

did not intend to drop their opposition to new, deep budget and jobs cuts in the public sector, in daycare centers, in other sectors of the Berlin economy. Gysi's remarks that the Berlin Senate would welcome "temporary" wage cuts, as an alleged "alternative" to job cuts, have made labor unionists particularly angry.

On Jan. 22, the joint initiative of university staffs, students, labor unions, and concerned citizens to save the Benjamin Franklin Clinic announced that within only two weeks, they had gathered 100,000 signatures—far more than the 25,000 that are constitutionally required to have, to initiate a Berlin-wide referendum. The jobs of 800 medical specialists, about 4,000 medical students, and 2,500 employees and workers at the clinic itself are threatened by the Senate's plan to downsize Berlin's hospitals.

Cutting Senate funds to the Franklin Clinic's university-

related functions, and reducing it to the status of an urban district hospital, would only be a prelude to the final shutdown, in the not distant future. The same fate struck the renowned Moabit Clinic a year ago, a crucial hospital serving the central district of Berlin, which was put on a black list of "facilities to be abandoned" for budget reasons. The Moabit shutdown was rubber-stamped by the previous coalition of Social Democrats with Christian Democrats, which governed Berlin before Mayor Wowereit overthrew it by a no-confidence vote on June 16, 2001. Acting as chairman of the SPD group in the Berlin parliament, Wowereit fully backed the decision then, and he is as much committed to continue the policy today.

Faced with the 100,000 signatures to keep the Benjamin Franklin Clinic open, Wowereit conceded that there might be "alternatives" to the planned budget cuts. But his statements

Zepp-LaRouche Says: Face The Global Crisis

This challenge for a national debate of the German Federal Chancellor candidates, was issued on Jan. 21.

Chancellor Schroeder, Candidate Stoiber: I challenge you to debate me! The axioms on which both of you have based your electoral strategies, will be completely swept away by reality, within a few months. . . . To be fair, I should add that you are not the only ones to blame for arguing on the basis of wrong premises. Unfortunately, the governments and leading parties of all G-7 states and many other countries have so far demonstrated their inability to find an answer to existential strategic problems.

1. The global financial system, which is associated with the International Monetary Fund (IMF), the World Bank, and the World Trade Organization (WTO), is in the terminal phase of a systemic collapse. The list of countries, where the IMF's policy has utterly failed, is growing daily: Argentina faces ungovernability; in Japan, a banking crash could happen tomorrow, the country has been in a depression for a long time. . . .

2. Do you both really believe, that the situation is workable, when the policy of "globalization" is dramatically broadening the gap between rich and poor in the world? Is there a future for a system which aims to have relatively good living conditions for a "Golden Billion," while the rest of humanity goes under? And what is your answer, Mr. Stoiber, to the dramatic appeal of Munich Archbishop Wetter, who said, in his year-end sermon: "It is high time to act. Should the tensions between rich

and poor explode into a storm of violence one day, we will not recognize our earth again."

3. What do you have to say about the fact, which is now being publicly discussed, even by established politicians (Andreas von Bülow, et al.), that the events of Sept. 11 were not the deeds of Osama bin Laden, but of military and intelligence circles in the U.S.A.? How can you not realize that, in the United States, a group of followers of a utopian military concept is fighting for hegemony, when articles appear, even in the *New York Times*, which openly propagate an American world empire? . . .

4. What is your position in respect to the real alternative of the Eurasian Land-Bridge, which I have proposed for ten years, as a means of overcoming the economic crisis? Since then, this proposal has become more than a mere idea; many nations, such as China, India, Russia, South Korea, Malaysia, and others, have taken up concrete projects of infrastructure integration. In early December, South Korean President Kim Dae-jung spoke in front of the European Parliament in Strasbourg, appealing to Europe, to collaborate with Asia in building the "New Iron Silk Road." Russian President Vladimir Putin and Kim Dae-jung have passed a "Moscow Declaration" to this end. Are you ready for this collaboration?

All these questions are relevant for Germany's existence and future. Therefore, I challenge you both to discuss them, in a public debate. Not in a debate which is orchestrated and manipulated, American-style, by the media, but in a real debate about ideas.

For this reason, I also challenge you, to debate, with me, the moral principles and lawfulness, which must be the foundation of a way out of the crisis. I am convinced that only a government solely committed to the General Welfare is legitimate.

—Helga Zepp-LaRouche, Jan. 17, 2002

sounded all the less credible, when Deputy Mayor Gysi declared in a radio interview on Jan. 23, that “Berlin cannot afford more than one university clinic,” and that the other one, the renowned Charité, would be the one to survive. Taking into account the scope of investments that urgently have to be made in the Charité, after decades of non-investment in crucial departments, even its survival is not secured, as long as budget-cutters run Berlin.

Budget Cuts Increasing the Deficit

The insanity of budget cuts, as an ostensible means of reducing fiscal problems, were exposed, on Jan. 15, in an interview on Inforadio station, with Dietrich Vesper, of the Berlin DIW econometric institute. Vesper said the budget-balancing approach was extremely shortsighted, as the fundamentals of the Berlin economy were totally neglected by the Berlin Senate’s politicians. Cutting funds for a crucial institution of the Berlin science-research sector (such as the Benjamin Franklin Clinic) was suicidal, he said.

That sector, funded by the Senate with 1.1 billion euros (roughly \$920 million) per annum, generates economic incentives of altogether 3.4 billion euros, through the hundreds of highly specialized, small and medium-size firms that work for Berlin’s science and research institutions, Vesper said. All these firms pay corporate taxes, and all their employees and workers pay income taxes, to the city-state. Therefore, budget cuts like the planned 100 million euros for the Franklin Clinic will put an estimated 300-400 million euros in tax revenue at risk, and instead of balancing the budget, the planned cuts will unbalance it, Vesper warned.

Another aspect of the picture, is the role of the national government, in denying extra funds for the city-state of Berlin on grounds that it was “just a state like any other of the 16 states of Germany.” However, Berlin is the national capital, with special functions that none of the other big cities has. Obsessed with keeping its cash-box closed, and with strictly observing the budget criteria of the European Union’s 1992 Maastricht Treaty, the German government has watched Berlin’s debt grow to more than 40 billion euros (at the end of 2001), without acting during the past years.

The only action by the SPD-run German federal government, has been to push the Berlin SPD into breaking the coalition with the CDU last June, and entering the coalition with the PDS. This was done to give the planned new round of Berlin budget-cutting a “leftist” aura and thereby make it more acceptable to the labor unions. This is not working well, however, as one can see: German labor is mobilizing against the Berlin Senate, as it is mobilizing against the national collapse with factory occupations beginning in the east of Germany.

And hardly had the new SPD-PDS Senate been sworn in, when rumors were leaked to the public that more of the hidden debt would soon come to light. For example, there was mention of another black hole of 200-250 million euros at the Bankgesellschaft Berlin, the default of which had luckily been

postponed last Autumn, when the Senate coughed up an extra firefighting fund in the range of 1.9 billion euros. As this adds to the impoverished city-state’s debt, the taxpayer assumes the burden.

This also implies that the Senate will soon call on the Berlin citizens, not only to accept the layoff of 4,000 workers of the 16,000 employed at the Bankgesellschaft (a step already decided), but also to accept new budget cuts to “balance” the new debt. The next step would then be to propagate the sale of the state-owned Bankgesellschaft to some private consortium like Texas Pacific, an American group that has tried to take over the bank and pay the Berlin Senate up to 2 billion euros for it.

Labor unions, frustrated and enraged SPD party members, medical personnel, and other sections of the Berlin population have begun to mobilize against that final sellout of the German capital. The programmatic intervention of the LaRouche movement’s BüSo party for a bankruptcy procedure and debt reorganization, plays a crucial role in making sure that this political and economic struggle is successful.

French Banks Target Israeli Money Laundering

by Dean Andromidas

Société Générale and Crédit Lyonnais, two of France’s largest banks, announced in January that they will no longer accept checks from their Israeli correspondent banks. The move is in reaction to the fact that Israel has now been officially designated as one of the biggest money-laundering centers in the world. This fact has been known for decades, as Israel’s own homegrown mafia and financial institutions have been an integral part of Dope, Inc. for decades. It is also well known that the key promoters of the career of Israeli Prime Minister Ariel Sharon are major international organized crime figures. This latest move is an indication that French authorities, perhaps with a nod and wink from the French government—which has taken the lead in European attempts to prevent a Middle East war—are taking the lead in applying sanctions against Israel.

The decision by Société Générale follows the recent arrest of its chief executive officer, Daniel Bouton, because of the bank’s involvement in a criminal money-laundering scheme involving hundreds of millions of dollars channelled through Israeli banks. According to sources close to the investigation, which began in 1998, the case involves French accountants transferring checks from clients to money-changers in Israel and the Palestinian Authority, who then cashed them in Israeli banks, and sent the proceeds back to the accountants in France. The case also involves allegations of insurance fraud.