

National News

New U.S. law scrutinizes global money-laundering

A new federal law went into effect Jan. 1, requiring banks to identify the source and the destination of all wire transfers which pass through the United States. The measure affects virtually *all* international dollar transfers, since U.S.-based correspondent banks clear about 99% of such transactions, according to John Moscow of the Manhattan District Attorney's Office. U.S. courts will thus have jurisdiction over any transfer of \$10,000 or more, even between two other nations.

According to Bangkok's *Asia Times* of Jan. 31, the "gung-ho enforcement of U.S. anti-money-laundering laws has been snaring record numbers of criminals inside the U.S. In 1995, 1,688 people were charged under its money-laundering law, compared with 364 in 1991. As the fight goes international, the tough U.S. stance will be strongly felt in certain Asian and other countries."

Most Asian nations have no money-laundering laws. Where they do, the statutes are rarely enforced. Hongkong's law, enacted in 1989, has resulted in only *one* conviction. Singapore has just passed a law, but it applies only in cases where it can be proven the funds come from drug-trafficking.

Departing CEA chairman airs economic fantasies

Joseph Stiglitz, outgoing chairman of President Clinton's Council of Economic Advisers, presented the 1997 Economic Report of the President, at a Feb. 10 luncheon held at the Center for National Policy. It was his last official act before moving to a position at the World Bank.

The fantasies currently passing for official policy were summarized in the report's opening line: "The American economy today is the healthiest it has been in three decades." Retailing the meaningless claim that 11 million new jobs have been created since 1992, the report alleges that "the new jobs

are mostly good jobs: two-thirds of recent employment growth has been in industry/occupation groups paying wages above the median."

Other cited "achievements" of the first Clinton administration include reducing the federal budget deficit, and increasing exports by 7% per year. This supposed expansion is "one of the strongest in recent memory." Stiglitz also claimed that the benefits of this growth are being shared across all wage levels, resulting in lower poverty rates among the elderly and the black populations.

The report also turns the General Welfare clause of the Constitution on its head: "The criterion for government involvement in any activity should not be how essential that activity is to the economy, or how many jobs it generates, or how much it contributes to the trade balance." Instead, "The proper question, in circumstances where a choice exists between government and the markets, is whether any reason exists *not* to rely on markets. Is there, in the language of the economists, a market failure?"

Another entire chapter is devoted to the "complementarity" between markets and the government in such areas as telecommunications; bringing competition to regulated industries such as electricity; and "emissions-trading" as a means of dealing with air pollution, natural resources, and farm policy.

Califano blasts 'medical use of marijuana' fraud

Joseph Califano, former secretary of Health, Education and Welfare, and current head of the National Center on Addiction and Substance Abuse, has issued a scathing attack against George Soros's latest scam—the legalization of "medical marijuana" as a foot in the door for wholesale narcotics legalization.

In a Feb. 17 commentary in the *Washington Post*, entitled "Medical Marijuana and the Lesson of Laetrile," Califano draws a parallel with the laetrile craze in the 1970s—which led 27 states to legalize prescribing laetrile as a treatment for cancer, before any medical tests had been conducted. When competent studies were eventually con-

ducted, laetrile was proven to be totally useless in treating cancer, and the craze ended. "With the fervor of those who believed in laetrile," Califano notes, "proponents of the medical use of marijuana claim it relieves nausea and sparks appetite in cancer and AIDS patients, and that it eases the pain of muscle spasms and glaucoma."

The National Institutes of Health and the Food and Drug Administration are currently evaluating the pot lobby's claims. But, Califano warns, "that's not fast enough for some, including the editor of the *New England Journal of Medicine* and several doctors, who urge that traditional procedures to determine efficacy and safety be bypassed and marijuana be made available immediately to seriously ill patients who want it. Drug legalization advocates are stepping up their pressure on states to legalize medical marijuana, much as 27 states did with laetrile in the 1970s."

Califano argues that there is even greater reason to take caution in the case of marijuana, than in the case of laetrile—since marijuana use is growing among teenagers, and marijuana use increases tenfold the likelihood that a teen will go on to use other dangerous drugs. He underscores the already *known* destructive effects of marijuana: "Smoking marijuana can savage short-term memory, impair ability to maintain attention and motor skills, and inhibit emotional, intellectual and physical development—when teens are learning in school and experiencing rapid development."

N.Y. hospitals get paid to train fewer doctors

The federal government will pay New York hospitals \$400 million over the next six years, to *reduce* the number of medical interns and residents they train. According to the Feb. 10 *New York Times*, the U.S. Department of Health and Human Services (HHS) adopted the policy to deal with the "oversupply" of doctors, which is resulting in "unnecessary tests and procedures," and "driving up medical costs." The murderous scheme was reportedly proposed by the Greater New York Hospital Association, and backed by New York's U.S. senators,

Alfonse D'Amato (R) and Daniel Moynihan (D).

Forty-one hospitals in New York State have already signed up for the plan, which is expected to reduce the number of doctors trained by 20-25%. New York currently trains 15% of the nation's doctors. The federal government finances much of the training through Medicare. Under the new plan, the Health Care Finance Administration of HHS, which normally pays hospitals up to \$100,000 for each doctor trained, will continue to pay the hospitals as they phase out the doctor training.

Health maintenance organizations (HMOs) played a major role in pushing the policy through. The *Times* cites a former president of New York City's Health and Hospitals Corporation, who claims that "as companies were insisting on shorter hospital stays and reducing the number of hospital procedures, many medical centers no longer had enough patients to train all the residents they employ." The HMOs have also been pressing hospitals to rely less on residents.

Judge approves testing rifle in M.L. King case

A Criminal Court judge in Memphis, has recommended that tests be conducted to compare the bullet which killed Martin Luther King, Jr., with the rifle on which the fingerprints of alleged assassin James Earl Ray were found. The judge's decision, issued Feb. 20, must be reviewed by the Tennessee Court of Appeals before it is final.

Ray's lawyer, William Pepper, whose years of research have built a convincing case that Ray is innocent of the murder to which he confessed, after being threatened with the death penalty, argued before the court that a "scanning electron microscope"—not available in the 1960s and '70s—will definitively show that the bullet that killed King could not have come from Ray's gun. Pepper asked the court to order the tests, as a step toward obtaining a trial for James Earl Ray, who is in failing health and may die within a few months, without a liver transplant.

At the hearing, King's widow Coretta Scott King, and his son Dexter, both asked

the court to grant Ray's motion. Coretta King noted that her husband's life was dedicated to the cause of civil rights, and that Ray, who has long since recanted his confession, has the right to have his case heard.

At a press conference in Atlanta, Georgia, Feb. 13, Dexter King declared, "Not allowing justice to run its course in the case would compound the tragedy. . . . I think that, by having the trial, a lot of information will be shared that will not only vindicate Mr. Ray but point to others." The campaign to bring Ray's case to trial was initiated by the Rev. James Bevel, Dr. King's direct action coordinator, who was at the Loraine Motel on April 4, 1968, when King was shot.

The judge, apparently out of respect for the notion of "victims' rights," permitted the members of King's family to participate in the hearing, despite the opposition of the state prosecutor, and the fact that they had never previously appeared before the court.

U.S. Senator inspects German maglev technology

Sen. John H. Chafee (R-R.I.), chairman of the Senate Committee on Environment and Public Works, met on Feb. 17 with senior representatives of Thyssen Industries, the German producer of the magnetic levitation (maglev) train system, and also took a ride on the experimental Transrapid maglev installation in England. Chafee presides over a special Senate commission which is to formulate legislation for the future development of transportation infrastructure in the United States.

The legislation is to be presented this autumn, and voted on next spring. While there are no definite decisions yet, a source at Thyssen told *EIR* that several U.S. maglev projects are under consideration, including an East Coast route from Baltimore to Washington, D.C.; and a West Coast route from Los Angeles to San Francisco, later to be extended to San Diego and Sacramento. The new Chafee legislative package would replace one passed in 1991, which had already pointed to maglev train systems as desirable options for the future transportation grid of the United States, the Thyssen source said.

ROBERT REICH, President William Clinton's former labor secretary, told the Senate Budget Committee on Feb. 12, that government investments are "directly related to the productive capacity of the country in the future. . . . That's why governments from the dawn of time have been worried about transportation systems. That's why . . . we pioneered, more than any other industrialized country in history, public investments in education . . . [and] public investments in science and technology, particularly basic research and development."

RICHMOND, Virginia's City Council voted unanimously Feb. 10 to support an "investigation of the role of the CIA and other agencies in allegedly financing covert operation through the sale of drugs in neighborhoods throughout Los Angeles to finance Iran-Contra operations." Earlier, the St. Louis City Council passed a similar measure naming George Bush among the targets for investigation.

THE FARM JOURNAL slanders Lyndon LaRouche, in its February issue, wailing that the successful opposition to the Biodiversity Treaty was "inflamed" by a document "written by Roger Maduro, an associate of the conspiracy theorist Lyndon LaRouche. LaRouche is the man who believes Queen Elizabeth of Britain is involved in the drug trade." The *Journal* is owned by the Tribune Broadcasting Co., which also owns the *Chicago Tribune*.

SEN. JOHN GLENN, Ohio's senior senator, has announced that he will not seek a fifth term next year, leaving this coveted Democratic seat up for grabs.

THE FBI'S crime laboratory is again under scrutiny for sloppy handling of evidence. The Justice Department has informed 50 prosecutors nationwide that their cases could be affected by the problem.