

National News

Citibank, Gramm rush to defend derivatives

Citibank and Texas Sen. Phil Gramm (R) are throwing up blockades to rules that would require corporations to disclose their exposure to derivatives. The Financial Accounting Standards Board (FASB), the committee of accountants which writes the rules for U.S. corporate financial statements, has been trying for five years to agree on rules that would make corporations disclose their exposure to off-balance-sheet derivatives, in their financial statements. But, because of powerful opposition from some corporations and Washington bigwigs, the FASB will be unable to meet its June 30 deadline, and will not be able to announce new rules until October at the earliest. Opposition has already watered down the rules initially proposed.

Citibank comptroller Roger Trupin said in a letter to FASB chairman Dennis Beresford, "It is clear that the board's approach is not what the marketplace wants or needs, and the FASB is unable to demonstrate otherwise." Senator Gramm, a former economics professor whose wife, Wendy, is the former chairman of the Commodities Futures and Trade Commission, wrote to Beresford saying, "The FASB would be making a mistake with serious consequences for the financial markets." Rep. John Dingell (D-Mich.) wrote to Treasury Secretary Robert Rubin, asking whether there really is a "need for improved derivatives accounting and disclosure," despite an earlier General Accounting Office study arguing for such changes.

New Bretton Woods call hits Capitol Hill

The Appeal to President Clinton to Convoke a New Bretton Woods Conference, which has been circulating internationally since late February, was printed as an advertisement in the Capitol Hill semi-weekly newspaper *Roll Call* on May 15. The paper satu-

rates the government, with 11,000 copies of its 15,000 copies circulated in Congress.

Only a representative sampling of the call's signers could be included in the full-page ad, which was sponsored by the Schiller Institute. The appeal, initiated by Schiller Institute founder Helga Zepp LaRouche and Ukrainian parliamentarian Natalya Vitrenko, has been endorsed by hundreds of world leaders, including two former Presidents, nine former U.S. congressmen, and representatives from 37 state legislatures. The appeal was published in *EIR* on April 18.

Many civil rights, labor, and religious leaders have also signed the appeal, which calls for reorganizing the world financial system, in order to restart trade and production worldwide; endorsing the Eurasian Land-Bridge, as a key project in generating a worldwide economic recovery; and re-adopting the Machine-Tool Principle of scientific and technological progress.

During President Clinton's recent tour of Central America and the Caribbean, he was greeted by editorials and columns in leading newspapers in Mexico and Barbados, calling on him to convene the New Bretton Woods conference. The advertisement was also published in two Mexican newspapers.

Labor mobilizes for infrastructure bill

Labor leaders from around the country are mobilizing in support of H.R. 950, the "Jobs Creation and Infrastructure Restoration Act of 1997," which was introduced into the 105th Congress on March 5 by Rep. Matthew Martinez, a Democrat from California. The bill now has 46 co-sponsors, and has picked up the endorsement of the Los Angeles City Council.

Martinez's bill would authorize \$250 billion for jobs and restoring infrastructure, including emergency grants to local governments of \$25 billion over three years for construction, repair, and renovation of public works projects; and \$225 billion over five years for jobs in community improvement projects, including schools, housing, hospi-

tals, parks, bridges, highways and transportation facilities, and environmental improvements.

Under the bill, the hundreds of thousands of jobs created would be mandated to pay union-scale wages, and would also feature apprentice training programs.

In its motivational section, the bill underscores the importance of maintaining and building infrastructure, for the health of the economy, and notes the decline in investment in infrastructure over the past three decades. A proposal on this scale has not been seen in recent years, outside those made by leading Democratic Party figure and economist Lyndon LaRouche.

LaRouche invokes FDR model for current crisis

We must learn from the achievements of President Franklin Delano Roosevelt, and ensure that President Clinton acts with FDR's "passion for the Good," Lyndon LaRouche told a May 10 FDR-PAC policy forum in Washington, D.C. LaRouche was speaking on "The Significance of Franklin Roosevelt for Today," on a panel with historian Anton Chaitkin, who reviewed the activity of the 19th-century American nationalist party formation around Henry Carey, as the precursor for the fight which has to be taken up today.

"What is the problem we face which puts every other issue of life into the shadow?" LaRouche asked. "Now, this President of ours, Bill Clinton, who will within his term of office in the coming months, or perhaps not much longer, while he is still President, if he's not shot, will have to make certain decisions upon which the fate of all humanity depends. If he can approach those questions the way that Roosevelt expressed his commitment in that first Inaugural Address, and the way that Roosevelt carried out that pledged commitment, at a number of points in his career as President, then we shall survive. If President Clinton is not capable of doing that, then this civilization has run out of the options to survive."

LaRouche then reviewed his Triple Curve Function, which describes the con-

junctural crisis economically, and summarized the solutions at hand, with the Great Project of the Eurasian Land-Bridge, which has been taken up by the Chinese government. If we don't ensure that President Clinton takes these actions, he argued, then the entire world will descend into the hell we now see in Zaire, Rwanda, Burundi, and the like.

Chaitkin's presentation concentrated on the 1876 Philadelphia Centennial celebration and World's Fair, which played an important role in permitting the U.S. republican leadership to advance a worldwide agenda for anti-British economic development. (See *EIR*, May 2, 1997, for a full report.)

Ask 'food for peace' deal with North Korea

The Woodrow Wilson School's Dr. Selig Harrison, who has often traveled to North Korea on behalf of President Clinton, wrote in the May 14 *International Herald Tribune* that the United States should sign a "Food for Peace Deal" with North Korea. The United States, Japan, and South Korea should immediately "provide the North with 3 million tons of grain, in exchange for significant pullbacks of North Korean offensive weaponry now deployed" outside of Seoul.

The choice of his title, "Food for Peace," echoes that which Lyndon LaRouche famously offered the Soviet bloc in his October 1988 Bristol Kempinski Hotel address in Berlin, when the Warsaw Pact was on the edge of collapse.

"The Clinton administration should urgently seize the opportunity," Harrison wrote, "before an uncontrollable cycle of hunger and political unrest in the North triggers a large-scale refugee exodus, 'boat people' attempting to enter Japan, and possible North-South military clashes that could embroil American forces."

Harrison, who has, in the past, carried proposals from Pyongyang, such as the one to provide North Korea with safe nuclear power reactors, stated that he "was told" by contacts in Pyongyang, that North Korea is now, in fact, prepared to pull back "large

numbers of forward-deployed" troops and weapons from the demilitarized zone, which is only 30 miles from Seoul, "to overcome U.S., South Korean, and Japanese reluctance to large-scale food aid." North Korea, he reports, is suggesting a concrete schedule of delivery of 1.5 million tons of food during 1997 and another 1.5 million in 1998.

Susan McDougal: 'I just want to tell the truth'

Interviewed from jail by NBC-TV's Tim Russert for the "Meet the Press" program of May 11, witness Susan McDougal said that she had talked to Whitewater special prosecutor Kenneth Starr's office several times and asked them to let her tell what she knew.

"Their response to me was to give them a proffer," McDougal said. "And the proffer, so they tell me, is something on the people they are investigating. In this case, it was the Clintons. They wanted me to tell them something, and I told them early in this investigation that I knew nothing that the Clintons had done that was against the law, so I could not give them a proffer. It would have to be a lie. And, as the negotiations progressed and we talked further, it was clear to me that they wanted me to lie and give them something that was not the truth."

When Russert asked McDougal if she would be willing to go before Congress or a court of law and, under oath, answer questions about the President and Mrs. Clinton, she answered: "I am so much more than willing. I would be so happy, if I could ever be questioned under oath in an open forum in a place where I could tell the truth and just tell everything I know. I would be so glad. It has never been a problem with telling the truth."

When Russert asked if she would stay in jail forever, rather than testify before the Starr grand jury, McDougal responded: "I will not ever give information to this investigation, never. I have invested a lot of my life for what I believe about this, and my family's pain and suffering through this, and I am not about to quit now. I am more determined today, than I have ever been before."

Briefly

THE TERRORISM and Violent Crimes Section of the U.S. Department of Justice Criminal Division is actively investigating Osama Bin Laden, the British-sponsored Saudi terrorist financier, for his threatened actions against U.S. military personnel in Saudi Arabia. "Any action that can be taken is being taken," said a spokesman for the department, in response to a query from *EIR* on May 15.

REP. JOHN MICA (R-Fla.), in a speech reported in the May 8 *Congressional Record*, likened the holocaust ongoing in Zaire to that carried out against the Jews. "In Africa, those responsible for murder, genocide, and slaughter must be brought to justice. This Congress, our Nation, and the United Nations should not rest while this slaughter in Africa continues. If not, the words of yesterday's Holocaust remembrance will ... have a hollow ring," he said.

GEN. JOHN SHALIKASHVILI, the chairman of the U.S. Joint Chiefs of Staff, spoke to China's Defense University on May 13, and underscored the Clinton administration's support for China's development. "China is a Great Power, and it is rapidly becoming a Greater Power. And believe me, we see your development, as being in our interest," he said.

THE DEMAND to investigate George Bush, for his role in dealing with drugs, diamonds, and death, is alive and well in Mississippi. A meeting in Jackson on May 4 featured calls for exposing Bush's role in activities at Hawkins Field, the old Jackson municipal airport.

A SIGNED EDITORIAL in the *San Jose Mercury News*, by Executive Editor Jerry Ceppos, in which he claims the series on CIA involvement in running crack cocaine into Los Angeles "fell short," has led to a new round of controversy over who ran the dope.