reelection-campaign, in 1992, the combined power of that Anglo-American financier oligarchy has dominated the world's economic and related policy-shaping. Under the 1989-1991 leadership of Britain's Prime Minister Thatcher and U.S. President George Bush, that Anglo-American oligarchy began its present, shameless use of the United Nations Organization (UNO), as an instrument of de facto Anglo-American "world government," thus virtually destroying the sovereignty of the United States itself.

So, in the wake of the 1963 assassination of President Kennedy, this Anglo-American oligarchy introduced economically catastrophic changes in policy. Centered around what is often termed the "cultural paradigm shift" introduced through the youth-counter-culture of the 1966-1972 interval, the policies of the OECD and other nations were shifted, rapidly, away from traditional U.S. policies of fostering investment in scientific and technological advancement of the physical productive powers of labor, into a perverse blend of "neo-Malthusian" cults and "post-industrial" utopianisms.

As a result of this "cultural paradigm-shift," there was a rapid contraction of the U.S. economy during the 1966-1970 interval, leading into the August 1971 break-up of the Bretton Woods system of relatively fixed parities among currencies. With the still more radical measures introduced under President Jimmy Carter's regime, 1977-1981, the world economy's destruction became almost irreversible. Over the eleven years, 1982-1992, the world's economic system was transformed into the wildest, most lunatic bubble of purely parasitical speculation in history.

1956-1966 trends in U.S. foreign-exchange turnover reflect the problem. If we examine those statistics, against the background of current estimates of growth in "derivatives" speculation, the kernel of the present banking-crisis is clearer.

During the approximately fifteen-year interval, 1956-1970, approximately 70% of total U.S. foreign exchange was accounted for by merchandise trade in exports and imports. Under the world's 1971 change to "floating exchange-rate" system, and the Kissinger-orchestrated petroleum-price hoax of 1973-1975, by 1975-1976 merchandise trade accounted for only 23% of foreign-exchange turnover. After President Carter, merchandise trade had collapsed to 5% of foreign-exchange turnover, about 2% by 1990, and an estimated 0.5% more recently (see **Figure 1**).⁹

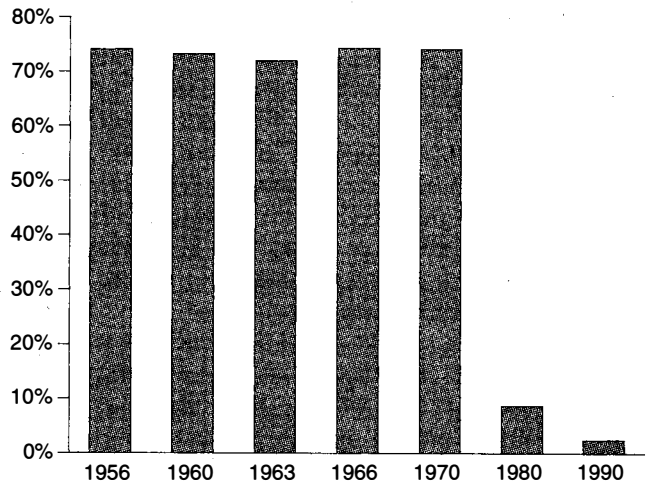
The post-1976 destruction of the U.S. part of the world's financial system is marked by three phases: the measures in-

circles, to include wealthy families, and their lackeys, from Eurasia and the Americas generally.

9. See "Special Report," *Executive Intelligence Review*, January 1, 1996: pp. A1-A32.

FIGURE 1

Mercantile trade as percent of foreign exchange



roduced, beginning October 1979, by President Carter's appointment of Paul A. Volcker as Chairman of the U.S. Federal Reserve System, which doomed U.S. agriculture and industry; the "junk bond" era, 1982-1988, which destroyed the integrity of the U.S. banking system; and, the replacement of the form of financial "piracy" known as "junk bonds," by the sheer lunacy of what Nobel Prize winner Maurice Allais has aptly described as an international "casino" economy, the 1989-1996 "derivatives" bubble.¹⁰

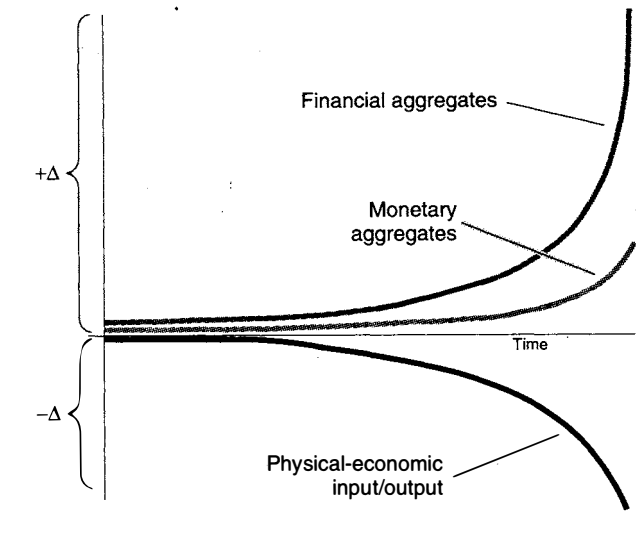
The result is what this writer has described in terms of a "Triple Collapse Function" (**Figure 2**). The growth of the speculative bubble of financial aggregates would collapse, in an implosive chain-reaction, but for leveraging of growing volumes of money into the speculative market-mechanisms. This required growth of money-influxes into the bubble is generated through increased debt of government, and looting of capital and incomes of households and enterprises. As a result, the relevant financial aggregates increase hyperbolically, while an increased rate of net contraction dominates the base being looted. This is the situation throughout the world taken as a whole.

The resulting tension, between the hyperbolically expanding requirement for the monetary means to postpone the implosive collapse of the financial bubble, and the shrinking of the economic basis being looted to supply these means, is the key to understanding the ongoing doom of the world's

10. Maurice Allais, "From Crash to Euphoria—The Plague of Credit" *Le Figaro*, June 27, 1989.

FIGURE 2

A typical collapse function



presently dominant monetary and financial institutions.

Consider the crucial ratio, of the nominal value of the fictitious financial assets tied up in the speculative bubble, and the nominal value of the productive base being looted to sustain the bubble. Consider as critical, the ratio of financial flows through derivatives and related “options,” to the financial flows through merchandise-trading accounts. Ask: With the ratio soaring above 95% recently, what happens when the inevitable, early collapse of the bubble occurs? What happens to the banking systems, and monetary system, which can no longer reclaim their vast investment of money in the collapsed speculative bubble?

Only action by the governments of perfectly sovereign nation-states can deal with such problems; no market can, no IMF could. Considering the scale of the collapse, no one government of this planet could bring such a global crisis under sufficient control to protect its own nation. Only a concert of governments could act jointly to: 1) Put the bankrupt, global monetary and financial system into government-controlled bankruptcy-reorganization; 2) Simultaneously create a new world system of credit and money; 3) Throw aside all present tariff and trade agreements, and institutions currently in force, to create the new terms of tariff and trade needed to restart the world’s economy. If a concert of governments does not succeed in finding the will to take precisely those measures, the resulting calamity will be off all scales of measurement: the immediate inauguration of a global “new dark age” must be the result of failing to take such actions.

Each nation of the world, thus requires a new mechanism of policy-shaping, which does not depend upon so-called

“market prices.” Leibniz’s science of physical economy, is the only existing basis for mastering that challenge.

The LaRouche-Riemann ‘model’

The present author, a student of Leibniz since adolescence, revived Leibniz’s science of physical economy and the American System of political-economy. This revival is rooted in discoveries made during 1948-1952, as by-products of his work of refuting the absurdity central to the work of two students of the British aristocrat Bertrand Russell: the “information theory” of Norbert Wiener, and the “systems analysis” of John von Neumann. Those problems of mathematical application, the which had been posed by the present writer’s 1948-1951 discoveries, were addressed, during 1952, with reference to, chiefly, the work of the physicist Bernhard Riemann and the mathematician Georg Cantor. For that reason, the 1979-1983 application of this method to computer applications, was known as the “LaRouche-Riemann Method,” yielding the only accurate quarterly forecasts for the U.S. economy published during that period.¹¹

The analysis of economy from the standpoint of production employs statistical tools such as bills of materials and process sheets. Each detail of the network of an economy’s total production-cycle, from infrastructure to consumption of finished product, is mapped, as streams, into the junction-points where productive actions are performed. “Market-baskets” of required goods are accounted for, per capita of labor force, per unit of land-area, and per family household. Leibniz’s approach to defining a necessary household market-basket is employed throughout, both for household consumption and for each branch of agriculture, industry, and infrastructure.¹² Allowances are made for sundry forms of administration, in a similar way.

This analysis of the production-stream faces the economist with the challenge of discovering some notion of functional relationship between variation in the physical contents of these market-baskets and variation in the productive power of labor, per capita, as Leibniz demanded the necessary in-

11. This series of quarterly reports was published by the *Executive Intelligence Review*, for each quarter beginning the first quarter of 1980, and concluding with the last quarter of 1983. The present writer devoted a half-hour nationwide network television broadcast of his 1984 campaign for the Democratic Party’s U.S. Presidential nomination, to explaining the frauds by the U.S. Government and Federal Reserve System which had prompted him to terminate the series of quarterly forecasts. Beginning late 1983, the data supplied by the U.S. Government and Federal Reserve System was so wildly falsified, that since that time it has not been possible to make rational projections on the basis of official data. Not only are the quarterly reports fraudulent by convention, but the differences in method employed in each case tends to be capriciously irrelevant to that employed in the preceding instance. Pity that President of the U.S.A. who is lured into relying upon such dubious concoctions.

12. G. Leibniz, *Society & Economy* (1671).

come of the household of the laborer be studied.¹³ We must do this for every branch of production and infrastructure, in addition to study of the required market-baskets of family households.

The immediate goal of such inquiries, is to determine the relationship between the expenditures and the variation in effective productive output of the society, per capita of the employed labor-force. No competent measurement of such a functional relationship can be made in money-prices; the correlation must be between physical inputs and physical productivity of labor. Only one exception to this rule should be permitted: to the degree quantity and quality of education, health-care, and science and technology services affects the potential physical productive powers of labor, those expenditures must be included in the market-baskets of consumption by labor, by infrastructural facilities, by agriculture, and industry.

By those empirical means, we attempt to determine what portion of the consumption by a society corresponds to “energy of the system.” We correlate that consumption with a certain level of potential productive output. We assume that any of the non-wasted output, in excess of replacing that required consumption, is the “free energy” of the productive process. The economist must account for the role of reinvestment of some portion of that “free energy,” both to expand the scale of the economy and its supporting infrastructure, and to increase the productivity of the productive process by emphasis on power-intensive, capital-intensive modes of investment in scientific and technological progress. The economist’s goal, is to ensure that the ratio of “free energy” to “energy of the system” does not decline, even though the “energy of the system” per capita is being increased. The question is, how would changes in the patterns of consumption affect the potential productive powers of labor? How would changes affect the ratio of “free energy” to “energy of the system”?

The apparent cause for the failure of most attempts to understand the physical economy of an entire nation-state in those terms, is the error of assuming that we can measure the functional variation in relationship of input to output in such a way as to imply that we are measuring the “production of commodities by commodities,” with the human individual serving only as vehicle for such functions. The unscientific character of Norbert Wiener’s “information theory,” and John von Neumann’s attempts to apply his “systems analysis” to economic processes, is a related case. The work on input-output models by Professor Wassily Leontief, is useful, on condition we do not fall into the delusion, of assuming that, in such a configuration, we are studying the implied “production of commodities by commodities.”

13. *ibid.*

The source of increase of the productive powers of labor is the quality of the typical newborn human individual, which sets all persons absolutely apart from, and above all lower forms of life. This distinction is most readily identified, in functional terms of reference, as that developable, but sovereign capability of each human individual mind, for making valid, revolutionary discoveries of physical principle. This applies both to experimentally valid original discoveries of principle, and to the student’s reenactment of an original such act of discovery. The same principle of cognition central to fundamental scientific discovery, is the source of all of the masterworks of European Classical art-forms. The increase of the individual person’s power over nature, in production and in design of products, is derived from the cultivation of those same cognitive powers from which we obtain advances in scientific and artistic knowledge.

We must think of products not as the cause of productivity of labor, but as the necessary circumstances of that productivity. Consider the case of Christopher Columbus’ discovery of the Americas.¹⁴

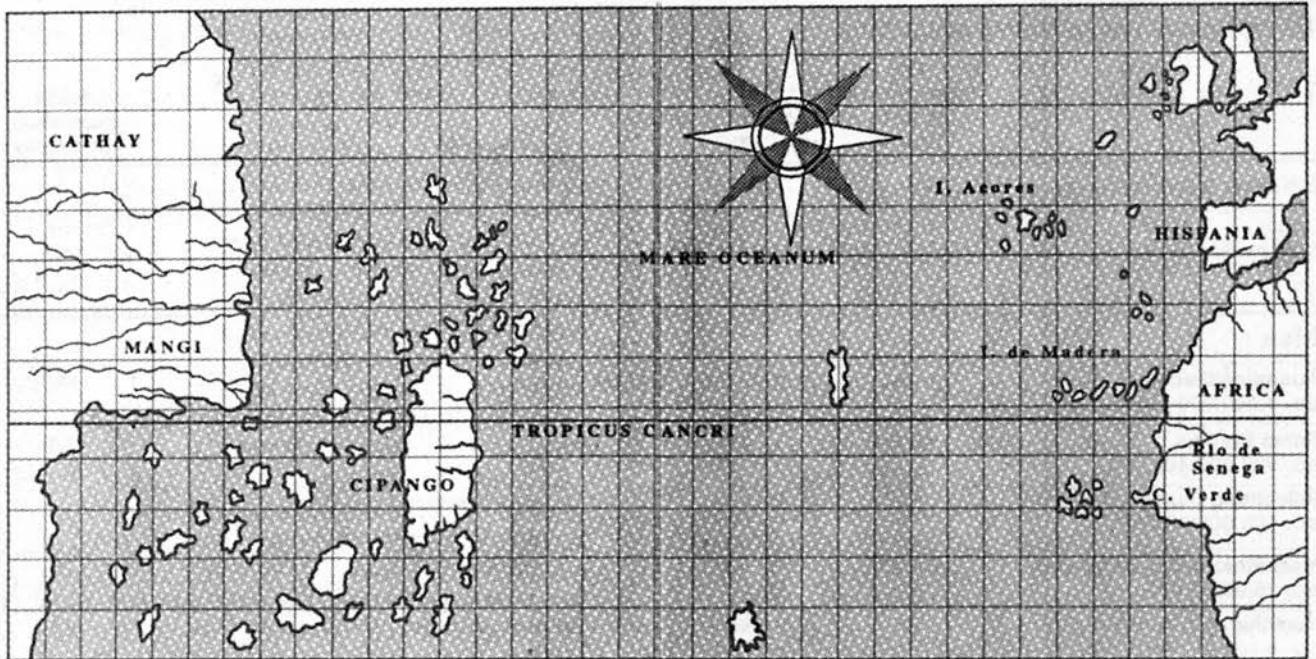
Columbus’ discovery of the Americas began toward the close of the Third Century B.C., with the estimate of the Earth’s curvature by the celebrated member of the Platonic Academy at Athens, Eratosthenes. Employing Eratosthenes and other ancient experiments as his guide, Paolo Toscanelli (A.D. 1397-1482), the leading astronomer of the Fifteenth Century, created the maps of the world which guided Columbus to his successful voyage.¹⁵ Toscanelli’s map had but one notable flaw; it was based upon a nearly accurate size of the Earth, as determined by astronomical observations of the Earth’s curvature, but, it relied upon the highly exaggerated reports supplied by Venice, on the distances from Venice to China and Japan, placing Japan in the middle of today’s United States!

Columbus learned of Toscanelli’s maps nearly two decades before his famous voyages of discovery. This included Columbus’ access to the correspondence between Toscanelli and Lisbon’s Fernão Martins, on the subject of exploration westward across the Atlantic Ocean for the Indies.¹⁶ Columbus wrote to Toscanelli and became fully informed, in the last years of Toscanelli’s life, of the collaboration which had been ongoing for decades before, and which had begun with the

14. In rebuttal of those who insist that “Columbus could not have discovered America,” because there were already inhabitants of the Americas thousands of years earlier than A.D. 1492, one might mention the case of the wise woman who set a trap by means of which to *discover* another woman in her husband’s bed. Columbus’ discovery of the Americas was accomplished by the same methods of astrophysics used to discover planets, moons, and asteroids of the solar system.

15. Gustavo Uzielli, *Paolo Toscanelli, Amerigo Vespucci and the Discovery of America.*

16. *ibid.*



A reconstruction of the map by Paolo Toscanelli, which Columbus used to discover the New World.

immediate Florentine circle of Nicolaus of Cusa during the years before the Council of Florence of 1439.¹⁷ Columbus added to this scientific knowledge, his experience and knowledge as a navigator for the Portuguese, knowledge of ocean currents and prevailing winds, which clearly implied the probable location of, and route toward land on the other side of the Atlantic. His use of Toscanelli's map, indicates that his original goal were the islands of the Pacific far to the South of Japan. Columbus' discovery of the Americas was, thus, a "scientific discovery," in the strictest meaning of experimental physics.

This example of Columbus' discovery is cited here to illustrate one of the most crucial principles of economic science, a principle apparently unknown to the popular economics doctrines of today's universities. The relevant question is: *Was the discovery of the Americas accomplished by the three ships Columbus commanded, or the sailors on those ships?* Reports of Columbus' difficulties in securing those ships, and the reluctance of the crew, illuminate the twofold fact: *It was Columbus, and he alone, who acted to effect the discovery of the Americas; but, he could not have succeeded without the ships and crew.*

It is not the means of production, or even labor as such

17. Paolo Emilio Taviani, *Christopher Columbus: The Grand Design*, (London: Orbis Press); Ricardo Olvera, "The Discovery of the Americas and the Renaissance Scientific Project," *Executive Intelligence Review*, Oct. 19, 1990.

which produces those advances upon which progress in the condition of mankind is effected. It is the power of valid scientific and artistic discovery by the sovereign powers of the individual intellect, upon which all human progress depends. However, to advance, the discoverers, and their associates in labor, must be educated up to the level needed to make valid discoveries and put them into operation. Even those means will not succeed, unless the suitable tools and materials are provided to make effective the impulse of the creative individual intellect.

The ships did not cause the discovery of the Americas, but they were essential to that discovery. The material conditions of life do not generate human progress, but without such means to convey the work of the human intellect, progress is not possible. The point ought to be obvious, but most professed economists have been too fiercely gripped by the delusions demanded by their adopted ideologies, to recognize the right relations within the productive process.

The same word of caution must be applied to this textbook's treatment of the relations expressed in terms of the social division of physically productive labor. It is not the quantity of persons, or the amount of their labor-time employed, which generates productivity; it is the developed powers of the individual's human intellect, an intellectual power which could not be effective without associated development of basic economic infrastructure and means of production.

Thus, once we have accepted, as a matter of principle,

FIGURE 3

Development of human population

	Life expectancy at birth (years)	Population density (per km ²)	Comments	World population (millions)
Primate Comparison				
Gorilla		1/km ²		.07
Chimpanzee		3-4/km ²		1+
Man				
Australopithecines B.C. 4,000,000-1,000,000	14-15	1/ 10 km ²	68% die by age 14	.07-1
Homo Erectus B.C. 900,000-400,000	14-15			1.7
Paleolithic (hunter-gatherers) B.C. 100,000-15,000	18-20+	1/ 10 km ²	55% die by age 14; average age 23	
Mesolithic (proto-agricultural) B.C. 15,000-5,000	20-27			4
Neolithic, B.C. 10,000-3,000	25	1/km ²	"Agricultural revolution"	10
Bronze Age B.C. 3,000-1,000	28	10/km ²	50% die by age 14 Village dry-farming, Baluchistan, 5,000 B.C.: 9.61/km ² Development of cities: Sumer, 2000 B.C.: 19.16/km ² Early Bronze Age: Aegean, 3,000 B.C.: 7.5-13.8/km ² Late Bronze Age: Aegean, 1,000 B.C.: 12.4-31.3/km ² Shang Dynasty China, 1000 B.C.: 5/km ²	50
Iron Age, B.C. 1,000-	28			50
Mediterranean Classical Period B.C. 500-A.D. 500	25-28	15+/km ²	Classical Greece, Peloponnese: 35/km ² Roman Empire: Greece: 11/km ² Italy: 24/km ² Asia: 30/km ² Egypt: 179/km ² * Han Dynasty China, B.C. 200-A.D. 200: 19.27/km ² Shanxi: 28/km ² Shaanxi: 24/km ² Henan: 97/km ² * Shandong: 118/km ² * * Irrigated river-valley intensive agriculture	100-190
European Medieval Period A.D. 800-1300	30+	20+/km ²	40% die by age 14 Italy, 1200: 24/km ² Italy, 1340: 34/km ² Tuscany, 1340: 85/km ² Brabant, 1374: 35/km ²	220-360
Europe, 17th Century	32-36		Italy, 1650: 37/km ² France, 1650: 38/km ² Belgium, 1650: 50/km ²	545
Europe, 18th Century	34-38	30+/km ²	"Industrial Revolution" Italy, 1750: 50/km ² France, 1750: 44/km ² Belgium, 1750: 108/km ²	720
Massachusetts, 1840 United Kingdom, 1861 Guatemala, 1893 European Russia, 1896 Czechoslovakia, 1900 Japan, 1899 United States, 1900 Sweden, 1903 France, 1946 India, 1950 Sweden, 1960	24 32 41	41 43 40 44 48 53 62 73	90+/km ² Life expectancies: "Industrialized," right; "Pre-industrialized," left	1,200 2,500
1970 United States West Germany Japan China India Belgium	 59 48	71 70 73 73	1975 26/km ² 248/km ² 297/km ² 180/km² 183/km ² 333/km²	3,900

the need for certain preconditions of production, we must concentrate upon the development of the quality of the individual person within society. For example, the amount of time of the child freed for education, will affect the level of development of that child's knowledge and mental powers. To provide a suitable quality of education, even with the best teachers, would not be possible unless the economic standard of household life permitted the young to devote the greater portion of the many years of childhood and adolescence to such education. The health and longevity of the members of the households, is crucial for this. Those social relations and material conditions of family and community life, which are essential to the improved development of the individual personality's scientific and artistic powers, are essential material needs of the household and community, are essential features of the "energy of the system" required to perpetuate a specific, corresponding level of potential productive powers of labor.

Similarly, any society based upon a fixed productive technology, must decay into ruin from the accumulated effects of what we term "technological attrition." Without investment in scientific and technological progress, a society will degenerate. Yet, investment in scientific and technological progress requires increased investment in infrastructure, in improvements in nature, in water consumed per capita, in power consumed per capita, and in tools of production required per capita.

If we examine today's best estimates for the demographic characteristics of populations over the known span of history and pre-history, we see four raw characteristic features in all human progress: 1) Increase of the potential relative population-density, per square kilometer of relevant land-area; 2) Improvements in life-expectancy and health; 3) An increase in the required consumption, and output of the society, per capita, per household, and per unit of land-area, for all categories of existence and production; 4) An advance in science and technology (see **Figure 3**).

The demographic history, and pre-history of the human species shows us to be unique among all known existences in this universe. Only mankind has demonstrated to us the power to increase our species' increasing power over the universe. The essential fact, is that each valid revolutionary discovery of principle of science and Classical art-forms, if employed for practice, increases mankind's power to live in this universe. This is illustrated by the fact that the human population has not only increased, but that, if society is not ruled by fools, the conditions of longevity, health, and leisure for the cultural development of the individual and family are improved. Mankind has already embarked upon the exploration and colonization of space within our solar system; once we have mastered the secrets lurking within the already discovered reaction between matter and anti-matter, our species will have tapped the resource needed for exploration beyond our solar system. Whenever we obey the power for valid discovery of principle which is uniquely exhibited by the human individual, the

evidence is, that the universe is so pre-designed, that it must obey the creative will of mankind. That is, and must be, the principle by which all constructions in economic science are governed.

In the author's teaching of physical economy, usually on the graduate level of university instruction, he found it necessary to focus on the way in which advancement of mankind, in terms of those four raw factors, may be seen through the eyes of a society consistent with the (pre-1966) modern industrialized nation-state form of society. For that introductory course, the emphasis is placed upon the social division of labor in the production of goods, as presented in this text. The notion of function is associated with the required changes in the division of labor, as the result may be described in terms of a set of simple inequalities.

However, the reader should not overlook the fact, that this textbook claims to offer no more than a necessary first step of introduction to economic science. Do not lose sight of what lies beyond this beginning: the role of the creative cognitive powers of the individual, as the source of the society's increase of its per-capita productive powers of labor. What lies beyond this introductory text, is the crucial role of the fundamental discovery of Bernhard Riemann, in making possible the mathematical and related representation of the principles set forth here.

The Science of Christian Economy

And other prison writings by
Lyndon H. LaRouche, Jr.

Includes
In Defense of Common Sense,
Project A, and *The Science of Christian Economy*,

three ground-breaking essays written by LaRouche after he became a political prisoner of the Bush administration on Jan. 27, 1989.

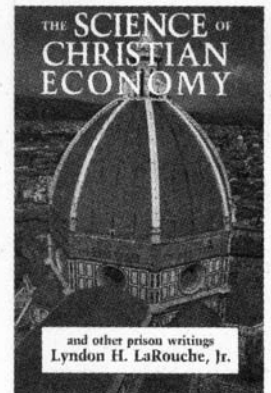
\$15

Order from:

Ben Franklin Booksellers, Inc.

Toll free (800) 453-4108 (703) 777-3661 fax (703) 777-8287

Shipping and handling: Add \$4 for the first book and \$.50 for each additional book in the order. Virginia residents add 4.5% sales tax. We accept MasterCard, Visa, American Express, and Discover.



‘Managed health care’ is a crime against humanity

by Marcia Merry Baker

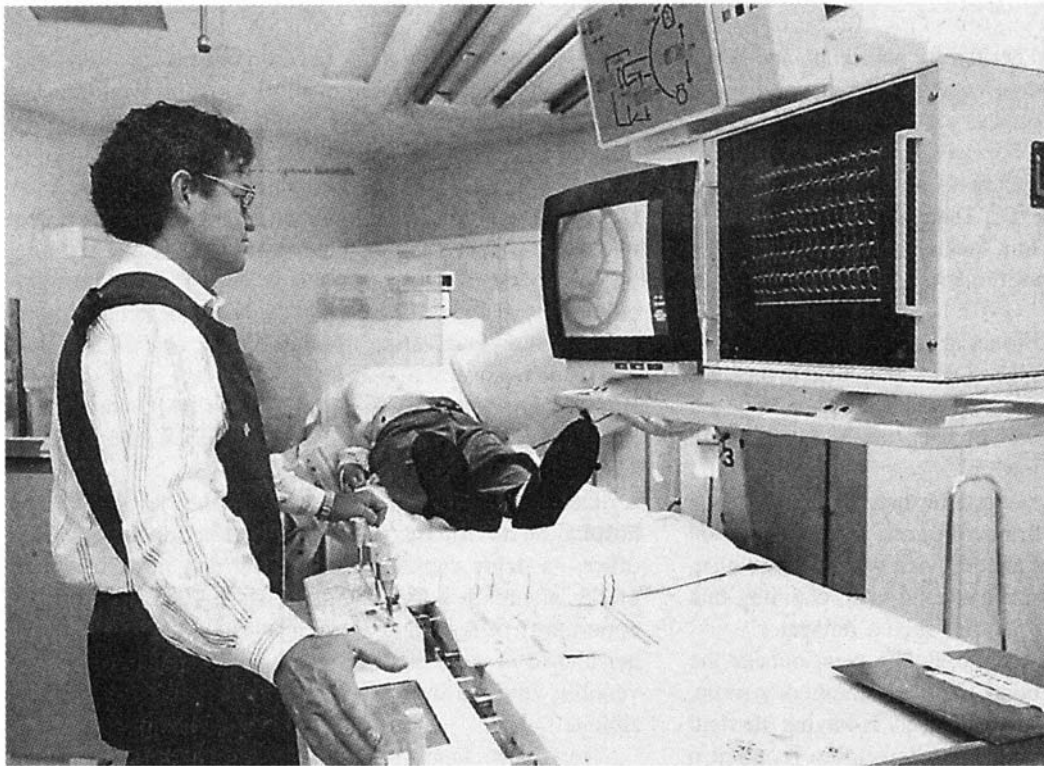
The past year in the United States has seen an unprecedented number of redress actions of all kinds—civil suits, state and federal legislative initiatives, regulatory agency appeals, and in-the-streets protests—aimed at curbing practices by “managed care” health services companies, including instances of wrongful death, namely murder. In addition, there are indirect effects of “managed care” policies, that are resulting in actionable denial of care, because of cuts in hospitals, medical staff, and services.

What is at issue here, regardless of the wording of any particular state law or court case, is *not abuses* of the new system called “managed care,” or health “maintenance” organizations (HMOs); but, rather, the fact that the fundamental policy of “managed care” is itself a threat to the public good. The practices of managed care that are demonstrably harming and killing American citizens are not the mistakes of the system; they are *characteristic* of the managed care/HMO system. And the originators and backers of the managed care system know this.

Therefore, according to the principles stated at the Nuremberg Tribunal in 1945, under which Nazi officials and doctors were tried and convicted for “crimes against humanity,” the present-day crimes of the managed care/HMO systems constitute violations of the Nuremberg precedent.

The American jurist Robert Jackson emphasized, at the Nuremberg Tribunal, that the law “shall not stop with the punishment of petty crimes by little people. It must also reach men who possess themselves of great power and make deliberate and concerted use of it to set in motion evils. . . .”

In this *Feature*, we provide a summary report on crimes of the managed care/HMO system, in three categories: 1) two case studies of denial of care to individuals; 2) examples of denial of care to whole subgroups of the population, and classes of patients; 3) examples of deliberate destruction of health care infrastructure, knowingly causing deprivation of medical services. We provide particulars of one of the most prominent companies of the managed care era—Columbia/HCA, know



A physician uses high-resolution X-ray imaging to screen a valve in a patient's heart. Under the regime of managed care, high-tech solutions are deemed too expensive, and the "gatekeeper" doctor is expected to keep consultations with specialists to a minimum.

for its success in shutting hospitals, denying care, and posting mega profits.

What is required, is to put an end to the entire managed care system, and to mobilize to restore a public-interest health system, along with the general effort to restore the national economy to working order.

How to begin? In 1946, principles of national health care were embodied in the so-called "Hill-Burton" law, a hospital construction program based on the principle of universal care: "That the State plan shall provide for adequate hospital facilities for the people residing in a State, without discrimination on account of race, creed, or color, and shall provide for adequate hospital facilities for persons unable to pay therefore. . . ."

Today, we need an updated Hill-Burton approach, reflecting the standards, staffing, and logistics for all aspects of medical and public health care that should be put in place for modern treatment. Many of the recent state laws and directives against HMOs/managed care, contain key concepts of what should figure in an overall revamping of the U.S. health-care system. On p. 33, we provide excerpts from some recent state initiatives. And as a reference point for this discussion, we reprint excerpts of the original Hill-Burton Act, which was in effect from 1946 until 1974.

We also provide a timeline, from the 1970s to the 1990s, of how the Hill-Burton approach was replaced by "managed care" policies, which acted as a cancerous growth on the hospital and public health system of the nation.

Personal case studies

The standard definition of "managed care," as given by the *Washington Post* (July 1994) is: "A health care plan, such as a health maintenance organization (HMO), that 'manages' or controls costs by monitoring how medical professionals treat patients, limiting referrals to expensive specialists and requiring preauthorization for hospital care and other services to hold down costs."

This is the polite terminology to rationalize limiting or denying care to patients, contravening the physician's expert opinion, and cost-cutting at hospitals and other health facilities.

The consequences of this are what you would expect—thousands of instances of patients harmed or dead because of standard HMO/managed care practice. The number of such cases annually has grown, as the HMO and managed care enrollment grew from about 6 million in 1980 to 60 million today. Over 50% of all U.S. physicians are now employees of HMO-type large groups.

The two personal case studies below are representative of the HMO/managed care system:

Michigan: In the first lawsuit of its kind in the United States, Mrs. Sharon Bush filed a suit on Sept. 16, 1986, charging that the structure of her HMO, and the financial criteria used to govern medical decisions, were inherently "responsible for the failure of its physicians to deliver medical care."

The events began when, in August 1985, Bush, of Sagi-

naw County, complained to her family physician, and HMO "gatekeeper," Dr. Paul Dake, of vaginal bleeding unrelated to her menstrual cycle. Dr. Dake was a member of an individual practice with Group Health Services (GHS) of Michigan, a Blue Cross HMO, who saw patients also for Bush's HMO. According to court filings, Dr. Dake did not order a Pap test, nor did he refer Bush to a specialist until the following February. He prescribed antibiotics, which had no apparent effect.

Bush was then referred to an obstetrician-gynecologist, Dr. Frederick Foltz, of Valley OB-GYN, which receives referrals from GHS. Dr. Foltz also failed to take a Pap test, or to ascertain whether one had been taken. He changed Bush's antibiotic prescription.

In April 1986, eight months after her original doctor's visit for her problem, Bush, now in great pain, again went to Dr. Dake, and demanded another visit with the specialist. Dr. Dake refused to authorize a second visit, claiming that she was not sick enough to require such a referral.

By May, Bush, now desperate, finally went outside the HMO, to the Saginaw General Hospital emergency room, where she was admitted, and diagnosed as having cervical cancer that had spread through her body. She required a series of operations and other treatment.

In the suit Bush subsequently filed, her complaint alleges that the HMO's "capitated gatekeeper" arrangement with Dr. Dake, was a "significant causative factor" in Dr. Dake's failure to order tests, and to make referrals in a timely way. According to press accounts (*American Medical News*, Sept. 4, 1987), GHS paid Dr. Dake a capitation fee per patient and also placed funds in two Individual Practice Association accounts for consultant, lab, and hospitalization costs. If the money remained, unspent, in the pools at the end of the accounting period, Dr. Dake and other IPA physicians would split it with GHS.

Washington, D.C. One Friday afternoon in 1995, Vicky Collins became dizzy, and fell unconscious, at her job, as an aide in the Capitol Hill office Sen. John Breaux (D-La.). She was 30 years old, engaged to be married, with no known ailments. The Hart Office Building's nurses' station was summoned. Collins was put on a stretcher, conscious, but with blurred vision and paralysis of the left side of her face. The nurse and friends wanted her to be rushed to the hospital, but Collins's HMO refused this. She was taken to her HMO doctor, who diagnosed her with a pinched nerve and sent her home. On Saturday, numbness grew over the left side of her body; on Sunday, trying to stand, she slumped to the floor. She was then taken to a hospital, where the surgeon said that she had suffered a stroke, and was unconscious; he said that she would never reawake; he recommended that her respirator be turned off. Her parents and fiancé disputed this, on grounds that hope remained.

Weeks passed, and then it was noticed by Collins's sister,

that Vicky could blink to try to communicate. In subsequent weeks, she was diagnosed with "locked-in syndrome," a stroke-caused condition. Her mind is unimpaired, and she has full sensation, but she cannot move or speak.

Her fiancé and parents then exhausted all financial means to promote her further rehabilitation. Her father is a coal miner and welder; her fiancé managed the Dirksen Building parking facility. Collins was able to get off assisted respiration, and start physical therapy at the National Rehabilitation Hospital, communicating through blinks, and using a special wheelchair.

Then she was hit with a lawsuit: Her HMO had refused to cover her \$25,000 wheelchair, and had not informed her. The wheelchair manufacturer sued.

Collins then discovered that the delay in getting to a hospital on the day that she had fainted in Senator Breaux's office—a delay caused by her HMO denying the request of the attending nurse and her fiancé—had cost her the opportunity of receiving a drug that could have "unlocked" her locked-in syndrome, before the condition became irreversible; with the drug, a full recovery would have been possible.

Her fiancé finally successfully fought the wheelchair lawsuit *pro se* (without a lawyer) in the courts. Finally, the HMO offered Collins a financial settlement, after sensing the heat of publicity on Capitol Hill.

By a stroke of a pen

In addition to cases of individuals harmed, there are on record the crimes of harm and death to individuals in *whole groups* (the poor, the elderly, certain classes of illness, pregnant women) targetted for endangerment by officials in the HMO/managed care system, and/or by officials in other health-care positions, and in government office. These acts are typically done in the name of "fiscally responsible" cost-cutting, but in fact, their harmful effects are calculable, and are representative of how the U.S. health-care system functions under the influence of HMO/managed care. By a stroke of the pen, people can be murdered.

- *Low-income groups.* On May 16, 1996, Pennsylvania Gov. Tom Ridge (R) signed into law a bill which immediately removed 220,000 low-income people from eligibility for medical assistance. The calculated effect of this, based on a study of similar assistance cut-off to 250,000 Californians, will be 3,500 needless deaths within six months. There are similar actions in other states. (For the projected death rate calculation, see *The New England Journal of Medicine*, Aug. 16, 1984, pp. 480-484).

Further, in those states where poor and low-income people are being put under HMO forms of managed care in order to cut state costs, the results are known to be increased suffering and death rates, from limiting or denying medical treatment. Under Medicaid, the federal government pays

50% of medical costs, and the states and localities pay the other half. To cut costs, 14 states now have federal permission to experiment with putting Medicaid under managed care.

A team of researchers led by Dr. John Ware, Jr., of the New England Medical Center in Boston, reports that poor people are twice as likely to suffer deteriorating health if they are treated by HMOs, as compared to traditional pay-for-service arrangements. The results of this study are in the Oct. 2, 1996 *Journal of the American Medical Association*. Study results show that 57% of HMO low-income patients felt that their health had declined, compared to 22% of low-income patients in fee-for-service plans.

Although based on a subjective survey of patients, Prof. Sara Rosenbaum, director of the Center for Health Policy Research at George Washington University, said that "the new findings are consistent with a long line of research showing that poor people with health problems tend to do worse in prepaid [managed care/HMO] health plans. The results tell me that we are going much too fast in converting Medicaid to a managed-care program."

- *Heart disease patients.* This disease is the major cause of death in the United States (900,000 deaths yearly), and the pattern of HMO/managed care treatment shows higher death rates than under traditional care. A major form of surgery that has been developed since the 1970s, is the coronary-artery bypass graft, or CABG (pronounced "cab-bage"). The pattern of managed care/HMO is to consign enrollees who require this surgery to "discount" hospitals; hospitals are pressured to compete for HMO business, and for Medicare and Medicaid cases, by stripping down services. Data from the Health Care Financing Administration, the federal monitoring agency, show that this pattern results in higher mortality rates.

For example, take Good Samaritan Hospital in Los Angeles. Mortality rates increased there when Good Samaritan set about in 1986 to offer cut-rate, assembly-line open-heart surgery to attract HMO and Medicare/Medicaid business. Good Samaritan's heart cases soared from 250 in 1985 to 1,300 in 1989 and 1990, the peak years, when the hospital offered big discounts to managed care firms, in exchange for volume referrals of patients.

The mortality rate went up. In fiscal 1989, HCFA found that 6.7% of the hospital's Medicare CABG patients died on site, or within 30 days of discharge—not a low rate. As business grew, the mortality rate climbed higher. In fiscal 1990, it was 8.2%; in fiscal 1991, it was 7.2%. Each of these is a percentage point above what HCFA considers the expected range, given the patient profile at the hospital. Then, in 1991-93, Good Samaritan's 30-day mortality rate for Medicare cases jumped up to 10.4%. Under scrutiny, the rate has since been lowered.

- *The elderly.* HMO/managed care treatment of the el-

derly, as shown especially in states with older populations (California, Arizona, Florida), where the HMOs have concentrated their enrollment, shows a clear pattern of harm. This is especially evident since the move by President George Bush, in 1990-91, to allow HMOs to receive federal funds for Medicare and Medicaid. The expected harmful results were known in advance.

The survey done by Dr. Ware (noted above) tracked 2,235 adult patients with chronic conditions, such as high blood pressure, diabetes, and congestive heart failure, in Boston, Chicago, and Los Angeles, from 1986 to 1990. The patients were given extensive surveys about whether they felt their health had declined or improved. They found that 54% of HMO elderly patients believed that their health had declined, compared to 28% of the elderly in fee-for-service plans.

In Arizona, five Medicare recipient residents have filed a class action lawsuit against the federal Health Care Finance Administration, for care allegedly denied them by their HMO—the Family Health Plan (FHP, second nationwide in number of Medicare enrollees). The plaintiffs' suit gives specifics on the impairments resulting from lack of care, for example, the loss of a leg by a 71-year-old woman, Grigoria Grijalva.

Destroying infrastructure, denying service

From 1980 to 1993, the United States lost 675 hospitals, and the staff, equipment, services, and productive employment related to those hospitals. This decline—described in detail elsewhere in this report—was characterized by the intervention of individuals and companies associated with the "managed care"/HMO "hospital management" movement, to selectively acquire, merge, alter, or shut down public health assets of the community, knowingly causing harm.

Example: Columbia/HCA, the for-profit hospital buy-out company. A dossier released July 31, 1996, by the Service Employees International Union, contains the following example:

"In May 1994, Columbia/HCA gave the city of Destin three days' notice when it closed Destin Hospital in Florida. Despite public protest and a petition with 11,000 signatures, Columbia closed the hospital, leaving only the emergency room open. In August 1994, Columbia closed the hospital altogether, but held onto its state license and certificate of need, which means no one can operate a hospital in Destin. In justifying the closure, Columbia/HAC's CEO David Vandewater said, 'You can't just have a hospital on every corner.' But, the nearest hospital is not just around the corner. Townspeople must now travel 45 minutes in traffic to get hospital care. Destin Hospital was missed last summer [1995], when Hurricane Opal slammed into the Gulf Coast. (*Healthcare Forum Journal*, March-April 1995 and the *Lakeland Ledger*, 5/7/96)."

'Managed care' subverts U.S. health system, 1960s-1990s

Growth of managed care

1960s

1961: FHP Inc. formed, as Family Health Plans. (Kaiser Foundation Health Plans Inc., 1945; CIGNA Health Plans Inc.'s predecessor formed, 1929); "Greater New York" Health Plans, 1948)

1963: 60.0% of the population (113.1 million) are covered for hospital care; 107.7 million for surgical costs; 86 million for regular medical costs; 38.3 million for major medical expenses.

1965: Medicare established—medical care for aged, financed under Social Security; Medicaid established—medical care for the poor.

1967: Propaganda steps up on issue of increasing medical costs. The American Hospital Association announces that hospital expenses per patient day in 1967 were \$57.93, 30% more than in Sept. 1965.

1970s

February 1971: President Nixon's message on health care, makes three basic proposals: 1) require employers to provide basic health insurance coverage; 2) replace Medicaid; 3) encourage the establishment of health maintenance organizations (HMOs).

Sen. Edward Kennedy promotes HMOs.

1973: Congress approves, as cost containment, first federal aid to HMOs—grants of \$375 million. Congress mandates requirements, including, a uniform HMO fee for basic health services; offering 24-hour service to enrollees; prohibiting expelling or denying coverage to anyone because of health conditions. Opposed by AMA.

1974: United Healthcare Corp. formed.

1975: Congress renews HMO funding, overriding President Ford's veto.

U.S. Healthcare Inc. formed.

1976: Congress relaxes its 1973 HMO requirements, e.g., now allowing HMOs to deny enrollment to persons institutionalized with chronic illness or permanent injury.

Prudential Health Care Plans Inc. formed.

October 1978: Congress makes aid to HMOs continuing, not experimental. HMO outpatient facilities receive extra funds, as part of effort to cut hospitalization costs. Congress permits HMOs to refuse to pay for

Destruction of health care system

1960s

1960: By this date, the incidence of most notifiable diseases has dropped, since the World War II period, due to the government's emphasis on public health measures and infrastructure development. Tuberculosis, a marker for general public health, declined from a peak of 137,000 new cases in 1948, to 55,500 cases in 1960; pertussis (whooping cough) declined from a peak of 156,500 cases in 1947, to 14,800 in 1960; and diphtheria declined from 18,700 cases in 1945, to 900 cases in 1960.

1970s

1970: There are 7,156 U.S. hospitals (all types) with 1.62 million beds. The ratio of community hospital beds has improved since the 1940s, to reach about 4.5 beds per 1,000 people; however, the specialty bed numbers (for polio, TB, etc.) have fallen. Therefore, the overall ratio of hospital beds (community and specialty, together) declined to 7.9 beds per 1,000 population, down from 10.2 beds per 1,000 in 1945.

1975: The number of hospitals drops to 7,123, a decline of 33 since 1970; the number of hospital beds declines 150,000, to 1.47 million, or 6.8 beds (all types) per 1,000.

1976: In July, an outbreak of Legionnaire's disease, a previously unknown respiratory disease, kills 29 attendees at an American Legion convention in Philadelphia. Gonorrhea cases top 1 million a year, a post-war high.

Medical officials express concern for maintaining contingency staff and facilities for public health-threatening disease outbreaks.

1978: The percentage of the population which has health insurance peaks, at 84%, then starts declining.

1979: 11 cases of AIDS are identified. In retrospect, it was determined that the first

Organizing the death movement

1960s

1969: Hastings Center formed, initially as the Institute of Society, Ethics and Life Sciences. Financial sponsors include, Rockefeller Fund, Ford Foundation, New World Foundation, and National Science Foundation. 18-month project on legal and other questions of terminating treatment, allocating scarce economic and human resources for care of the aged and dying, suicide, euthanasia, teachings of major religious and cultural traditions towards pain and suffering.



Emblem of the Hemlock Society

1980s

1980: Hastings Center studies "ethics issues" for UN Fund for Population Activities; studies cost containment in health care for the elderly.

Hemlock Society founded, to make euthanasia legal in the United States.

1983: President's Bioethics Commission issues final report on when life-saving treatment can be denied, in respect for patient's "right to die."

1988: Group on Alternative Forms of Care for the Terminally Ill releases study (funded Blue Cross/Blue Shield of New York) to "explore what role, if any, cost-

unusual or infrequently provided services.

February 1978: 168 HMOs in operation, with 6 million enrolled. Only 52 of these HMOs (4 million enrolled), meet federal standards. Carter administration sets a goal of 172 federally qualified HMOs in operation by 1982.

1980s

1980: There are now 236 HMO plans, with an enrollment of 9.1 million.

1981: Last year of federal assistance to HMOs.

1982: Tax Equity and Fiscal Responsibility Act okays Medicare funds for hospices in place of hospitals.

1983: Medicare now reimburses at flat rate for elderly in hospitals (cutting hospital stays) under Prospective Payment System.

1985: There are 393 HMO plans, covering 19 million people.

1987: Budget Reconciliation Act includes provision prohibiting HMOs and competitive medical plans (CMPs) from paying physicians incentives for withholding needed care from patients.

1988: Congress allows insurance companies to directly sponsor HMOs, without having to establish a separate legal entity. HMOs are directed to allow enrollees to receive up to 10% of their health care from providers outside their HMOs.

1989: Implementation of 1987 prohibition delayed by Congress.

1990s

1990: Congress repeals 1987 prohibition entirely, replacing it with "protections" for both physicians and patients.

1990: The Bush FY 1991 budget includes a plan to encourage the use of managed care in Medicare and Medicaid, as a means of containing health care costs.

1990: There are now 652 HMO plans covering 34.7 million people.

1996: 14 states now have some number of Medicaid recipients in HMOs.

1996: An estimated 60 million people are in some form of HMO plan.

HIV-seropositive was a young man who died in St. Louis in 1967.

1980s

1980: The number of hospitals drops to 6,965; a decline of 191 since 1975; the number of beds drops to 1.37 million, a decline of 101,000 during the same period, a rate of 6 beds (all types) per 1,000.

1981: Clusters of cases of *pneumocystis carinii* pneumonia and Kaposi's sarcoma (a skin cancer) spur hunt for the AIDS virus by the U.S. medical establishment.

1983: The Conference of State and Territorial Epidemiologists recommends that AIDS be added to the list of notifiable diseases. By June, there are 1,641 cases of AIDS to date, with 644 deaths.

1985: Another 93 hospitals and 51,000 beds were lost since 1980, dropping the beds (all types) per 1,000 rate to 5.5. AIDS cases to date reach 16,500; it is the leading cause of death among men aged 30-34 in New York City.

1986: 22,800 tuberculosis cases this year, as TB re-emerges, associated with AIDS.

1987: 500,000 New York City residents are estimated to be infected with HIV virus.

1989: Two hospitals in the South Bronx report that 23% of their emergency room patients are HIV-positive. 62% of homeless people tested in New York City are HIV-positive.

1990s

1990: The number of hospitals drops to 6,649, a decline of 223 since 1985; a decline of 474 since 1970. The number of hospital beds drops to 1.21 million, down 98,000 since 1985 and 405,000 since 1970, to 4.9 beds (all types) per 1,000 population.

An estimated 50% of U.S. children under age 5 have not received needed vaccinations, reflecting the decline of public health measures.

1991: 550 rural hospitals have stopped providing acute care since 1984.

1992: 26,700 TB cases are reported, a 20% increase over 1985. 95 hospitals are closed, and 23,000 beds lost.

1993: The CDC reports 339,000 U.S. AIDS cases to date, with 204,000 deaths. The number of hospitals declines by 72, to 6,467; beds (all types) declines by 16,000, to 1.16 million, or 4.6 beds per 1,000 population. Between 1980 and 1993, 675 community hospitals are closed.

Pertussis epidemic hits the U.S., due to failure to vaccinate children.

consideration should play in determining care of the dying."

1985: Prudential Life Insurance Co.'s Foundation launches "Bioethics in the Community: A Program of Local Decision Making" program, overseen by Hastings Center.

1985: Center for Biomedical Ethics, founded at the University of Minnesota.

1987: In September, Hastings Center issues "Guidelines on the Termination of Life-Sustaining Treatment and the Care of the Dying"

1988: In December, the Congressional Office of Technology Assessment issues "Life-Sustaining Technologies and the Elderly" complaining "that traditional U.S. medicine and education. . . view all problems, including death, as *treatable*" (emphasis in the original), which must be replaced with a "greater moral imperative" to withdraw "futile treatment."

1990s

June 25, 1990: U.S. Supreme Court (Cruzan case) hands its first euthanasia decision.

Dec. 1, 1991: President George Bush's "Patient's Self-Termination Act" in effect.

December 1992: Center for Biomedical Ethics holds conference "Managing Mortality: Ethics, Euthanasia and the Termination of Medical Treatment," funded by FHP Inc.'s foundation.

American Association of Bioethics (AAB) founded with FHP foundation money.

Nov. 8, 1994: Oregon passes Death with Dignity Act 51% to 49%.

Nov. 30, 1994: George Soros, financier/speculator, creates foundation to fund "Project on Death in America," to study the "culture of dying" and shifting medical training away from saving lives.

July 1995: Church of Euthanasia gets IRS-tax exempt status.

December 1995: Pew Health Professions Commission, led by former Colorado Gov. Dick Lamm, recommends closing 50% of U.S. hospitals, 60% of hospital beds; shutting 25% of medical and nursing schools, because of lowered needs as "managed care" takes over the market.

January 1996: "Model act" for regulating physician-assisted suicide published in *Harvard Journal on Legislation*; calls for lethal injections to end "suffering."

April 29, 1996: "Approaching Death Committee" of the Institute of Medicine set up. Money from George Soros's Project on Death, and Health Care Financing Admin. (the U.S. agency administering Medicare and Medicaid).

Managed care's scorched-earth medical and hospital policy

by Richard Freeman

There are two ways to carry out a policy of euthanasia. The first is to decree it, as was done by Adolf Hitler, and as is being pushed by former Colorado governor Richard Lamm. The second way is to implement it de facto, as has been done in this country since the 1980s: Destroy the hospital and medical infrastructure, while cutting the medical staff—especially registered nurses. The growth of cost-accounting Health Maintenance Organizations (HMOs) drives the process forward.

The U.S. health system, which during the 1960s provided decent, efficient, and relatively low-priced medical service to most Americans, no longer exists. It was a system geared to providing preventive care, and had built in redundancy. With vaccines in the schools, plentiful local doctors, and available medical services at the hospital, the chance of disease was reduced, and the likelihood of successful treatment increased. If you became injured or ill, you were taken to a hospital to be treated and cured; now, if you don't have the right medical insurance, you can be left bleeding in the street or in the hospital emergency room. There may not even be a hospital to take you to, because it was torn down. Or, once inside, you may be left unattended, because registered nurse staffing has been cut to save money.

We will look at the situation of hospitals and nurses. This comes under the heading of the consumer market basket: the basket of goods and infrastructural services, consumed by the population, necessary to sustain and expand its existence and that of the economy. An adequate market basket leads to an increasing rate of growth of "free energy," and thus of economic development. Medical infrastructure results in increasing the longevity and productivity of the population.

Vanishing hospitals

Start with the availability of hospitals and hospital beds for patients in the United States. **Table 1** compares, for the years 1985 and 1994, the availability of hospitals and beds for community (i.e., regular) hospitals, for 15 states and the entire nation. Community hospitals are the bulk of hospitals in the United States, the others being basically long-term care, psychiatric, and veterans' hospitals. During the past

decade, ten states closed down 10% or more of their community hospitals, and nine states shut down 10% or more of their hospital beds. In extreme cases, Massachusetts eliminated nearly one-quarter, and Illinois more than one-fifth of their hospital beds.

The table also shows the ratio of hospital beds in use per 1,000 persons. In 1946, the U.S. Congress passed the Hill-Burton Act, named after its co-sponsors, Sens. Lister Hill (D-Ala.) and Harold Burton (R-Ohio). The Act, based on an extensive survey, set out to establish a minimum necessary standard of availability of hospital care, measured through the parameter of number of beds. It specified a ratio of 4.5 to 5.5 beds in use per 1,000 population, and mandated the construction of hospitals and hospital beds. In most localities, by adhering to this Act, up through the 1970s, the United States developed a good health system. But today, 14 out of the 15 states shown, as well as the United States as a whole, are below—many far below—the Hill-Burton standards.

One obtains an even more precise appreciation of the situation, by looking at specific localities (for Arizona and Pennsylvania, see *EIR*, Oct. 4, 1996, "Managed Care Is Destroying Medicine, and Killing People").

Take New York City, America's largest city. **Figure 1** shows the borough of Manhattan, which has a population of 1.7 million. The map shows that in 1960, Manhattan had 78 operational hospitals. By 1995, that had been more than halved to only 33 hospitals (**Figure 2**). This had been forced through by the banks, especially under the 1970s Municipal Assistance Corporation ("Big MAC") financial dictatorship. The deadly significance is disclosed by looking at the upper "goose neck" of Manhattan (the area north of 110th Street): In 1960, it had seven hospitals; today, it has only three significant hospitals. This area contains over 450,000 people, and includes many poor areas, such as Harlem, as well as parts of Washington Heights. More than half of the poor don't have a primary care doctor; the only doctor they see is when they have to go to the hospital—yet only two hospitals exist.

The borough of Brooklyn has more than 1.5 million

TABLE 1

Managed care's forced shutdown of hospitals and beds, 1985-94

State	1985		1994		Change 1985-94				Beds per 1,000 population in 1994
	Hospitals	Beds	Hospitals	Beds	Number shut down		Percent shut down		
					Hospitals	Beds	Hospitals	Beds	
Texas	480	66,061	422	59,395	58	6,666	12.1%	10.1%	3.29
California	479	83,232	427	77,963	52	5,269	10.9%	6.3%	2.50
Illinois	238	54,925	207	43,158	31	11,767	13.0%	21.4%	3.69
New York	259	78,986	229	76,607	30	2,379	11.6%	3.0%	4.21
Michigan	193	37,546	169	31,291	24	6,255	12.4%	16.7%	3.30
Minnesota	165	21,933	143	18,104	22	3,829	13.3%	17.5%	4.01
Tennessee	145	25,230	126	21,946	19	3,284	13.1%	13.0%	4.30
Massachusetts	112	25,892	95	19,918	17	5,974	15.2%	23.1%	3.31
Alabama	129	19,703	114	18,100	15	1,603	11.6%	8.1%	4.32
Washington	103	13,173	88	11,409	15	1,764	14.6%	13.4%	2.17
Louisiana	145	20,190	132	18,946	13	1,244	9.0%	6.2%	4.41
Missouri	141	25,734	129	23,201	12	2,533	8.5%	9.8%	4.43
Pennsylvania	241	56,221	230	50,353	11	5,868	4.6%	10.4%	4.18
Mississippi	108	13,036	98	12,485	10	551	9.3%	4.2%	4.72
Oklahoma	118	13,692	110	11,565	8	2,127	6.8%	15.5%	3.58
U.S. Total	5,732	1,000,688	5,229	902,061	503	98,627	8.8%	9.9%	3.46

Source: American Hospital Association, "Historical Stats: Emerging Trends in Hospitals, 1995-96 edition," "Historical Statistics, 1986 edition."

people. In 1960, Brooklyn had 56 operational hospitals; today, it has 28. In Brooklyn's easternmost zone, East New York, live 175,000 people, of whom 30-39% are officially below the poverty level. They have *no* hospital.

Figure 3 depicts the situation for New York City overall. In 1960, New York had 154 functioning hospitals; by 1990, it was down to 79. The number of New Yorkers per hospital rose from 50,000 in 1960, to 92,000 in 1990.

New York City typifies the situation that is emerging elsewhere around the country:

- The Detroit Medical Center, the city's largest private employer, recently announced that it will cut 2,500 jobs, eliminate 360 hospital beds, and close two hospitals, to meet demands from health insurance plans to cut costs.

- On April 9, 1995, the *Pittsburgh Tribune-Review* reported that the spread of HMOs and large hospital chains will "shrink hospital facilities by as much as half," and "reduce staffs for in-patient care by 30 to 50%" in southwestern Pennsylvania.

- In Massachusetts, industry analysts estimate that 20-50% of existing hospital beds in the state will be closed in the coming years, on top of those which have already been closed.

Many rural areas of the country have been left without hospitals, so that it requires a 35 to 75-mile trip to reach one.

This is a matter of life and death. A person can die on the way to a hospital, due to the fact that a closer hospital

had been levelled; or arrive there in such weakened condition after a long trip, that the doctors cannot help him; or die in the hospital because staffing was cut; or die at home, because he or she was discharged too early. But the financiers justify the shutdowns, claiming there are not enough sick people to fill the hospitals. It is true that some medical procedures, which 30 years ago would have required a few days' hospitalization, can be performed today on an outpatient basis. Conversely, there are some medical procedures today that require hospitalization, such as a hip replacement, which were performed less frequently 30 years ago, if at all. But the main reason for low hospital occupancy rates, is the scorched-earth practices of HMOs and insurance companies: By providing insurance coverage for only limited stays, they throw people out of hospitals, or they refuse to admit people to hospitals in the first place. Then, they claim the hospitals are underutilized, and shut them down!

Also left out of the equation, are the 39 million medically uninsured—more than one out of every ten Americans—who are not covered by insurance, nor Medicaid or Medicare. Basically, they can't afford to go to hospitals. Their needs are not translated into "effective dollar demand," and remain unmet.

Eliminating registered nurses

Registered nurses represent the front line of the hospital medical system. They used to constitute half the hospital staff.

FIGURE 1
Hospitals in
Manhattan, 1960

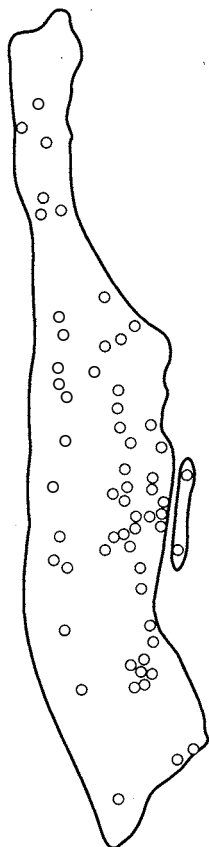


FIGURE 2
Hospitals in
Manhattan today

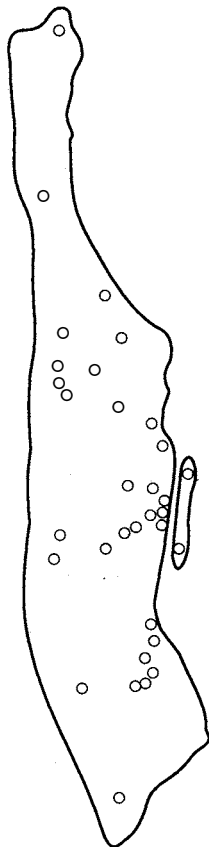
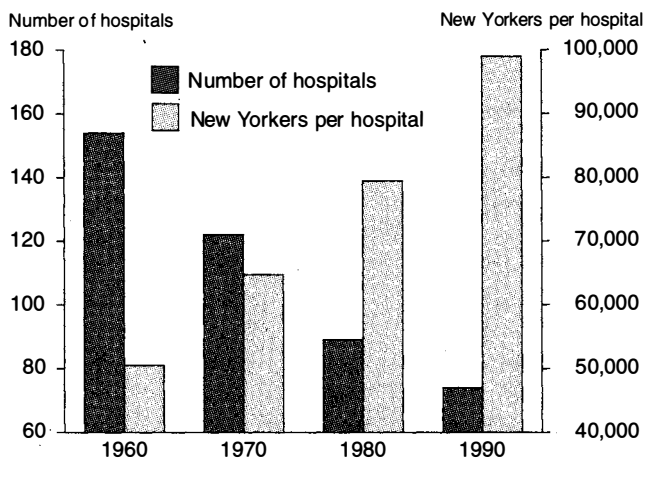


FIGURE 3
Fewer hospitals, each forced to treat
more people



A registered nurse must graduate from a state-approved school of nursing. A majority of RNs take a four-year Bachelor of Science in Nursing (BSN) degree. In the first two years of the degree program, they are required to take courses in psychology, human growth and development, biology, microbiology, organic chemistry, nutrition, and anatomy and physiology. In the final two years, they take courses in adult acute and chronic diseases, maternal/child health, pediatrics, psychiatric/mental health nursing, and community health nursing. About one-quarter of all RNs take a two-year program granting an Associate Degree in Nursing (ADN), preparing the nurse for a specific scope of practice. Many RNs whose first degree is an ADN, return to school during their working life to earn a BSN degree. About 10% of RNs take what is called a Diploma Degree in Nursing, which combines classroom and clinical instruction over three years. They all must then pass an exam administered by a state licensing board, which certifies them.

(There are also licensed practical nurses, LPNs, who take a 12- to 14-month post-high school course that focusses on

basic nursing care.)

In order to save money, the policies of the HMOs are forcing the replacement of these skilled RNs with technicians, many of whom have only two to four weeks of training. The techs know nothing about human anatomy, nothing about the processes of human life, but they are given all sorts of assignments, including invasive procedures. The cost-accounting ghouls in the managed care industry and insurance companies, such as Kaiser Foundation Health Care, Prudential Health Care, and Signa Health Care, which have done time-studies on the operations of nurses, lie that they see nothing improper or dangerous in the substitution. On these grounds alone, the managed care companies should lose their licenses to operate a hospital.

Ironically, during the 1980s, before the scorched-earth policy of managed care had become the norm, there were widely reported nursing shortages. An example is the story in *American Medical News* of May 8, 1987, headlined, "RN Shortage Acute in VA Hospitals, Congress Told." It reported that the chief medical officer of the Veterans Administration had testified to Congress about the shortage, and various other people providing testimony said that 4,000 to 8,000 new nurses were needed for the VA system alone. The real shortage did not disappear during the 1990s; instead, the managed care gang declared that nurses were no longer necessary.

In response to the need for nurses, the total population of RNs rose from 1.27 million in 1980 to 2.04 million in 1994, according to the U.S. Department of Commerce's Bureau of the Census, Nursing Division. But within the last few years, the employment of nurses at community hospitals, which represent 85% of all hospitals in the country, diminished dramatically. In 1989, there were 3.20 RNs based at community hos-

pitals per 1,000 population. This rose to 3.39 in 1993. But, it inched up to only 3.42 in 1994. And, in 1983 and 1993, the share of the nursing staff, as a part of the hospital's labor force, fell from 43% down to 35%, while the share of technicians and administrators went up.

But this statistic for the national average of community hospital-based nurses per 1,000 population, is deceptive on two counts. First, many hospitals are increasingly resorting to hiring nurses on a per diem basis, which artificially swells the nurse count. Thus, if ten per-diem nurses fill two nursing slots in a week, there are, in reality, only two full-time nurses. Second, especially in urban centers, the 1980s trend of adding nurses has reversed, and, for the last few years, has been going downward.

Within large cities, there is a marked reduction of both the absolute number of RNs per hospital, and per 1,000 population. Once again, New York City leads the way. For example, according to the Greater New York Hospital Association, between February 1995 and February 1996, 1,316 nursing jobs, or 3% of the total in New York City, were lost, due to layoffs and attrition. Then, in June of this year, the New York Health and Hospitals Corp., which runs the City's 11 public hospitals, announced that 562 more nurses would be permanently laid off.

- At Harlem Hospital, 40 out of 230 intensive care nurses, one-sixth, lost their jobs at the end of June. Harlem Hospital, which is one of only three hospitals in the "upper goose neck" of Manhattan, receives patients at the most acute level of sickness and bodily injury. This nurse triage was so severe that a group of doctors, nurses, and community groups, sought a court order barring the permanent layoffs. The judge would not do so, but it was agreed to allow a short time to take some nurses from other wards in the hospital, train them, and place them in intensive care. These nurses were removed from other necessary functions.

- As part of Mayor Rudolph Giuliani's plan to privatize the City's 11 public hospitals, there is now discussion, moving toward closure, of selling Coney Island Hospital, in Brooklyn, to a managed care company, Primary Health Systems (PHS) of Pennsylvania. Coney Island Hospital has 737 RNs; PHS has announced that upon completion of the purchase, it will fire 100 of them.

- At Booth Memorial Hospital, in Queens, New York, because of tight staffing conditions, four nurses handle a shift in obstetrics. On average, they have to work on delivering and caring for 10 to 12 births among them, per shift. Yet a caesarian birth, or a child born in critical condition, immediately takes the attention of two nurses for the whole shift; two such crises, and there is no manpower left for the other children.

Consequences

Study after study has found that nurses have a direct impact on hospital mortality and morbidity levels. Not only do

hospitals with a higher percentage of RNs and higher nurse-patient ratios have lower mortality rates, but the higher the level of nurses' qualifications, the better the outcomes and quality of care of surgical patients.

Studies have indicated that hospitals with favorable nurse-staffing levels and high RN skill mixes had a lower ratio of actual-to-predicted mortality rates: In 13 studies, a higher percentage of RNs to total nursing personnel was associated with lower-than-expected mortality rates. In addition, a higher ratio of experienced RNs to patients leads to quicker recovery, fewer complications, quicker discharge, and fewer readmissions.

Conversely, a study published in the November 1993 *Modern Healthcare* reported that a cut of just 7.75% of a hospital's registered nursing staff increased morbidity rates by up to 400% (see *EIR*, May 16, 1995, "New Threat to U.S. Health Care: Hospitals Without Nurses").

Where the nurse-to-staff ratio has been so lowered that it reaches the classification level of "poor," the readmission rates of patients is 15-37%. Cost reduction defeats itself, a point that could be made in general, regarding the elimination of preventive care and the necessary redundancy level in health and hospital systems.

Yet, HMOs and insurance companies are employing redesign plans that de-skill their staffs. One restructuring project for Massachusetts hospitals has unlicensed aides carrying out more than 100 duties usually done by nurses, including performing sterile techniques, inserting catheters, EKG testing, phlebotomies, and changing feeding tubes. The predictable consequences: A comparative study in Boston hospitals attributed 15 patient deaths to such policies.

In New York State, one "tech," wearing sterilized gloves, scrubbed out the toilet, and then, without changing the gloves, rearranged the sterilized glove supply in the cabinet, potentially spreading disease to the whole hospital.

The managed care mafia rides roughshod over nurses who balk at the lethal consequences of such a policy. As *EIR*'s Linda Everett reported, "A nurse working with only one aide in an understaffed intensive-care unit worked desperately to save her critically ill patient. The patient had gone into cardiac arrest, and the nurse simultaneously tried to guide the untrained aide in saving the life of the patient in the next ICU bed who had also 'arrested.' Both patients died. Shaken, she complained to her administration about the unsafe staffing level, and was dismissed from her job. The hospital then threatened to have her charged with murder of both patients if she tried to appeal their decision by going public with her claim."

The budget-cutters want to make these conditions permanent. The Pew Charitable Trust, for example, set up a Health Professions Commission, which released its third annual report in November 1995. The commission was headed by Richard Lamm. Among its recommendations was a restructuring of all medical licensing boards—inclusive of nurs-

ing—so that, effectively, the HMOs and giant hospital chains could dictate what the standards are for medical licensing. It also recommended that medical staff—doctors and nurses—could be reduced by 20-25% in the future.

In February 1995, the American Nurses Association released a survey of its nurses on the effect of hospital downsizing and nurse firings. The ANA noted that 79% of nurses reported that hospital cutbacks were causing a severe reduction in the quality of patient care, and 20% of nurses reported an increase in the number of errors involving patient falls,

fractures, and deaths as a result of staff reductions and subsequent overloading of remaining nurses.

Nurses are fighting these conditions through their union contracts—trying to specify staffing and workload responsibilities—by going to court, by demonstrating, and through public education. Last year, 35,000 nurses marched in the nation's capital to protest. Yet, no action by a single group can redress the situation; a national fight is required. The axioms of managed care and a decent nationwide health system cannot co-exist.

Profile of a public health asset-stripper

The largest U.S. operator of for-profit hospitals, Columbia/HCA Corp., is the result of the February 1994 merger of Columbia Hospital Corp. with Hospital Corp. of America (HCA).

Columbia was founded in 1987, when Dallas lawyer Richard Scott and Ft. Worth moneybags Richard Rainwater, the brains behind the Bass family fortune, bought two hospitals in El Paso for \$60 million. After gaining the trust of the doctors and staff by making much-needed repairs, they sold 40% to the doctors, so that the doctors would have a financial incentive to maximize profits and minimize costs. Since then, Columbia has been investigated a number of times by state regulators around the country, for "cream skimming," that is, Columbia doctors admit only patients with treatable conditions, and who are able to pay, turning away the indigent and people requiring expensive care.

In 1993, Columbia merged with Galen Health Care, which operated 73 hospitals; Galen was the result of the split-up of Humana Corp., into the group of hospitals under Galen (and eventually bought by Columbia/HCA), and the group of HMOs which retained the Humana name. Besides hospitals, Columbia specialized in offering rehabilitation, out-patient, and home health services.

HCA was founded in 1968, when Thomas Frist, his son, now U.S. Sen. Thomas Frist, Jr. (R-Tenn.); and Jack Massey, the founder of Kentucky Fried Chicken Corp., purchased a hospital in Nashville, Tennessee. By 1973, HCA had 50 hospitals, and by 1983, it owned 376 hospitals in the United States and seven foreign countries. In the late 1980s, the Frists began to sell off hospitals to raise cash, and in 1989, they took the firm private in a \$5.1 billion leveraged buy-out. The massive debt incurred required an acceleration of asset sales, leading to the 1994 merger with Columbia, in a stock swap valued at \$5.7 billion.

Columbia/HCA Corp. now owns over 340 hospitals, 130 surgery centers, and 200 home health agencies in 36 states and Europe. One of the largest shareholders is Senator Frist.

Columbia/HCA's strategy, according to ValueLine, is to grow by buying more and more hospitals, "to build a provider network capable of serving such health care purchasers as HMOs and large employers." However, this leaves out a key part of Columbia/HCA's strategy, which is to "rationalize" health care by buying most of the hospitals in a community, then shutting some of them down, and forcing business to increase at the remaining hospitals. The company aggressively markets its services at bargain prices to HMOs and other health care "bulk buyers." Indeed, one of the things Wall Street finds most exciting about Columbia/HCA, is that "same-store revenues" of the company's hospitals are rising, with admissions in the first half of this year up 3%, while admissions nationwide were falling. Standard & Poors' in September 1983 reported that Rainwater calls this the "WalMart approach to health care."

By the end of 1994, Columbia/HCA had 42,357 beds, with an occupancy rate of 44%, and an average stay of 5.7 days. In 1995, Columbia/HCA acquired HealthTrust, Inc., and its 119 hospitals, for \$3.6 billion. So far this year, Columbia/HCA has acquired another 26 hospitals.

Revenues in 1995 were \$17.695 billion, with profits of \$961 million, giving a "healthy" margin of 5.4% profit derived from unhealthy people. Forty percent of the revenue comes from non-hospital care.

Columbia/HCA now seems to be eyeing a direct entry into the managed care field, with a proposed acquisition of Blue Cross & Blue Shield of Ohio.

According to a *Wall Street Journal* article on Oct. 14, investors are beginning to worry about "Columbia/HCA's desire to buy more bricks and mortar," because "America has too many hospitals." Wall Street is also worried that the stupendous growth rates of the past few years can no longer be sustained, because Columbia/HCA has "already taken over every one in sight."—Anthony K. Wikrent

The Hill-Burton Act

The Hill-Burton Act, excerpted here, became law on Aug. 13, 1946, as Public Law 725. The official title is, "Hospital Survey and Construction Act," and the document is nine pages in length.

The chief sponsor was Sen. Lister Hill (D-Ala.). The act was an amendment to the Public Health Service Act. It authorized grants to the states for surveying their hospitals and public health centers and for planning construction of additional facilities, and it authorized grants to assist in such construction. The law was extended in several subsequent acts of Congress.

The full text can be found in the public laws volume for the 79th Congress, 2nd session, Chapter 958.

Declaration of purpose

Sec. 601. The purpose of this title is to assist the several States—

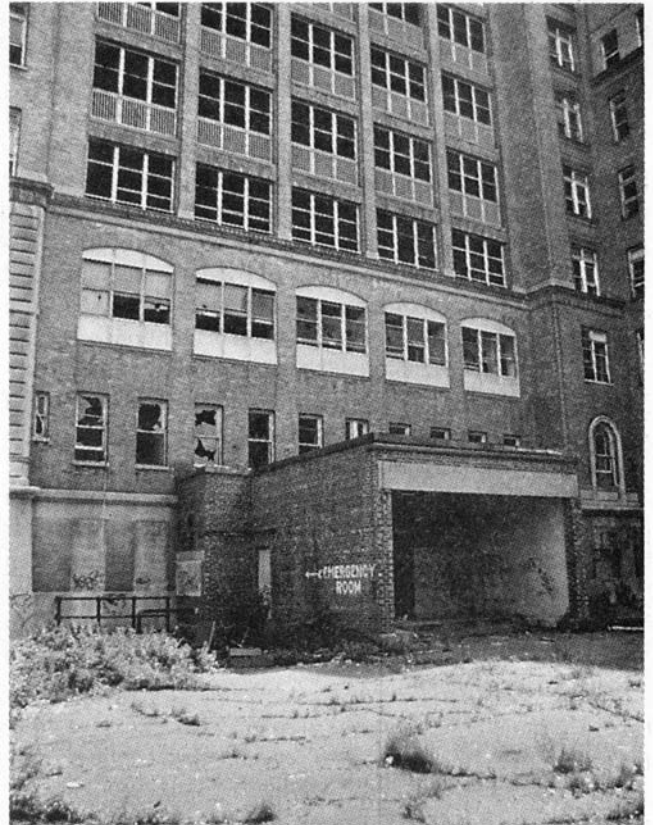
(a) to inventory their existing hospitals (as defined in section 631 (e)), to survey the need for construction of hospitals, and to develop programs for construction of such public and other nonprofit hospitals as will, in conjunction with existing facilities, afford the necessary physical facilities for furnishing adequate hospital, clinic, and similar services to all their people; and

(b) to construct public and other nonprofit hospitals in accordance with such programs. . . .

General regulations

Sec. 622. Within six months after the enactment of this title, the Surgeon General, with the approval of the Federal Hospital Council and the Administrator, shall by general regulation prescribe—

(a) The number of general hospital beds required to provide adequate hospital services to the people residing in a State, and the general method or methods by which such beds shall be distributed among base areas, intermediate areas, and rural areas: *provided*, That for the purposes of this title, the total of such beds for any State shall not exceed four and one-half per thousand population, except that in States having less than twelve and more than six persons per square mile the limit shall be five beds per thousand population, and in States having six persons or less per square mile the limit shall be five and one-half beds per thousand population; but if, in any area (as defined in the regulations) within the State, there are more beds than required by the standards prescribed by the Surgeon General, the excess over such standards may be eliminated in calculating this maximum allowance.



What was once a hospital in New York City's South Bronx. In 1960, New York had 154 functioning hospitals; by 1990, there were only 79.

(b) The number of beds required to provide adequate hospital services for tuberculous patients, mental patients, and chronic-disease patients in a State, and the general method or methods by which such beds shall be distributed throughout the State: *provided*, That for the purposes of this title the total number of beds for tuberculous patients shall not exceed two and one-half times the average annual deaths from tuberculosis in the State over the five-year period from 1940-1944, inclusive, the total number of beds for mental patients shall not exceed five per thousand population, and the total number of beds for chronic-disease patients shall not exceed two per thousand population.

(c) The number of public health centers and the general method of distribution of such centers throughout the State, which for the purposes of this title, shall not exceed one per thirty thousand population, except that in States having less than 12 persons per square mile, it shall not exceed one per twenty thousand population.

(d) The general manner in which the State agency shall determine the priority of projects based on the relative need of different sections of the population and of different areas lacking adequate hospital facilities, giving special consideration to hospitals serving rural communities and areas with

relatively small financial resources.

(e) General standards of construction and equipment for hospitals of different classes and in different types of location.

(f) That the State plan shall provide for adequate hospital facilities for the people residing in a State, without discrimination on account of race, creed, or color, and shall provide for adequate hospital facilities for persons unable to pay therefor. Such regulation may require that before approval of any application for a hospital or addition to a hospital is recommended by a State agency, assurance shall be received by the State from the applicant that (1) such hospital or addition to a hospital will be made available to all persons residing in the territorial area of the applicant, without discrimination on account of race, creed, or color, but an exception shall be made in cases where separate hospital facilities are provided for separate population groups, if the plan makes equitable provision on the basis of need for facilities and services of like quality for each such group; and (2) there will be made available in each such hospital or addition to a hospital a reasonable volume of hospital services to persons unable to pay therefor, but an exception shall be made if such a requirement is not feasible from a financial standpoint."

Definitions

Sec. 631. For the purposes of this title—

... (e) the term "hospital" (except as used in section 622 (a) and (b)) includes public health centers and general, tuberculosis, mental, chronic disease, and other types of hospitals, and related facilities, such as laboratories, out-patient departments, nurses' home and training facilities, and central service facilities operated in connection with hospitals, but does not include any hospital furnishing primarily domiciliary care;

(f) the term "public health center" means a publicly owned facility for the provision of public health services, including related facilities such as laboratories, clinics, and administrative offices operated in connection with public health centers;

(g) the term "nonprofit hospital" means any hospital owned and operated by a corporation or association, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;

(h) the term "construction" includes construction of new buildings, expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings; including architects' fees, but excluding the cost of off-site improvements and, except with respect to public health centers, the cost of the acquisition of land; and

(i) the term "cost of construction" means the amount found by the Surgeon General to be necessary for the construction of a project.

LISTEN TO LAROUCHE ON RADIO



*Frequent Interviews with
Lyndon LaRouche on the
Weekly Broadcast "EIR Talks"*

ON SATELLITE
4 p.m. ET
Galaxy 7 (G-7)
Transponder 14.
7.71 Audio.
91 Degrees West.

SHORTWAVE RADIO
Sundays 2100 UTC
(5 p.m. ET)
WWCR 12.160 MHz

**Cassettes Available to
Radio Stations**

**Transcripts Available to
Print Media**

Local Times for "EIR Talks" Sunday Shortwave Broadcast on WWCR 12.160 MHz

Adis Ababa	0100*	Little Rock	1600
Amsterdam	2300	London	2200
Anchorage	1300	Los Angeles	1400
Athens	2400	Madrid	2300
Atlanta	1700	Manila	0600*
Auckland	1000*	Mecca	0100*
Baghdad	0100*	Melbourne	0800*
Baltimore	1700	Mexico City	1600
Bangkok	0500*	Milan	2300
Beijing	0600*	Minneapolis	1600
Belfast	2200	Montreal	1700
Berlin	2300	Moscow	0100*
Bohemian Grove	1400	New Delhi	0330*
Bogota	1700	New York	1700
Bonn	2300	Nogales	1500
Bombay	0330*	Norfolk	1700
Boston	1700	Oslo	2300
Bretton Woods	1700	Paris	2300
Bucharest	2400	Philadelphia	1700
Buenos Aires	1900	Pittsburgh	1700
Buffalo	1700	Prague	2300
Cairo	2400	Rangoon	0430*
Calcutta	0330*	Richmond	1700
Caracas	1800	Rio de Janeiro	1900
Casablanca	2200	Rome	2300
Chattanooga	1700	St. Louis	1600
Chicago	1600	St. Petersburg	0100*
Copenhagen	2300	San Francisco	1400
Denver	1500	Santiago	1800
Detroit	1700	Sarajevo	2300
Dublin	2200	Seattle	1400
Gdansk	2300	Seoul	0700*
Guadalajara	1600	Shanghai	0600*
Havana	1700	Singapore	0530*
Helsinki	2400	Stockholm	2300
Ho Chi Minh City	0600*	Sydney	0800*
Honolulu	1200	Teheran	0130*
Hong Kong	0600*	Tel Aviv	2400
Houston	1600	Tokyo	0700*
Istanbul	2400	Toronto	1700
Jakarta	0500*	Vancouver	1400
Jerusalem	2400	Vladivostok	0800*
Johannesburg	2400	Venice	2300
Karachi	0300*	Warsaw	2300
Kennebunkport	1700	Washington	1700
Kiev	2400	Wellington	1000*
Khartoum	2400	Wiesbaden	2300
Lagos	2300	Winnipeg	1700
Lima	1700	Yokohama	0700*
Lincoln	1600	Yorktown	1700
Lisbon	2300		*Mondays

States fight back against managed care, hospital asset-stripping

Dozens of states are now taking action—mostly procedure by procedure, and disease by disease—against various of the harmful practices of all aspects of “managed care,” ranging from health maintenance organizations, to for-profit companies that asset-strip community health facilities and staff.

For example, this year alone, 16 states have adopted laws to nullify efforts by HMOs to limit what doctors can tell their patients. States adopting such “anti-gag” laws against HMOs include California, Colorado, Delaware, Georgia, Indiana, Maine, Maryland, Massachusetts, New Hampshire, New York, Pennsylvania, Rhode Island, Tennessee, Vermont, Virginia, and Washington. In Oklahoma, the Board of Health decided this year to administratively enforce the anti-gag policy through licensing of HMOs; the New Jersey Health Department has proposed similar rules.

In 33 states, various other kinds of actions to control managed-care cost cutting have been enacted for specific diseases and procedures. For example, many states have passed laws to prohibit “drive-through” childbirth—the practice of many HMOs to refuse to pay for a woman’s stay in the hospital, or restrict it to one day.

In September, federal legislation was enacted mandating health care insurers to cover 48 hours of hospitalization for the woman giving birth. Now federal action is being drawn up by U.S. Rep. Rosa DeLauro (D-Conn.) to require insurers to pay for a minimum 48-hour stay for a mastectomy, and one-day for a lymph node removal. This comes in response to at least two Connecticut HMOs (CIGNA HealthCare and ConnectiCare) saying they will not pay for an overnight stay for breast removal surgery (unless the doctor insists, but the doctor is under pressure not to).

These examples show that fighting managed care/HMO practices procedure by procedure, and disease by disease, involves long lists of targets, and never-ending battles. In recognition of this, Connecticut State Sen. Edith Prague is working on legislation to compel insurers to cover hospitalization, whenever it is deemed medically necessary by a physician.

The following are selections from recent initiatives in three states: Nebraska, Pennsylvania, and Massachusetts.

Nebraska: The Non-Profit Hospital Sale Act

This spring, the Nebraska legislature passed the Non-Profit Hospital Sale Act, which Governor Branstad signed into law. The intent of the Act is to provide safeguards so that a large, for-profit hospital conglomerate cannot enter Nebraska and begin gobbling up community nonprofit hospitals, and then start slashing hospital staff and closing down all or part of the hospital, denying hospital care to the community.

According to the official summary of the Non-Profit Hospital Sale Act:

“The bill provides that no person shall engage in the acquisition of a hospital owned by a nonprofit corporation, without having applied for, and received, the approval of the Department of Health and the Attorney General (if the Attorney General determines to review the application). . . . For purposes of this act, acquisition is a transaction which results in 20% or more ownership or control, or a cumulative 50% of ownership or control. . . .

“The application is made jointly to the Department of Health and the Attorney General. It shall include the names of the seller and purchaser, the terms of the proposed agreement, the sale price, a copy of the acquisition agreement, a financial and economic analysis and report from an independent expert or consultant as to the effect of the acquisition in meeting the criteria set forth in the bill, and other related documents. The application and all related documents shall be considered public records. . . . Public notice and a public hearing are required as part of the review. Intervenors with a distinct interest are allowed. . . .

“The review criteria for the Department of Health is set out in Section 8. . . .

“The decision on the acquisition is to be made within sixty days. . . . A procedure is provided for a hearing to determine whether the acquisition is being carried out according to the approved application. The license of the hospital may be revoked or denied when the acquisition of the hospital does not meet the terms of this act. . . .



Pennsylvania nurse Laura Gasparis Vonfrolio speaks at a demonstration in Washington, D.C. on May 10.

Section 8: Criteria

"In making a decision whether to approve or disapprove an application, the Department of Health shall consider:

"Subsection 1: whether sufficient safeguards are included to assure the affected community continued access to affordable care; a right of first refusal to repurchase the assets by successor nonprofit corporation or foundation if the seller is subsequently sold to, or merged with, another entity, including an assurance [that] financing necessary to accomplish the repurchase is reasonably available shall be considered evidence of access to continued care.

"Subsection 2: whether a purchaser has made a commitment to provide care to the disadvantaged, the uninsured, and the underinsured to promote improved health care."

Pennsylvania's House Resolution 368

This resolution was the subject of hearings of the Pennsylvania House Committee on Human Services on Sept. 12.

Resolved, That the Health and Human Services Committee shall:

1. Examine the extent of enforcement and violation of current regulations and standards of nursing practice.
2. Examine the extent to which the hospital accreditation process adequately considers the "downskilling" of acute care providers.
3. Examine the adverse effect of this practice on the capac-

ity of physicians to render quality acute care.

4. Examine nurse/patient ratios and their significance for medical care;

and be it further

Resolved, That the Department of Health, the State Board of Nursing and all other agencies of the Commonwealth shall provide assistance upon request as the Health and Human Services Committee may deem appropriate; and be it further

Resolved, That the Health and Human Services Committee may hold hearings, take testimony and make its investigations at such places as it deems necessary in this Commonwealth. Each member of the committee shall have the power to administer oaths and affirmations to witnesses appearing before the committee; and be it further

Resolved, That the Health and Human Services Committee make a report of its findings and recommendations to the House of Representatives on or before November 30, 1996.

Legislation presented in Massachusetts

The Massachusetts Nurses Association (MNA), the largest professional health care organization in the state (18,000 members), has introduced a package of legislation to the state legislature, including five bills that address a variety of problems. The bills call for legislative and regulatory changes that would expand the scope of the Patient's Bill of Rights to include information about the amount and type of nursing care provided, provide a more specific definition and formula for determining "sufficient" levels of nursing care in every health care setting, and regulations that would mandate the collection of patient outcomes data reflecting the impact of nursing interventions on the quality of care.

According to MNA President Margaret Barry, "This legislation is an attempt to solve a number of problems caused by the health care industry's dramatic attempts to restructure health care without proper concern for the quality of care delivered."

The following summaries of the proposed legislation were prepared by the MNA.

H. 5871: An Act to Identify Health Care Providers

Patients have the right to know who is caring for them.

This bill adds an amendment to the Patient's Bill of Rights that all licensed persons must identify themselves by a name tag before caring for individuals. The tag must indicate their licensure status, not their job/position/role.

There is a trend in the country and in Massachusetts to identify health care workers as "patient care associates" or "multi-skilled workers." Homogenizing the providers of health care leaves the public without accurate information about who is at their bedside. This bill would assure the public

of factual information about who is caring for them.

H. 5872: An Act Furthering Patients' and Residents' Rights

The public has the right to know who is caring for them and the nature and amount of nursing care they should receive in any given health care delivery setting.

This bill amends the Patient's Bill of Rights to:

1. Include "sufficient nursing care" requiring adequate available qualified nurses to meet both the routine care and unplanned care needs of patients based on recognized professional standards of practice, the patient's or resident's acuity level, and functional capacity for self care.

2. Upon request, to provide consumers with information about the nature and amount of nursing care they will receive. This information should include, but not be limited to:

- the ratio of patients to RNs, LPNs, and unlicensed personnel;
- the incidence of infections and pressure sores;
- the incidence of medication errors and patient injuries;
- data regarding patient satisfaction;
- data on the educational level and experience of nursing staff.

3. Requires all health care providers to identify their licensure status to the patient before rendering care.

S. 2183: An Act to Ensure Sufficient Nursing Care

Significant studies over more than a decade indicate that patients' outcomes are improved when they have direct access to professional nursing care. Every institution that provides health care is responsible for providing "sufficient nursing care." Yet, there is no definition of "sufficiency" except in critical care units and out-patient dialysis units. Nurses are expected to care for patients competently, no matter how many they care for and no matter the amount of resources available to them. They are also held accountable for the care they direct to other licensed and unlicensed personnel.

This bill defines "Sufficient Nursing Care" based upon:

- the patient's acuity of illness;
- the patient's functional level; and
- the standards of nursing practice to which the individual licensed nurse is held accountable.

A commission, under the direction of the Department of Public Health, with representation and consultation from the Board or Registration in Nursing, Nursing Associations and Specialties would define *guidelines to establish minimal acceptable levels of nursing staff for "sufficient" nursing care.*

This bill would mandate "flexible" guidelines that would assure appropriate nursing resources for the patients.

This is not a ratio bill, but does clearly outline that there must be safety limits on the number of patients any one nurse can care for at any one time, in order to secure sufficient, competent nursing care.

There would be a requirement for a Registered Nurse to

be designated by the facility for the overall quality assurance for nursing care provided by the facility.

The public would have a mechanism to measure the sufficiency of care provided and a mechanism to seek corrective action with the Department of Public Health.

H. 5863: An Act to Establish Licensing for Nursing Clinics

This bill creates an opportunity to license clinics for the delivery of nursing care alone. Only one such clinic currently exists, the Pine Street Inn Nurses' Clinic, which cares for homeless guests.

The public would have the option to utilize nursing care services in clinics as adjunct to medical care. Nursing clinics could provide a wide range of services, for example:

- Hypertension/Health Maintenance Clinic
- Elder Services Support Clinic
- Adolescent Health Care/Education Clinic
- Maternal/Newborn Health Information Clinic

H. 5864: An Act Relative to Public Access to Comparative Nursing Care Data

Nearly all outcomes data is generated by claims data. Nursing is most frequently categorized with the cost of room and board. Therefore, there is no systematic collection or mandate to collect data about the interventions of nursing and subsequent outcomes of patient care.

This bill creates a mechanism to collect and report the data about the influence nursing care has on patient outcomes in a systematic way in "hospitals, nursing homes, chronic care and rehabilitation hospitals, specialty hospitals, clinics . . . and health maintenance organizations." Further, it provides information to the public for their review in making judgments about the services they seek.

The indicators to be measured would include, but not be limited to:

Outcome Indicators—those which focus on how patients and their conditions are affected by their interaction with nursing staff: mortality rate, length of stay, readmission rates, adverse incidents, complications. . . .

Process of Care Indicators—which focus on the nature, amount, and quality of care nurses provide to patients. This includes: assessment and implementation of patient care plans, pain management, skin integrity, patient education, discharge planning, patient safety responsiveness to unplanned patient care needs, and patient/family satisfaction with nursing care.

Structure of Care Indicators—which focus on the nature of staffing patterns expected to affect quantity and quality of care provided by nursing, including ratio of RN, LPN to patient.

This information would be made available annually so the public and purchasers of groups health insurance policies could use it to consciously choose health care with nursing services in mind.

Massachusetts nurses are 'going public' with the hospital crisis

David Schildmeier is Director of Public Communications for the Massachusetts Nurses Association (MNA). He was interviewed by Marianna Wertz on Oct. 3, for New Federalist newspaper, which published excerpts in its issue of Oct. 14, and passed the full text along to EIR.

NF: In last week's issue of our newspaper, I interviewed the head of the Pennsylvania Nurses Association, who just testified at a hearing there. I'd like to get a picture of what's happening to nurses in hospitals in Massachusetts. I'd also like to discuss the situation with the two current negotiations, at Boston Medical Center and Brigham and Women's.

Schildmeier: Let's start with the broader picture. It's important to look at Massachusetts, because, outside of California, Massachusetts has the greatest penetration of managed care and we have a large population of nurses too, given our state size. We're the third or fourth largest population, behind New York, California, and Texas. So we're a good microcosm to look at what's happening and what that's done.

What it's done, is it's driven the whole industry in Massachusetts into a massive state of consolidation. It is estimated, there was a prediction by a person at the Hospital Association, that within five years, in Massachusetts, there will be at the most five and probably two or three networks that control the entire industry—this is the acute care side. That is being driven by managed care. The people who control the patients are the managed care providers, especially when you have a very high penetration of patients being driven by managed care companies. Most of the companies are in managed care plans. Those managed care plans dictate where they send those patients for care.

NF: Who are the largest providers there?

Schildmeier: Harvard-Pilgrim Health Care, Tufts, Harvard Community Health Plan, Blue Cross/Blue Shield. They control where the patients go. So what has happened in Massachusetts, in 1992, there was deregulation, which meant that for the hospital industry, there was no regulation on discounts the hospitals could award the HMOs.

NF: Was that a proposal by Gov. William Weld?

Schildmeier: Yes, it came in because of Weld. And the hos-

pital industry lobbied for it, the deregulation of the industry. So that what you had was hospitals being able to award discounted costs to these managed care companies, to win contracts. That's how hospitals now get their money. They get locked into an HMO provider, who can then send their patients to them.

Now, to get that contract from the HMO, what the hospital does is cut a deal. These aren't actual numbers, but just by analogy: Say it costs \$100 a day to care for a patient. Before the contract is cut, before the HMO signs the deal with the hospital, it costs \$100 to care for a patient. The HMO says, "We'll give you our patients, but you've got to do it for \$75 or \$70," or whatever that number is. The hospital has a choice. It costs \$100 to care for that patient, to provide the level of nursing care that is traditional and what patients have always expected; to provide the medical care, diagnostics, all that stuff—it costs \$100. If they want the patient, they're going to have to do it for \$75. Now, they're caught in a bind. So they look around and they see that the competitor next door is going to cut that deal if they don't. So they cut the deal.

Now they've got access to these patients that the HMOs control, and the public's happy because they're paying five bucks a pop to go to the doctor. So now you've got a system that has made a deal. They've got the patient. Now they turn around and they say, how are we going to care for patients at \$75 a day?

What they do is they say, "We've got to deliver this care at \$75 a day. How are we going to do that, when we've got labor contracts, and we've got so many nurses on staff at this salary and all these other things, everything that we have to pay for? Where are we going to cut?"

Traditionally in hospitals, 60% of the labor budget is nurses. So immediately, when they turn away from the contract and look where they're going to cut money, they look at the labor costs, and they look at nurses who are the highest price tag of that labor cost that they have to absorb. So that's where they're trying to cut. So they're saying, "We're going to do a couple of things. We're going to cut back on our nursing staff, cut our labor costs by just eliminating a lot of nurses; when nurses retire or move on, we don't fill those positions. Or we're just going to down-staff as low as we can, so our labor costs go down." That's one scenario.



"Remember," says Schildmeier, "the nurse in the health care system is the teacher. They're the ones that are trained. If you've ever worked with a doctor, you'll understand this. As soon as the doctor leaves, you ask the nurse, 'What did he just say?'"

NF: The statistic I have is that the percentage of nurses on hospital staff has dropped from 45% nationwide 20 years ago, to 37% today.

Schildmeier: Yes, that's what's been widely bandied about.

NF: Do you have a statistic on nurses ratio per patients?

Schildmeier: I'll give you a source for that. Her name is Judith Schindul-Rothschild, of Boston College. She just completed the largest survey that's ever been done of nursing opinion in the country. Some 7,500 nurses—it's got a 1% error rate. It's going to be published this month in the *American Journal of Nursing*, all about nursing and quality of care issues. Her study is very revealing. She has all that information.

That's how managed care plays into this. They are forcing onto the health care industry, and the health care industry is colluding in this: They wanted this ridiculous open competition for these contracts. And that is forcing the hospitals now to turn around and take it out of nursing.

NF: What is the effect on nursing?

Schildmeier: Either the nurses are working longer hours, with less help, or, they're doing a second thing: They're looking at nursing and they're saying, all right, how can we do without nurses? What if we replace nurses with unlicensed, lesser-skilled, lower-paid people? Take a college-educated

nurse, and a lot of them have a lot of experience—the nurse is an old workhorse. We have a lot of nurses in hospitals who have been working 10-20 years. What if we got rid of those nurses, replaced them with these unlicensed techs, changed how nursing care is delivered, so that we can have one nurse working with a few techs and deliver care?

NF: We have reports in Pennsylvania and other places that this has led to deaths which are directly attributable to this use of techs.

Schildmeier: Absolutely. Judy can tell you case by case. She did a study a few years ago that found 15 deaths that she could attribute to changes in staff mix. She is getting reports all the time about patient deaths.

We have been out talking to nurses. The Massachusetts Nurses Association, for two years, in town meetings, has been talking to nurses, getting them to talk to us about what they're experiencing. It's not only deaths, but injuries and mistakes and errors all over the place. Judy's found that more than 50% of the nurses she surveyed reported increases in medication errors; 37% of the nurses she surveyed said they wouldn't feel safe admitting a family member to the hospital where they worked. This is nationally.

The hospital industry, because of the pressures that are put on them to save money, has looked at nursing as an expense, and is doing everything they can to limit that expense.

Forgetting the fact that the only reason hospitals are in business, if you think of it logically, is to provide 24-hour professional nursing care. Otherwise, you would be a same-day surgery center, or you'd be getting care in an office, or you'd be getting care in a home. The only reason hospitals really are licensed and are in business, is because you're so sick that you need around-the-clock care by someone who knows how to interpret your condition and how you're reacting to certain medications every minute that you're in that hospital. Especially now.

Again, this goes back to managed care. Because managed care controls the patients and the access, because the care is "managed," patients are in there for a shorter length of time. They also don't get into the hospital unless they're very, very sick. It's harder to get an admission now into a hospital because of the "managed" care.

So you have a population of people who are extremely sick, in an institution that is there to provide around-the-clock nursing, at a time when the health care industry has made a conscious decision: We're going to do everything we can to do without nurses. That is what we're facing in Massachusetts. We are either working in institutions where there aren't enough nurses on staff, or they've cut the staff to the bone. And Judy's study and other studies have shown that the injury rate for nurses is going through the roof, and the illness rate and the burnout rate, because they're working especially hard just to keep people alive.

The other thing that's really happened on a wholesale basis is, they're going in with these fancy plans, called patient-focussed care, which is like calling an ICBM missile a peacekeeper. It is just outrageous! What they do, is they replace skilled providers, educated minds, with uneducated, low-paid, minimum-wage workers with three to six weeks, maybe, some with as little as 40 hours worth of training, and a high school education, to be at the bedside.

[Mr. Schildmeier talked about his work in Florida, before coming to Massachusetts in the 1980s, to bring in nurses during the nursing shortage. Corporate offices chose his hospital as a pilot project to look at how nursing care is delivered.]

They studied nurses just as you would in a factory. They looked at all the tasks that a nurse does. She goes and gets water, she takes vital signs, she inserts catheters and hooks up monitors. They did a whole time-motion study of what nurses do. Then they went back and they divided all that up, to see, how can we get other people to do these things? And then work with fewer nurses and with aides and assistants, to deliver care without as many nurses. They came up with a plan, missing the one important piece, which is that the real thing that nurses do, is not "tasks." What nurses are really there to do, is to be with the patient and watch them. That's what you're paying for, when you want a nurse.

You want a nurse, not to come in once every three hours and look at a chart or see what aides have done. You want that nurse in your room, caring for you, because she's talking to

you, she's looking at you, she's evaluating you. She's making sure you're well and healthy and responding to medication. And she's educating you. Remember, the nurse in the health care system is the teacher. They're the ones that are trained. If you've ever worked with a doctor, you'll understand this. As soon as the doctor leaves, you ask the nurse, "What did he just say?" Nurses are there to teach you how to deal with your condition and also how to evaluate your family situation.

NF: The patient is also not a piece of machinery.

Schildmeier: Exactly. But that's how they look at it. This is how the people who are making the decisions out there look at it. They don't talk about patients and illness, they talk about "length of stay." If you talk to an administrator, they talk about LOS, that's all you hear. You hear FTEs—full-time equivalents—how many people, not how many nurses, but how many full-time people do you have working? You don't talk about illnesses, you talk about DRGs, the government-assigned diagnosis groups that are attributed to revenue you get for Medicare patients. The whole system is set up to look at patients as a business, as line-items.

So they came up with this whole plan and they called it Team Care Nursing, some fancy name. But here's the nefarious part. They came to us as a pilot project and they said, "Listen, we know your nurses are going to hate this, because nurses are used to what's called primary care nursing, where one nurse has four or five patients and does pretty much, with an aide, everything for that patient. So we put in a whole system to basically convince them to like it, or how to pick the nurses that will work in the system and those that won't."

On top of developing the scheme, they developed a whole manipulative way of convincing nurses and the community, and the system, to buy it. Then they tried to push it on our nurses.

I leave, and the nursing shortage enters. I came back into health care a few years ago with MNA, and, all of a sudden, there are all these consultant firms popping up all over the place in hospitals all across the country. What are they talking about? First they do time-motion studies. They have these special committees with nurses. The whole process that started during the nursing shortage has become a full-scale industry, many of them run by big-name accounting firms, who are now taking this model, which started because of a shortage, and they realized that nurses were getting too expensive, and it's now being foisted on the public and on the industry as the norm. They would point-blank, no exaggeration, if they had their way, do away with nursing altogether. They would do away with traditional nursing, which is the nurse at the bedside, trained and educated to care for a patient, provide hands-on care. They want to make them supervisors of a whole cadre of lesser-skilled, lower-paid people.

NF: You have a very hot Senate race going on in Massachusetts. Is there a difference in those two candidates?

Schildmeier: Sure, with Kerry and Weld. Kerry, and Kennedy, too, though he's not in the race, have been more supportive of nursing care and of greater universal access to care and financing models, than Weld. I can tell you a pointed difference between Weld and Kerry, when it comes to the care. It really comes to the fore in the care of the most vulnerable. He [Weld] has stewardship over the Department of Mental Retardation, Department of Mental Health, all those agencies that care for those most vulnerable that government traditionally cares for. He's done two things. He's wanted to privatize those industries and turn them over to mostly for-profit-type people or profiteering-type companies, that want to really bring managed care to those types of clients, which is crazy. That's one aspect of it, and Kerry and others have opposed that across the board.

The other thing that he has done, is that Weld, at DMH and DMR [Department of Mental Health and Department of Mental Retardation], where we have a major fight going on and we have legislation proposed to address it, has put in place, for these mental health and mental retardation clients, a process where he has licensed—there's a loophole in our state law. He has licensed or authorized 6,000 direct care workers who aren't nurses, to administer medications to severely compromised clients in those systems, mentally ill and mentally retarded patients, some with dual diagnosis, some on severe, Class IV psychotropic medication. He has purposely and aggressively gone ahead and tried to eliminate the nurse and make direct care workers, people with high school education, with no training, with 16 hours of course work, administer these medications. This is what a nurse spends two to four years—and a lot of these nurses have been doing it for 10-20 years, handling medications—learning to evaluate, document problems, report problems, intervene with patients. He has blatantly tried to destroy that system, and is still aggressively pursuing it, and we have been fighting him every step of the way.

NF: Is it actually implemented now?

Schildmeier: Oh, yes. There are 6,000 people out there in the system who are ready and doing this. We just got a front-page story in the *Boston Globe* about some deaths in the system. We get reports all the time.

We've got a bill that we've had before the legislature for two years, and we're hoping, with the publicity we're getting and with the whole knowledge of what's happening, with unlicensed people delivering medications, that we're going to get the political support and the political will to stop it, and to close that loophole and ensure that only nurses deliver medication and evaluate patients and take care of them.

On the face of that issue alone, we're supporting and have endorsed Kerry.

NF: Let me move on to the situation with your contract negotiations with the hospitals.

Schildmeier: The one that applies to the issue of managed care directly, is Brigham and Women's Hospital. It's a flagship hospital in the country and state, and it's one of our largest bargaining units. We have 1,900 personnel there. It's also our most politically aware and active, well-organized bargaining unit.

Historically, Brigham and Women's nurses have been given a lot of autonomy. Because of the union representation that they've had for many, many years, and the power of that local, and because of the high professionalism of the institution itself, and, to give credit to the hospital, in the past they have given their nurses a lot of autonomy, a lot of power to stand up for themselves and to see themselves as powerful players on the health care team.

Because of all that, as these changes have been taking place in the health care system, those nurses have been aware of it. Just over the past year, during negotiations, the hospital attempted to implement a plan where they laid off some nurses in their center for women and newborns, and replaced them with aides. The original job descriptions for those aides were outrageous. It's like pulling the tail of the tiger. They woke up those nurses, enraged those nurses, and we impact bargained over that specific little situation in that one unit in the hospital, and got the hospital to give up a lot in determining what tasks the nurses would do and what tasks the aides would do.

But that also woke up the entire bargaining unit. So the nurses made it their objective to make sure that they included language in their new contract that guaranteed nurses the right to decide who delivers nursing care and to whom they will delegate under any circumstances. And that's what they did.

Another issue is, one of the things that our hospitals are doing, is getting a smaller core staff, because hospital censuses, how many people are in the hospital on a given day, fluctuate from unit to unit. So they have a smaller core staff and what they call "float nurses," to different units on different days, under the theory that a nurse is a nurse is a nurse and that sick people are sick people are sick people. The problem with that, is that it's not true. Given the sophistication and the specialization of medicine, nurses can't just transfer from pediatrics to oncology to medical/surgical. Every area has its own special drugs, its own special policies. So the whole thought process is wrong to begin with.

But when they do have floating, what nurses usually ask for is, if you're going to float nurses on a periodic basis, you have to ensure that that nurse has proper training and orientation and feels comfortable accepting that assignment, before she's sent there. Most hospitals across the country don't give a damn. They just send nurses everywhere.

So even when you have nurses on the floor now, you can't guarantee that that nurse is really that qualified for your condition, because you don't know how long she's been there and whether she's going to be there tomorrow.

So, in addition to the unlicensed personnel issue, one of the things they were looking at, too, to protect quality of care,

is to put language in the contract that stipulates how much training and orientation nurses receive before they're moved to another floor. Those two issues are what drove that contract.

The nurses put forward to the hospital, language that said, basically, it is up to the nurse to decide when and to whom she will delegate any nursing task, and the nurse has the right to refuse delegation, the nurse is in total control of the practice—and by law, in Massachusetts they are—but we wanted to write it into the contract. The hospital came back with a proposal, and this is what stalled the negotiations, it was outrageous. They basically said, we all agree that unlicensed personnel are a necessary evil—I'm just paraphrasing—a necessary evil in the health care environment, and that nurses, to the degree possible, will delegate to them. Basically, they were saying, we want language in the contract that says they're necessary and they're coming and you're going to delegate to them.

They also, initially in the negotiations, proposed that a nurse could be disciplined, should she not delegate appropriately to assistant personnel. That was the crux of the whole contract fight. We said no, we're not going to take that language. We want language that guarantees us protection to a greater degree than any nurse in Massachusetts and probably very few nurses in the country have. We want our nursing licensure regulations basically written into our contract, so that nurses have total autonomy to decide how they practice. The hospital said no, we absolutely don't want to do that. That was the center of the fight.

It drew a lot of attention, because of the nurses and other health care providers fighting that battle right now.

NF: Did you win?

Schildmeier: Oh, we won, totally. We won it because we went public, and because they voted to strike. The nurses decided to let their contract expire and not to have any more extensions and to call for a strike vote. They got 85% of the bargaining unit to vote to strike. And we went public with that whole process. We went to the media, and we said the nurses are going to call for a strike because of the issues. When they went to a strike vote, the media covered it, the whole process, all the way through the contract negotiations. . . .

What happened was, after the strike vote and after all the publicity hit, we had one more negotiating session that was going to be the telltale. If that negotiating session didn't go well, we were going to walk out, and it was going to be over those issues. And the public knew it, and the whole health care industry knew it. So, it was a terrible night until it was over, then it ended up being a happy night, but they negotiated for 19 hours and they gave in to all our demands and they put our language in there. And we won.

The hospital gave the nurses what they were asking for. And I'll tell you why. Because, first of all, they didn't want to face a strike, but also because the press and the public sentiment were incredibly in our favor. The public *knows*.

They've seen their care deteriorating and they have seen in certain hospitals people at the bedside who shouldn't be there and they've heard about this. And now they are speaking up and speaking out that the hospitals cannot do it.

Until now, nobody knew. Everybody talked about the changes in the health care system, and even nurses for a few years weren't saying anything about it. So to the public it meant, gee whiz, it's all financial, it's all technical, but when I go in the hospital everything's the same. It's just who pays for it, and all that. But the health industry has made a determination that they need to cut the cost of their care, and they're going to cut the cost of the care by cutting out the people that provide the care.

NF: It clearly shows that a battle for the truth can win.

Schildmeier: It really did and it's a beginning. We've had a two-year campaign here that we've waged, it's called the Statewide Campaign for Safe Care. It started internally with the association, just talking to our 20,000 members, saying, "Is this an issue, is this, what we've been hearing about all this awful stuff going on, is it true?" We held meetings and they said, "Yes, it's true." The next question we asked is, "What should we do about it? Should we go public?" That is a very hard thing for nurses to do, to go public and say that the care where they're working might not be safe. They said, "Yes, we need to aggressively go out and tell the public."

Then, over the last two years, we first went out and started publicizing the issues. Last year was the second phase of the campaign, where we drafted and introduced legislation to try to address the problem on the state level. We introduced four bills related to these issues. They're still in process, and we're going to reintroduce them this year.

Now we're in the third phase of the campaign, which is lobbying and building coalitions among consumer groups and other outside providers, to move this legislation over the next few years to get it passed. We've got the Massachusetts Association of Older Americans who've endorsed our legislation. We've got the Massachusetts Senior Action Council, which is a very politically active group of seniors, who have signed on and have joined our campaign by testifying and going to the media. . . .

There are three key bills that we're trying to pass. One is a very simple bill, an identification bill. It basically would be a law that all providers of health care would have to have visible identification by their licensure status. So an RN would have an RN pin, an MD would have an MD pin. Because what hospitals are doing, is forbidding employees, or encouraging employees, not to identify themselves other than as a "multi-skilled worker."

The piece that goes with it would include in the patient's bill of rights, notification of who their providers are, what their staffing level is, and who the RNs are and aren't, so the patient would know. It's important to tell consumers: You need to start asking the person at the bedside. Don't assume

they're a nurse or a skilled provider. Don't ask questions of unskilled people. With all these aides around, patients ask questions of them, and the aides answer them. And they have no business answering questions. Look for an RN, look for an RN or an MD, and if you can't find them, complain.

The second piece is in answer to the charge from the health care industry, which says there is no data to support what you're saying. All you have is anecdotal data. And it's kind of true. The problem is that the people who control the data about what happens to patients in hospitals, are the people who are providing the care and perpetrating the crime. They control the data. So the way around that, we believe, is that we have filed legislation that would mandate the collection and the reporting of nurse-sensitive data which relates to quality care. A lot of hospitals don't even collect this data, and they should be.

NF: It's in the incident reports, isn't it?

Schildmeier: Well, yes, but there are also other indicators. Things like patient falls, bed sores, medication errors, readmission rates. All of those things, if you track them, can tell you. And people who do studies tell you those are the things they look at. Because those are indications that there's not enough staff around or they have the wrong people handing out medication. Readmission rate is very important, and that's a cost issue that I would think anybody who cares, a business person who says, "I really care about cost," should look at. Nurses think readmissions are going through the roof. Because of the short length of stay and because of the poor education and quality of care they're receiving, patients are going out of the hospital and they're back two days later with complications because they didn't get cured while they were in there. It happened to my mother. She had open heart surgery, and she was out after three days. She was back in for two more days at a huge expense, because she had pneumonia, because she wasn't cared for well in the first admission.

We put a bill that would mandate that all health care providers collect certain data and report it, so that the public and purchasers of health care, businesses, can look at hospital A and hospital B, and can make an objective decision as to what's going on in your system. They absolutely refuse to do that. That's why we know we're on the right track.

The Institute of Medicine did a major study last year of the adequacy of nurse staffing in nursing homes and hospitals. One of the things they looked at was a model of data collection that I've just described (from the American Nurses Association), and they thought it was outrageous that this data aren't collected already in the system. One of their recommendations is that just such a system as our legislation is proposing be put in place. Because, how can the hospitals come into a system and say, "We are going to totally change," making the most radical change in the world, analogous to going into an airline and saying, "We're going to have flight attendants fly the planes"—we're going to make the change but we don't

have to study the impact of that.

NF: That's why we call these people Congressman Valujet.

Schildmeier: Exactly. That's the perfect analogy.

The second piece, connected to that, which I think is very important, and is being totally opposed by the industry, is, in Massachusetts law it only says hospitals and health care providers are required to provide "sufficient" nursing care. They never define "sufficient." In Massachusetts, if you want to care for perfectly well children, you can't care for more than six children per daycare setting. . . . But there is nothing in regulation or law that mandates basic levels of nursing care in any setting, except for intensive care and dialysis and a few specific settings. Especially in a long-term care facility, we have nurses who have 80-90 patients, working the night shift all by themselves, LPNs sometimes. There are no minimum staffing levels. Or, if there are, they staff to the minimum.

So we proposed legislation that would give the nurses the power to evaluate, and we're not just saying we want a blatant ratio, because we know there are some problems with that. We put in our legislation a formula that looks at the acuity level of the patient. The acuity level is a nursing measurement that rates how sick patients are. There will be functional levels, ability to communicate, which influences how much care they are to receive. The last thing is basic standards of nursing care. How many visits is it right for a visiting nurse to do in a day? When can you go over that level?

With that whole formula put into place, we would hope to have the ability for a nurse and a nurse-manager on a floor to turn to her administrator and say, listen, my acuity level is this, they're at this functional level, and my standards in the law say that I've got to have at least this many nurses, to provide competent, *sufficient*, nursing care. They don't have that power now. If a nurse-administrator says no, she's fired. If a nurse says, "I can't provide this level of care," unless she has a union, she is fired. If she has a union and she grieves it, she'll probably be punished and penalized and we'll have to spend months in court, in arbitration, trying to protect her to be able to say, "This is what I need to provide safe care."

So, this law, if it were put in place, would give the nurses and the nurse-administrators the power to care for their patients.

NF: And these laws are pending in the legislature now?

Schildmeier: Yes. The legislature ended and is starting up again for a two-year session, and we will be re-filing all of them. We have sponsors for them again, and, in fact, we're building a ton of support. The number of legislators who want to sign onto our bills is growing every week, because of the publicity that's been generated and the public consciousness of what's happening to the system, that the flight attendants are flying the planes. People are saying, "I don't want this. This isn't what I paid for when I paid my five dollars to go to my doctor."

Ibero-American campaign: Time to bury the IMF!

by Carlos Wesley and Valerie Rush

The "First Continental Mobilization: There is life after the death of the IMF," successfully concluded on Oct. 12, and established the programmatic basis for pulling together organizations from around the continent to bury the International Monetary Fund and its fascist austerity dictates. The mobilization was timed to intersect a moment of intensified financial and economic crisis worldwide. Not accidentally, it took place at the same time that IMF Managing Director Michel Camdessus announced that new national banking collapses are imminent. Mexico and Argentina, showcase models of IMF policies, top the list.

Convoked by the Ibero-American Solidarity Movement (MSIA), the call for the mobilization was signed by the Movement for National Identity and Ibero-American Integration (MINeII), founded by Col. Mohamed Alí Seineldín of Argentina, as well as by dozens of political, business, and labor organizations, some of whose memberships number in the thousands. As part of the mobilization, demonstrations were held around the continent Oct. 8-12, plus forums in Mexico City, Guadalajara, Ciudad Obregón, Mexicali, Bogotá, Caracas, Lima and Río de Janeiro, a tractorcade in Ensenada, motorcades in Caracas, Mexicali, and Mexico City, and rallies and Catholic masses across Ibero-America.

Especially striking was the number of trade unionists participating in or endorsing the mobilization, which demonstrates the growing level of resistance to the IMF throughout the hemisphere, where privatization of vast economic sectors has been coupled with a brutal anti-labor offensive. Among those endorsements were oil, bank, and postal workers from Colombia, women farm workers from Argentina, telecommunications workers from Brazil, port workers and retired teachers from Peru, construction workers from Venezuela, and others too numerous to name.

Among those who sent messages of greeting and support were Panamanian Gen. Manuel Antonio Noriega, a prisoner of war in the United States; Democratic Congressional candidate from Arizona María Elena Milton; former French Presidential candidate Jacques Cheminade; Domingo F. Maza Zavala, former president of Venezuela's Academy of Economic Sciences and a central bank director in that country; and Congressman Alfredo Allende, secretary of the Foreign Affairs Committee of the Argentine Chamber of Deputies.

Jorge Alberto Cabrera, president of the MINeII's executive council, travelled from Argentina to participate in a Mexico City forum, held Oct. 11-12. The forum, which was the lead event of the continental mobilization, was attended by delegations from other countries as well, including the United States and El Salvador.

'Now is the time . . .'

The urgency of the mobilization was emphasized by U.S. statesman Lyndon H. LaRouche, in a televised presentation to the various continental events: "Argentina's almost not a country any more. Chile is a nicely embalmed corpse. It's not a real economy, it's an illusion, it's virtual reality. Peru is almost destroyed. Central America—don't talk about Central America. Colombia is a narco-terrorist dictatorship run by George Bush's drug-pushing friends. Venezuela can blow, it's on the edge, they're out to crush it. Brazil is ready for civil war, or some other form of disintegration. Argentina no longer exists as a functioning nation. Paraguay, Uruguay are going the same way. And the islands are misery. . . ."

"Economic power, the authority of the institutions which have imposed these policies over the past 30 years, these institutions are crashing. And therefore, we have a moment of a vacuum in history, in which all the efforts to keep some

kind of organization, can now pay off. This is the time you can intervene, because those in power are at their moment of greatest relative weakness. And, that's our opportunity."

LaRouche pointed to the scandals around who is responsible for the crack epidemic in the United States and for the assassination of Swedish Prime Minister Olof Palme, and noted that in both cases, the networks involved are those of George Bush and his "new world order" apparatus of drug smugglers and arms traffickers. They will be destroyed by these new revelations, said LaRouche.

"We've come to a point in history, in which we can rejoice, together with our friends in Ibero-America, because the time for justice has come. Justice is not going to be delivered to us; but, *the opportunity to win that victory, is now presented to us*. And therefore, we should seize it."

The only real solution is the "LaRouche Plan," formally known in Ibero-America as the Bill for Economic Reactivation. This bill, which has been introduced as draft legislation to the national congresses of Mexico and Argentina, proposes a moratorium on the foreign debt, exchange controls, a new financial system to replace the dictatorship of the IMF, an end to the autonomy of central banks, and creation of national banks to issue credit for infrastructure and production of capital and consumer goods.

The alternative to LaRouche's proposal is a new dark age of separatism, narco-terrorism, and interminable civil war. This is the alternative offered by the São Paulo Forum and Mexico's Zapatista National Liberation Army (EZLN). Indeed, the anti-IMF mobilization coincided with a public relations offensive launched by the narco-terrorists on two fronts. One was the "Indigenist Congress" sponsored by the Zapatistas in Mexico City, which was dominated by non-governmental organizations (NGOs) and financed by the World Bank and other international entities.

The other was an international seminar, supposedly against free-market economics, sponsored by *América Libre*, the magazine of the São Paulo Forum, held in Buenos Aires Oct. 9-13. The theme of the seminar was struck by one David Viñas, of the editorial board of *América Libre*, who stated in his opening presentation Oct. 9, "I consider myself an intellectual whore." The EZLN's Indigenist Congress in Mexico City, in turn, was inaugurated Oct. 8 with an Aztec ceremony—minus the human sacrifice. The crowning moment was when a delegate of the "Rock-and-Roll Front for Mental Liberation" stripped off his clothes, as proof of his "liberation."

The distasteful theatrics aside, these events represent the enemy. As MSIA president in Mexico Marivilia Carrasco declared at the opening of the Continental Forum in Mexico City on Oct. 11, "Behind the Zapatista masks is an international narco-terrorist apparatus at the service of the financial oligarchy, which has declared war on the nation-state."

The gravity of the situation was evident in the fact that Mexico's Zedillo government granted permission to EZLN

leader "Comandante Ramona" to travel—mask and all—from the terrorists' refuge in Chiapas, to Mexico City, to participate in the Indigenist Congress. It could also be seen in the meeting of the continent's defense ministers in Bariloche, Argentina, where the United States and its "useful idiots," like the government of Panama, pressured for submitting Ibero-America's armed forces to supranational control.

On the march

Among the resolutions passed at the Mexico City forum was one to fight for "jail for Bush, exoneration for LaRouche," and one calling for the release from prison of Noriega, Seinfeldín, and Mexican oil workers leader Joaquín ("La Quina") Hernández Galicia, all victims of Bush's 1989 drive for the "new world order."

In addition to the Mexico City forum, other events of the five-day mobilization—which garnered extensive press coverage—included:

- A motorcade in Mexico City on Oct. 8, which culminated in front of the Mexican Senate building, where an MSIA delegation met with members of the Senate's ad hoc committee on the problem of debt arrears.
- Two forums, a mass, and a rally in Guadalajara, Mexico, in which more than 445 people participated over the course of three days.
- A caravan of 15 tractors and 30 other vehicles in Ensenada, Baja California on Oct. 11, when Mexican President Zedillo visited the city. A forum in Mexicali, the capital of the state, was attended by 120 people.
- Two hundred people attended an Oct. 8 forum at the University of Sonora in Hermosillo, Mexico.
- A forum was held in Caracas, Venezuela, attended by a number of important labor leaders, among others. The Oct. 12 event, which adopted an action program for implementing the goals discussed at the forum, was accompanied by a motorcade through downtown Caracas, and a mass at the Cathedral of Caracas. On Oct. 8, there was a presentation to more than 100 priests, nearly the entirety of the Catholic diocese in Caracas.
- In Lima, Peru, a forum was held on Oct. 9, with the participation of political and labor leaders, students, and activists for a retirees movement, in addition to a large contingent of students.

Documentation

The following are excerpts from the message sent by Argentine nationalist leader and political prisoner Col. Mohamed Alí Seinfeldín, in support of the MSIA's anti-IMF mobilization. The message is signed by Colonel Seinfeldín, in his capacity as president of the Movement for National Identity and

Ibero American Integration (MINEI), and also by Major Hector A. Romeo Mundani, secretary general of the MINEI, and Major Pedro Edgardo Mercado, coordinator of foreign affairs:

Our heart vibrates with joy and accompanies you in this "First Continental Mobilization of Ibero American Solidarity: There is life after the death of the IMF," which reunites the best of this beautiful continent, moved by the common clamor of the pain of our people. . . . No moment more appropriate than this, the 504th anniversary of the Discovery of the New World and its Evangelization. . . .

In this mobilization to which you have called us, you will have had the opportunity to look unflinchingly at the reality of each of our countries, corroded by scandalous corruption, burdened by an illegitimate and immoral debt, with their productive systems in pieces or in foreign hands, which has raised unemployment and misery to unheard-of levels. The man who does not work, loses more than a job and a salary; he loses his dignity as a person, as the head of the family, as a free and responsible being.

But it would be terrible if our clamor were to drown in the mere diagnosis and recognition of our ills, because that would proclaim our impotence to find a common solution to this common crisis.

Today, as never before, we see how the mask of those who hold us in submission, falls. The rottenness is surfacing and accurately points to where the enemy is located. "There is nothing hidden that will not come to light," the Gospel tells us. What can we expect of a genocidalist such as *Bush* who has not held back from poisoning his own countrymen to advance his policies? How can a society as degraded as the British—a nest of terrorism, of homosexuality, of the most horrendous crimes, where even the crown is immorality incarnate—serve as a model?

That is why, despite the pain and misfortune, beyond the suffering of oppression and jail cells, our message must be founded in what we essentially are and can do. . . . Let us fight, yes, but not with the hatred and resentment proclaimed by the guerrillas, by the terrorists, and even by indigenism. Let us defend our patrimony, but not only the material one, the raw materials and human resources; but, fundamentally, the cultural one. . . . Let us not lose our identity. . . .

For a new and definitive emancipation of Ibero America!

This message was sent by political prisoner Gen. Manuel Antonio Noriega:

May this continental mobilization ring the bell that brings the Americas and the world to confront neocolonialism. . . .

The coming generalized economic collapse, is directly proportional to the plans to dismantle the armed forces, to subject us to the supranational control of the OAS's Inter-American Defense Board, controlled by the United States

of America.

May this Continental Mobilization let it be known that George Herbert Walker Bush was the brains, the executive order, the immunity for the pilots that flew weapons to the Contras in Nicaragua, and returned with drugs to the United States. Through this mobilization, let the Americas and the world learn that the American courts of justice, in carrying out a political trial against the chief of a nation, forbade the defense from using arguments against Bush and North, "as the secret government that since 1980 conducted operations that culminated in the invasion of Panama."

May this Continental Mobilization be the voice of Ibero America, which, along with the workers of Argentina, says: "NO to the IMF."

The following are excerpts from the message sent by Jacques Cheminade, former Presidential candidate of France:

Today, the IMF does not limit its criminal economic conditionalities to the Third World. In France and all of Europe, the economic policies of the oligarchy, which here take the form of the Maastricht Treaty—liberalism and austerity against the people—are the cause of millions of unemployed, of millions of homeless persons, of millions living under the minimal threshold of poverty.

In that framework, the powerful movement that you are bringing about with your "Yes, there is life after the death of the IMF" forums, will be very important to incite and strengthen a real opposition to those policies in Europe. Accept greetings from Jacques Cheminade and from the Solidarity and Progress Movement of France.

Interview: Alfredo Allende

Much of the foreign debt is illegitimate

Dr. Allende is a national deputy representing the province of Buenos Aires, a member of the Radical Civic Union (UCR) party, and the secretary of the Congressional (Chamber of Deputies) Committee on Foreign Affairs. He was interviewed on Oct. 4, by EIR correspondent in Buenos Aires Gerardo Terán Canal.

EIR: Why did you say that Argentina's foreign debt is the highest in the world, in your speech in the Chamber of Deputies during the debate on the "labor flexibility" bill?

Allende: Per-capita foreign debt, which I have dubbed the

“economic AIDS” of the Third World poor, has acquired a very special dimension in the Argentine Republic. Since the entirety of Latin America and the Caribbean owe approximately \$600 billion, and Argentina owes one-sixth of that total, then if you divide by the number of inhabitants, Argentina’s per-capita debt is the highest in the world. This goes hand in hand with the fact that unemployment and underemployment in the Argentine Republic have reached the combined figure of 30%, which is also the highest in the civilized Western world.

Added to this explosive cocktail, is the fact that Argentina was a social welfare state until a few years ago. One could object that this welfare state was artificial, or whatever. But the inhabitants of the Argentine Republic, the most humble sectors, had work, had vacations, had medical care, and had the opportunity for their children to go to school and to climb the social ladder. This has all completely disappeared . . . it has been replaced by the social exclusion state.

This year we are facing a record number of bankruptcies in the history of Argentina. This past month of September has seen the highest rate of bankruptcy rulings in this country’s history.

Given this truly serious picture—I don’t want to be apocalyptic, but it is clearly serious—if the social sectors under attack, which are the immense majority, do not pull together into a political movement around a program, it is going to be very hard for the country to emerge from this.

EIR: You have presented a bill to the Argentine Congress, which has already passed the first round, to demand that the International Court at The Hague determine that a portion of the foreign debt is illegitimate?

Allende: The issue of the foreign debt is very serious, and that is why we see the line coming out of CELAM [the Latin American Bishops Conference], from Latin American statesmen, and definitely from Argentine career diplomat Ambassador Miguel Espeche, as a path to follow, not to provide a complete solution, but to begin discussion, in the sense of sounding an alarm about this “social and economic AIDS” problem.

That is why we have proposed to the Executive, although final approval by the Congress is still lacking, that it instruct its permanent delegates to the United Nations, in unity with those of other Latin American countries which have nearly decided to do the same, to call upon the United Nations to present The Hague Court with specific questions . . . with respect to the legality of the variables that affect the size of the debt and the interest on that. There is a problem of collecting interest on interest, which is rejected by international law.

EIR: Does this have something to do with the 1979 U.S. Federal Reserve decision to free interest rates?

Allende: That was a unilateral decision. We consider this in principle to be absolutely illegitimate, in addition to being

immoral, and what is immoral should be illegitimate in accordance with the general principles of law. . . . We therefore feel that we must seize the moment to give The Hague the opportunity to apply international law, once and for all, to the specific case of the debt. The illegitimacy of arbitrary changes in interest rates, and the accumulation of interest on interest, makes it absolutely impossible for the Argentine Republic and the other Latin American countries trapped in this problem to some day get out from under it.

Directly because of the foreign debt, according to Unicef, 500,000 children die worldwide each year. And indirectly, as a result of the poverty caused by the foreign debt, 11 million more children die each year in the world. This is frightening genocide, of which there is no known precedent, especially given the fact that man has reached the moon and is opening new horizons in science and technology that could enormously facilitate the distribution of wealth, food, and culture, raise work standards so as to permit leisure time, and to create a new humanity.

However, precisely the opposite is happening, meaning that there is tremendous irrationality. This also means that we are obliged to launch a campaign, a crusade if you will, to try to locate this problem in its true dimensions and to give priority to the productive potential of Latin America, over its financial potential, which latter is definitely the policy promoted by the International Monetary Fund.

It’s not a question of shutting down banks and persecuting bankers. It is rather a matter of mixing the interests of the one with the other, of finding a harmony of interests such as has generally been achieved in the major countries. Except this has to exist worldwide. . . .

EIR: How far do you plan to take this bill on the illegitimacy of the foreign debt?

Allende: We aren’t going to rest until every necessary avenue is pursued. The UN assembly is ongoing, and if we fail in our attempt, this postponement will be very serious. Argentina must pay \$14 billion next year to the international financial community. I would like to know who in their right mind thinks that this country could pay that amount of money without a social explosion?

With luck, we will have exports that could reach \$22 billion, plus an important internal deficit. Our imports are leaving us with a trade deficit. And so we have a trade deficit, a balance of payments deficit, an internal deficit. This is a mix that could explode at any time. And all I can promise is to devote the rest of my life—and I say this with all humility—to work on this matter which I consider fundamental, but which is also fundamental to all of humanity. Either something is done, or we will end up in moratorium, with unpredictable consequences for the world economy, not just for Argentina. Argentina will be the first to suffer this.

EIR: Recently, Argentine President Menem said that there

is a cost to the adjustment program. What do you think the cost of the adjustment means—a loss of human lives?

Allende: I could even tell you painful stories of working people who died of heart attacks during protests in front of the Labor Ministry, as has just occurred.

But beyond that, according to very serious studies, infant mortality rates in Argentina have reached extraordinarily high levels for our country. If we take into account that the developed countries have rates that range between 5 and 7 per 1,000, maximum, we have 25 per 1,000, but with African-style pockets. In the northeastern provinces, for example, we are reaching 80 per 1,000! And here is the worst: the federal capital. Areas like Villa Lugano have more than 40 per 1,000, African levels, and this in the federal capital of the Argentine Republic, the Queen of La Plata, the city we called the Paris of Latin America! So, an adjustment carried out without the counterpart of economic and social development and consequent distribution [of wealth], an adjustment in the unilateral sense we have just mentioned, means the biological extinction of whole social layers of the population.

And this is going to worsen if this irrational bill of “labor flexibility” is passed, where a person could end up working for a straight month at 12 hours a day, no Saturdays or Sundays off. It doesn’t matter if he is Catholic, Christian, or Jew.

EIR: Is this a concentration camp policy?

Allende: It is a concentration camp policy, exactly, because only in a concentration camp can you do these things. And the problems of health and social services are going to be aggravated to unprecedented levels.

As Argentine economist Eric Alfredo Calcagno said, we could make an “adjustment” toward expansion—that is, to set things right. Then, the economic factors could be geared up and adjusted toward growth. But no; in Argentina, adjustment is understood as reducing, making things smaller, increasing work hours, reducing vacation time, and setting holidays at the whim of the employer, eliminating family benefits and thus attacking the concept of the family, attacking retirement and the whole range of social security and social welfare in general, doing away with the concept of severance pay, etc.

This will mean that the mass of Argentine workers, the small and medium-size businessmen and, of course, rural workers, will lose the already fragile buying capacity they now have, and we will see a process of collapse that, on the one hand, will drive the nation’s tax base into even greater deficit, and on the other hand, will drive businesses into more bankruptcies than the record levels they are now facing, because there will be no buyers.

I think that since this is a moral, physical, and economic absurdity, we will be able to stop it in the Congress.

EIR: You and current UCR vice president Melchor Posse have an economic proposal that promotes a vision of industrial and scientific development. Is this program accepted as

official policy by the UCR?

Allende: Unfortunately, I cannot say that this is the UCR’s concept as a whole. There are still sectors [in the party] which are very seduced by the siren songs of monetarism. But clearly, the ideas we hold with Dr. Posse are gaining ground. It would have been unthinkable to speak of these things a decade ago in the UCR. . . . Things are advancing also because objective conditions of society are encouraging an awareness of the social crisis caused by the collapse in production.

Argentina had already gone half way down the road. It had an extraordinary industrial capability, only comparable to that of São Paulo [Brazil]. Perhaps even superior, at least in certain state-of-the-art aspects, and it was a time of the social welfare state we spoke of in the beginning. One thing goes with the other.

Henry Ford once said, “I pay my workers well so that they can buy my cars.” I believe that the businessmen of the world would earn a lot more if they kept in mind this elementary principle of Ford’s, which has been so easily forgotten. This is what we stand for. I believe that with this, we are going to move toward at least gaining a share of power within the UCR; to turn this party into a focal point, first for Argentina and then for Latin America, to the extent of our possibilities, toward industrial development and growth. A Latin American alliance for industrial development is what we are proposing.

DO YOU KNOW

- that the American Revolution was fought *against* British “free trade” economics?
- that Washington and Franklin championed Big Government?
- that the Founding Fathers promoted partnership between private industry and central government?

READ

The Political Economy of the American Revolution

edited by
Nancy Spannaus and
Christopher White

order from the publisher:

EIR News Service
P.O. Box 17390
Washington, D.C.
20041-0390

or call
**Ben Franklin
Booksellers**
800-453-4108

\$15.00 plus \$4.00 shipping and handling

Pakistani Gen. Beg adopts LaRouches' concept for Euro-Asian land-bridge

The following are excerpts from a speech by former Chief of Staff of the Pakistani Army, Gen. Mirza Aslam Beg (ret.), entitled "China and the Post Cold War Paradigm in Asia." It was delivered to the first conference of the 21st Century Forum, Sept. 4-6, 1996, which was sponsored by the National Committee of the Chinese People's Political Consultative Conference (CPPCC), in Beijing. The conference was also attended by former U.S. secretaries of state Henry Kissinger and George Shultz, Lee Kuan Yew of Singapore, former Japanese prime minister Noboru Takeshita, and former German chancellor Helmut Schmidt.

The speech appeared in the August 1996 issue of National Development and Security, a quarterly issued by General Beg's Foundation for Research on International Environment, National Development and Security (FRIENDS) of Islamabad, Pakistan (subheads have been added). An interview with General Beg appeared in EIR on Jan. 7, 1994.

I deem it a great personal honor to be invited to the First Conference of the 21st Century Forum. . . . The theme of the conference: China and Asia in the 21st Century, couldn't be a better and more appropriate way of welcoming the oncoming century and to forge an attitudinal commitment and seek strategic consensus for strengthening Asian identity. For a proper appreciation of China's role in Asia, it is pertinent to take a broad perspective of the Cold War and the post-Cold War prevailing syndrome.

Conflicts are endemic and ubiquitous. . . . The pervasiveness of war in history has so conditioned the minds that pugnacity is conceived as if it were in the very bones and marrows and that disputes . . . could be settled only through violent means. . . .

What was true of Greek tragedy also holds true of the plight of the weak and impoverished nations at the hands of the superpowers. The Third World was transformed into a dangerous abode and the lingering agony of its people is a legacy of Cold War sport. . . .

The Third World was the arena of 138 wars that were waged between 1945 and 1989, entailing 23 million deaths and "the surfeit of weapons, especially small arms, left over

from this era is a key factor in many conflicts now scarring the world."¹ . . .

It has, perhaps fallen in the lot of China to fulfill a vital transcendental role and free the world from the menace of war and conflict and liberate the mind from the crippling Western paradigm of civilizational conflict—an intellectual ruse to fuel crises and fish in troubled waters. After all, how could Western nations push their arms sales, unless a [Samuel] Huntington or selected research institutions are commissioned to induce threats and accentuate crises so that the weak and vulnerable arm themselves and continue sinking into the abyss of poverty and deprivation! China's commitment is to transform confrontation into accommodation and promote a culture of cooperation, as a new paradigm. It is based on a great civilizational legacy, which has a deep imprint on the Chinese psyche. . . . The Chinese idiom of leadership is subtle and sophisticated and there is no aura of imposition or self-aggrandizement. . . .

It is in doing [things] ourselves, that lies the essence of Chinese orientation to life. Equipped with rich classical roots, especially that of Confucius (551 B.C.), who advocated the concept of "li," which demanded that one had to . . . fulfill the place one has in society and that the moral quality—"ren"—was essential for the good of humanity, that China is well on its way to blending power with morality. "If the presently dominant philosophy of the West," says Helga Zepp LaRouche, "would simply be extended worldwide, humanity falls into catastrophe."² . . .

The founding fathers of the American political system had



1. Nelson Mandela, *The Global Neighbourhood*, Oxford University Press, 1995, p. 14.

2. Helga Zepp LaRouche, "China 25 Years Later," *EIR*, June 14, 1996, p. 51.

based it on higher principles of morality. . . . “The emphasis, American leaders placed on moral foundations of America’s conduct and on its significance as a symbol of foundation, led to a rejection of the truisms of European diplomacy: that the balance of power distilled an ultimate harmony out of the competition of selfish interests, and the security considerations erode the principles of civil law. In other words, that the ends of the state justify the means.”³ Unfortunately, morality lost to the so-called security, and the pendulum swung in favor of realpolitik, which pervaded the Cold War climate and continues as a lingering legacy. Thinkers like Bernard Lewis and Henry Kissinger have contributed to a utilitarian and so-called pragmatic and amoral foreign policy orientation, which, in essence, is an extension of the old Great Game policy which the British had so meticulously conceived and executed in pursuit of their regional geopolitical strategies. The game was to prevent the Soviet Union from reaching the warm waters. Now the game is targetted to keep the Arc of Crisis, through consensus between Great Britain and the U.S.A., in turmoil and to block the economic prosperity and the well being of the Asian region. The developed world ironically sets limits for development, so that the impoverished and weak remain tied to their apron strings, and are malleable to their influence and domination.

The Confucius teaching is aimed at achieving human cooperation and collective well-being, rather than seeking self ends. Mencius—who came 100 years later, also followed the Confucius ideals as a way to perfecting society and freeing it from [the] benefit-oriented thinking of Mo-Zi, also known as Mohism, a counterpart of Western exploitative materialism—[a] so-called free trade idea for perpetuating economic hegemony. . . .

What masquerades as post-Cold War order, is also shifting targets of containment. After the Soviet Union’s breakup, it is now China, and Iran. . . . If one were to analyze why China is targetted to bear “slings and arrows” of accusations, one after another, mostly fabricated and concocted to harass and browbeat it, a patent realization emerges which perhaps is the irritant: “China is the world’s fastest growing economy and according to conservative estimates by American economists, it already has a GNP of about \$1.2 trillion.”⁴ . . . China has emerged as a potent actor in the affairs of the world and containment can not deter its resolve to steer a new post-Cold War paradigm of cooperation in Asia and beyond. . . .

. . . China is a vibrant nation with enormous power potential that any great nation can be endowed with. . . . It is out to demolish the physical and mental barriers that impede man’s progress towards peace, harmony and well-being. Its vision is one of Hope and towards a radically different strategic outlook—from the one that had led to the Hobbesian order of

morbidity and despondency. It was essentially the London-designed domination of the international economic order by the British 18th-century methods of Adam Smith which led to the emergence of the malady which is afflicting the world today. The great American traditions, set forth by Benjamin Franklin, Hamilton, George Washington, John Quincy Adams, Abraham Lincoln and McKinley, were sacrificed by Truman under the influence of Churchill. “The Truman administration’s scrapping of Roosevelt’s strategic doctrine has been one of the world’s great strategic misfortunes, these past fifty-one years.” President Truman and Stalin, “were caused, thus to dance like puppets on British puppet-master’s psychological warfare strings; this engendered the monstrously real, strategic nuclear conflict, which thereafter dominated all world policy-shaping, beginning 1946, through the events of late 1989.”⁵

The post-World War II plan was communicated by the U.S. President Roosevelt, to his British counterpart Winston Churchill that the U.S. would proceed towards the dissolution of the colonial empires of the United Kingdom, the Netherlands, and France and that it would also bring to an end British economic domination. There was also a commitment of cooperation with the Soviet Union and China—the war time allies. “The Churchill faction exploited these key flanks of the Roosevelt policy in sundry ways.”⁶ Had Truman not reversed the policy to conform to the British design, the world would indeed have been freed of the power-tug-of-war between the Soviet Union and the U.S.A., to the detriment of the dwellers of the Third World countries. China, conscious of the perils of the reversal of U.S. policy, is making strident efforts to place higher moral principles at the center of strategy—a path from which the U.S. strategic thinkers have considerably drifted and lost the vision of their forebears. . . .

China seeks economic cooperation

China does not use moral and ethical issues as rhetoric or clichés. These are translated into actions. A few excerpts would be pertinent to cite, which are revelations of an ex-ambassador of Pakistan to China:

“Premier Zhou Enlai informed a high-level parliamentary delegation that the hundreds of millions of dollars that China gave every year as loans to developing countries were shown in China’s budget not as capital outlay, but as expenditure on which no interest need to be paid and which need not be repaid if that could not be done conveniently in 25 years. Zhou explained the adoption of this policy to his guests. Unlike the revolutionary generations of China who had themselves experienced imperialist aggression, he pointed out, the future Chinese generations would not have any such experience. It was, therefore the duty of the leaders of the Chinese revolution not to leave behind any treaties that would be exploited by

3. Henry Kissinger, *Diplomacy*, Simon and Schuster, New York, 1994, pp. 33-34.

4. Donald S. Lagoria, “Clinton’s Asia Policy,” *Current History*, Vol. 92, no. 578, p. 42.

5. Lyndon LaRouche, “Now, Rid NATO of the Entente Cordiale,” *EIR*, June 28, 1996, p. 15.

6. *Ibid.*

later Chinese generations for imperialistic purposes, to the detriment of other countries that had been left behind in history's march."⁷ . . .

It would be pertinent to highlight the great strategic moves that China has initiated during the past few months, which augur well for its entry in the 21st century.

For disentangling itself from the insidious net of containment cast over it, China has made a bold imaginative move to counter it by the Sino-Russian Treaty on Confidence Building Measures (CBMS) in the Military Field between President Jiang Zemin and President Boris Yeltsin of 26 April 1996. Three Central Asian states bordering China, Kazakhstan, Tajikistan and Kyrgyzstan have also signed the treaty, which has the potential to push transborder trade to the tune of \$5 billion in the very near future. Besides triggering economic cooperation, the treaty even though couched in military parlance is essentially symbolic of an attitudinal shift and as a harbinger of peace in the Asian region. . . . China and Russia were only estranged partners. . . . The machination to divide and rule was the British legacy which the U.S.A. so dextrously applied to put them on a confrontational path, as a part of the Nixon-Kissinger conceived strategy. The peace dividends of the treaty are indeed enormous. . . . By the inclusion of the Central Asian states in the treaty, there is also a latent message that Russia can not be contained within the European Union and that it has a rightful role to play in the Central Asian states and in Asia in general. It is on this account that the Sino-Russian Treaty is being viewed as signalling the end of the unipolarity in the world, as balance is the fulcrum on which peace hangs.

The significance of the Continental Bridge

Ideas, if ingeniously conceived and imaginatively implemented, tend to alter the course of history. One such idea was the convening of the International Symposium on Economic Development of the Regions along the New Euro-Asia Continental Bridge on May 7-9, 1996 at Beijing where over 460 experts from 34 countries participated and through distilled wisdom, a great vision emerged that may steer the 21st century on a course radically different from the prevailing ethos, which led Alexander Pope to exclaim: "What Man has made of Man!" Placing man at the center of development, is China's ethical commitment.

The concept of the Continental Bridge put forward by the Chinese organizers, is the culmination of an idea which was initiated in 1985, by the building of a railroad into northern Xinjiang, which was instrumental in linking Central Asia to Europe. Later, in May '96, Iran inaugurated the 165 km railroad, linking Iran with Turkmenistan, which was a great strategic step forward. The Chinese Prime Minister Li Peng described the railroad as the Silk Road of the 21st century. . . .

It was indeed a great tragedy for the region that the Silk Road, during the 13th century, was closed due to the Mongol

invasions and through the sinister design of the British during the 17th and 18th centuries, and later as part of the Cold War legacy, and, after 600 years of its closure, has become operational by the completion of the railroad project. . . .

The Chinese vision articulated in the symposium, was to actually create new man-designed, economic regions, enabling mankind to bring human society and civilization to the 80% of the Earth's surface now too desolate for such development; using the most advanced technologies, including the maglev train and nuclear energy, all regions of Europe and Asia, and Africa can be brought into the "continental bridge era."⁸ The great idea of the Eurasian continental bridge is based on the assumption that cultures can be brought to cooperate if mental barriers are broken through creative reasoning and "the future of human society will neither be hindered by oceans, nor be frustrated by severe cold, altitude or desolation, anymore. . . ."⁹ It . . . brings into focus the ushering in of the land-bridge-economy era in contrast to river and seashore economies. Human civilizations were first built around rivers as these provided the requisite facilities and conveniences. Thus, the ancient civilizations were first built around the Indus River, Yellow River and the Nile River. With the invention of steam locomotives, oceans became the main channels to exchange commodities among the continents. People then gravitated towards the seashores to boost up the economy. This was the beginning of modern civilization. It is for this reason that "60% of the world's population lives in areas along rivers and near seas, which only accounts for 19.2% of the total land—now the prosperous and developed regions."¹⁰

. . . The land-bridge-economy idea is . . . a balancing factor to adjust populations so that the pressures are released from the seashore dwelling areas and new cities and habitats are built along the vast under-developed lands constituting 80.8% of the total land area.

Thousands of new cities

It is undoubtedly an enormous challenge and opportunity for mankind to imaginatively utilize the scientific and technological skill to fulfill the dream of man's peaceful interexistence in a facilitative environment so that man's creative potentials are fully harnessed. The idea, thus, is what the spirit of the time demands and what the Germans call *Zeitgeist*. China has sensed it, and the symposium is the first step forward on the long and arduous journey towards integrated civilizational cooperation ensuring ultimately that the East and West shall meet. "Everything is difficult at the beginning," is the Chinese proverb. The renaissance linked with "the development of the Silk Road will be successful in the next 50 years, thousands of new cities, with 300,000 to 1

7. Mohammed Yunus, *Reflections of China*, pp. XI-XII.

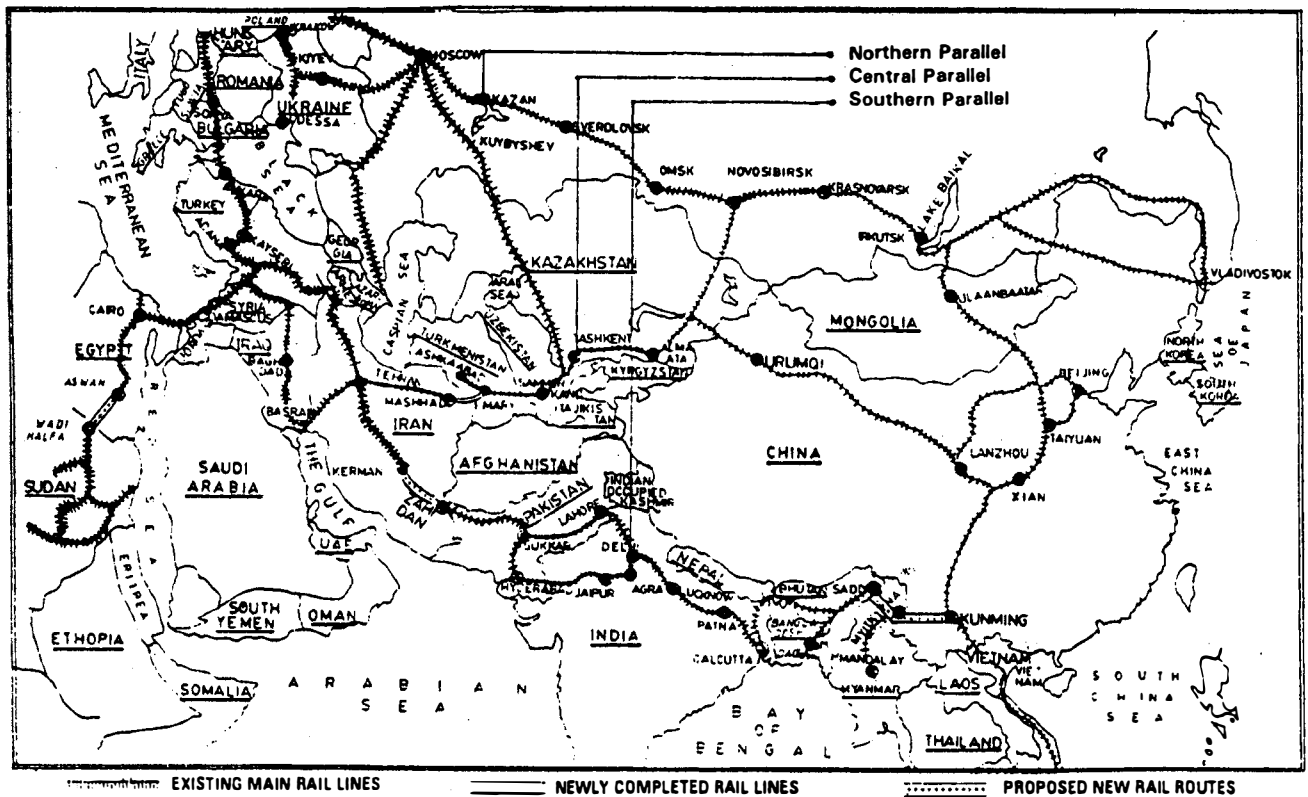
8. Mary Burdman, *EIR*, op. cit., p. 13.

9. Ibid.

10. Rui Xingwen, *EIR*, op. cit., p. 23.

FIGURE 1

Euro-Asian Continental Bridge: the three parallels



million each will be to be built. Many of these cities should be nuplexes, in which inherently safe HTR [high-temperature reactor] . . . nuclear plants produce electricity and process heat for regional industry and agriculture."¹¹ It is indeed a wonderful dream to realize.

To assume that the Eurasian bridge idea would have smooth sailing and would not be resisted by the old brand politico and economic strategists would be naive and simplistic. Sir Leon Brittan, representative of the European Commission, could not control his temper at the Chinese leadership's insistence on economic sovereignty, whereas his emphasis was that "China comply with the British Empire's free trade [looting] policies in order join the future World Trade Organization (WTO), something China has refused to do."¹² In the first place, free trade policy is hardly free, and secondly "China's highest officials and economists [are] aware of the dangers represented by the financial AIDS of the current system including the disaster in Mexico and the Barings Bank debacle."¹³ In the Group of Seven (G-7) summit at Lyons, France, on June 27-29, 1996, a very shocking proclamation was made:

11. Helga Zepp LaRouche, *EIR*, op. cit., p. 34.
 12. Mary Burdman, *EIR*, op. cit., p. 14.
 13. Ibid.

"Globalization, free trade and financial speculations were the irresistible and positive historical trends. Globalization, the G-7 gathering claimed, necessitated the transfer of power and influence from the institutions of the sovereign nation-states and national governments to supranational bodies."¹⁴

The idea of railroad communication was also dubbed anachronistic in an age of space technology, not realizing that people-to-people contact and cooperation can hardly be ensured through air-travel. Moreover, road transport can not match the magnetic levitation (maglev) train with the potential to run at 500 km. an hour. The geopoliticians like Karl Haushofer, Chamberlain, and Mackinder, "were painfully aware of the danger that successful national economic cooperation would render British balance-of-power political manipulation ineffectual and make the British Empire irrelevant."¹⁵ Mackinder had also questioned: Is not the pivot region of world politics, that vast area of Euro-Asia which is inaccessible to ships but in antiquity lay open to horse-riding nomads and is today about to be covered with railways?

The continental cooperation idea was also spearheaded through the Europe Asia Meeting which was held in Bangkok

14. *EIR Strategic Alert*, July 4, 1996.
 15. Helga Zepp LaRouche, *EIR*, op. cit. p. 48.

in March 1996. . . .

The Euro-Asian Continental Bridge concept is based on utilization of the existing two parallel rail tracks (**Figure 1**).

The First Continental Bridge covers the areas from Beijing (China) to Ulan Bator (Mongolia), Krasnoyarsk, Omsk and Moscow (Russian Federation), Kiev, Odessa (Ukraine) and Krakow (Poland), and beyond. (Northern Parallel).

The Second Continental Bridge, links Beijing, Lanzhou, Urumqi (China), Almaty, Tashkent (Kazakhstan), Samarkand (Uzbekistan), Ashkhabad (Turkmenistan), Mashhad, Teheran, Tabrez (Iran), Yerevan (Armenia), Adana, Kayseri, Ankara (Turkey), Sofia (Bulgaria) and beyond. (Central Parallel).

Third Eurasian-African bridge proposed

I would like to propose, in this august gathering, a Third Continental Bridge, based on utilization of the existing rail tracks: . . . Beijing, Xian, Kunming (China), Myitkyina (Myanmar), Sadiy (India), Hyderabad, Sukkur, Quetta (Pakistan), Zahidan, Kerman, Teheran (Iran), Adana (Turkey), Basra, Baghdad (Iraq), Damascus (Syria), (Lebanon), Cairo, Aswan (Egypt), Wadi Halfa (Sudan) and beyond. (Southern Parallel). The third proposed bridge would actually cover three continents—Asia, Europe and Africa. The vast network of the third parallel already exists except for a few breaks, which if completed will integrate many nations of the world. The missing links are as follows: Kunming (China) to Myitkyina (Myanmar); Myitkyina . . . to Sadiy (India); Zahedan (Iran) to Kerman (Iran); Aswan (Egypt) to Wadi Halfa (Sudan).

The attitudes and beliefs deemed instrumental to the realization of Euro-Asian Continental Bridge-oriented prosperity will require fulfillment of the basic concepts and ideas:

- Respect and tolerance for all cultures is the quintessence of human existence. . . .

- Human consciousness has progressively reached an evolution where mere passive coexistence is not enough. . . . Interexistence will bring the value of alliance between religion, culture and science. . . . All great religions of the world must contribute to the blending of the material with the spiritual. . . .

- Economic development must assume the highest priority as its failure breeds despondency and hope crumbles and when hope crumbles everything else crumbles. Social and economic well-being is the precondition for peace. . . . Fortunately, there is proliferation of regional as well as sub-regional groupings—like the Association of Southeast Asian Nations (ASEAN), the Economic Cooperation Organization (ECO), the Asian Pacific Economic Cooperation (APEC), the Gulf Cooperation Council (GCC), the Arab Maghreb Union (AMU), the South Asian Association for Regional Cooperation (SAARC), the Caspian Council, the Black Sea Common Market, etc., which in their own ways are contributing to regional prosperity. . . . In other words, they do need to integrate into the Eurasian continental bridge. The central idea is that the ponds and tributaries generating economic life must

flow into the global sea of economic cooperation, without losing, of course, their identity and distinctive character. . . .

- The Foundation for Research on International Environment, National Development and Security (FRIENDS) Islamabad, Pakistan, soon after its inception in 1991, conceived the idea of Asian Regional Cooperation (ARC). . . [for] facilitating economic bonds of cooperation among the core countries of Asia within a radius of about 1,500 miles around the Pamirs. The countries falling in this circle were Pakistan, China, Iran, the Gulf Region, Turkey, Azerbaijan, Afghanistan, the Central Asian Republics, Russia and India. . . .

Later Iran propounded the idea of Asian Identity, which has generated cooperation between Iran, China and India and other Asian nations as a natural response to meet the challenge of containment. Threat often generates affiliative bonds. The idea of the formation of the Asiatic Fund for Thermonuclear Research (AFTR) between China, Russia, Iran and India is indeed significant for the Euro-Asian Continental Bridge nations to meet their colossal energy needs requiring the utilization of nuclear energy.

China's progress is phenomenal and one has to see it to believe it. . . . China's clout, therefore has increased as a nation having far-reaching influence in the region, particularly in South Asia, the Middle East, Northeast Asia and Central Asia. It has very cordial relations with Pakistan, Iran and North Korea. In other words, China's inevitable role for improving the destiny of the Asian countries in the 21st century is a precursor of Hope for Asia. Dante has associated hopelessness with hell and hope with heaven. On the gate of hell, he says, is the inscription: Hope abandoned.¹⁶

Taking the three parallel structures of Euro-Asian bridge—the North, the Central and the South—into perspective, a network for integrating humanity at large will be a palpable reality and the greatest feat to be ever accomplished in the civilizational history of mankind. The magnitude of the impact can be gauged from the fact that over 2,000 years ago during the Hanwu emperor's reign in the Han dynasty, when the Silk Road had a transport system consisting of camel forces, the civilizations of Europe, Asia, and Africa when they came in contact with each other, not only trade and commerce had flourished but the inter-mingling added richness and variety to the lives of the people and promoted cordiality and friendship among them. Now, with the scientifically engineered multicontinental integrated transport systems, the physical distance will shrink and pave the way for greater interaction, inducing a sense of human heartedness and empathy for each other. In other words, enormous opportunities will be unleashed when these bridges are commissioned into operation. . . .

. . . Peace through Development is the objective which should be attained through the peoples of Asia, so that when the 21st century of Peace is born, we could proudly acclaim: "We did it ourselves!"

16. Dante Alighieri, *Divine Comedy*, Hell, Canto III.

Myanmar and the opium trade

Will Dope, Inc. lose control of the Golden Triangle? A profile of the institutions trying to destabilize Myanmar, by Michael and Gail Billington.

Around the world, print and TV media are buzzing about the roles of former President George Bush and Lt. Col. Oliver North in introducing crack cocaine to America's inner cities, given new impetus by a series in the *San Jose Mercury News* which recently reported a part of that story, known by readers of *EIR* for more than a decade. George "kingpin" Bush's 1989 invasion of Panama, and the kidnapping of Gen. Manuel Noriega, for example, were carried out in order to place Cali Cartel-connected banking interests in charge of Panama, turning that nation into a transshipment point and money-laundering center for the cocaine trade.

A similar scenario is now being orchestrated in regard to Myanmar (Burma). As in Panama, where General Noriega was first "assassinated" by the media, which labeled him a drug kingpin (quoting *actual* drug kingpin, George Bush, as their primary source), so the current military government of Myanmar, the State Law and Order Restoration Council (SLORC), is being portrayed as the body primarily responsible for the extensive opium production in northern Myanmar. The truth is quite another story.

The most important point to be made in understanding recent developments in the area of the Golden Triangle, the world's largest opium-producing region, encompassing northern Myanmar and contiguous areas of Thailand, Laos, and China, is that Myanmar has been virtually dragged out of a 15-year period of isolation and xenophobia, by its close relations with Beijing. In 1962, Gen. Ne Win assumed dictatorial power in Burma, declaring the "Burma Way to Socialism," an isolationist, "self-help" form of primitive accumulation (looting) against the peasantry, with some similarities to the disastrous Great Leap Forward in China, which left Burma an economic basket-case.

The People's Republic of China (P.R.C.), following the 1976 death of Mao Zedong and the overthrow of the Maoist Gang of Four, pulled *itself* out of the nightmare of the Great Proletarian Cultural Revolution, a ten-year descent into hell, considered by the Chinese today in much the same way that Germans view the reign of terror under Hitler. For about 13

years, leading up to 1976, the P.R.C. had sponsored an insurgency by the Communist Party of Burma (CPB), in northern Burma, against the Yangon (Rangoon) regime, even sending in Maoist Red Guards to support military operations. China's support was run directly by Kang Sheng, the architect of much of the bloody chaos of the Cultural Revolution.

However, one of Deng Xiaoping's first acts, on taking power in China in 1977, was to end that support to the CPB, establishing ties with Yangon, which were to grow stronger over the years. In 1979, Deng visited Yangon for six days. As China opened up to the world and re-established sanity and economic development, Beijing encouraged Myanmar to follow the same path.

Since 1993, the post-Deng leadership in Beijing, with a close eye on how the destruction of Russia and other ex-Comecon nations has been achieved through their subjection to the looting policies of the International Monetary Fund (IMF), has imposed more careful restrictions on the "free trade" policies of deregulation and privatization, while dramatically expanding its commitment to the infrastructural development of its own extensive interior territories, and to rebuilding the ancient Silk Road connections with Europe, the Middle East, and Africa, through rail-centered development corridors. Beijing encouraged Yangon to open up to its neighbors in the Association of Southeast Asian Nations (ASEAN), while lending Chinese support in cleaning up the insurgent drug armies in the Golden Triangle areas of Myanmar. Considerable progress has been made in that effort.

Beijing and, increasingly, Yangon have begun to enunciate publicly that the future for Eurasia, as a whole, lies in breaking the 150-year stranglehold of Dope, Inc.'s financial control and political manipulation, through the successful execution of the most ambitious nation-building program in history, the Eurasian land-bridge project.

IRI support for the 'democracy' movement

The picture of Myanmar presented to the world through the Western press is of a military dictatorship of the most

tyrannous and murderous character, repressing the democratic aspirations of the people under the leadership of the heroic Aung San Suu Kyi, daughter of the leader of the 1940s Burmese independence movement, and a winner of the Nobel Peace Prize. Without attempting to review the entire history of the opposition in Myanmar, we shall take a look at the international financiers and trainers of the “democrats” who seek to replace the SLORC regime. We find that the strings are pulled by Dope, Inc.

The leading institutional supporter of Aung San Suu Kyi’s “democracy” movement, the National League for Democracy (NLD), is the U.S.-based International Republican Institute. The IRI is a second-generation derivative of the key “quasi-autonomous non-governmental organization,” or “quango,” so liberally abused by then-Vice President George Bush and Oliver North to circumvent Congressional oversight of the gun- and drug-running activities of the Nicaraguan Contras. In 1983, Congress passed legislation establishing the National Endowment for Democracy as a private entity, entitled to Congressional funding, “to strengthen democratic institutions around the world through nongovernmental efforts.” Four “quangos” were set up under the NED legislation: the IRI, as the Republican funding conduit; the National Democratic Institute for International Affairs for the Democrats; the Center for International Enterprise to teach “free market” economics; and the Free Trade Union Institute for Labor.¹

Public disclosure of the use of such “private” channels to fund the Contras’ drug-running activities by members of the National Security Council, under Vice President Bush’s direction, led to the Congressional Iran-Contra hearings, and, almost, to shutting down the NED.

The board of directors of IRI includes the inner circle of “kingpin” Bush’s administration, and the closest business partners of Henry Kissinger: Brent Scowcroft, Bush’s national security adviser; and Lawrence Eagleburger, Bush’s deputy secretary of state, both of whom played important roles in unleashing war in the former Yugoslavia. Bush’s secretary of state, James Baker III, a recipient of the IRI’s Freedom Award, has been key to IRI’s election-monitoring in Mongolia. Baker’s son was a member of the IRI delegation to Russia in 1993. IRI’s president, Lorne Cramer, participated in the fight for Contra funding as a Senate aide, and served in the Bush administration as deputy assistant secretary of state for legislative affairs, and as director of Asian Affairs at the National Security Council.

One leading IRI member, who deserves special mention, is former Secretary of State George Shultz, who in early October was named chairman of a 22-man committee to advise Republican Presidential nominee Robert Dole on economics. Shultz is perhaps the most prominent IRI member to support

drug legalization publicly. In 1989, Shultz told the pro-dope Drug Policy Foundation that he would serve as their point man in that effort.

IRI has particularly targeted the “newly emerging” states of the former Soviet sector, and states along the perimeter of China. In Russia, as elsewhere, IRI is closely allied to the “Conservative Revolution” partisans of the Mont Pelerin Society, promoting the economic looting agenda of deregulation, privatization, and liberalization, which has collapsed industrial output in Russia to 30% of 1989 levels, with disastrous strategic implications. A particular emphasis of the IRI crowd in Russia has been to encourage the growth of the “informal sector,” the politically correct term for the black market and organized crime. The IRI functions as intellectual enforcers for IMF conditionalities, which are placed above the needs of the target nation’s population.

Of particular relevance to Myanmar are two other areas of IRI focus: “election-monitoring” and the role of the military. On March 29, 1995, the vice chairman of the Russian Central Election Commission credited the IRI for providing the commission “the road map” for improving Russian electoral law, while former Bush Attorney General Richard Thornburgh, the man who upheld the kidnapping of a foreign head of state, Panama’s General Noriega, to face trial in the United States, called the IRI’s standing task force of election monitors “an important new check and balance” in Russia.² The IRI advocates eliminating the role of the military in government entirely.

In Asia, the IRI peddles the same British free trade policies, while running training programs in “democratic” electoral processes. Special emphasis is given to liberalization of the financial sector and bringing in the private sector to dictate and limit the financing of infrastructural development, especially in regard to such major regional projects as Mekong River development or reconstructing the Silk Routes. While the Bush and Kissinger networks, who run IRI, maintain a cover of being “old friends” of China, their intent to support British efforts to divide China is evidenced by their destabilizing operations in countries along China’s border, including Myanmar.

In Myanmar, IRI unabashedly supports subversion against the government, which government enjoys formal relations, albeit strained, with the United States. Blaming the government for drug production, and ignoring the progress made over the past years by SLORC in closing down the opium armies, the IRI’s 1995 report writes:

“The source of two-thirds of the heroin entering America, Burma’s dictatorship has driven one of Asia’s most resource-rich nations into poverty over the last 35 years.” After describing the 1988 creation of Aung San Suu Kyi’s NLD and the

1. See “Bush ‘Trojan Horse’ Usurps U.S. Policy Toward Russia,” *EIR*, Aug. 9, 1996 *EIR*, the first in a series of profiles of the International Republican Institute (IRI).

2. For a first-hand report on the consequences of IRI policymaking in Russia, see Roman Bessonov, “IRI’s Friends in Russia: The Anti-Utopia in Power,” *EIR*, Sept. 6, 1996 (part 2 in a series).

military regime's suspension of the 1990 election, the report boasts:

"In 1991, IRI began working with the remnants of the NLD in the Liberated Areas (NLD/LA) on peaceful political methods to restore Burma's democracy. Initially, IRI's program helped the fleeing democrats organize as they formed the National Coalition Government of the Union of Burma in exile, and began telling their story to the rest of the world.

"Since 1994, IRI has helped the NLD reconstitute an underground political network within Myanmar and trained activists in peaceful, nonviolent resistance to the regime. In

We find the IRI, a leading institution of the international drug lobby, financing and training a movement to take over the largest opium-producing country in the world. The Myanmar government is not unaware of this situation.

1995, IRI's assistance also enabled the NLD/LA to open an office on Burma's western border to better coordinate political activity among refugees there."

Lest anyone mistakenly interpret that to mean humanitarian aid to starving refugees, the IRI report includes a picture of a few dozen students holding a picture of Aung San Suu Kyi and a banner reading (in English): "Political Defiance Training Course." Standing in the background are three American "trainers." The caption reads: "IRI-trained activists on Burma-Indian border display poster of Aung San Suu Kyi." India made clear its view of this "defiance training," deporting six people who had sought asylum through the National Coalition Government of the Union of Burma in July.

We have, then, the IRI, a leading institution of the international drug lobby, financing and training a movement to take over the largest opium-producing country in the world. The Myanmar government is not unaware of the subversive role of the IRI. On Sept. 2, Col. Kyaw Thein, a leading spokesman for SLORC, told a press conference that the IRI had, since 1993, trained dissidents to "commit subversive acts both within and without the country." He named four individuals, including an IRI representative and a former defense attaché at the U.S. embassy in Yangon, as "mercenaries . . . trying to create chaos and confusion in Myanmar."

Soros is the moneybags—naturally

The further irony lies in who is "telling the NLD's story to the rest of the world": George Soros. Soros, the multibil-

lionaire speculator and champion of "free trade" in eastern Europe and worldwide, is also the leading financier of the premier drug legalization lobby in the United States, the Drug Policy Foundation.

Soros is a primary funder of the global propaganda network for the IRI's operations against Myanmar. Burmanet, the Internet address of the democracy movement, is a Soros creation, as is the "Burma project" in Washington, set up by Soros's Open Society Fund, which publishes the bimonthly *Burma Debate*, a slick journal promoting the NLD. Human Rights Watch, which, along with Amnesty International, is a clearing house for various operations against the Myanmar government, and targeting governments around the world, is largely financed by Soros. At an Oct. 1 press conference, SLORC officials named the Soros Foundation and the IRI as principal funders of the NLD.

Pro-dope moneybags Soros also financed the most recent "definitive study" of Myanmar, *Burma in Revolt—Opium and Insurgency since 1948*, by Bertil Lintner, published by Westview Press in 1994. Lintner has covered Burma for the Dow Jones-owned, Hongkong-based *Far Eastern Economic Review* for the past 16 years. Although he has now been declared *persona non grata* in Myanmar, Lintner has always travelled freely through the insurgent-held territories on the Burmese borders. In 1983, he married a Shan "woman guerrilla soldier" (in his own words), and together, he and his wife have travelled with every drug army in the country, publishing books and articles glorifying the narco-insurgents as "independence fighters." When the Maoist CPB controlled northern Burma, with help from the Chinese Red Guards, between 1963 and the mid-1980s, running 80% of the opium trade, Lintner was there, photographing and promoting their operations, as he has with all the ethnic drug armies.

SLORC's progress

Lintner may be finding it far more difficult to travel freely in the Golden Triangle these days, since SLORC has, over the past two years, succeeded in bringing each of the ethnic drug armies into compliance with conditions of surrender. The only outstanding insurgency is that of the Karen, whose base of operation on the southeastern border with Thailand is outside of the Golden Triangle opium-producing area. The general framework governing the surrender of these armies is that they will continue to function as militia with limited business and administrative rights in their respective ethnic regions, but subservient to the Myanmar Army, which now controls essentially the entire northern region.

The most dramatic such agreement was the surrender of the notorious Shan warlord, Khun Sa, this past spring, and the occupation of the Shan state by the national army. The global anti-government networks have portrayed this deal as a sweetheart contract, whereby the national army will simply get a bigger cut of the profits from the opium trade.

Despite the fact that this claim is sponsored by the pro-drug apparatus, some State Department and other U.S. agency officials, including Secretary of State Warren Christopher, have, unfortunately, adopted such a posture, and have also denounced SLORC for not extraditing Khun Sa to the United States.

Were Khun Sa to "tell the world" about his long career as an opium warlord, there is every reason to believe that he would add several counts to the "drug kingpin" indictment prepared by *EIR* against George Bush, Oliver North, Gen. Richard Secord, and their stable of "deniable" operatives. In 1986, Col. Bo Gritz travelled to Khun Sa's headquarters in the Shan States of Burma, on a mission related to the release of U.S. military personnel missing in action from the 1970s' "dirty little wars" in Laos and Cambodia. In an interview with Gritz, Khun Sa named, as his partners for 20 years in narcotics trafficking, Theodore G. Shackley, deputy director of CIA covert actions under then-Director of Central Intelligence George Bush, and Richard Armitage, former member of Senator Dole's staff, member of President Reagan's campaign staff, assistant secretary of defense in the Reagan-Bush administration, and several-times ambassador. Shackley's career is a virtual connect-the-dots map of "privatized" U.S. intelligence operations going back to the Bay of Pigs. According to some former CIA officials, only about 10% of the actual costs of the "secret war" in Laos were provided by CIA funds. The balance was paid, privately, by Shackley, through proceeds from drug trafficking.³

Colonel Gritz reports, in a videotape entitled "A Nation Betrayed," that Khun Sa offered to destroy his entire 900-ton opium crop. "Boy, is George Bush gonna be thrilled about this!" Gritz said to himself. But upon return to Washington, Gritz was told by NSC staff member Tom Harvey, "Bo, there's no interest here in that."

As for SLORC, it is interested in achieving peace in the country, so as to lay the basis to end the opium trade, through economic development of the Golden Triangle. Establishing peace with the various ethnic minorities is far more important than punishing them for complicity in a drug business, which has *always* been run from outside the country, with the marketing and distribution decisions being made in the board rooms of the banks financing the business, in such places as Hongkong, Singapore, Bangkok, London, and New York.

The Golden Triangle is a crucial strategic, geographical juncture, where India, China, and Southeast Asia meet—one of the primary reasons why, since the 18th century, the British colonial power maintained either overt or covert control over the region. Now that the country is under centralized Yangon control for the first time since before colonization, the Chinese, the Thais, and the rest of Southeast Asia are beginning to

implement the infrastructure development needed to integrate the area into the regional economy, and to build the road and rail grids which will facilitate greater India-China-Southeast Asian economic integration.

It is unlikely that the immense Golden Triangle opium-producing apparatus will be dismantled easily or quickly, or that corruption within SLORC will disappear overnight, but the early indications are that there has been a dramatic curtailment of the drug supply from the region. The supply of heroin from Myanmar into Thailand—the primary distribution route—has collapsed, driving the price up 600%, and causing the large addict population in Thailand to turn to lower-quality imports from Afghanistan. With China now mobilized to reverse the recent resurgence of domestic drug usage—mostly due to drugs from Myanmar—there is a real opportunity, for the first time since Britain's Opium Wars against Asia, to eliminate foreign-controlled drug production in the Golden Triangle.

In mid-September, the government-run newspaper *New Light of Myanmar* made clear that this historical colonial control and manipulation of the opium trade is at the heart of the attacks on both Yangon and Beijing. In the first of a two-part series, titled the "Long-Term War," author Boe Deva details how Anglo-American colonial interests created the Asian opium/heroin trade, stating explicitly that the policy of British and American oligarchical interests, from the time of the Opium Wars through to the present, has been motivated by a deep-seated fear of China's potential. "They do have a firm program and policy. It is to blockade China on all sides." And control of the drug trade is their principal weapon.

Who is Aung San Suu Kyi?

Ending Dope, Inc.'s rule depends on regional cooperation for both opium suppression and reconstructing the drug-dependent economies of the region. But the whole world knows, from Sarajevo to Panama to Baghdad, that "kingpin Bush" has no compunction over spilling someone else's blood, and then weeping crocodile tears. Dope, Inc.'s support for "democracy" is a cynical ploy. In this case, the NLD and, particularly, Aung San Suu Kyi, are put up front as martyrs in freedom's cause. Suu Kyi is married to Michael Aris, a British citizen, who is a fellow at St. Antony's College, Oxford, with expertise in the Himalayan border states between China and India, and to Burma's north, Nepal and Bhutan. Both of those countries have likewise been heavily targetted by the IRI's "democratizers" and Prince Philip's World Wide Fund for Nature.

Prior to 1988, Aung San Suu Kyi resided with her family in England. She returned to Burma to care for her ailing mother, arriving not long before the 1988 student demonstrations. With little public political experience, other than her strong identification with her father, the beloved Aung San, who was assassinated when Suu Kyi was only two, she

3. See "Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?" *EIR Special Report*, September 1996.

emerged as the leader of the NLD. The military government moved against the demonstrators in the summer of 1988, and placed Suu Kyi under house arrest in 1989. In 1990, SLORC refused to recognize the outcome of parliamentary elections, won by the NLD.

In 1995, SLORC released Suu Kyi and invited her NLD to participate, along with the various ethnic groups and other associations in a convention to draft a new constitution. Within weeks, however, the NLD withdrew from the talks, demanding *a priori* agreement from SLORC that the military would not play a role in the future government. SLORC has made very clear that, while they are willing to relinquish power, conditions in the country require a government on the model of Indonesia, in which the military, constitutionally, plays a role in government. This model, which has brought Indonesia (the fourth-largest nation in the world), relatively successfully through the process of modernization and industrialization, is unacceptable to Suu Kyi, and emphatically so to those Dope, Inc. backers of the NLD.

Instead, Aung San Suu Kyi called for an international boycott of Myanmar, an end to all foreign investment, and continuation of Myanmar's isolation. Were such a policy to be implemented, the potential for ending drug production in the Golden Triangle would evaporate, the now-pacified ethnic drug armies would quickly revert to opium for economic survival, and Dope, Inc. would remain firmly in business. The boycott effort has led to a few corporate pull-outs, although other Asian countries have quickly moved to fill the gap. Nonetheless, a severe shortage of foreign exchange, which caused Yangon to default on crucial oil payments in July and to devalue the kyat, appears to have been aggravated by the boycott effort.

The targetting of the largest infrastructure project in Myanmar by pro-boycott circles is symptomatic of the bigger, regional issue at stake. On Oct. 2, a lawsuit was filed in U.S. federal court against the oil companies Unocal of California and France's Total, and the military junta, SLORC, to stop the \$1.2 billion Yadana natural gasline project, which would link the Gulf of Thailand to the Andaman Sea. London *Financial Times* correspondent Ted Bardacke reported that the crux of the suit is far more subtle than the allegation that forced labor were used in the project, a claim vehemently denied by the oil companies. Bardacke says the suit alleges that "when Total and Unocal agreed to let Burmese troops, *whose systematic use of forced labor is well-documented*, guard the pipeline area, *they should have known human rights violations would occur*, and are therefore responsible for them" (emphasis added). This is a blanket condemnation of government participation in any such projects.

William Weld and the Dope, Inc. families

One of the most prominent supporters of Suu Kyi's "boycott" movement is himself an "old hand" in Dope, Inc.'s apparatus, William Weld, the Republican governor of Massachu-

setts (see article, p. 64). Weld is a scion of one of those Boston Brahmin families who built their fortunes as junior partners in Britain's Opium War against China, engaged in clipper-ship trafficking in narcotics. Weld, personally, is an expert in money-laundering, having cut a generous plea bargain with the Bank of Boston in the 1980s. As U.S. Attorney in Boston, Weld gave the bank a slap on the wrist fine of half a million dollars, after they were caught, red-handed, laundering \$2.2 billion in drug profits. Weld imposed no personal, criminal liability on the Bank's officers, and hardly dented the Bank's ill-gotten assets.

As head of the Criminal Division of the U.S. Department of Justice, under the second Reagan-Bush administration, Weld repeatedly stymied Congressional investigations into Contra drug-running. Instead, Weld used his office to target America's most out-spoken adversary of "the families" running international narcotics, overseeing the fraudulent prosecution and political witchhunt against Lyndon LaRouche and his associates, including author Michael Billington. In 1978, LaRouche commissioned the book *Dope, Inc.*, which named those individuals and institutions behind the multitrillion-dollar drug business.

Weld is the first governor to sign into law a bill that bars an American state—the Commonwealth of Massachusetts—from conducting business with any firm that is operating in Myanmar. Weld's action has inspired others among the Conservative Revolutionaries in the U.S. Congress to impose similar measures on U.S. foreign policy toward Myanmar. On Sept. 27, the U.S. Congress passed the 1997 Appropriations Bill, which includes the Cohen Amendment, giving President Clinton the power to impose sanctions on Myanmar in the event of further deterioration in the human rights situation, specifically, in the event of the re-arrest or exile of Aung San Suu Kyi.

Up until recently, President Clinton had shown due restraint, in deference to the wise counsel he has received from the governments of U.S. allies in Southeast Asia and East Asia, whose policy of "constructive engagement," is precisely aimed at drawing Myanmar out of its isolation. However, pressure is building, in this pre-election period, to "win points." President Clinton's Oct. 3 declaration, imposing visa restrictions on individual members of SLORC and family members seeking entry into the United States, reflects that pressure.

What is required of the United States is two-fold: First, there must be a clean break with "kingpin Bush's" role in drug trafficking, including investigation and prosecution, a clean sweep of the permanent bureaucracy, particularly in the U.S. Department of Justice, which protected such "off-the-shelf, privatized" operations. Second, full U.S. commitment is required to the grand-scale regional infrastructure development necessary to integrate Myanmar and all of Southeast Asia, into the Eurasian "Silk Route" policies, a process that shall break the narcotic reign of Dope, Inc. permanently.

Assisted suicide in the Netherlands: Nazi policy is no model for the U.S.A.

by Linda Everett

On Oct. 1, the U.S. Supreme Court granted *certiorari* to hear appeals of two recent federal court rulings that would have the United States government and the nation's physicians and medical institutions—under the protection of the U.S. Constitution and federal and state law—institute and enforce euthanasia practices and medical policies that are indistinguishable from those carried out by physicians under the Third Reich, acts which were condemned at the postwar Nuremberg trials as “crimes against humanity.” Here we present an overview of the ways in which the practice of such euthanasia policies in the Netherlands today, amidst all the pronouncements of “patient autonomy” and “death with dignity,” approaches the barbarism of the Nazis. In future articles, we shall expose the infrastructure of law, medical treatment policies, and judicial precedents that firmly established in our own medical institutions precedents which, at Nuremberg, brought Nazi doctors to the bar to be tried, convicted, and hanged. No less culpable than those Nazi doctors are the organizations, judges, medical ethicists, doctors, and policymakers who have for decades drummed into the American people the Nazi concept that some lives are “not worthy of life”—and therefore, may be denied life-saving treatments, basic medical intervention, and society's protections. They, too, are to be judged by Article 6 of the Nuremberg Charter, for commission of “crimes against humanity” “against the civilian population . . . whether or not in violation of the domestic law.”

In early January, the U.S. Supreme Court will review a March 6 ruling by the U.S. Court of Appeals for the Ninth Circuit in San Francisco (*Compassion in Dying v. the State of Washington*) and an April 2 decision by the U.S. Court of Appeals for the Second Circuit in New York (*Quill et al. v. Vacco*). These rulings struck down as “unconstitutional,” criminal statutes in, respectively, Washington State and New York, that prohibited causing, aiding, or promoting another's suicide. The federal appeals courts, in their first-ever “right to die” cases, thereby rescinded fundamental state protection of certain vulnerable populations—in order to provide those vulnerable ones with a newly discovered “constitutional right” to be killed with a physician's help.

Hitler, too, revoked state protections for hundreds of thousands of German civilians of all ages, with the stroke of a pen in October 1939, when he wrote in his own hand that “patients considered incurable according to the best available human judgment may be granted a mercy death.” Thus began the systematic execution of *Ausschusskinder* or “garbage children,” followed by the liquidation (“special treatment procedure” or just “special procedure”) for aged, insane, feeble, and disabled adults in Germany's hospitals, asylums, and nursing homes.

The Dutch model

When, during the Second World War, the Netherlands was forced to live under the Nazi boot for five years, the nation's physicians refused to carry out the Nazi-ordered euthanasia against Dutch patients. For their courage, Dutch physicians died in concentration camps, while the Anglo-Dutch oligarchy—including the consort of Queen Juliana—which had helped put Hitler into power, worked to ensure ultimate implementation of his economic policies. Today, that oligarchy still exists, and through a new generation of Dutch physicians, has imposed upon the Dutch people a concentration camp without walls, wherein are reestablished, under the name of “voluntary” euthanasia, those same Nazi murder policies, born of the notion that some lives are “unworthy of life.”

The Netherlands is the model repeatedly used by U.S. euthanasia advocates as a premier example of how euthanasia and physician-assisted suicide, once made legal, can be “successfully regulated,” with, supposedly, sufficient patient protections. But that is a lie; the opposite is happening in the Netherlands.

The lie begins with the euphemism “physician-assisted suicide”—a legal fiction concocted to make you forget that “aiding” a suicide constitutes homicide—the act of taking a human being's life. The euphemism is meant to convey the idea that, since an individual is willing to die or allegedly asks to die, it is a lesser crime than murder—perhaps not a crime at all—to allow the individual to take his or her life, or to allow a doctor to assist him directly or indirectly in taking

that life. From the standpoint of social policy, though, it's not just murder, but mass murder: genocide directed against a whole class of people.

The Dutch Penal Code prohibits euthanasia, the intentional or purposeful act of terminating the life of another; and assisted suicide, in which physicians write prescriptions or provide lethal drugs which patients use to commit suicide. Yet today, a Dutch physician can kill just about anyone, of any age, for just about any reason—whether the patient requests death or not, whether the individual is conscious or not, mentally competent or not. The doctor can do this and not risk criminal prosecution, as long as he or she “follows” a few “strict” guidelines which are, in fact, highly subjective, and whose legal power depends entirely on whether the physician decides to recognize the guidelines, or lie about them.

Forget any nonsense you may have been told about Dutch “voluntary” euthanasia being provided only for the so-called terminally ill, to relieve their excruciating pain. In 1973, one of the earliest euthanasia precedents, a Dutch court suspended the sentence of a doctor who had been convicted of killing her mother, after medical “experts” testified at the doctor’s trial that killing an “incurable” patient (the mother was recovering from pneumonia!), who subjectively felt that her physical or spiritual suffering was unbearable, was an established and acceptable medical practice. The court agreed, and added the notion that patients need *not* have entered the “dying process” to receive euthanasia.

Eventually, in all of these cases, we shall see evidence of that “discreet agreement” with the police, judges, and elected officials of which the Baroness Adrienne von Tillyd’Aulnis de Bourneuill boasted years ago. It was she who wrote the “ethical” euthanasia rules later approved by the Rotterdam Criminal Court in 1981, and she who founded the Dutch Association of Voluntary Euthanasia in 1973.

In the landmark 1984 Alkmaar case, the Dutch Supreme Court demonstrated its willingness to use any bizarre rationale to extend medical killing. In this case, a physician, with the help of the Netherlands Society for Voluntary Euthanasia, appealed to the Supreme Court his conviction for intentionally terminating the life of his elderly patient. The Supreme Court upbraided the lower court in which he had been convicted, because the lower court had not considered “other questions,” such as whether the doctor had faced a “conflict of duties” between his duty to abide by the criminal prohibition against euthanasia, and his duty to relieve his patient’s suffering. The “prevailing standards of medical practice” may have caused the doctor to act out of “necessity” in killing the patient, the Dutch Supreme Court announced. That is, to alleviate his patient’s “psychic suffering” (she was not terminally ill, nor in physical pain), the doctor had to break the law against euthanasia and murder her! Normally, the so-called necessity defense applies to breaking the law when such action is necessary to *save* a life—not

to take it. But the necessity defense became standard in future pro-euthanasia rulings.

‘Ethical standard’: killing infants, anorexics

The Dutch Supreme Court’s focus on “prevailing standards of medical ethics” led to a proliferation of horrible policies devised and dictated by a small clique of medical specialists and pro-euthanasia malthusians who elected themselves spokesmen for the nation’s doctors. The Royal Dutch Society of Medicine (KNMG) in 1984 developed euthanasia guidelines that basically said that doctors may commit criminal acts of euthanasia but, under the right circumstances, their convictions would be waived. By 1986, the KNMG was telling Dutch doctors, if you commit euthanasia, you’re not likely to be charged. With that, the chief international standard-bearer for the Dutch euthanasia movement, Dr. Pieter V. Admiraal, who boasts that he himself has terminated the lives of over 50 patients, published a journal (which was sent to every medical group and hospital in the country) on the most efficient methods and pharmaceuticals to use to administer euthanasia. By 1988, some 99.9% of the country’s involuntary euthanasia cases were being dropped by the public prosecutors, because the deaths were deemed in the public interest.

The KNMG apparently acquired its “prevailing ethical standards” directly from Hitler, by advocating in 1986 the killing of minors. KNMG representatives told *EIR* that “legally, children are *not* permitted to decide for themselves in such situations. . . . But, in our view, the doctor has to listen to the child, and determine whether the opinion of the parents is actually in the interests of the child, or whether this opinion is only their own emotions that are dictating what they decide. What if the child, of 10 years, suffers very, very hard, and he wants to die, but the parents have a guilty conscience, and say no? Our view is that the doctor has to do what his conscience prescribes for the child.” Indeed, oncologist Prof. P.A. Voute of Children’s Hospital in Amsterdam readily admitted to reporters that he had already provided suicide pills to 14 adolescents, and would have given them to a child of eight years, if the child had asked. His colleagues, he claimed, do the same.

By 1989, the Dutch Supreme Court had endorsed the decision by two pediatric surgeons not to perform a life-saving operation on an infant with Down’s syndrome, because the doctors and parents believed such children ought not live. The court accepted the idea that arguments of this kind are valid reasons for depriving a child of life. So, what was the government’s response when physicians shortly thereafter, openly used lethal injections on handicapped newborns, or when a tiny but vociferous group of euthanasia fanatics within the Dutch Pediatric Association publicized its 1992 study claiming that doctors were routinely committing infanticide with lethal injections in Dutch hospitals?

In one case, no charges were ever filed. In another, the

Just how 'voluntary' is the killing program?

Can a "choice" to commit suicide made by vulnerable clinically depressed or mentally ill patients ever be considered voluntary? Do sick and elderly patients voluntarily choose euthanasia, when government policy is to deny them life-saving medical intervention, and provide them only "appropriate" end-of-life care? Are such basic issues beyond the Dutch—and American—viewers of the December 1994 television documentary that showed the actual murder of a Dutch patient by his doctor. That program, "Death Upon Request," prepared by the Dutch IKON broadcasting association, chronicled the last several weeks of the life of Cees van Wendel de Joode, 63, who "requested" a lethal injection because his degenerative nerve disease (ALS) had caused him to become a burden to his wife. The patient, obviously in anguish about dying and leaving his wife, sobs whenever he discusses euthanasia with his doctor. The film shows him with his wife, in the last few minutes of his life, and ends with his doctor injecting him with the lethal drugs.

The famed Dutch health system, one would have thought, would have provided this man, who obviously wanted to live, and his ailing wife, who obviously loved him, some home assistance to enable the couple to spend a few more years together. Wrong. Instead, the Dutch gov-

ernment paid a physician to carry out his execution. Did the people seeing this horror believe this was a "voluntary" choice? Did they care?

Investigators of the Dutch system cite, as evidence of just how involuntary the euthanasia is, a case of blunt coercion, in which a wife, tired of caring for her ill husband, tells him to "choose" euthanasia or she will place him in a nursing home. The man subsequently "asks for" a lethal injection.

While the question of voluntary requests does not extend to comatose or Alzheimer's patients (by law, only the deaths of those who request euthanasia are considered acts of euthanasia), such patients are nonetheless intentionally killed at the request of their families, or over their families' objections.

A leading Dutch practitioner of euthanasia, Dr. Herbert Cohen, lectures internationally on the Dutch system and advises the Dutch police on proper procedures in cases of euthanasia. Yet Dr. Cohen, interprets the "strict guideline requirements" of "entirely free and voluntary requests" for euthanasia and the requirement of "unbearable suffering" before it is provided in the following manner:

If a patient tells him he wants euthanasia because he feels he is a nuisance to his relatives, who want him dead so they can enjoy his estate, Dr. Cohen says he would provide euthanasia, "because that kind of influence—these children wanting the money now—is the same kind of power from the past that . . . shaped us all. The same thing goes for religion . . . education . . . the kind of family he was raised in, all kinds of influences from the past that we can't put aside."

only reason that Dutch Minister of Justice Winnie Sorgdrager intervened was—not to stop the practice of infanticide—but to develop "guidelines" under which it would be allowed within the law. In that case, an obstetrician, Dr. H. Prins, who administered two lethal injections to a newborn with spina bifida in March 1993, was later judged to have acted with "due care." Prins, who was not prosecuted, said that he wanted to act "as a catalyst" to clarify the law.

A documentary that aired in the United States and Canada in March 1993, reported that some Dutch pediatric surgeons refuse to provide life-saving surgery for babies born with Down's syndrome—if the parents feel, in the end, that the child would not have a "happy life" because he or she would be dependent on others. Hitler said the same, when he ordered doctors to carry out the first Führer-authorized "mercy" murder of a disabled infant—for its parents' sake.

The documentary, *Choosing Death*, also demonstrated how readily doctors used the lethal injection to kill a clearly depressed 25-year-old anorexic patient who weighed just 40

pounds and had been institutionalized most of her life; and to kill comatose patients who had never asked to be killed. It demonstrated the ease with which doctors could bully cancer and AIDS patients into "asking" for euthanasia, after they were told in detail how they were going to gag, suffocate, or bleed to death. The program was paid for by the Robert Wood-Johnson Foundation, a group that has thrown its considerable influence and hundreds of millions of dollars into projects to dismantle advanced U.S. health-care capabilities for a managed-care focus on "end of life" care in the United States.

Behind the license to kill: cost-cutting

In November 1993, the Dutch government passed the most extreme pro-euthanasia law in the world, surpassing what even the Third Reich was willing to do in the public spotlight. The law stipulates that any doctor who administers voluntary or involuntary euthanasia will be granted virtual immunity from prosecution if he follows the government's

new rules. Note that, from their inception, Dutch laws, guidelines, and court precedents governing euthanasia policies have been broken, overruled, or blatantly ignored. Now, the government wants the doctors who kill to report their actions to a coroner who, under the first version of the law, was allowed to carry out only a superficial examination of the body (no autopsy was allowed). Under the new version law, the public prosecutor is not allowed to investigate the death beyond the doctor's own report. So, even if irregularities are suspected, who would protest? The only other party in the crime is the patient—the dead patient.

"Dutch model" advocates argue that because the country's health care system covers 60% of the population through compulsory medical insurance program, there exist no financial inducements for patients or families to accept euthanasia in lieu of costly care. Absolute nonsense! The inducements come from the government itself. In fact, the Dutch health minister who instituted massive government cuts in the national health care system, is the *same* minister who recommended the expansion of medical murder against mentally incompetent and comatose patients, in order to cut costs.

With one-third of the country's workforce on unemployment benefits, as of 1993, the Netherlands faces the same calamitous economic crisis as most other countries in the

advanced sector. At one point, the Dutch Central Bureau of Statistics reported that the country's active workforce was only 6.5 million, out of a population of 15 million, with large numbers of the population "disabled" by the government's liberal legalized-drugs policy. Of the 1.4 million Dutch civilians between 55 and 64 years of age, only 400,000 still have paying jobs. The shrinking tax base led to government "reforms" which slashed hospital budgets so deeply that they led to a 13% drop in hospital occupancy rates, a 22% decrease in hospital man-days, far fewer hospital admissions, and a significant drop in the number of available hospital beds. The government started dismantling its social safety-net structure by taking apart its social welfare system, suspending subsidies for public housing, and curbing disability programs. Thus, it was no surprise that a government report, "Choices and Priorities in Health Care," commended the rationing of services by waiting lists, even for those who need the most urgent care. Dr. André Wynen, then secretary general of the World Medical Association, reported that the existence of such waiting lists leads directly to euthanasia for economic reasons.

Government study exposes rampant killing

There exists no better evidence than the Dutch government's own "Rommelink Report," which exposes how the

'Final Solutions' in today's Netherlands

We indicate here responses to sweeping budget cuts carried out in the early 1990s by Dutch Secretary of Health Hans J. Simons's, who savaged the Netherlands's basic health care package, and to his plan to hike patient premiums:

- Dutch pro-death groups shift their focus from patients' self-determination rights to selling the hard "choices" society must make because it can no longer afford to treat "everyone in the next 30 or 40 years," as Dutch attorney and death specialist Eugene Sutorius tells an American audience.

- Dr. P.V. Admiraal admits that for "purely economic reasons," "we may need to kill" those with Alzheimer's disease after "three years of dementia."

- A commission of physicians recommends the use of lethal injections to eliminate any patient in coma after three months because, even if they do recover, they'll be a burden to society and to themselves.

- The Dutch Medical Society calls for the outright

killing of psychiatric patients.

- A Dutch Court creates a new precedent in June 1992 by granting total immunity to two physicians for "acting conscientiously" by providing suicide help to a mentally ill 50-year-old woman with severe personality disorders.

- The Dutch branch of the World Council of Churches and the Dutch Reformed Churches proffer Dutch euthanasia as the answer for patients suffering with AIDS.

- Former Dutch Supreme Court Judge Huib Drion calls for "death pills" to be distributed to old and sick people. Health Minister Simmons attempts to induce patients who are seen as a burden to their families or to the state, to surrender their "will to live." To do this he uses in his latest government-funded project—a vile television game show called "A Matter of Life and Death." The "game" involves allowing the studio audience to vote electronically—Colosseum-style—to choose which of two sick patients should be allowed to receive life-saving medical treatment, after the patients describe their fight against cancer or heart disease, etc.

- Euthanasia fanatic Jan Hilarius, a retired social worker, establishes a "suicide hot-line" whereby would-be suicides, desperate for help to avert their self-destructive impulses, are instead provided specific information and suggestions on the ways to kill themselves.

very regulated practice of euthanasia in the Netherlands has unleashed a monstrous nightmare in which doctors kill any patient whom they judge unfit to live. Since its publication, the report's authors have charged that opponents have misinterpreted or exaggerated its results. Apologists on both sides of the Atlantic came to the defense of the Nazi model, including the *Scientific American's* John Horgan, who quoted ethicists in favor of Dutch euthanasia policies (and who claims it is unethical for doctors to prevent a would-be suicide from taking his life, if he has a poor "quality of life").

In 1989, the Dutch government appointed the Rummelink Commission to report on the "extent and nature of medical euthanasia practice." The commission, chaired by Attorney General Rummelink, was ordered to report on the practice by physicians of "performing an act of omission . . . to terminate the life of a patient, with or without an explicit and serious request of the patient to this end." The commission also enlisted the help of a public health professor, P.J. van der Maas, who undertook a three-part survey of all "Medical Decisions Concerning the End of Life" (MDELs), so that euthanasia could be seen within the broader context of physicians undertaking all actions that hasten a patient's death. Essentially, the government wanted a profile of how and why doctors terminate a life by lethal injection, by withdrawing or denying medical treatment (like resuscitation or tube-feeding), or by administering lethal overdoses of pain medication.

Rationalizing mass euthanasia

In 1990, the year reviewed by the "Rummelink Report," there were 130,000 deaths in the Netherlands, of which 19,000 involved "medical decisions concerning the end of life" (MDELs), including euthanasia, which the study narrowly defined as the active, intentional termination of a life at the patient's request. In the most accurate "prospective" survey, doctors were asked, for the six months following the request, to provide information on each patient who died.

The authors concluded that euthanasia occurred in 1.8% of all deaths (or 2,300 cases); assisted-suicide occurred in 0.3% of all deaths (400 cases). But, in another 1,000 cases (0.8% of deaths), doctors used a lethal drug "with the explicit purpose" of killing the patient *without* that patient's explicit request. Of the 22,500 patients who died of morphine overdoses, 8,100 cases (or 36%) of the overdoses were administered with the explicit intention or partial intention of killing the patient. Of the 25,000 cases in which life-sustaining treatment, or food and water, was withdrawn or withheld without the request of the patient, in 8,700 cases (or 35%), it was done with the explicit or partial intention of eliminating the patient. Dutch physicians, like those in the United States, call this denial of so-called "futile" food/hydration, ventilator, or other life-support—"good medical practice."

On the basis of the survey, the Rummelink Commission made the outrageous statement that the figure of 2,700 cases of "euthanasia" and assisted suicide in 1990 "does not warrant the assumption that euthanasia in the Netherlands occurs on an excessive scale." By breaking down the deaths according to physician "intentions" and "states of mind"—explicit or partial purpose of hastening death; recognition that action will probably hasten the end of life—the authors succeeded in obfuscating the levels of mass murder being carried out in the Netherlands.

A truer reading of the survey finds that doctors:

- Used lethal drugs to intentionally kill 1,000 patients without patients' requests;
- Administered lethal drug overdoses to 5,508 patients without patients' requests;
- Withheld or withdrew treatment from, and thereby killed, 8,750 patients without patients' requests; and finally,
- In 58% of all the cases in which doctors explicitly or "partly" intended to hasten a patient's death, that killing was carried out *without* patients' requests.

So, where are the patient protections and patient "self-determination" guaranteed by nearly 30 years of government "regulations" and guidelines?

Targetting the comatose, mentally ill

By September 1991, the Dutch government had released its report defending the 1,000 involuntary euthanasia killings each year as "care for the dying." Justice Minister Ernst Hirsh-Ballin and Health Minister Simmons, who ordered the study, now recommended that the courts give a "fuller reading" on providing lethal injections—more involuntary murder—for comatose and mentally ill patients who had never asked to die.

The highest court in the Netherlands complied in 1992, by upholding the acquittal of a Dutch psychiatrist for helping in the "suicide" of a patient, Hillie Hasscher, who had failed at an earlier attempt at suicide. The woman was not terminally, or even physically ill at all—she was severely depressed over the death of one son from cancer, and the loss of another to suicide, with a bitter divorce in between the deaths. Her psychiatrist provided suicide help—but not treatment for her depression.

In February 1995, the current minister of justice, Winnie Sorgdrager, in a letter to the Dutch Parliament, instructed that "a doctor can have recourse to . . . euthanasia if the patient is in incurable and intolerable physical or mental suffering, even if that patient has not entered the terminal phase." Her instructions officially eliminated the so-called "strict requirements" previously enshrined, supposedly, in Dutch law, to the effect that a patient be must "terminally ill" before a lethal injection is administered. Now he need not even be physically ill. Under the new rules, if a depressed patient undergoes a relapse and seeks hospitalization, he is fair game to be killed, with, as the saying goes, nary a dog barking.

International Intelligence

Bosnian intelligence chief assassinated

The recently appointed deputy chief of Bosnia's civil intelligence, AID, was shot to death outside his Sarajevo home at 8 p.m. on Sept. 28. Nedžad Ugljen had headed up the Interior Ministry's intelligence services during the war. Ugljen and AID had become a target of the British-instigated campaign to smear President Alija Izetbegovic as a "Muslim fundamentalist" with ties to Iran (see *EIR*, Oct. 18, p. 42). The propaganda barrage is exemplified by a Sept. 22 article in the *Washington Post* to that effect, just as the President was arriving in New York for the UN General Assembly. The *Post* characterized AID as "a Bosnian Muslim secret service that is responsible only to Izetbegovic and to top officials of his party."

Although the full story around the Ugljen assassination remains unknown, *EIR* sources are calling attention to the escalation of British provocations against Muslims, especially in Israel. Those sources recalled that Izetbegovic referred to the same threat from the "Clash of Civilizations" crowd in his UN speech on Sept. 26: "Today there are more than 1 billion Muslims in the world. I don't know who, with this [*Washington Post*] and other articles, has an interest in pushing them into the extremists' embrace."

Sudan affirms Iran as mediator with Uganda

Sudanese President Omar Hassan al-Bashir affirmed, during a meeting with Iranian Deputy Foreign Minister for Arab and Islamic Affairs Hussein Shah Islam, that Sudan will abide by the Iranian-mediated settlement with Uganda, according to the official Sudan news agency SUNA. Under a Sept. 9 agreement, mediated by Iranian President Akbar Hashemi Rafsanjani, Sudan and Uganda agreed to work to halt rebel activity in the border area. The Iranian minister said there is a good chance that his country's mediation "will succeed, if America lifts its hands and

does not practice pressure."

Problems arose in late September, after Uganda's Minister of State for Defense, Amama Mbabazi, said that two Sudanese MiG planes dropped bombs at army barracks in the northwestern town of Moyo, 10 miles south of Sudan's border, but missed their target. Sudan immediately denied the charge. Iran's deputy foreign minister visited Uganda to try and resolve the latest crisis. He said that Uganda is also committed to the agreement. The three parties met in Teheran on Sept. 30.

Executive Outcomes: model private mercenary army

The South Africa-based Executive Outcomes "security firm," which hires out private mercenary armies, represents a future trend, not only for Africa, but worldwide, a British military-intelligence journalist told *EIR*. He noted that Executive Outcomes doesn't simply provide security to oil and mining companies, but hires out "entire battalions of a private army. They provide, for a big price, sophisticated command and control, offensive operations against enemy targets," he said. They have already fielded a full battalion of 500-600 men, in Sierra Leone.

He added that unconfirmed information points to active involvement "in South America, in Sri Lanka, in Malaysia." There are rumors that operations modelled on Executive Outcomes, are active in Chechnya, and possibly Afghanistan.

The source continued: "You have to see this in the increasing trend toward what is called 'privatization,' toward 'corporate militias,' and the like. You hear a lot of talk, that governments have become redundant, that business now rules governments, so why not have these corporate armies?" He believes that George Bush's secret, parallel government, built up around illegal arms sales to Iran and the Contras' drugs-for-guns operations, was central to this trend, and that the role of British intelligence bears further investigation.

Belgians explode over pedophile ring coverup

Demonstrations erupted all over Belgium, after the Supreme Court decided on Oct. 14, to remove Judge Jean-Marc Connerrotte as the chief investigator into a pedophile ring, which has killed at least four young girls, and from which two were rescued. Angry protests spread throughout the country as workers, housewives, bus drivers, and students poured into the streets in every city.

On Oct. 15, in Liège, angry firemen turned their water hoses on the local courthouse, because, they said, the "justice system needs a good cleaning." Demonstrations continued at the high court in Brussels, and protesters began a vigil; throughout the country, spontaneous protests included a noontime shutdown of rail and bus transportation for 30 minutes, as well as work stoppages at factories. The families of the victims plan to hold a mass rally in Brussels against the dismissal on Oct. 20.

Connerrotte's investigation threatened to reach into the highest echelons of both Belgium's establishment and other countries' and intersects another unsolved case, the 1991 murder of Liège political figure André Cools, one of those who "knew too much" about the European dirty operations of George Bush and Oliver North. Connerrotte had been removed from investigating the Cools murder in 1992.

Further feeding Belgians' fury is the austerity imposed by the government, which is desperate to meet the European Monetary Union criteria, and which recently lost \$1 billion in international currency speculation.

Arafat, Weizman meet, try to salvage peace effort

In his first public visit to Israel, Palestinian Authority President Yasser Arafat met Israeli President Ezer Weizman on Oct. 8, at the latter's home in Caesarea. Following the meeting, Arafat announced, "Violence is not our policy, nor is it our strategy," and added that he had given "permanent orders" to his

Briefly

police force not to fire on Israeli soldiers.

Weizman called for achieving "peace through dialogue," and said he was willing to serve as a "bridge," clearly meaning between the intransigent Likud party prime minister, Benjamin Netanyahu, and the Palestinians. Palestinian spokesman Hassan Asfour said that the Israeli-Palestine talks at the Erez Crossing had "deadlocked," and that the Palestinians were counting on U.S. proposals to move them forward.

At the same time, the Jordanian government filed an official protest on Oct. 8 over Netanyahu's opening of the so-called tourist tunnel in Jerusalem, beneath the Islamic holy site of Haram al-Sharif. The Jordanian government has been the official guardian of the holy places since the 1967 Six Day War, and also by the 1994 peace treaty between Jordan and Israel.

London IISS complains of China military buildup

"China is continuing its attempts to make qualitative improvements in its nuclear and conventional combat capability," the London International Institute for Strategic Affairs (IISS) said in its annual report on the world's armed forces Oct. 9. "The Peoples' Liberation Army is improving the mobility of at least six high-quality mobile formations, the so-called 'Fist' divisions, and to this end it carried out a major logistic exercise in south-west China in July 1998." IISS put China's 1995 military spending at \$32 billion, far above the official Armed Forces budget of around \$7.7 billion.

Gerald Segal of IISS is among the originators of a British plan to break up China. The institute has also been promoting the idea that China is the biggest military threat to the United States.

On Oct. 14, Hollinger's London *Sunday Telegraph* trumpeted, "China Plots a Course for Conflicts." The article begins: "The dragon has woken, and is turning away from its land frontiers toward the open ocean." China is now developing "a huge program of sea and air military expansion, aimed at making China the dominant naval power in

the South Pacific, within 20 years." The author, Graham Hutchings, also asserts that the Chinese are avidly studying the "Falklands war," and are determined not to repeat the "Argentine mistake," of having failed to sink the British Task Force to the bottom of the sea.

Nobel Peace Prize goes to E. Timor Maoist, bishop

The Nobel Committee awarded the 1996 Peace Prize to East Timorese separatist Jose Ramos-Horta, and the bishop of this largely Catholic, former Portuguese colony, Carlos Filipe Ximenes Belo. East Timor is one of the hot-spots for the destabilization—even breakup—of Indonesia. The Indonesian government was stunned by the award, but Vatican spokesman Joaquin Navarro-Valls expressed "deep satisfaction" at the award given to Bishop Belo, "because it is a recognition of his activity as a man of the church, marked by his indefatigable search for dialogue that is always inspired by peaceful solutions."

Ramos-Horta, who heads the Revolutionary Front for the Liberation of East Timor (Fretilin), which is part of the Marxist-Maoist international, is employed as a university lecturer from his exile in Australia, although he spends nine months of the year globe-trotting to promote East Timor's independence. According to the *Washington Post*, he has been criticized within his movement for "an excessively rich international lifestyle," whereas his mother lives in a small apartment, above a Sydney "betting parlor."

Bishop Belo was appointed the Apostolic Administrator of the Dili bishopric in 1983, which the Vatican officially views as "empty," because of the dispute over who has sovereignty over East Timor. Jakarta has turned to Belo, an advocate of non-violent self-determination, to help negotiate an end to riots in Dili and other parts of East Timor. The continuing progress toward defusing the conflict, combined with substantial government economic investment, had significantly reduced tension, until now.

SOME ISRAELI SOLDIERS are threatening not to serve in a future Middle East conflict, and have accused Prime Minister Benjamin Netanyahu of leading the country into an unjustifiable war, according to the London *Daily Telegraph* on Oct. 14. The protest letter was signed by 33 soldiers and officers, mostly reservists, of illustrious fighting units, such as the Sayeret Matkal commandos.

SIR PERCY CRADOCK, who was Margaret Thatcher's ambassador to China from 1978-84, and adviser on Hongkong from 1984-92, and who is now on the board of Rupert Murdoch's *South China Morning Post* in Hongkong, called Gov. Chris Patten "the principal author of the damage" between China and Britain. His new blast says that Patten "has no claim to stand as a champion of democracy in Hongkong. He has done it unique harm." Thatcher has used Patten as a whipping post to retain her "friend of China" posture.

JIANG ZEMIN, China's President, plans to visit India, the first Chinese head of state to visit in 40 years. The trip, scheduled unofficially for Nov. 28-29, will include substantive discussions on both economic and strategic issues, according to sources quoted by *Asia Times*.

IRAN'S PRESIDENT Ali Akbar Hashemi Rafsanjani has rejected a Constitutional change that would allow him to extend his Presidential mandate, and said on Oct. 8 that such a change is not to Iran's benefit.

THE IUCN WORLD convention was held Oct. 12-23 in Montreal. With 2,000 delegates from 130 countries, the International Union for the Conservation of Nature convention was the largest environmentalist meeting since Maurice Strong's Earth Day in Brazil, in 1992. Speakers were to include Queen Noor of Jordan, Princess Chulabhorn of Thailand, Sir Shridath Ramphal, and, eco-fascist Maurice Strong.

Weld nailed for coverup of Bush-Contra drug ties

by Anton Chaitkin

Sen. John Kerry (D-Mass.) has called for an independent investigation into whether, as part of the "Contra" intrigues, government agencies were involved in bringing drugs to minority communities. Kerry said on Oct. 14 that the Justice Department ignored the evidence to that effect that he had delivered in the late 1980s. About Republican Gov. William F. Weld, who is now running against Kerry for the U.S. Senate, Kerry said, "I personally delivered all of that information to the Justice Department in Washington in 1986 during the time Bill Weld was at the Justice Department, and the Justice Department, frankly, did zipo."

The day after Kerry's challenge, Weld panicked when the very first question of a televised Kerry-Weld debate was put to the governor: "In a recent article published in the *San Jose Mercury News*, it was alleged that the CIA and Justice Department officials in the 1980s allowed Nicaraguan Contra rebels to raise millions of dollars by selling cocaine to California drug-traffickers, who, in turn, introduced crack cocaine into the [Los Angeles] ghettos. What is your response to that story. . . ?"

Weld sputtered, "The idea of the American President, the American Central Intelligence Agency, and the leading senators and congressmen . . . selling crack cocaine on, on purpose into American cities, to weaken America, and strengthen somebody who's fighting a war in some other country, strikes me as a nutty conspiracy theory. It reminds me of the theories that, uh, Lyndon LaRouche used to spin out against, uhm, the Queen of England, and Henry Kissinger, and myself, among others, uh."

Senator Kerry, on other hand, responded, "I led the investigation, in 1985-86, that looked into the question of narcotics flowing from Central America into the United States. The answer is, that we discovered back then, and I delivered to the Justice Department, in fact I had Governor Weld—now

Governor Weld, then in the Criminal Division—come to my office, and I gave him all of the information. I gave it to the Justice Department, that the CIA knew, the DEA [Drug Enforcement Administration] knew, high government officials in the State Department, and, in the White House knew, that CIA personnel were involved in trafficking drugs. . . . They did nothing, and, unfortunately, that report has lingered for years."

The Weld-Bush family web

EIR reported last week that William Weld, as head of the Justice Department's Criminal Division, acted as the point for obstruction of justice against Senator Kerry's and others' investigations of the Iran-Contra operations during 1986-87.

Underlying Weld's actions is a web of corruption and nepotism binding together the families and careers of Weld and George Herbert Walker Bush. This corrupt family web was also at work in 1985, when Weld blocked prosecution of the Bank of Boston in the biggest money-laundering case in U.S. criminal history. The Bush White House, in turn, ran a 1990 dirty-tricks operation against the Massachusetts Democratic Party, to assist in securing Weld's election as Massachusetts governor.

The Bank of Boston admitted in 1985 that its officers, in 1,163 separate criminal transactions over the previous few years, had transferred \$1.2 billion between the Bank of Boston and foreign banks, including \$373,579,000 to and from *Crédit Suisse* of Geneva. A U.S. Treasury Department spokesman confirmed that the crimes were by "every indication . . . the laundering of drug money."

But, by arrangement with William Weld, who at that time was the U.S. Attorney for Massachusetts, no bank officers were prosecuted; the foreign banks were not probed; the money trail was not followed; 1,162 criminal counts were

dropped; and the Bank of Boston was fined a mere \$500,000, after pleading guilty to one count.

Weld's personal connections to the main protagonists in the case have now come to light.

A member of William Weld's family, Ogden White, Jr., was at the time *chief of foreign operations for the Bank of Boston*.

Meanwhile, the firm of White, Weld and Co., belonging to White's and Weld's family, had previously been amalgamated by William Weld's father into the *Crédit Suisse* bank, a foreign perpetrator in the case. *Crédit Suisse* was the global money-laundering center of "the Enterprise" conducted by Oliver North and other of then-Vice President Bush's employees.

So, who was Weld's man at Bank of Boston, Ogden White, Jr.?

- His father was the first cousin and partner of David Weld, William Weld's father.
- His uncle, Alexander White, Jr., had been chief executive of White, Weld before David Weld became boss of the family firm.
- His grandfather had founded White, Weld; and his great uncle, William Weld's grandfather, had been the founding junior partner.

Ogden White, Jr., briefly came into prominence as head of Bank of Boston's international operations, for statements he made in 1982 during the British-Argentine war; but he preferred operating behind the scenes. White was at his post, officially listed as "vice president-international," when cousin William saved him and the bank, by announcing, on Feb. 7, 1985, the surprise ending of America's biggest money-laundering case.

Ogden White, Jr., was then quietly moved out of Boston. Writing in the Harvard University book commemorating the 25th anniversary of his class of 1960, White offered this explanation for his exit: "Mid-life crisis has taken me to Washington to participate in some small way in solving the LDC [lesser developed countries] debt crisis. After 24 years with the Bank of Boston, this two-year sabbatical is turning out to be a wonderful experience both job-wise and for the life style." The Bank of Boston officially terminated White's employment on Dec. 31, 1985.

Bush, Walker, and White, Weld

From 1985 to the present day, Ogden White, Jr., has resided on Florida's Jupiter Island, a very high security private compound created for the Bush family and their banking and intelligence community associates.

But the Bush family alliance with the Welds began much earlier than that. White, Weld chief executive David Weld died in 1972, leaving his White Weld-*Crédit Suisse* holdings to his widow, to William Weld, and to two other sons. In 1974, George Bush's uncle, George Herbert Walker, Jr. ("Uncle Herbie"), merged his family firm, G.H. Walker & Co., into White, Weld. This "Uncle Herbie" was the personal financier

and career sponsor for George Bush, who had been named for Herbie's father, George's grandfather. Herbie had bankrolled Bush's start in oil and intelligence operations by creating Zapata Petroleum.

With the merger, Uncle Herbie's son, George Herbert Walker III, became a senior vice president of White, Weld. From the 1960s to the late 1970s, the amalgamated *Crédit Suisse* and White, Weld firms' London and Switzerland branches became the world's premier laundry for hot money, especially drug money, utilizing the White, Weld specialty, untraceable Eurobonds.

In 1976, George Bush became Director of Central Intelligence. At the same time, Frederick S. Wonham, previously president of G.H. Walker and Co. under Bush's "Uncle Herbie," served as president of White, Weld and Co. from 1975 through 1978. In 1978, Merrill Lynch bought into the White, Weld corporate tangle.

Bush took the U.S. vice presidency in 1981, and William Weld was then appointed U.S. Attorney for Massachusetts. In 1986, while Senator Kerry was pressing his investigation of "the Enterprise" and its drugs-for-guns trafficking, Weld was appointed chief of the Criminal Division of the Justice Department. Kerry's Senate Subcommittee on Narcotics, Terrorism, and International Operations later reported (April 13, 1989) in detail on the sabotage against their investigation carried out by Weld's men at the Justice Department.

During 1986, Weld personally organized the Justice Department's sham inquiry into the misappropriation of funds by the U.S. ambassador to Switzerland, Faith Whittlesey, a leader of the Bush-North-Contras "Enterprise." There in Switzerland, Weld's father had been the co-organizer of the *Crédit Suisse* drug money laundry, which, in 1986, Whittlesey's cohort Oliver North was using for all the criminal accounts. Yet, instead of recusing himself, Weld recommended that all investigation of the matter end, and no prosecution was allowed.

Bush's dirty tricks and Weld's governorship

William Weld resigned from the Justice Department in 1988, having lost a fight with Ronald Reagan loyalists. The following year, George Bush was inaugurated President. Bush kept Weld's lid on the Contra drug investigations, and eventually gave Presidential pardons to Iran-Contra felons. With his patron in the White House, Weld prepared to take the Massachusetts governorship.

The state's Democrats sought party unity for the 1990 elections around a successor to Michael Dukakis, who had lost the Presidency to Bush in 1988, and was retiring as governor. Democrats assembled in Springfield, Mass., on June 2, 1990, for their state nominating convention. But arriving delegates were stopped from entering the convention hall by a ring of Springfield police officers, who physically blocked their way with a sudden, unannounced "picket line"—demanding a new police contract with the city of Springfield. Some delegates were roughed up by the "picketers," and the

shocked and confused Democrats could not begin the proceedings for several hours. In increasing disarray, the Democratic Party endorsed one candidate at the convention, but another one—an open Bush supporter, John H. Silber—won the Democratic primary election. Silber lost to William Weld in the November 1990 general election.

On June 13, 1990, eleven days after their convention had been disrupted, the Massachusetts Democratic Party filed suit against Ronald C. Kaufman, a White House aide to President George Bush, for having directed the disruption. Kaufman, a longtime Bush insider, was in 1990 in charge of security functions (“screening”) over personnel in the Bush White House.

Ron Kaufman had procured the Springfield police union’s endorsement for Bush in the 1988 election. Kaufman admitted having met with Springfield police union president Robert Jacobson in Washington, during the month prior to the 1990 Massachusetts Democratic convention.

Also charged in the suit was Stephen DeAngelis, a Massachusetts state Republican Party functionary working under Kaufman’s direction. Eyewitnesses had seen DeAngelis standing at the picket line with a cellular telephone.

In a later review of Kaufman’s career, *Time* magazine (April 15, 1991) conveyed the Bush aide’s explanation for his role in the police terror against the Democrats: “He insists that he was holed up in a nearby hotel room—and in constant cellular contact with the picket line—for a benign purpose: He was boning up for an appearance as a guest commentator.” *Time* went on: “At the time, he described himself as a practitioner of ‘psychological terror’ and ‘disinformation.’”

Faced with a countersuit by Kaufman backed by the White House command structure, the Democrats soon dropped their suit. In 1991, President Bush promoted Kaufman to Deputy Assistant to the President for Political Affairs, or White House Political Director.

Leaving the White House with George Bush’s 1992 loss to Bill Clinton, Ronald Kaufman emerged as the chief strategist for the Massachusetts Republican Party under Gov. William Weld. In the early morning of March 31, 1993, a disheveled Kaufman was arrested for drunk driving and speeding, after leaving a poker party at Governor Weld’s house.

In August 1994, Governor Weld signed an agreement to bring Las Vegas-style casino gambling into Massachusetts. *Boston Globe* writer David Nyhan reported on Aug. 22 of that year, that Weld had “sentenced New Bedford and environs to lifelong servitude as gambling hall lackeys. The deal was greased with bigtime gambling money.” Nyhan revealed that Weld’s “fixer in the gambling game” was Republican Party strategist Ronald Kaufman. “Ron makes sure Bill is remembered at Christmas time by the gambling guys. And with them, it’s Christmas every day.”

Kaufman is now the Republican National Committeeman for Massachusetts, and reportedly the party’s chief strategist in Governor Weld’s bid to win John Kerry’s Senate seat.

Brits say GOP will win the Congress

by Mark Burdman

The same British operatives who have been orchestrating the barrage of scandals against the Clinton White House since 1993-94, have now launched a new flank in their propaganda campaign. Having failed in their efforts to bring down the American President, and now forced to acknowledge that Bill Clinton is almost certainly going to be re-elected for a second term, such poison pens as the London *Sunday Telegraph*’s Ambrose Evans-Pritchard and the London *Times*’ Lord William Rees-Mogg are busy manufacturing the perception that a “fix” is in, in this year’s election, for the Republican Party to retain control of both houses of Congress. Furthermore, writing as if the United States were a British parliamentary system, rather than a constitutionally defined Presidential system, they are treating the hated Speaker of the House, Newt Gingrich, as if he were “the prime minister of the United States,” supposedly wielding efficient power while Clinton acts, at best, as a figurehead.

In reality, as of this writing, the battle for the U.S. Congress is still undecided. Many of Gingrich’s allies are on the defensive, in the face of an organizing onslaught from the AFL-CIO and from the campaigns launched by the FDR-PAC, associated with Lyndon LaRouche and spearheaded by María Elena Milton’s campaign in Arizona’s Fourth Congressional District (see article, p. 68). Gingrich himself is so despised, that any Republican concerned with re-election, has to either make believe he doesn’t exist, or publicly distance himself or herself from the Squeaker.

European audiences were able to read a much more realistic appraisal of this battle, when the *International Herald Tribune* published an interview on Oct. 16 with Thomas Mann, director of governmental studies at Washington’s Brookings Institution. Asked, “What’s your prediction for the next Congress?” Mann replied, “I have never seen as competitive a struggle for control of the Congress in recent decades. It could go either way.” While Republican legislators have made some “impressive” gains in recent weeks, “President Clinton is increasingly confident, and there are signs that he is beginning to allocate resources to swing districts and states, in hopes of producing a Democratic majority in the House and Senate. Meanwhile, the AFL-CIO campaign against Republican conservatives, especially freshmen, has had a devastating impact.” According to Mann, this involves “intense

struggles . . . hand-to-hand combat in Congressional districts and states.”

The Duke of Wellington vs. the Eunuch President

On Oct. 13, Evans-Pritchard, Washington correspondent for the Hollinger Corp.'s *Sunday Telegraph*, proclaimed in his regular “Washington” column, that “the Republicans have a good chance of winning the elections that matter most in 1996. Short of a last minute collapse, they look set to keep control of the U.S. Congress, and to maintain their dominance over the state governments. If so, the key instruments of power will remain in the hands of Speaker Newt Gingrich and his allies.”

Evans-Pritchard asserted that it were a virtual certainty, that Bill Clinton will be re-elected President. As if to emphasize the point, the *Sunday Telegraph* ran an accompanying article by Evans-Pritchard, portraying the Dole campaign as all but moribund. “But control of the White House is far less important than people outside the United States seem to believe. The Presidency is the show trophy of American politics. Congress is the branch of government that holds the upper hand, especially in this post-Cold War era of parochial introspection.”

As the reader tried to decipher that last sentence, Evans-Pritchard went on: “Bill Clinton has been a eunuch President since the Republican landslide in 1994, compelled to acquiesce as Newt Gingrich changed the direction of the country. . . . It is Newt Gingrich who has succeeded in imposing his agenda. . . . Despite everything that has been written about him, he is still the most powerful Speaker in modern American history, and some would say that he is still the most important man in Washington.”

Evans-Pritchard then flaunted Gingrich's anglophile credentials. “The Speaker,” he exclaimed, “sees himself as the Duke of Wellington advancing methodically up the Iberian Peninsula in a long, bitter, nasty war against the great showman of the age—and winning.”

Gingrich likens himself to President Andrew Jackson, telling Evans-Pritchard that it took Jackson a century to restore his reputation, “because he infuriated the Whig establishment, and the Whig establishment wrote all the history books.” Jackson, as a matter of fact, did a great deal to destroy the U.S. economy, on behalf of British “free trade” interests.

The most expensive campaign in history

Two weeks earlier, on Sept. 30, the *Times* published a commentary, authored by Rees-Mogg, asserting that Dole was probably too far gone to make a viable race for the Presidency, but that Republican control of both houses of Congress should be ensured, by a massive spending and propaganda offensive during October.

Exulted his lordship: “The money will be spent on an

awesome scale. This will be the most expensive campaign in the history of the United States.” No less than \$1 million *per day* is being allotted for television advertising, for the Presidential race, while an *additional \$80 million* is being spent on Congressional campaigns. This, Rees-Mogg wrote, should “maintain the Republican majority in both houses of Congress” this year, even if Dole will prove himself inept enough to “muff it again,” in the Presidential race.

Rees-Mogg is, in effect, the coordinator of “U.S.A. operations” for a powerful faction of the British establishment. His American newsletter, *Strategic Investment*, has been responsible for some of the most lurid “Clinton scandal” stories, and, in a recent edition, went so far as to call for the President's impeachment, were he to be re-elected—and even for his possible *execution* for capital crimes! One of Rees-Mogg's channels, for dirty operations into the U.S. Republican Party, is a treasonous, Britain-based entity called “Republicans Abroad-Oxford” (see *EIR*, April 5, 1996).

Nowhere does Rees-Mogg talk about *where* this vast sum of money is coming from. In this election year, it is clear that interests tied to the international drug cartels and to City of London financial interests are pouring money into these Congressional races, to secure a Congress favorable to their program. They want a Congress that will dutifully pursue the Gingrich Conservative Revolution program, of “privatization” of vital services and infrastructure, as well as of the Social Security system (see *EIR*, Oct. 11, “The Plan to Privatize Social Security: A \$10 Trillion Bankers' Rif-Off”).

As Evans-Pritchard raves: “A Republican majority in the 105th Congress would be more radical than ever, as aging defenders of the status quo make way for the counter-revolutionary ideologues of the next generation, the soul mates of Newt Gingrich.”

From this standpoint, it is quite obscene that the Republican Party is now screaming about “Asian money” tainting the Democratic Party and influencing the policies of the Clinton administration. In past years, as the British themselves gloat, British investment has far superseded Japanese or other investments into the United States. This process zoomed during the Reagan-Bush and Bush-Quayle administrations, and it is primarily the large-money interests behind the Dole campaign, and such entities as Newt Gingrich's GOPAC, that want to open the United States for looting by these City of London-centered interests.

On the “privatization of Social Security” front, for example, Britain's two main “free market” thinktanks, the Institute for Economic Affairs and the Adam Smith Institute, are collaborating with those U.S. institutions leading that fight. The relevant American institutes with which they are working include the National Center for Policy Analysis, based in Dallas, Texas, and the Cato Institute and Heritage Foundation, both based in Washington, D.C. All of these entities, British and American, are part of the global apparatus of the Mont Pelerin Society.

María Elena Milton: 'It's not negative campaigning, it's telling the truth!'

by Katherine R. Notley

María Elena Milton, the LaRouche Democrat who is challenging incumbent John Shadegg (R) for the Congressional seat from Arizona's Fourth District, which includes Phoenix, spent an hour pummeling her opponent in a debate broadcast live on cable TV on Oct. 16. The program will be rebroadcast eight times on cable TV in Scottsdale and Phoenix before the election. She exposed Shadegg's sponsorship of such murderous policies as privatization of Social Security, forcing the sick into managed health care, cutting \$245 billion from Medicare, and airline deregulation. She referred to Shadegg, the chairman of Newt Gingrich's GOPAC, as "not a Republican at all, but a member of the 'Newtzi Party.'"

The debate was sponsored by the *Scottsdale Progress-Tribune*, which has run scurrilous attacks against Milton. In a virtually unique moment of honesty, the paper headlined its story the next morning, "Milton Relentless in GOP Attack."

Milton also took on the lying role of the media, including the moderator of the debate, the editor of the Scottsdale newspaper. After she described managed health care as a Nuremberg crime, she then turned to the editor: "And you printed an editorial, saying I had no appreciation of the horrors of the Holocaust. The next day, you printed this cartoon [holding it up], showing me as a cockroach—exactly what Hitler's pet journalists used to call the Jews!"

As one supporter said afterwards, "María had sharks for dinner tonight!"

Telling it like it is

The Arizona media and their allies in the Anti-Defamation League (ADL) of B'nai B'rith are branding Milton's hard-hitting advertisements as "negative campaigning." But it's not working: In the heavily Republican district of Phoenix, which elected Shadegg as a leading Gingrichite freshman in 1994, most voters on both sides of the aisle are listening to what she has to say.

The radio advertisements, plus her mass circulation campaign pamphlet, brand Shadegg "Congressman ValuJet," comparing him to the airline whose cost-cutting ended in tragedy in the Florida Everglades, and pointing out that GOPAC received a juicy \$320,000 from ValuJet's Richard Gilder. Far more scandalous, however, are Shadegg's policies to take down Medicare and turn patients over to what Milton

calls the "gas ovens" of managed care; and his post-election plans to privatize Social Security—that is, turn \$5 trillion over to Wall Street.

On Oct. 11, Phoenix's leading daily, the *Arizona Republic*, tried to stir the pot over the ads, going so far as to solicit a comment from the widower of ValuJet pilot Candalyn Kubeck, whose plane had crashed last May in Florida, killing all 109 on board—all so the daily could refer to the ads as "tasteless." The ADL strained itself as well, trying to argue that Milton's comparison of HMOs to Hitler's gas ovens was, well, not anti-Semitic, but "offensive" and, of course, "tasteless." "It's not just the Jewish community," Phoenix ADL head Joel Breshin told the daily. "It's the larger community of people that are offended by it. At the very least, it's bad taste," adding darkly, "at the very worst, it could be something else." Milton, asked by the paper for her response, asked in return: "Does the ADL want to defend Nazi economic policy?"

Milton, far from being thrown by complaints from the arbiters of election-year "taste," addressed the serious questions posed by the ads in a radio interview: "I've told [Shadegg] a number of times," that his backing for deregulation "will kill people. And [as head of GOPAC], he took \$320,000 from the head of ValuJet, to lobby for deregulation and even the abolition of the FAA, all right? So, what deregulation does, is, it makes the airlines unsafe. It's a matter of record that ValuJet's accident rate is 14 times higher than the average for major airlines, okay? The age of their planes is 27 years. They farm out the maintenance. They can't pay a decent union wage, instead they go hire temporary mechanics at \$6 an hour. When you play these kind of games with peoples lives to make a buck, cost-cutting counts." She continued, "How much more is the privatization of Social Security and Medicare, the cost-cutting to make a quick buck, a threat to the lives of the sick and elderly?"

A mechanic for Western Airlines called into the station to confirm that what Milton had said about deregulation was "100% right. They're farming out handlers; they're farming out mechanics. This is what happened with ValuJet." The mechanic drove home his point: "You can't kill me as a talk show host, but you can as a mechanic, if I fly with an airline, and this is what is happening."

But, asked the host, do you really have to compare man-

aged health care to the Nazi Holocaust? Milton responded by reading from the conclusion of psychiatrist Dr. Leo Alexander, the expert witness who formulated the basis for the prosecution of the Nazi doctors at Nuremberg: “ ‘Whatever proportions these crimes finally assumed, it became evident to all who investigated them, that they had started from small beginnings. The beginnings at first were merely a subtle shift in emphasis in basic attitude, basic in the euthanasia movement, that there is such a thing as a life not worthy to be lived.’

“And what we have today,” she continued, “is the attitude that there are some patients out there, not worthy to receive treatment. And I’m making people look in the historical mirror of Nuremberg. Too many people were comfortable with fascism, and Adolf Hitler, in the ’30s. If they had been challenged when Hitler could have been stopped easily, the Holocaust, and World War II, could have been prevented. So, I invoke that Nuremberg statement. This is why the Nuremberg Trials were held, so that people would know the origins, the small beginnings, so that they could stop it, when the beginnings were small. Didn’t we say, ‘Never again!’ Didn’t we say that? And so, I invoke that standard, precisely to prevent the repeat of history.”

Milton’s campaign has generated enthusiasm among the Republican district’s Democratic voters, many of whom are overcoming years of media lies about Lyndon LaRouche, and asking Milton about his ideas and policies. On Oct. 10, she swept through three Democratic Legislative District Caucuses. At one, the chairman asked her to explain how she became associated with LaRouche, beaming, after her explanation, “This would be the upset of the century. I’ve never been so excited with a political campaign in my life!” Even Democrats who remained hostile to LaRouche, grudgingly admitted that he and Milton are right about Shadegg’s fascist policies, and will vote for her.

The candidate’s supporters have been phoning Republican voters in the 4th Congressional District, finding many abandoning Shadegg precisely because of his allegiance to Gingrich’s “Contract on Americans.” One woman, from a family of physicians, told the campaign: “You don’t have to tell me about managed health care. My husband and I heard the ad about it. We’re terrified with what’s going on. We’re voting for María Elena.” An 85-year-old woman, after hearing Shadegg’s weak defense of himself on the radio, volunteered to distribute 200 of Milton’s pamphlets throughout her senior citizen complex.

Focus on drug legalization

The Arizona election has become a focus of international attention, in part because of the issue of drug legalization. The London *Sunday Telegraph*, owned by the Hollinger Corp. media empire, ran an article on Oct. 13, titled “Arizona Puts Stamp of Approval on Pot.” In 1983, a law was passed in the state, licensing marijuana dealers, who now receive a stamp with the word “cannabis” on it. They are required to pay a



Arizona’s Congressional candidate María Elena Milton. The LaRouche Democrat is running against incumbent John Shadegg, a standardbearer of Gingrich’s Contract on Americans.

\$10 tax for every ounce they sell. Now, on the state’s ballot in the November election, is a referendum to “decriminalize” the so-called medical uses of marijuana (a similar referendum is on California’s ballot), which is heavily funded by super-speculator George Soros, the leading funder of the pro-legalization Drug Policy Forum. The drug lobby has long used the excuse of legalizing marijuana for medical purposes (there are none) as an entrée to a free market in mind-altering substances. The referendum, Proposition 200, would also lift prison sentences for possession of marijuana, heroin, LSD, and cocaine, because imprisonment is “too costly.”

Where do Milton and Shadegg line up on these issues? Milton strongly opposes drug legalization, and her campaign pamphlet demands that George Bush be jailed as a drug kingpin for his role in arranging for the Nicaraguan Contras to pay for their weapons by selling crack cocaine to Los Angeles gangs.

As for Shadegg, although he officially denies that he supports drug legalization, yet he is the founder of the Goldwater Institute, which works closely with groups like the pro-legalization Cato Institute. Shadegg is also one of the half-dozen members of the Republican Liberty Caucus, which espouses the libertarian ideas of Milton Friedman, F.A. Hayek, and Ludwig von Mises. Friedman is among the leading conservative backers of drug legalization. In a 1995 interview with John McLaughlin’s “One on One” broadcast, Shadegg boasted that he was against seizing drug lords’ assets during his tenure as Arizona’s Special Assistant Attorney General from 1983-90—i.e., when the state had effectively, if quietly, decriminalized marijuana.

National News

Ridge crony wants death for 'corrupt' officials

Pennsylvania's Nazi Gov. Tom Ridge has nominated the former dean of the law school he attended, to fill a vacancy on the state Supreme Court. At a press conference with Ridge announcing his nomination, John A. Maher, the former head of the Dickinson Law School, told the media, "I have formed certain opinions which can be shocking." Prominent among them is his notion that the death penalty should be imposed in cases of political "corruption."

Asked to elaborate, Maher said: "I consider that, to the degree that the death penalty is ethically permissible, we in America tend to award it for the wrong crimes. I think the highest crime is the sale of office, and I am always offended as a citizen when I read about the sale of office being accompanied by a two-year probation."

The son of a commercial banker, Maher said he grew up in a home where "the virtues and vices of . . . state vs. federal supervision were standard dinner-table fare." Maher's first job was on Wall Street. Pennsylvania Democrats are fortunately blocking all of Ridge's appointments until after the Nov. 5 election.

Coverup for Bush drug ring is wearing thin

Speaking at a convention in Sacramento Oct. 12, California State Sen. Diane Watson (D) called for investigating the "criminal activities of former President George Bush" in unleashing the crack cocaine epidemic in the United States. Watson, who represents South Central Los Angeles, was speaking at the plenary session of the Black American Political Association of California.

"In 1981," Watson told the convention delegates, "George Bush was involved in putting together an intelligence operation. Bush set up an enterprise to defeat the Sandanistas. He set up covert operations, and Ollie North was involved. . . . Bush set up

a covert action in our government."

Referring to the people of her district, where the crack cocaine plague has been devastating, Watson said that "We have seen the fabric of our society destroyed." The result has been "a proliferation of black-on-black crime. This destruction came about because of the criminal activities of former President George Bush."

In a speech Oct. 9 at the National Press Club in Washington, former Congressman Bill Alexander (D-Ark.) said that he was "completely stonewalled" by the Reagan-Bush administration in his efforts to investigate drug-trafficking into Arkansas from Central America in the 1980s. Alexander also said that during the early years of the Bush administration, an order went out from the National Security Council to the heads of every federal agency, telling them not to cooperate with Rep. Alexander's investigation. "They were ordered not to cooperate," Alexander said, "So that told me I was on a good trail."

Alexander emphasized that the drug-and-arms trafficking passing through the Intermountain Regional Airport at Mena, Arkansas, was strictly a federal government operation. The most fruitful method of investigating what happened at Mena, he said, is to "follow the money trail." Arms were flown to Central America; then the planes were loaded with drugs and brought back to the U.S. for distribution. The drugs had to be sold, and thus there is a trail of money which can be followed, Alexander said.

ADM is hit with \$100 million fine

Archer Daniels Midland Co. announced Oct. 14 that it had agreed to plead guilty to federal criminal charges on two counts of price-fixing, in the sale of agricultural products. Under the agreement, which is subject to court approval, ADM will pay \$70 million to settle a charge of fixing prices for lysine, a feed additive for livestock; and \$30 million to settle a charge of fixing prices for citric acid, a food and beverage additive. The \$100 million fine will not have much impact on ADM, which has \$1.3 billion in cash and

short-term securities, plus \$1.1 billion in long-term securities.

A grand jury investigation targeting ADM officers, including Dwayne Andreas's son Michael, is still pending. Interestingly, the ADM announcement revealed that the price-fixing settlement resulted from negotiations between Justice Department officials and a special committee of seven independent ADM board members.

During a radio interview with "EIR Talks" Oct. 16, Lyndon LaRouche declared that "the guys who could have been hit hard, were let off by this plea agreement. More importantly, not only would an actual prosecution have gone up the chain—shall we say the food chain, the reverse food chain—to some big fish, but this would have gone into corruption, not only in the private sector of the food cartels; but, this would have gone into corruption in officials of the Agriculture Department itself. There are a lot of ex-farmers, among others, who would certainly *love* to see some of these thieves take a bounce on that one."

Neo-Confederates want breakup of United States

The Columbus Day edition of the *International Herald Tribune* featured a secessionist diatribe, calling for breaking up the United States into various "regional" and ethnic-based micro-states and mini-"republics." Authored by Thomas H. Naylor and William H. Willimon of Duke University, the piece is entitled "E Pluribus Plures: How to Divide Up the United States." Naylor, now a professor emeritus of economics at Duke, was a key figure, in the early to mid-1980s, in a project with the Austria-based International Institute of Applied Systems Analysis (IIASA), targeting the Soviet economy.

"Few words invoke stronger negative feelings among Americans than 'secession,'" the authors begin. "But in Eastern Europe, the former Soviet Union, and Quebec, secession is associated with freedom, democracy, and the aspirations of the oppressed—as was the case when the United States was founded in 1776," they lie.

Now they see the final extinction of Western nations: "With the collapse of communism in Eastern Europe and the former Soviet Union, secession fever has spread all over Europe. . . . And in this hemisphere, the Québécois seem more determined than ever before, to split with English-speaking Canada."

Parroting British plans for destroying the U.S., just as their Confederate heroes did, the authors ask: "What if secession fever were spread across the Atlantic, or over the Canadian border into the United States, where some say it originated in the first place?" The United States, they insist, is "an unworkable mega-nation that defies central management and control. The time has come to begin planning the rational downsizing of America."

Various "recommendations" follow, such as Vermont joining with New Hampshire and Maine, "and possibly the Maritime provinces of Canada," to form a country as big as Denmark. Big cities like New York and Los Angeles could break up or "become independent city-states." And for the truly psychotic devotees of the Old South, they propose carving a new "black nation" out of the "predominantly African-American counties in northwest Mississippi known as the Mississippi Delta," or carving "Native American nations" out of parts of Arizona, California, and Oklahoma, and so on, *ad nauseam*.

DOJ stops plan to privatize Jackson, Miss.

The U.S. Department of Justice (DOJ) has overturned an illegal and racist plan to privatize an 84-block area of downtown Jackson, Mississippi. The scheme would have placed public services and taxing authority under the control of a private corporation, Capital Center, Inc. (CCI); and would also have virtually "ethnically cleansed" the city of its black residents. The DOJ action came in response to pressure from a legal and political offensive led by Jackson civil rights advocates Charles Tisdale, publisher of the *Jackson Advocate*, and Stephanie Parker-Weaver, executive secretary of the

Southern Christian Leadership Conference in Jackson.

Tisdale and Parker-Weaver had called on the DOJ to act against CCI, which had held an illegal election to push through its privatization plan, and absconded with \$125,000 of the city's funds to carry it out. In a letter to Mississippi's Assistant Attorney General made public Oct. 2, the DOJ declared the election null and void, because it had not been pre-cleared with the Justice Department, as is required of Mississippi and 10 other states under the Voting Rights Act of 1965.

U.S. Rep. Bennie Thompson, who acted on behalf of the Jackson fighters, declared, "This means monies will have to be returned, and that a lawsuit against the city and county will effectively kill CCI as it presently exists." Thompson also suggested that individual members of CCI's board of directors may well be liable for damages.

AFL-CIO leaders begin pre-election swing

AFL-CIO President John Sweeney, Secretary-Treasurer Rich Trumka, and Executive Vice President Linda Chavez-Thompson announced Oct. 15 that they were beginning a three-week cross-country tour "as part of the AFL-CIO's stepped-up effort to raise issues of importance to working families and mobilize union members to get out the vote in the upcoming election."

Sweeney declared, "We have been speaking out for working Americans who are at the heart and soul of our country, and we're making sure that working family issues are front and center in this year's political debate."

Scheduled stops on the tour included an Oct. 15 rally at the Todd Pacific Shipyard in Seattle, Washington, and an Oct. 16 rally in Harrisburg, Pennsylvania, against Beverly Enterprises, the nation's largest nursing home provider. The Pennsylvania state AFL-CIO led a sit-in the previous week against Gov. Tom Ridge, for his failure to stop Beverly's anti-labor practices in the state.

Briefly

THE TEXAS STATE Employees Union asked Oct. 9 for an investigation of possible ethics violations by six former state officials, all friends of Gov. George Bush, now set to personally profit from a \$2 billion state welfare contract. A union spokesman pointed to "the growing pattern of high-ranking state officials who are leaving their positions, and going to work for corporations who are seeking billions of dollars worth of contracts for privatized public services in Texas."

LABOR ADS have begun blasting blueblood Gov. William Weld's scheme to privatize the Massachusetts bus system, by contracting out bus routes under competitive bidding, pitting unions against private firms. In the first radio spot Oct. 12, run by Carmen's Union Local 589, a voice asks, "Well, I've never seen Bill Weld waiting for a bus, have you?"

THE IRISH POTATO FAMINE of the 1840s was a case of British genocide, and should be included in the human rights curriculum endorsed by the U.S. Department of Education, says a bill filed in Congress by Rep. Bob Menendez (D-N.J.). Such a curricular requirement is already law in the states of New York and New Jersey, and is being considered in Pennsylvania and Illinois.

THE HISPANIC MARCH on Washington Oct. 12 drew 50-80,000 people, organizers conservatively estimated. The march was supported by more than 1,000 Hispanic organizations nationwide; and was endorsed by the Congressional Hispanic Caucus, the AFL-CIO, and the U.S. Catholic Conference.

MANAGED HEALTH CARE plans will soon cover "non-traditional" treatments, including acupuncture, herbal remedies, relaxation therapies, yoga, etc. "Quite often these things can be less expensive than traditional health care, especially if you can avoid hospitalizations," Randall Huyser, an HMO analyst in San Francisco, told AP Oct. 9.

Insist on development!

The often breathtaking pace at which prospects for peace between Israelis and Palestinians seem to be vanishing recently, after such a promising start in September 1993, might tempt one to throw up one's hands in despair, or to engage in a cuckold's orgy of finger-pointing, placing the entire blame on the government of Benjamin Netanyahu, or on Palestinian hotheads, according to one's prejudice. The efforts of U.S. special envoy Dennis Ross to follow up on President Clinton's emergency Netanyahu-Arafat summit with a meeting in Jericho, fell apart when the Israeli prime minister refused to meet with Arafat and Jordan's King Hussein; and now there is talk that Israel is going back on its promise to restore parts of the Golan Heights to Syria. Meanwhile, Palestinian Authority President Arafat has warned to prepare for the worst.

Over the past two decades, *EIR* has exposed the agents of British geopolitical influence in Israel and elsewhere in the region, who have done everything possible to sabotage the peace process. Not the least of these are Israel's so-called Infrastructure Minister Ariel Sharon, Henry Kissinger's longtime buddy, and Syria's President Hafez al-Assad. But, it would be a terrible mistake to use those evil machinations as an excuse to avoid facing the United States' own share of responsibility for what has occurred. For, as big as the sins committed have been, there are also actions that have *not* been taken—sins of omission, committed by leading individuals and governments, who *at any point* could have turned the situation around—and who still could rescue the situation today, if they so choose.

What was not done? As Lyndon LaRouche has emphasized ever since his first intervention into Middle East policy in 1975, the only truly common interest among Israelis and their neighbors, lies in the commitment to rapid and massive development of infrastructure—especially water and energy infrastructure—that would ensure the rapid rise of living standards for all. As LaRouche put it in an interview back in 1993, “The urgent thing here is that we must move with all speed to *immediately* get these economic development projects,

such as the canal from Gaza to the Dead Sea, going, because if we wait until we discuss this thing out, enemies of progress and enemies of the human race, such as Kissinger and his friends, will be successful . . . in intervening to drown this argeement in blood and chaos.”

This sense of urgency was embedded in the economic section of the Mideast accord protocol signed by Israeli Prime Minister Yitzhak Rabin and Yasser Arafat in 1993. LaRouche and his associates also found great receptivity for the Oasis Plan, which included the construction of strings of nuclear power plants along the proposed Mediterranean-Dead Sea and Dead-Red Sea canals, in order to create new rivers of desalinated fresh water. Israel's then-Foreign Minister Shimon Peres picked up on the idea, writing in his 1993 book, *The New Middle East*, that such nuclear installations would serve as “islands of international cooperation.”

But time passed, and the groundbreaking for such projects did not occur. Conferences continued to be held—first in Casablanca, then in Amman, and last year in Barcelona. But these conferences were increasingly dominated by the World Bank and the International Monetary Fund, which made it clear that such great projects were simply “not on the agenda.” Nuclear cooperation with Palestinians began to seem “unrealistic.” Rabin was assassinated.

But, now, ask yourself: What would have happened if the world's major powers, led by the United States, had intervened to *insist* that such great projects be undertaken? What if that were done today, or even a few days from now, following the U.S. Presidential elections? Unrealistic? Hardly. At least, it is what Franklin Delano Roosevelt would have done, were he with us today. Indeed, the United States, in concert with other world powers such as China, has the power to unleash the most massive development push in world history, if only it has the courage and fortitude to persevere against all obstacles thrown into its path by the jackals of history, the British-based oligarchy and their geopolitical gamemasters. Now is the time for it to use that power.

SEE LAROUCHE ON CABLE TV

All programs are *The LaRouche Connection* unless otherwise noted.

ALASKA

- ANCHORAGE—ACTV Ch. 44
Wednesdays—9 p.m.

ARIZONA

- PHOENIX—Dimension Ch. 22
Sundays—1 p.m.

CALIFORNIA

- E. SAN FERNANDO—Ch. 25
Saturdays—8:30 p.m.
- LANC./PALMDALE—Ch. 3
Sundays—1:30 p.m.
- MARIN COUNTY—Ch. 31
Tuesdays—5 p.m.
- MODESTO—Access Ch. 5
Fridays—3 p.m.
- ORANGE COUNTY—Ch. 3
Fridays—evening
- PASADENA—Ch. 56
Tuesdays—2 & 6 p.m.
- SACRAMENTO—Ch. 18
2nd & 4th Weds.—10 p.m.
- SAN DIEGO—Cox Cable
North County—Ch. 15
Wednesdays—4:30 p.m.
Greater San Diego—Ch. 24
Wednesdays—4:30 p.m.
- SAN FRANCISCO—Ch. 53
Fridays—6:30 p.m.
- SANTA ANA—Ch. 53
Tuesdays—6:30 p.m.
- STA. CLARITA/TUJUNGA
King VideoCable—Ch. 20
Wednesdays—7:30 p.m.
- W. SAN FERNANDO—Ch. 27
Wednesdays—6:30 p.m.

COLORADO

- DENVER—DCTV Ch. 57
Saturdays—1 p.m.

CONNECTICUT

- BETHEL/DANBURY/RIDGEFIELD
Comcast—Ch. 23
Wednesdays—10 p.m.
- BRANFORD—TCI Ch. 21
Weds., 10 a.m. & 7:30 p.m.
- NEWTOWN/NEW MILFORD
Charter—Ch. 21
Thursdays—9:30 p.m.

DISTRICT OF COLUMBIA

- WASHINGTON—DCTV Ch. 25
Sundays—12 Noon

IDAHO

- MOSCOW—Ch. 37
(Check Readerboard)

ILLINOIS

- CHICAGO—CAN Ch. 21
Schiller Hotline-21; Fri.—5 p.m.

INDIANA

- SOUTH BEND—Ch. 31
Thursdays—10 p.m.

KANSAS

- SALINA—CATV Ch. 6
Change History in 6 Weeks
Tues., Oct. 29—8 p.m.
Weds., Oct. 30—6 p.m.
Thurs., Oct. 31—4 p.m.

KENTUCKY

- LOUISVILLE—TKR Ch. 18
Wednesdays—5 p.m.

LOUISIANA

- NEW ORLEANS—Cox Ch. 8
Mondays—11 p.m.

MARYLAND

- BALTIMORE—BCAC Ch. 42
Mondays—9 p.m.
- BALTIMORE COUNTY—Ch. 2
2nd Tues., monthly—9 p.m.
- MONTGOMERY—MCTV Ch. 49
Weds.—1 pm; Fri.—8:30 pm
- P.G. COUNTY—Ch. 15
Thursdays—9:30 p.m.
- W. HOWARD COUNTY—Ch. 6
Daily—10:30 a.m. & 4:30 p.m.

MASSACHUSETTS

- BOSTON—BNN Ch. 3
Saturdays—12 Noon

MICHIGAN

- TRENTON—TCI Ch. 44
Wednesdays—2:30 p.m.

MINNESOTA

- EDEN PRAIRIE—Ch. 33
Weds.—5:30 pm; Sun.—3:30 pm
- MINNEAPOLIS—MTN Ch. 32
Fridays—7:30 p.m.
- MINNEAPOLIS (NW Suburbs)
Northwest Comm. TV—Ch. 33
Mon.—7 pm; Tues.—7 am & 2 pm
- ST. LOUIS PARK—Ch. 33
Friday through Monday
3 p.m., 11 p.m., 7 a.m.
- ST. PAUL—Ch. 33; Mon.—8 p.m.
- ST. PAUL (NE Suburbs)
Suburban Community—Ch. 15
Wednesdays—12 Midnight

MISSOURI

- ST. LOUIS—Ch. 22; Wed.—5 p.m.

NEW JERSEY

- STATEWIDE—CTN.
Sundays—5:30 a.m.

NEW YORK

- ALBANY—Ch. 18; Tues.—5 p.m.

- BRONX—BronxNet Ch. 70
Saturdays—6 p.m.

- BROOKHAVEN (E. Suffolk)
TCI—Ch. 1 or Ch. 99
Wednesdays—5 p.m.

BROOKLYN

- Cablevision (BCAT)—Ch. 67
Time-Warner B/Q—Ch. 34
(call station for times)

- BUFFALO—BCAM Ch. 18
Tuesdays—11 p.m.

- HUDSON VALLEY—Ch. 6
2nd Sun. monthly—1:30 p.m.

- ILION—T/W Ch. 10
Fridays—3 p.m. & 9 p.m.

- ITHACA—Pegasys—Ch. 57
Mon. & Thurs.—8:05 p.m.
Saturdays—4:35 p.m.

- JOHNSTOWN—Empire Ch. 7
Tuesdays—4 p.m.

- MANHATTAN—MNN Ch. 34
Sun., Oct. 27—9 a.m.

- Sun., Nov. 10 & 24—9 a.m.
Sun., Dec. 8 & 22—9 a.m.

- MONTVALE/MAHWAH—Ch. 14
Wednesdays—5:30 p.m.

- NASSAU—Ch. 25
Last Fri., monthly—4:00 p.m.

- OSSINING—Continental
Southern Westchester Ch. 19
Rockland County Ch. 26
1st & 3rd Sundays—4 p.m.

- POUGHKEEPSIE—Ch. 28
1st & 2nd Fridays—4 p.m.

- QUEENS—QPTV Ch. 57
Wednesdays—10 p.m.

- RIVERHEAD
Peconic Bay TV—Ch. 27
Thursdays—12 Midnight
1st & 2nd Fridays—4 p.m.

- ROCHESTER—GRC Ch. 15
Fri.—11 p.m.; Sun.—11 a.m.

- ROCKLAND—PA Ch. 27
Wednesdays—5:30 p.m.

- SCHENECTADY—PA Ch. 11
Mondays—10 p.m.

- STATEN ISL.—CTV Ch. 24
Wed.—11 p.m.; Thu.—4:30 a.m.
Saturdays—8 a.m.

- SUFFOLK, L.I.—Ch. 25
2nd & 4th Mondays—10 p.m.

- SYRACUSE—Adelphia Ch. 3
Fridays—4 p.m.

- SYRACUSE (Suburbs)
Time-Warner Cable—Ch. 12
Saturdays—9 p.m.

- UTICA—Harron Ch. 3
Thursdays—6:30 p.m.

- WEBSTER—GRC Ch. 12
Wednesdays—9:30 p.m.

- YONKERS—Ch. 37; Fri.—4 p.m.

- YORKTOWN—Ch. 34
Thursdays—3 p.m.

OREGON

- PORTLAND—Access
Tuesdays—6 p.m. (Ch. 27)
Thursdays—3 p.m. (Ch. 33)

TEXAS

- AUSTIN—ACTV Ch. 10 & 16
(call station for times)

- DALLAS—Access Ch. 23-B
Sun.—8 p.m.; Thurs.—9 p.m.

- EL PASO—Paragon Ch. 15
Thursdays—10:30 p.m.

- HOUSTON—Access Houston
Mondays—5 p.m.

VIRGINIA

- ARLINGTON—ACT Ch. 33
Sun.—1 pm; Mon.—6:30 pm
Tuesdays—12 Midnight
Wednesdays—12 Noon

- CHESTERFIELD COUNTY—
Comcast—Ch. 6; Tues.—5 p.m.

- FAIRFAX—FCAC Ch. 10
Tuesdays—12 Noon
Thurs.—7 p.m.; Sat.—10 a.m.

- LOUDOUN COUNTY—Ch. 59
Thursdays—10:30 a.m.;
12:30 p.m.; 2:30 p.m.;
4:30 p.m.; 7:30 p.m.;
10:30 p.m.

- MANASSAS—Jones Ch. 64
Saturdays—6 p.m.

- RICHMOND—Conti Ch. 38
(call station for times)

- ROANOKE—Cox Ch. 9
Wednesdays—2 p.m.

- WOODBRIDGE—Ch. 3
Saturdays—6 p.m.

- YORKTOWN—Conti Ch. 38
Mondays—4 p.m.

WASHINGTON

- KING COUNTY—TCI Ch. 19
(call station for times)

- SNOHOMISH COUNTY
Viacom Cable—Ch. 29
(call station for times)

- SPOKANE—Cox Ch. 25
Tuesdays—6 p.m.

- TRI-CITIES—TCI Ch. 13
Mon.—12 Noon; Weds.—6 pm
Thursdays—8:30 pm

WISCONSIN

- WAUSAU—Ch. 10
(call station for times)

If you would like to get *The LaRouche Connection* on your local cable TV station, please call Charles Notley at 703-777-9451, Ext. 322.
For more information, visit our Internet HomePage at <http://www.axsamer.org/~larouche>

Executive Intelligence Review

U.S., Canada and Mexico only

- 1 year **\$396**
- 6 months **\$225**
- 3 months **\$125**

Foreign Rates

- 1 year **\$490**
- 6 months **\$265**
- 3 months **\$145**

I would like to subscribe to
Executive Intelligence Review for

- 1 year 6 months 3 months

I enclose \$_____ check or money order
Please charge my MasterCard Visa

Card No. _____ Exp. date _____

Signature _____

Name _____

Company _____

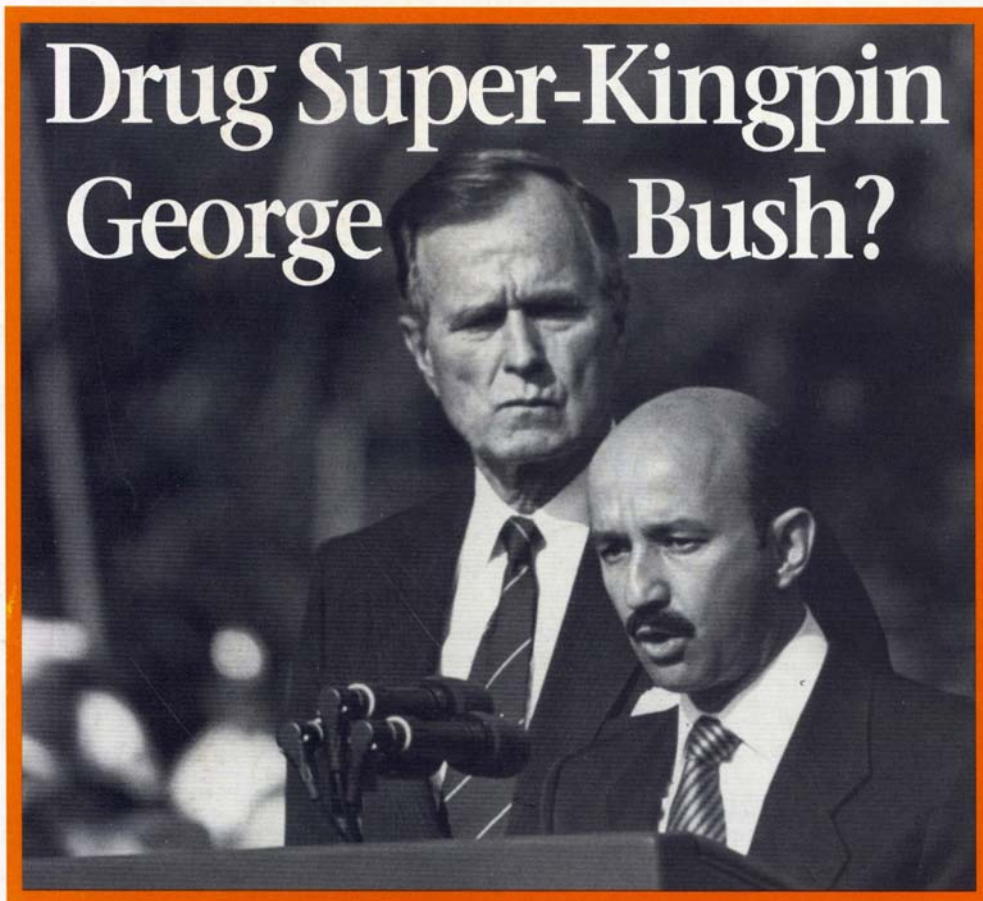
Phone () _____

Address _____

City _____ State _____ Zip _____

Make checks payable to EIR News Service Inc.,
P.O. Box 17390, Washington, D.C. 20041-0390.

Would A President Bob Dole Prosecute



This *EIR* Special Report documents the crucial issue of the 1996 U.S.A. general election campaign: the ongoing war between U.S. President Bill Clinton and the Queen's Own Republican Party of 1980s drug super-kingpin George Bush.

116 pages **\$100**
Order #EIR 96-003

Order from:

EIR News Service P.O. Box 17390 Washington, D.C. 20041-0390

Chapter 1.
Drug Kingpin George Bush
The Contra "crack" connection.

Chapter 2.
George Bush: The Cop Who Committed the Crime
Vice-President George Bush's special titles (Drug Czar and Special Operations Czar of the 1980s). The Bush-League of the 1980s: Don Gregg, Oliver North, Ted Schackley, Richard Secord, Felix Rodriguez.

Chapter 3.
Under the Joint Chiefs of Staff: The 'Focal Point'
Is there life on the "Asteroids"? Privatizing the Secret Government." Bush and the LaRouche case. Buggy Bush, Dirty Ollie, and the case of Michael Billington. Ollie's not-so-secret Channel to the drug-runners.

Chapter 4.
The Truth About Mena, Arkansas . . . and beyond
The intermountain airport, and its uses. Barry Seale, and the Tale of the two Ollies. Who really killed DEA agent Camarena?

Chapter 5.
The Defense Department Makes a Deal With Drug Lords
LaRouche and "Operation Guatusa." How Bush's war against General Noreiga turned Panama over to the Cali cocaine cartel. The case of Mexico.

Chapter 6.
What Was the Cover-Up in Pan Am 103?

Chapter 7.
Terrorism Against President Clinton's U.S.A.

Chapter 8.
The International Terrorist Threat to the U.S.A. Today

Chapter 9.
A 'Kingpin' Indictment of George Bush et al.