

National News

Media puff 'China link' to Dems' fundraising

The *Washington Post's* Bob Woodward, whose "investigative journalism" made "to Watergate" a verb, covered a Senate committee report under the incendiary headline, "Findings Link Clinton Allies to Chinese Intelligence," on Feb. 10. The report, leaked to the media, is the final draft on 1996 campaign financing prepared by the Senate Governmental Affairs Committee, chaired by Fred Thompson (R-Tenn.). The closest thing to substance Woodward could produce was a statement that Mochtar Riady and his son James Riady, longtime supporters of Bill Clinton, "have had a long-term relationship with a Chinese intelligence agency." Woodward had to qualify that the committee report "contains few specifics on the nature of the relationship between the Riadys and Chinese intelligence."

The Feb. 11 *New York Times*, which also claimed to have a copy of the Senate report, conceded that it fails to establish that the Chinese government "funded, directed, or even encouraged illegal contributions." The closest it comes, is to assert that illegal contributions originated in bank accounts in "the greater China area." According to the *Times's* account, the report "fails to provide evidence that China's government succeeded in funneling money into national campaigns or in influencing policy decisions in Washington."

New Medicare rules put elderly, disabled at risk

The Health Care Financing Administration (HCFA), which administers Medicare and Medicaid for the Federal government, tried to quietly slip through scores of deregulatory changes in the conditions under which hospitals participate in the programs. The proposed changes downgrade treatment for some 40 million elderly and disabled Medicare patients and 38 million poor elderly and children in the state-Federal Medicaid pro-

gram. None of the half-dozen advocacy groups or attorneys contacted by *EIR* just days before the Feb. 17 close of the 60-day comment period, even knew about the proposed changes. Now, HCFA has announced an extension of the comment period to April 17.

One reform proposes to dispense with the requirement that nurse-anesthetists in hospital and ambulatory surgery centers not be supervised by an anesthesiologist when administering anesthesia to Medicare/Medicaid beneficiaries during surgical procedures. The 30-year-old standard of physician oversight protected the elderly and disabled, who often have complex medical conditions, already take many medications, and undergo the riskiest medical procedures.

A second reform, which clearly favors the growing, predatory for-profit hospital cartels, would eliminate HCFA oversight of hospitals' compliance with safe medical procedures for beneficiaries. This, HCFA says, "should result in fewer compliance surveys and the reduced need to threaten or take adverse actions that could jeopardize a hospital's reputation, financial viability, and participation in the Medicare and Medicaid programs." Instead, the new rules will "require hospitals to monitor the quality of care they provide in an objective way, focussing on things like patient satisfaction."

Clinton speech to AAAS praises Franklin's vision

President Clinton addressed the opening of the annual conference of the American Association for the Advancement of Science (AAAS), now celebrating its 150th year, on Feb. 13, in Philadelphia. He reviewed some of the scientific accomplishments in the past 50 years, asking, "Where will we be 50 years from now?" He proposed that "fusion and solar power may yield abundant energy. . . . We may well have a permanent space station on the surface of Mars. And some of the greatest victories in the next 50 years doubtless will be in the ancient battle against human disease."

In concluding, the President said: "I have been so struck by the contrast between Ben

Franklin's vision, and the depiction of the future now we see in so many books, and on television, and in these Road Warrior movies. . . . The world is so often portrayed in the future as a terribly frightening, primitive, brutal place . . . where life is once again, as Thomas Hobbes once said it was, in the state of nature, 'nasty, brutish, and short.'"

"Let me say, . . . I believe in the promise of America, in the idea that we must always marry our newest advances and knowledge with our oldest values, and that when we do that, it's worked out pretty well. . . . That is what we must bring to the new century."

Starr threatens McDougal with criminal contempt

Whitewater grand inquisitor Kenneth Starr is now threatening Susan McDougal with criminal contempt and obstruction of justice charges. McDougal, who was convicted and sentenced to two years in prison in connection with the Whitewater/Madison Guaranty case, has been imprisoned for 18 months by Starr under civil contempt for refusing to tailor testimony before his grand jury to help Starr bring down President Clinton. She is due to be released in March.

Her lawyer, Mark Geragos, described for NBC's "Today" show on Feb. 13 the threats against her. According to Associated Press, on Jan. 21, associate independent counsel Michael Emmick sent a letter to McDougal's lawyers, saying that if she agrees to testify—even by videotape—"we would agree not to prosecute Ms. McDougal for criminal contempt, obstruction of justice, or any crimes related to her refusal to comply with the court's order."

Geragos told NBC that Starr's office is setting a "perjury trap" for McDougal: "If she doesn't match up with the story of David Hale, then she's committing perjury in their eyes," Geragos said. (Hale is Starr's key witness against Clinton, former Arkansas Gov. Jim Guy Tucker, and Susan and James McDougal; Hale changed his story under pressure from Starr, and reportedly, Scaife money picked up his large legal bills. James McDougal, also convicted by Starr, later changed his story to conform to Hale's.)

THE PROMISE-KEEPERS may get their “end-times” sooner than they had bargained for: PK has notified staff at its Denver headquarters that, because of collapsing revenues, they will only be paid through March, after which the headquarters will be staffed by volunteers.

GEOFFREY FIEGER, the attorney and confederate of “Dr. Death” Jack Kevorkian, has announced that he will run for Governor of Michigan. He plans to spend \$1 million from his own funds to finance his campaign — blood money from the unlimited publicity garnered by his promotion of Kevorkian’s eight-year killing spree.

MICHIGAN State Rep. Ed Vaughn blasted Gov. John Engler’s plans to privatize state services, following the Massachusetts model “One-Stop Career Centers” (which one study has shown is a miserable failure). According to Vaughn, the student-drivers in the privatized program are being “messed with” by trainers; charter schools are “inferior” with uncertified teachers, and new state workers, whose pensions are “invested” in the stock market, stand to lose retirement benefits.

“**THE SPECTER** of fraud threatens to undermine the credibility of the state’s landmark power deregulation program before the switch is already turned on,” wrote the *Los Angeles Times* on Feb. 13. Private energy suppliers only need a \$100 filing fee, and there is no check for a criminal record. California’s attorney general has accused Boston-Finney, run by 19-year-old Christopher S. Mee, of “running an illegal pyramid scheme to sell electricity distributorships.”

DR. NEAL LANE has been tapped by President Clinton to head the White House Office of Science and Technology Policy. Lane, as head of the National Science Foundation, showed more fight than his predecessor, Dr. Jack Gibbons, attacking those who want to shut down research in order to balance the budget.

Geragos continued: “She’s rejected the offer . . . out of hand. . . . If anything, it strengthens her resolve, the fact that they’re threatening her with the criminal contempt and the obstruction of justice. And she’s greatly appalled at the whole treatment of [Monica] Lewinsky. She sees that as kind of a re-do of her, if you will.” McDougal herself pointed out in earlier interviews that Emmick was also the one who detained Lewinsky for eight hours with FBI agents on Jan. 16, and threatened Lewinsky in order to get her to entrap President Clinton and Vernon Jordan.

McDougal’s brother Bill Henley told the *Arkansas Democrat-Gazette* of Feb. 13: “Susan has done 18 hard months for a principle, for the truth,” Henley said. “They don’t want the truth. They just want the Clintons.” He said that she would welcome the chance to fight Starr’s threatened criminal charges against her in court. “She would only hope that they would file those kinds of charges, because the only two people who could come and testify against her would be James McDougal and David Hale,” Henley said.

Georgia Classical music initiative forges ahead

Georgia’s Gov. Zell Miller (D) made the formal proposal as part of his Jan. 13 address on the state’s FY 99 budget, that the state give all babies born in Georgia a compact disc of Classical music selections. During his address, he astonished state legislators by playing a recording of the opening of the choral movement to Beethoven’s Ninth Symphony.

Kristin Carvel, Miller’s deputy press secretary, told the weekly newspaper *New Federalist*, which is preparing a feature on the initiative, that “once the Governor gave the budget address, we were inundated with such positive response, that it’s not going to be paid for out of the taxpayers’ pocket now. It will not come out of the state budget.”

Motivating the initiative, Miller told the legislators: “There is research that links the study of music to better school performance and higher scores on college entrance exams. There’s even a study called the ‘Mozart

effect’ that showed that after college students listened to a Mozart piano sonata for 10 minutes, their IQ scores increased by nine points. . . .

“I have asked Yoel Levi, the world-famous conductor of the Atlanta Symphony, to help me with the musical selection for the tape, although I already have some ideas. For instance, here’s one that a Georgia baby might hear.

“That, of course, is Beethoven’s ‘Ode to Joy.’ Now don’t you feel smarter already? Smart enough to vote for this budget item, I hope.”

Court shoots down line-item veto again

On Feb. 12, a Federal judge ruled the “Contract on America’s” line-item veto unconstitutional, the second such ruling. Last year, a Federal district judge threw it out, but was reversed by the Supreme Court which said that the plaintiffs — six Congressmen — had not suffered any direct, personal injury. But this time, the suit was brought by the City of New York, joined by New York City hospital and health care workers, after President Clinton had used the line-item veto to strike down Medicaid benefits for New York. Judge Thomas Hogan ruled in favor of the plaintiffs, saying that the line-item veto violates the procedures of Article I of the U.S. Constitution (dealing with the powers of Congress) and that it “impermissabl[y] upsets the balance of powers so carefully prescribed by [the Constitution’s] framers.”

The line-item veto bill, passed in 1996, was a key provision of Newt Gingrich’s “Contract with America,” but it was also strongly supported by President Clinton. The Clinton administration announced that it will immediately appeal Judge Hogan’s ruling. Sen. Robert Byrd (D-W.V.) termed Hogan’s ruling, “a victory for the American people. It is their Constitution. It is their Republic and their liberties that have been made more secure.”

Byrd’s point is well taken: The first line-item veto in the United States was, not accidentally, a provision of the 1861 British-inspired Constitution of the Confederate States of America.