

the sea. It is also China's "summer capital," where the national leadership gathers every year at the beautiful beach resort of Beidaihe.

The conference was addressed by Hebei Province Vice-Governor Guo Gengmao, the Mayor of Qinhuangdao, and the director of Qinhuangdao Port Authority. Schiller Institute representative Mary Burdman spoke on "Why Europe Needs to Build the Eurasian Land-Bridge." She described the critical economic and political state of western Europe, especially the high levels of unemployment, and the real story of how the European Monetary Union and "euro," are the forced creation of the Thatcher, Mitterrand, and Bush governments in 1989-90, to destroy the possibility of reunified Germany playing a central role in Eurasian development. Only such great projects as the Eurasian Land-Bridge, she said, can counter the present crisis and the fraud of British Prime Minister Tony Blair's "Third Way" to economic depression.

The conference participants were taken on an inspection cruise of Qinhuangdao Harbor, in the same boat used by China's leaders for such visits, and to see the world's largest coal-dumper, which can overturn three rail cars full of coal at once, onto conveyor belts taking the coal, Qinhuangdao's biggest export, onto ships headed for south China, Southeast Asia, and Korea.

The breakdown of Sweden's 'middle way'

by Michael Ericson and Tore Fredin

After visiting Sweden in the late 1960s, a political scientist said, with reference to the Swedish welfare model, "I have been to the future, and it doesn't work." Indeed, in the general elections on Sept. 20, Sweden, the land of the Social Democratic "middle way," saw a popular revolt, although admittedly a rather mindless one, against the policies internationally known today as British Prime Minister Tony Blair's "Third Way."

The election turnout had three main features: First, the collapse of support for the ruling Social Democratic Party, which lost one-fifth of its voters since the last election, and ended up with 36%, a record-low since the 1930s. Second, despite a big effort during the election campaign to form a "Mittens Rike"—"a kingdom of the middle"—the Center Party, which during the last legislative period was part of the parliamentary coalition in the government of Social Democratic Prime Minister Göran Persson, lost as much as one-third of its voters, as did the Liberal Party; both ended up just above the 4% limit required to gain seats in the Parliament. Third, clearly reflecting the polarization among the voters,

the old communists (who nowadays just call themselves "the Left") and the small Christian Democratic Party almost doubled their number of votes, each ending up with more than 10% of the vote, an all-time record.

Persson, a big fan of Blair, last year had adopted a super-green platform, as a basis for forming a coalition government after the election with the Center Party, at that time supporting the Social Democratic minority government. That project failed miserably, to some extent because of the aggressive pro-growth campaign by the LaRouche forces in Sweden against that green fascism. Already in the beginning of the election year, the Center Party had to break up its marriage with the Social Democrats to have a chance to survive the election.

A red-red-green government

After the Social Democratic election losses, Persson faced his biggest challenge in decades: His great green vision was totally crushed, and his potential coalition partners in the middle had been all but destroyed. What to do? In a mode that could best be described as, "When reality hits, bring back the good old days," he turned to the old communists and to the green Environmental Party to negotiate forming another Social Democratic-led minority government. That government was subsequently formed, on a platform based on pure wishful thinking; after just one month, it has already started to run up against reality.

The handling of the international financial crisis is indicative. Not a single word was offered during the election campaign on the international financial disasters, except by the European Labor Party (EAP), the party of the LaRouche movement in Sweden, during its very visible campaign for a New Bretton Woods system. Similarly, not a word was uttered during the two weeks of the budget negotiations, the critical part of hammering out the red-red-green government platform. But, just a week after the budget was presented to the Parliament, the Finance Minister started saying that economic growth rates would be lower than predicted in the budget, due to "the problems on the international financial markets"—to which the communists and the greens responded by demanding that the Finance Minister not put out the new figures, because that, by law, would require a new, revised budget.

A bigger issue threatening this government is the European Monetary Union (EMU). So far, Persson, just like Blair, has kept his country out of euroland—but, also just like Blair, he has made sure that he has the option to join. Therefore, he carefully kept the issue out of the election campaign, but immediately after, he launched a multimillion-dollar campaign to "inform" the population of the "facts" of the EMU. It is, of course, played as a neutral, impartial campaign, but in reality, it is an aggressive campaign designed to reverse the anti-EMU sentiment in the population. To seek shelter in euroland is the only idea he, and the rest of the Swedish elite, have come up with in

dealing with the international financial crisis.

But here, Persson finds himself in an uncomfortable spot, because his two coalition partners are the most outspoken anti-EMU forces in the Parliament. When he was confronted with this political paradox, of wanting to form a pro-EMU government with the support of the two anti-EMU parties, Persson responded only that this is something one has to muddle through, and that's life.

Another very traumatic political issue, showing the same pattern as with the EMU, is nuclear energy. In Persson's green fascism program launched in 1997, one of the central political decisions was to start dismantling Sweden's nuclear power plants. The first plant, according to a parliamentary decision forced through at that time, should have been shut down a good two months before Election Day, for which decision Persson had a two-thirds majority in the Parliament behind him. His problem was that, on this issue, 80% of the population is against him. When the election campaign started, the issue was buried. After the election, the nuclear plant in question is still up and running, and Persson is standing there with his two coalition partners demanding that he live up to his word and finally shut it down—a decision that would definitely split large parts of his own party and force an open revolt against him.

The vote is no longer counted

This fantasy of returning to "the good old days" is the backdrop to another scandal in this year's elections: The authorities no longer count the full vote! By Swedish law, the authorities are forced to count only the votes that could alter the election outcome. Smaller parties' votes, which presumably do not influence who is elected, therefore, are just summed up under the category of "other"—unless the party is among the smaller parties arbitrarily chosen by the authorities as those that should have their votes counted, "as a service to them," as one official claimed.

Unless this is changed, the EAP will not get its votes counted, despite its very successful campaigns, which have had a significant impact on the Swedish political scene: First, the only voice during August and September addressing what was on everybody's mind, i.e., the global financial crisis, was the EAP and its campaign for a New Bretton Woods. That has given the EAP and its publications a very marked boost in credibility, especially as the taboo against discussing the economic depression has eased in the post-election period. Second, the EAP campaigned aggressively for nuclear power, against the green fascism of the intended alliance between the Social Democratic Party and the anti-nuclear Center Party—a campaign so successful that Center Party leader Olof Johansson openly acknowledged on television that the EAP campaign was part of the explanation for the problems that both he personally and his party have experienced. This he did both at the time he resigned, just half a year before the election, and in commenting on the poor election results of his party.

New 'Profumo scandal': a warning to Blair?

by Mark Burdman

In the manner in which such things are done in Her Majesty's Great Britain, Prime Minister Tony Blair has been delivered a number of warning shots across the bow in the first half of November. "Sex scandals" have been frequently used to engineer political transformations, including changes of government, desired by the high levels of the Queen's Privy Council and by the City of London financial establishment. Blair's government has suddenly been hit by such scandals.

The pace of scandalizing has stepped up in the wake of the Nov. 3 U.S. mid-term elections. As Lyndon LaRouche writes in the *Feature* in this issue, those elections resulted in a sound defeat for the "Third Way," anti-traditional constituency mode of politics promoted by Blair and by such U.S. species as former Clinton campaign strategist Dick Morris. With the Third Way discredited and constituency-oriented politics back on the agenda, Blair's usefulness in enticing President Bill Clinton down the primrose path toward disaster, has been dealt a blow. It apparently has occurred to some in the British establishment, that Blair could be becoming expendable.

The most damaging of recent developments has centered on Ron Davies, who resigned as Welsh Secretary on Oct. 27. So the story goes—from police accounts, press leaks, and Davies's own version of events—he went out for a walk on London's Clapham Common on Oct. 26, a chilly and windy night that was hardly the night for a stroll. Moreover, that Clapham Common is notorious as a cruising ground for homosexuals. While walking, he met up with a 50-year-old black man with his hair in "dreadlocks." Davies invited him out to eat, and the two drove in Davies's car to Battersea Park. They then went to the Brixton district, where they met up with two friends of Davies's companion. Soon thereafter, he was robbed at gunpoint, his car and mobile telephone stolen. Davies reported what had happened to the police. The next morning, he went to Blair's office at 10 Downing Street, and after a 45-minute discussion, tendered his resignation; 10 Downing Street feigned bemusement about what Davies had been up to on his fateful walk. In a public statement, Davies blamed his actions on a "serious lapse of judgment." As of this writing, Davies is in hiding, with his wife and daughter.

While Davies denies any homosexual involvements, past or present, at least one police witness has come forward to report that Davies committed homosexual acts in public places, in violation of Britain's Sexual Offences Act. Another