

# EIR

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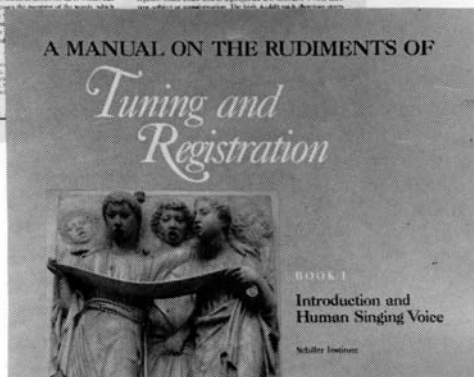
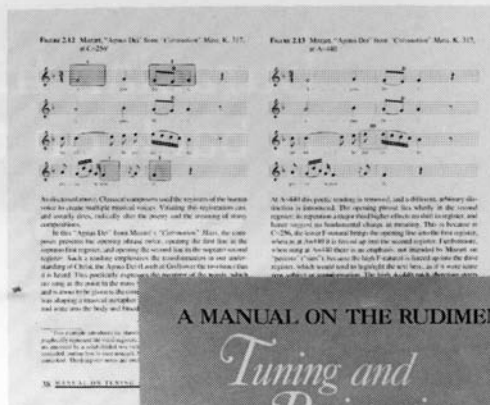
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## From the Associate Editor

The year now drawing to a close has been one of very significant improvement of *EIR*, under the Socratic direction of Lyndon LaRouche. If we are doing our job right, we are continuously challenging the axiomatic beliefs of our readers—the beliefs which have brought our civilization to the current breakdown crisis. Here are just a few of our most significant stories of 1995:

- Studies by LaRouche in science, music, and epistemology, including “Why Most Nobel Prize Economists Are Quacks,” “Cantor’s Concept of Infinity in Economic Science,” “Non-Newtonian Mathematics for Economists,” “That Which Underlies Motivic Thorough-Composition,” and “Riemann Refutes Euler.” These are “heavy ideas,” not easy reading. Struggle through them, come back to them.

- In studies of the physical economy, we have shown that the current economic and financial system *cannot survive*, but is heading for a crash, unless it is subjected to a bankruptcy reorganization. We have shown why British free-trade economics is a fraud, why attempts to “balance the budget” only make things worse. We have exposed the shift of “smart money” out of high-risk instruments such as derivatives, and into hard commodities.

- The past year has seen the expansion of a wonderful dialogue between LaRouche and members of the Russian intelligentsia who are searching for a solution to the profound crisis of their nation. *EIR* is privileged to have served as the journal of record for this dialogue.

- In a series of special reports, we have exposed the methods of the Venetian-British faction historically, in their war against the nation-state. We have documented the British control of international terrorism; the British effort to set up a new “Triple Entente”; Britain’s Pacific Theater warfare against the United States; the House of Windsor’s war against President Clinton; and British destabilization of Sudan and Nigeria.

- We have led a campaign to destroy the fascist “Conservative Revolution” in America, and to clean up the corrupt permanent bureaucracy in the Justice Department, the perpetrators of gross injustice against LaRouche and associates, African-American elected officials, John Demjanjuk, Kurt Waldheim, and many others.

A final note on our schedule: This is the last issue of 1995. Our next issue will be dated Jan. 1, 1996.

*Susan Welsh*

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**Correction:** In *EIR* Vol. 22, No. 49, p. 27, under the subheading "Bunge and Born," it was the widow Isabel Martínez de Perón, not Evita Perón, who succeeded Juan Perón as President of Argentina upon his death in 1974, and was who overthrown by a coup in 1976. (Evita Perón, his former wife, had died in 1953.)

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## Drug-money crackdown hits City of London bankers

by Jeffrey Steinberg

The Clinton administration, as a by-product of its crackdown on drug-money laundering, is in the process of rolling back key features of the banking deregulation frenzy that has helped bring the international financial system to the brink of disintegration. In taking this initiative, the President has launched another crucial front in his “war and a half” against the British Crown and the Club of the Isles, by directly tackling their offshore hot-money centers.

At the end of October, the President signed Executive Order 12978, which declared a state of “national emergency” to combat the “unparalleled violence, corruption, and harm” brought upon the United States by the Cali cocaine cartel of Colombia. But in accompanying White House fact sheets and press releases, the administration made it clear that the state of emergency dealt with a far broader enemy network than simply the cocaine-trafficking organizations in Colombia. Indeed, on Oct. 21, President Clinton signed a secret Presidential Decision Directive, PDD-42, specifically targeting 50 international money-laundering centers, all around the globe. The directive, portions of which were leaked to several American and British journalists, ordered the secretaries of the treasury, defense, state; the chairman of the Joint Chiefs of Staff; and the heads of every federal law enforcement agency, to use all the legal means at their disposal to shut down these centers.

James Adams, the Washington bureau chief of the *Sunday Times* of London, candidly admitted that the Presidential action directly targets the City of London, which, he confessed in a Nov. 12 column, is rapidly “becoming the money-laundering capital of the world.” Adams reported that the sovereign British territories of the Cayman Islands and the Turk and Caicos Islands are at the top of President Clinton’s list of hot-money centers to be shut down. In fact, the list is unques-

tionably dominated by British-run offshore banking centers.

The thesis of the book *Dope, Inc.*, by the editors of *EIR*, which has sold 150,000 copies since 1979, was that the City of London financial establishment and the British Crown were the ultimate controllers of the world’s illegal drug business, that drugs and terrorism were synonymous, and that the most efficient means of destroying the narcotics trade was by cracking down on the banks that launder the drug profits.

What is significant is that the Clinton administration has taken some serious steps aimed at taking out precisely those narco-banking centers.

The Clinton initiative also goes after the so-called “asteroid” networks of rogue American intelligence agents, many with long-standing ties to former President George Bush, who themselves became an integral part of the international narcotics structure. While the Bush administration talked about “fighting a war on drugs,” all the while they were protecting their own ties to the “asteroids,” and blocking any effective anti-drug action. President Clinton is far less encumbered by ties to these rogue intelligence circles, which, sources say, are now under heavy attack under PDD-42.

### Operation roll-back?

One of the first indications of the existence of PDD-42 came from former *Washington Times* editor-in-chief Arnaud de Borchgrave. In the Nov. 3 *Washington Times*, he purported to quote from sections of PDD-42 which hint that the Clinton administration is also initiating a roll-back of the past 17-year process of deregulation of the U.S. banking and financial system. That deregulation opened up the U.S. banking system, and the U.S. economy, to a nearly fatal takeover by speculators and flight capital—including hundreds of billions in narco-dollars.

De Borchgrave reported: "Among the actions ordered by the President are negotiations to close down about 50 money-laundering centers in the world, most of them in tiny sovereign nations and members of the United Nations. If these negotiations are unsuccessful, the directive said, 'these centers will then be denied access to the American financial system.' "

Prior to the onrush of banking deregulation beginning in the late 1970s, the United States maintained a policy of strict "transparency," meaning that no foreign banks could operate inside the United States if the banking laws in their home countries were not in conformity with American regulations. That kept a great deal of illegal capital from penetrating the American banks, and forced organized crime to go through elaborate contortions to hide their illicit profits, and eventually "wash" them back into the U.S. banking system.

To roll back deregulation, even on a selective basis, sets a critical precedent for a long-overdue return to sound national banking practices.

On several fronts, the President has already backed up his words with deeds. Simultaneous with the announcement of E.O. 12978, the Department of the Treasury Office of Foreign Assets Control issued a list of 33 companies and 47 individuals involved with the Cali Cartel. American companies were barred from doing business with those listed, and the Cali Cartel assets were simultaneously banned from doing business in the United States. At least one of the Colombian companies listed was a pharmaceutical outfit that did an enormous amount of business with such U.S. companies as Proctor and Gamble.

Sources familiar with the recent expansion and transformation of the international drug trafficking organizations say that the move to ban these companies from having any dealings with the United States could be crippling for the top levels of the illegal narcotics business. Increasingly, Dope, Inc.'s corporate chiefs have been investing their funds in legitimate businesses, kept separate from their money-laundering front companies. These businesses range from textile factories in China, to manufacturing firms in Colombia, to recently privatized industries in eastern Europe and Russia. Due to the near-slave-labor conditions in many of these areas, these companies are generating large profits—independent of the narco-business that generated the initial capital. In the long term, these sources say, there is a grave danger that honest governments in many parts of the world will find themselves beholden to the dope cartels—without even knowing it.

Nowhere is the danger of this phenomenon greater than in eastern Europe and the nations of the former Soviet Union. Even with the preliminary crackdown on the British offshore banking centers, some of the hot-money centers have been relocated to Russia, Poland, Hungary, and other nations. In Moscow alone, there are over 3,500 foreign banks, operating under no restrictions. If the United States is to truly forge a strategic partnership with Russia, as the recent Clinton-

Yeltsin Hyde Park summit promised, then it is an urgent priority that the money-laundering problem be solved.

## Rubin in Argentina

Dec. 2 and 3, Treasury Secretary Robert Rubin chaired a hemispheric conference on money laundering in Buenos Aires, Argentina. In a briefing he gave in Washington just before his departure, he reiterated President Clinton's commitment to crack down on dope bankers, adding that he would press for all of the governments of the hemisphere to create special law enforcement units focused on the money-laundering problem.

In several Ibero-American countries, there are already signs of cooperation in the U.S.-led crackdown. In Brazil, the government has launched an investigation into flight capital and money laundering by several banks associated with Edmond Safra, the owner of Safra Bank and Republic National Bank of New York. Back in 1989, Safra was publicly linked to two of the world's biggest money-laundering organizations, the Medellín Cartel's "La Mina" operation, which used Uruguay as a base for hot-money laundering, and the Shakarchi Trading Company, a Swiss-based Lebanese outfit that handled enormous amounts of cash for the Bekka Valley Syrian heroin and hashish mafia. At the time, with Bush in the White House and the war on drugs "dead on arrival," Safra was able to skate out of trouble. The Brazilian probe, focused on Safra Bank and Excel Bank (owned by several of Safra's cousins), suggests that things are once again heating up for the "don" of the Aleppo, Syria-based Jewish community worldwide.

On Nov. 15, Swiss authorities arrested the sister-in-law of former Mexican President Carlos Salinas de Gortari, as she attempted to withdraw \$93 million from a Swiss bank account using false papers. On Nov. 25, a senior official of the Mexican Attorney General's office told the daily *El Financiero* that her husband, Raúl Salinas, "used Citibank of Mexico City to make deposits which were channeled to diverse bank accounts in Switzerland and other European and Latin American countries. . . . We have the documents which prove the establishing of corporations and businesses for the laundering of money from drug-trafficking." It has also been publicly acknowledged that the Salinas investigation and money-laundering crackdown is a cooperative effort of the Mexican, Swiss, and American authorities.

The Clinton administration, according to sources, is committed to carrying out PDD-42 and the other anti-drug-money-laundering initiatives with full respect for the sovereignty of the governments with which it is collaborating. As a result, many people in Washington are not aware of the scope of the administration's crackdown, because the leading actions are being taken by nations all over the globe. Given that the Gingrichites in the Congress are in bed with the dope legalization lobby, led by George Soros, and might therefore oppose these measures, that is probably the best approach.

# Real target of French strikers is the Maastricht Treaty

by Christine Bierre

In response to French Prime Minister Alain Juppé's nationally televised address on Dec. 5, the strike wave that has been under way since Nov. 24 has expanded and intensified, as strike leaders adopt an even harder line. Juppé, speaking in an arrogant and patronizing manner, refused to withdraw his austerity program or to make any major concession to the demands of the strikers. At best, in an effort to divide the opposition, he indicated a willingness to negotiate on the government's intention to increase the years of work necessary to benefit from full retirement pay, from 37.5 years presently, to 40 years.

To the hundreds of thousands who demonstrated in response on Dec. 5, in the streets of the 60 main cities in the country, to the millions who have participated in strike actions since Nov. 24, and to those who are still striking, Juppé must have appeared like a man living on a different planet.

The gulf between Juppé and President Jacques Chirac on the one side, and the French population on the other, appears at this point to be unbridgeable. In taking these decisions, Juppé seems to be listening only to an internalized audience composed of the parliamentary majority that fully backs his "reform," and to the "markets," which inject large sums of money into the Paris Bourse every time the prime minister takes a turn in favor of British liberalism.

Lyndon LaRouche commented on the situation in an interview with "EIR Talks" radio broadcast on Dec. 6: "This is no mere strike wave. This is an existential crisis for not only France, but for the entire European Union structure, as it has been evolved over the recent period." The key issue, LaRouche stressed, is the European Union's Maastricht Treaty, whose purpose is to destroy the nation-state. "Maastricht can be seen," he said, "as a continuation of the efforts in the United States, of people such as Newt Gingrich, to impose austerity, to the effect of killing people by cutting entitlements, whose reduction would actually affect life, that is, would actually accelerate the death rate. . . ."

"It looks as though Maastricht in France will die, or if Chirac attempts to defend it, the French government continues to take a stubborn hard line, the French government could be destabilized. Even the Presidency, as well as the government, could be destabilized, by continuing to stubbornly cling to a hard line, when they've lost the battle in the country. They've probably lost almost 70% of French popular opinion so far, and it's a *violent* loss."

## Unions take a hard line

The response of the trade unions to Juppé's intransigence was swift. Louis Viannet and Marc Blondel, respectively the presidents of the General Confederation of Workers (CGT) and of Labor Power (FO), the two unions that are leading the strikes, both rejected Juppé's plan. We do not intend to sit at a negotiating table with the government to determine the "modalities" of how to implement its reform, stated Viannet, who called for the government to withdraw its program. Blondel stated that Juppé's response was not on a par with the tremendous protest movement which is sweeping France.

Both unions called on their workers to strike and to participate in demonstrations on Dec. 7 throughout the country. The teachers unions, which had already been partially on strike since the beginning of the week, at 15% participation, will be shutting down the schools and have threatened to pursue their strike action further. Throughout the country, actions continue strong: 4% on strike in the public telecommunications sector, where such actions had not yet had a massively disruptive effect; in the public utilities companies (gas and electricity), 20% of the workers are on strike; in some areas, the workers have decided to charge a low fee to all users in order to win their support for the strike.

The movement has been particularly strong in the provinces outside Paris, and escalated further after Juppé's speech. Some 500-800,000 students, civil servants, workers, and teachers are estimated to have participated in the Dec. 5 demonstrations throughout the country. Fifty thousand demonstrated in Marseille; 40,000 in Bordeaux, the city in which Juppé has just been elected mayor; 30,000 in Toulouse, Grenoble, Montpellier, and Nantes; 20,000 in Clermont Ferrand, a city of only 200,000 inhabitants! After Juppé's speech, whatever was left functioning of the public transport in the city of Grenoble came to a halt, and in Toulouse, all the schools closed down.

## Effects in Europe

Even though in France, the unions and the political parties have refrained from speaking openly about the Maastricht Treaty, for fear of reviving the strong fight which had split the country down the middle in 1992, when the national referendum to ratify Maastricht took place, France's European partners are fully aware of the implications of this national strike.



The anti-French sections of the British elite seem to be rejoicing at the strike and are trying to use it to split the Franco-German alliance, their old enemy on the continent (see *Documentation*). In Germany, however, the French strike has caused a panic.

Indeed, if Juppé backs down to the strikers, France will not be ready to become a part of the single currency and central banking system that the European Union is supposed to adopt under Maastricht in 1999. At present, only one country is in compliance with the stringent monetary criteria demanded by the treaty to enter this last phase: Luxembourg, an entity which resembles a bank more than it does a nation. All the other countries are way beyond the limits tolerated by the treaty: 3% of GDP for the budget deficit and 60% for public indebtedness.

The difficulties in achieving this last phase of Maastricht are such that many in Bonn have already mooted the possibility that only Germany, the Benelux countries, and France (the strongest countries) could join in this phase, while Belgium, Italy, Spain, and the rest would have to remain outside. Bonn knows perfectly well, therefore, that if France cannot join, the treaty is finished.

The common conception that France and Germany are opposed to the British on this issue, is totally false, because the economic foundations of the Maastricht Treaty and those promoted by the British are the same: monetarism and liberalism, in the purest tradition of British economist Adam Smith. The Maastricht Treaty offers no alternative to British free trade, and it blocks the way to real alternatives, such as the new Marshall Plan to reconstruct eastern Europe and the Mediterranean proposed by American economist Lyndon LaRouche and his co-thinker in France, former Presidential candidate Jacques Cheminade.

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## Documentation

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*From British press coverage of the French strike:*

The *Times*, by Lord William Rees-Mogg, Dec. 4:

"The gathering storm in France is surely the most threatening event in western Europe during the 1990s." Observers of French politics warn of "revolution on the street in six months." One of France's problems is that it did not carry out Thatcherite reforms already in the 1980s, but the French " 'nervous breakdown' is part of a wider European disease. For at least 20 years, the western European economy has been sliding backwards. . . . By 1990 . . . the European Community . . . was already moving toward a bureaucratic model based on those old European *dirigistes* Bismark and Colbert."

The *Daily Telegraph*, Dec. 5:

" . . . I mean *we*, the British, have been here before. As



*Farmers demonstrate in Strasbourg, France, against the General Agreement on Tariffs and Trade (GATT), in December 1992. The farmers' opposition to British free-trade policy has now been joined by millions of urban workers, in the biggest strike wave since 1968.*

one international currency dealer put it last night, the parallels with Britain in September 1992 are uncanny, when we, too, were locked into an unsustainable parity with the deutschemark, and then crashed out. . . .

"M. Juppé and his colleagues are facing a deepening temptation: to back down; to cut interest rates and let the franc slip; to let the economy breathe again without risk of inflation, and get the mob off their back.

"And if they do that, it will be the end not just of the franc-mark parity, it will be the end of monetary union by 1999. France will fail to satisfy the Maastricht criteria. In Bonn there will be shock, in London relief. A new and uncertain chapter will be opened in European history."

The *Times*, Dec. 5:

"Since the mid-1980s, French economic and foreign policies have been subordinated to . . . the creation of an economic and monetary union with Germany by 1999. . . . Combined with an over-valued exchange rate and interest rates determined by the Bundesbank . . . M. Juppé's reforms look like the latest in a long series of national economic humiliations, aptly described as an economic Vichy.

"The sense that a foreign body is imposing national hardship is probably an aggravating factor in today's French strikes, just as it was in Britain in the late 1970s, when the Labour government was under the sway of the IMF. If people are asked to accept sacrifices, they must believe that the interests of their own nation are being served. French workers do not want to lose their pension rights in the interests of Franco-German monetary partnership."

# Conference reports that vector-borne diseases threaten the world's people

by Rogelio A. Maduro and Charles B. Stevens

The world is facing the worst outbreaks of vector-borne diseases it has witnessed in the past century according to epidemiologists who addressed a conference in Baltimore Nov. 28-30. The conference, which was put together by the U.S. National Aeronautics and Space Administration (NASA) and the Third World Foundation, brought together the health ministers from more than 30 countries, as well as experts on remote sensing and public health.

Under the title of Remote Sensing and Vector-Borne Disease Monitoring and Control, the conference addressed the global threats represented by the reemergence of old vector-borne diseases as well as the emergence of new ones. At the same time, NASA experts discussed the latest remote sensing technologies to track the spread of vector-borne diseases. A vector-borne disease is one in which the disease is transmitted from one population to another through a carrier, such as mosquitoes, rodents, fleas, or ticks.

The early presentations at the conference demonstrated that vector-borne diseases, such as malaria and dengue, are spreading rapidly. In the case of dengue, yellow fever, or malaria, the mosquito is the vector. The destruction of mosquito control programs and the elimination of pesticides, such as DDT, as well as the proliferation of swamps (so-called wetlands) because of environmental regulation over the past 25 years, have provided the conditions for the rapid spread of disease.

Aggressive mosquito eradication programs, supported by the most advanced spaced-based tracking technologies, are absolutely required to even begin to address this world health threat.

The urgency for these programs was underscored by conference speakers. U.S. public health experts, led by Dr. Duane Gubler, the director of the Division of Vector-Borne Infectious Diseases of the National Center for Infectious Diseases, and Dr. Don Roberts, from the Department of Defense Tropical Public Health Division, gave rather frightening overviews of the reemergence of the most deadly vector-borne diseases over the past few years, as well as the emergence of many new ones.

The conference is one in a series where public health experts have warned of the dangerous rise in new and re-emerging diseases that threaten the very existence of the

human species (See *EIR*, Nov. 24, 1995). Underlying their warnings is the fact that these outbreaks have occurred as a result of the collapse of infrastructure and public health policies throughout the world. The collapse is the result of the imposition of International Monetary Fund and related "conditionalities" policies that force Third World countries to dismantle public health and hospital systems in order to free up the money to pay the foreign debt.

Countries represented in Baltimore included Malawi, Malaysia, China, Myanmar (Burma), Namibia, Zimbabwe, Nigeria, Rwanda, and Sri Lanka. To underscore the severity of the situation, Malawi's Health Minister, Hon. Sam Mpasu, told *EIR* that AIDS had affected Malawi's army so seriously, that it seemed as if they were at war. Mr. Mpasu, who was formerly the minister of education, added that in the universities, AIDS is not only killing the students, but also the professors.

## Return of the mosquito

The world is facing the most dangerous outbreaks of mosquito-borne diseases of the century, reported Dr. Duane J. Gubler, in his keynote. He began with an overview of the successful fight over the past century to reduce the toll from infectious diseases by eradicating mosquitoes. His maps demonstrated the effectiveness of the eradication campaigns, particularly with the use of DDT, by reducing mosquito populations, including *Aedes aegypti*, one of the main carriers of dengue, yellow fever, and malaria, from a presence around the world, to a few small pockets by 1970. Although Dr. Gubler did not explicitly state that the primary weapon against the mosquitoes, DDT, was banned in 1972 on false pretenses, he did elaborate on how mosquito eradication programs ended in the 1970s.

Dr. Gubler then presented a chart which showed that the mosquito populations have not only made a full recovery since then, but that, as he noted, the "density of mosquito populations are higher than ever before." He then presented maps of both past and present distribution of vector-borne diseases, including malaria, dengue, yellow fever, and bubonic plague. The first set of maps clearly correlate with the maps showing distribution of mosquito populations. Using the yellow fever map, Dr. Gubler pointed out that the Ameri-

can continent is now facing the highest level of threat of a yellow fever epidemic in this century.

With respect to the ongoing dengue epidemic in the Americas, Dr. Gubler pointed out that this dengue epidemic is much more serious than any other previous one. Dengue is an acute viral disease which often leads to deadly hemorrhagic fever. Dengue is an arbovirus (insect-borne) like St. Louis encephalitis. Dengue went from no cases in 1981 to outbreaks in 16 countries today. In addition to the return of dengue, Dr. Gubler pointed to a change in the nature of dengue epidemics in the past several years. There are four serotypes of dengue which are distinct enough that a person infected by one serotype will not develop immunity against the others. Historically, dengue epidemics occur in cycles in which only one serotype strikes any one geographical area at a time; but now, all four dengue serotypes are present across the Americas, and the disease is not going away, which makes this a very serious "hyper-endemic" outbreak. Furthermore, dengue is also a marker for the near future re-emergence of yellow fever.

He demonstrated the extent of the collapse of the worldwide disease surveillance network by presenting an account of last year's plague outbreak in India. Earlier this century, India faced an outbreak of plague that killed over 12 million people. In its wake, in the 1950s and 1960s, the Indian government conducted a very aggressive campaign to eradicate

the disease. With no cases of plague reported by the late 1960s, the government ceased all programs. The result was that when the plague outbreak began in Surat last year, there was not a single qualified medical expert on plague in the country.

When India issued an international plea for medical assistance, it was discovered that the last two remaining plague collaboration centers in the world had been shut down. The center in Russia had closed for lack of funds (Russia has been subjected to the same IMF "conditionalities" as the Third World), and the U.S. center had been taken down because plague was no longer considered a priority. The only place in the world that had maintained plague reagents (necessary to properly identify the strain and the correct medical treatment), was Dr. Gubler's lab in Fort Collins, Colorado. Dr. Gubler described the frantic 3:00 a.m. phone call requesting that reagents be sent immediately to India, and his efforts to put together a 15-man plague medical response team to help the Indian government with the outbreak. Dr. Gubler presented a chart showing how he had to scavenge medical personnel from several government agencies and laboratories in order to put this team together.

The Indian plague outbreak cost India and the world economy between \$4 and \$5 billion, he said, since all trade with India ceased during the outbreak. He laid out the lessons to be learned and actions required to deal with the worldwide

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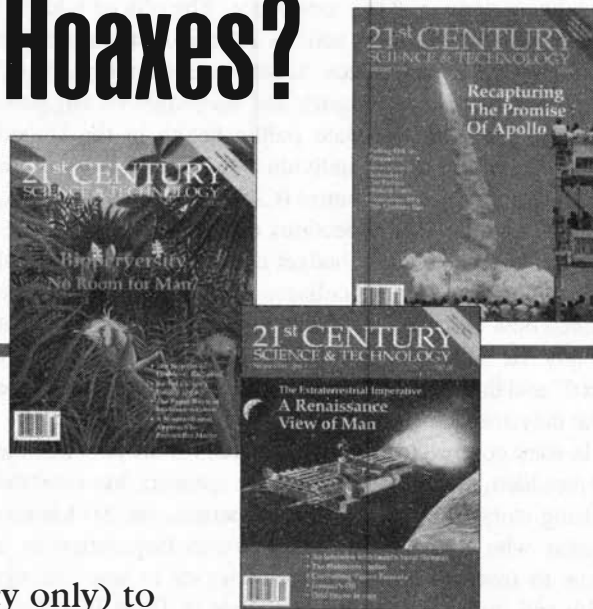
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outbreaks of vector-borne diseases. Dr. Gubler ended his discussion of the plague with a map showing the worldwide distribution of plague reservoirs around the world. The single largest reservoir for plague vectors, according to the map, is the western part of the United States.

### The world needs DDT

Dr. Don Roberts from U.S. Department of Defense Division of Tropical Public Health presented a detailed and hard-hitting documentation of why we must reverse the ban on the use of DDT. While Dr. Roberts has been extensively researching the tracking and eradication of malaria using remote sensing, most of his presentation centered on a fierce attack on the banning of DDT. With detailed maps and graphs, he demonstrated, conclusively, how DDT and mosquito control programs had all but wiped out malaria through most of the world, and how this success turned to defeat in the 1970s, when malaria infections went from nearly zero to an exponential growth. He used country case studies, Belize and Colombia, to make his point.

Dr. Roberts also demolished the myth that insects are resistant to DDT, pointing out that in places where DDT is still used for household spraying (he cited the case of southern Mexico), it is still very effective in preventing malaria, even in the face of resistant mosquitoes.

### Major U.S. health threat

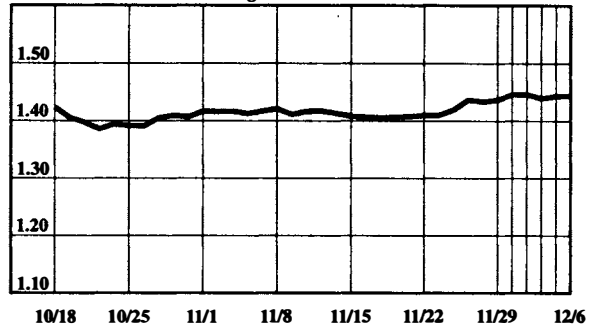
Newt Gingrich, the self-described Robespierre of the Conservative Revolution, is the most dangerous infectious disease threatening the U.S., according to one public health official participating at the conference. The official told *EIR* point-blank that the most serious infectious disease threat now facing the United States "is the Republican Congress." He clarified that Newt Gingrich and his budget-cutting policies were going to decimate public health in the United States. According to this individual, who used to work for the Centers for Disease Control (CDC) in Atlanta, Georgia, the CDC and the U.S. infectious disease surveillance network has been leveled by budget cuts over the past several years. After detailing the collapse of critical programs, he outlined how Gingrich's policies were going to wreck what was left. He added that that public health experts "are very scared" and that Americans had no idea of the severity of the threat they are facing.

In stark contrast to Gingrich's hatred for the poor and the downtrodden, many of the conference speakers discussed the uplifting story of Dr. Cyril Ponnampere, the Sri Lankan scientist who founded the Third World Foundation as a means to transmit advanced technologies to improve the health and standard of living of people in Third World nations. Dr. Ponnampere taught and researched at the University of Maryland for the past 20 years and came up with the idea for this conference before his untimely death last December.

## Currency Rates

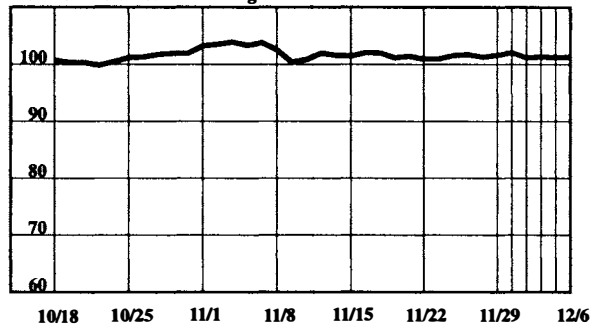
### The dollar in deutschemarks

New York late afternoon fixing



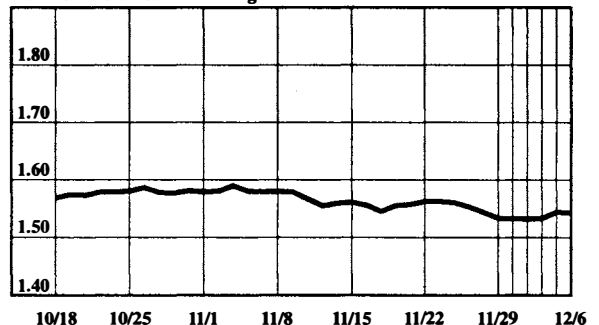
### The dollar in yen

New York late afternoon fixing



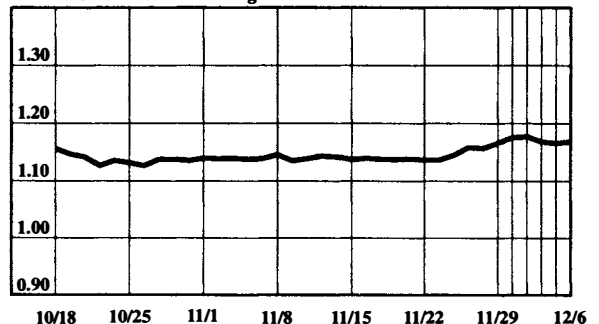
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# Zero, zero, zero. . .

That is what "Uncle Vikta" Chernomyrdin has reduced Russia's economy to, as Roman Bessonov documents.

In the year 1980, when the Olympic Games were opened with great pomp in Moscow, a lot of different kinds of goods, beginning with watches and ending with underwear, were decorated with an Olympiad symbol—either the five interlocking rings, or a stylized Russian bear called Misha. This phenomenon enriched the Russian folklore with a lot of jokes: For example, Communist Party boss Leonid Brezhnev is unfolding his report and starts reading, "O, O, O. . ." but is quickly interrupted: "Leonid Ilyich, this is the Olympic symbol; your speech is below." Another anecdote said that the Olympic Games had been cancelled because Misha Talisman (the word "talisman" sounds like a Jewish surname) emigrated to Israel.

At its last public appearance, the leadership of the political movement "Our Home Is Russia," headed by Prime Minister Viktor Chernomyrdin, displayed a new manual for physicians (translated from English) and a magazine for teenagers called, for some reason, *Misha*. Both were decorated with Our Home's symbol, a triangle featuring a stylized Russian village house. An American medical book may be somehow associated with the Russian elections, but not more intimately than a lady's nightgown is associated with the Olympic Games.

At the press conference, some flattering journalist asked Chernomyrdin whether Our Home was going to become a ruling party, and was a little embarrassed when the prime minister said: There will be no return to the totalitarian regime, when one party was ruling!

Probably Mr. Chernomyrdin has forgotten that the Communist Party of the Soviet Union called itself simply and clearly, "The Party." And any schoolboy already knows that a ruling party is one that wins a majority in the Parliament. So, the prime minister's answer was very much like Brezhnev's "O, O, O," with only one difference: It was not a joke.

Both Chernomyrdin's bushy eyebrows and his manner of speaking, not to mention the solemn unanimous voting at his pompous party congresses, remind Russians of something very familiar. Still, there is another significant difference between Chernomyrdin and his historical analogue. Leonid Brezhnev's speeches were no less long or dull than Chernomyrdin's today, but they contained a lot of numbers demonstrating the achievements of the Soviet economy for the last five-year period, the *pyatiletka*. These numbers often looked a little bit better than the real results, "improved" by 3 or 4%. Still, any citizen could witness that new houses and plants were being built, or even experience the enthusiasm of 1920s

FIGURE 1  
**Russia's industry collapsed after 'reform'**  
(index 1991=100)

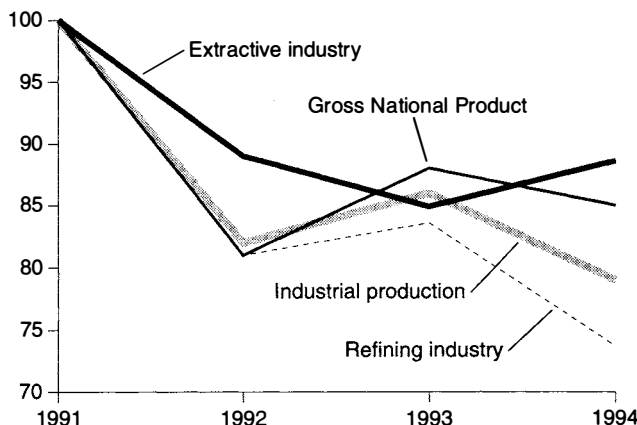


FIGURE 2  
**Russia's capital investment disaster**  
(index 1991=100)

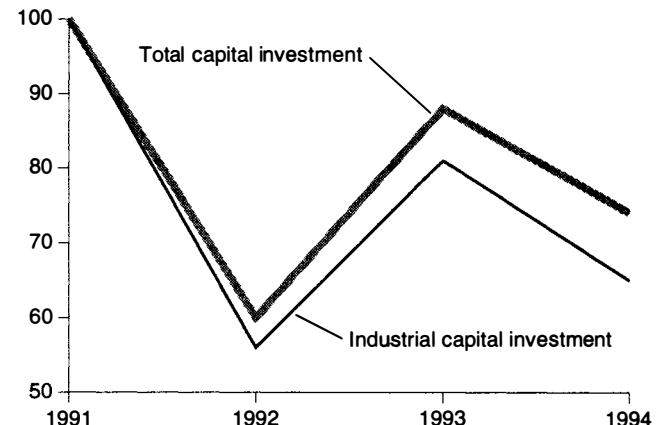


TABLE 1

**Dynamic of production: industry since 1992**

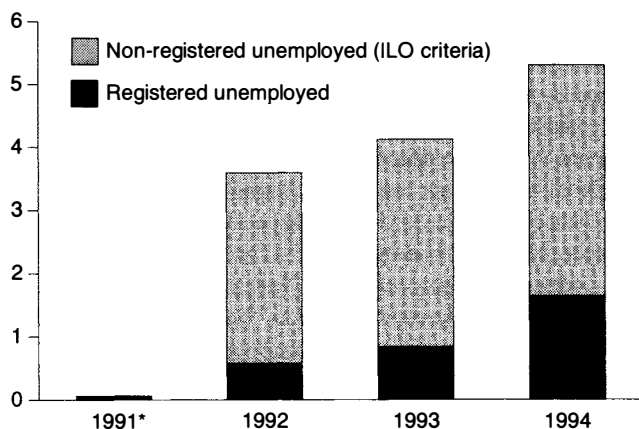
(as % of the previous year)

	1993	1994
Total production in large and medium enterprises	-16.2	-22.8
Energy	-5.3	-8.8
Fuel industry	-15.0	-11.0
Ferrous metallurgy	-16.6	-17.4
Chemicals & petrochemicals	-21.5	-28.9
Machine building	-16.6	-39.4
Timber & paper	-18.7	-31.2
Construction materials	-17.6	-28.9
Light industry	-23.4	-47.3
Food industry	-9.2	-21.9

FIGURE 3

**Unemployment in Russia since 1991**

(millions)



\* ILO data unavailable for 1991.

Komsomol, the Young Communists League, being assigned to dig coal in the Far North or construct the Baikal-Amur railroad.

Chernomyrdin is very much interested in support from the poorest population, and the left-oriented voters generally. Recently he visited a collective farm in the Moscow region, trying to look as concerned about the people as he could. Old people were listening and grinning.

Television, which became available for the rural population in the Brezhnev era, allows them now to draw their own conclusions, and freedom of the mass media now works against those who had been eagerly promoting it. People know, for example, that the glorified Baikal-Amur Mainline is covered with rust and snow, and does not run, and the Khalmer-Yu mine, which produced the most precious coal

TABLE 2

**Registered number of refugees and those forced to resettle**

	1/1/93	1/1/94	1/1/95
<b>Total</b>	<b>160,341</b>	<b>447,933</b>	<b>643,135</b>
From:			
Azerbaijan	32,860	77,339	88,649
Armenia	126	1,990	4,889
Belarus	0	17	93
Georgia	24,817	90,880	106,012
Kazakhstan	283	7,948	53,140
Kyrgyzia	897	20,971	48,512
Latvia	85	4,245	9,073
Lithuania	44	510	1,414
Moldova	10,341	14,664	16,898
Russia (Chechnya, Dagestan, etc.)	21,826	69,551	88,733
Tajikistan	65,448	134,046	152,424
Turkmenistan	54	504	1,817
Uzbekistan	3,247	21,613	64,285
Ukraine	19	281	1,715
Estonia	60	2,050	4,303
Not identified	234	924	1,178

TABLE 3

**Profile of pre-school education, 1990-93**

	1990	1991	1992	1993
Kindergartens and nurseries (thousands)	87.9	87.6	82.0	78.3
Children attending (millions)	9.0	8.4	7.2	6.8
Children in State pre-school (percent)	66%	64%	57%	57%
New kindergartens built (capacity in thousands)	225	147	96	60

in the world, is shut down, along with the town nearby.

And the local statistics bureaus, now free of control from The Party, as well as The Movement, are still making their calculations. They are not published in the regime's *Rossiyskaya Gazeta*, but still, they are available. They help one to realize what Chernomyrdin's "stabilization" is—a real process, or a sort of formula for mass hypnosis. Though the first impression they make is that Chernomyrdin's version of Brezhnev's "O, O, O," should be read as: zero, zero, zero (Figures 1-2 and Table 1).

In the first quarter of 1995, the machine-building industry's output was 22% less than in the last quarter of 1994. Capital investments decreased by 20% for the corresponding period.

The figures above demonstrate that the slight slowing in the

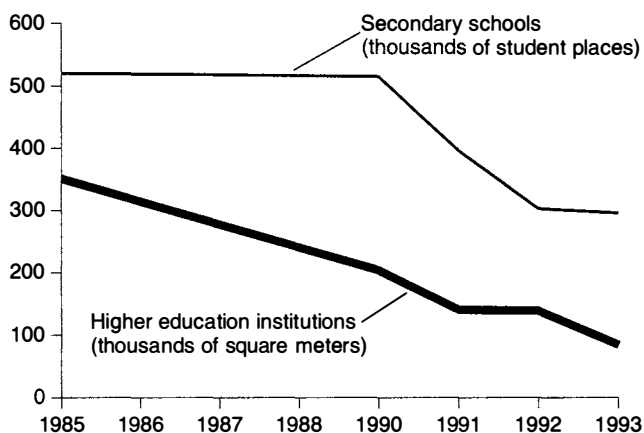
TABLE 4

### Number of secondary students rose, but number of graduates plunged, 1980-94

School year	No. of schools	Students (thousands)	Teachers (thousands)	Graduates, full program (thousands)
1927/28	80,265	7,469	228	NA
...				
1980/81 through 1989/90 (average)	67,320	18,570	1,188	1,479
1990/91	67,571	20,328	1,442	1,035
1991/92	67,891	20,427	1,497	1,081
1992/93	68,270	20,503	1,561	1,050
1993/94	68,113	20,565	1,624	985

FIGURE 4

### New secondary and higher education facilities



economic breakdown in 1993, after Yegor Gaidar resigned as prime minister, has been followed by a new slope of depression. The only branch of industry in which the rate of decrease is becoming slower, is the extractive industries, whereas oil refining is rapidly declining. This means that the country is becoming not “a partner in the world economy,” as had been many times declared, but just a source of raw materials.

Under the management of Gazprom’s ex-director Chernomyrdin, the export of natural gas is overwhelming other exports, increasing by 16% over the first quarter of 1994, while the share of fuel production in export grew from 47% to 51% for the last year. The volume of import is increasing primarily by machinery and food products, especially meat and butter. Obviously, this leads to the suppression of domestic production of these goods. Whole industrial regions, previously proud of their machine-building and textile industry, are shut down. This process is widely called “chernomyrdiza-

FIGURE 5

### Children in summer recreation camps

(millions)

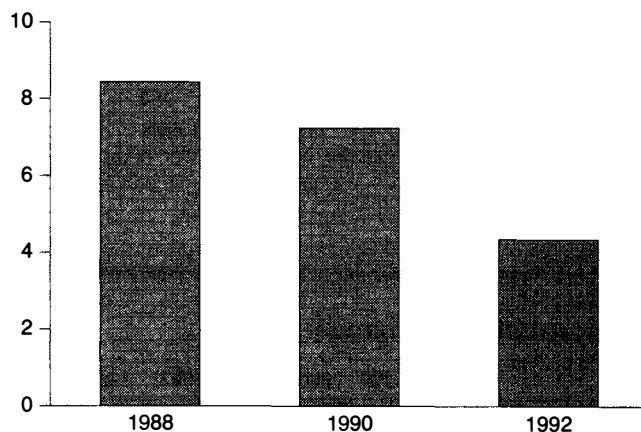
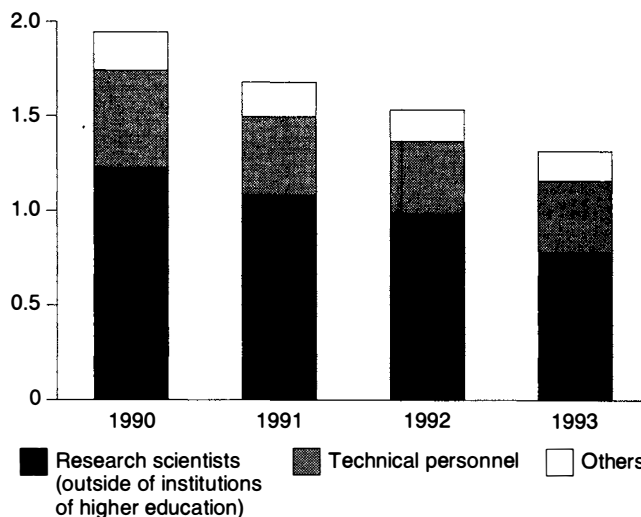


FIGURE 6

### Scientific workers in Russia, 1990-93

(millions)



tion” of the economy, which is equal to colonization.

Another aspect of the process is reflected in the unemployment statistics (see Figure 3).

In November 1995, the official statistics given by the ITAR/TASS information agency show that the number of registered unemployed has reached 2.2 million people, while the real number is estimated at 5.9 million. Even if the last number is not an underestimate, these 5.9 million comprise over 8% of the “economically active” population.

These figures are increasing not only because of the economic collapse, but because of war conflicts and inter-ethnic tensions in the post-Soviet republics and Russia. A great

TABLE 5

**Budget expenditures on science**

(billions of nominal rubles)

	1992	1993	1994
Total state budget	5,970	57,677	234,800
Science expenditures	108	958	3,115
Percent of total budget	1.81%	1.66%	1.32%

TABLE 6

**Demographical estimates**

	1985	1990	1991	1992	1993	1994
Total population (millions)	143.6	148.2	148.3	148.3	148.0	147.9
Population increase (thousands)	749.9	332.9	103.9	-219.8	-750.3	-920.2
(percent)	0.53%	0.22	0.07	-0.15	-0.51	-0.62
Economically engaged (millions)	74.9	75.3	73.8	72.0	70.9	70.2

	1960 . . . 1990	1991	1992	1993	1994	
Births (per 1,000)	23.9	13.4	12.1	10.7	9.4	9.4
Deaths (per 1,000)	7.4	11.2	11.4	12.2	14.5	15.6
Infant mortality (per 1,000 live births)	36.6	17.4	17.8	18.0	19.9	19.0

FIGURE 7

**Demographic estimates: population increase or loss**

(percent)

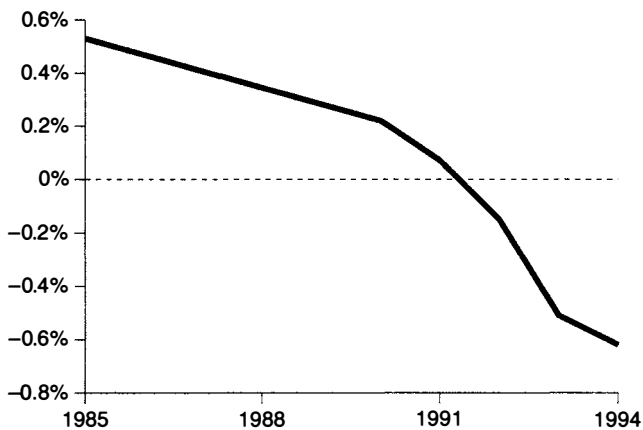


FIGURE 8

**Demographic estimates: births and deaths**

(per 1,000 population)

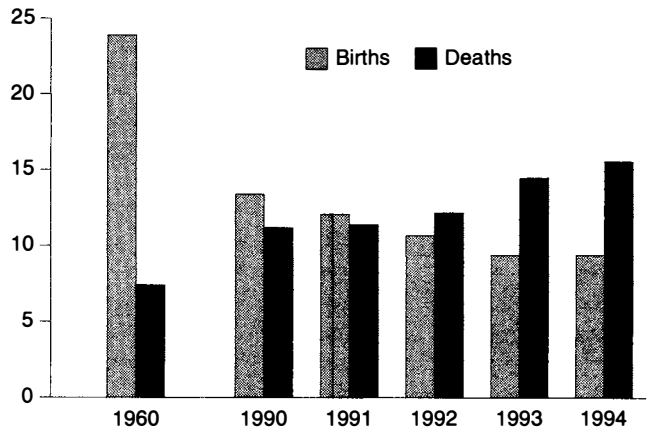
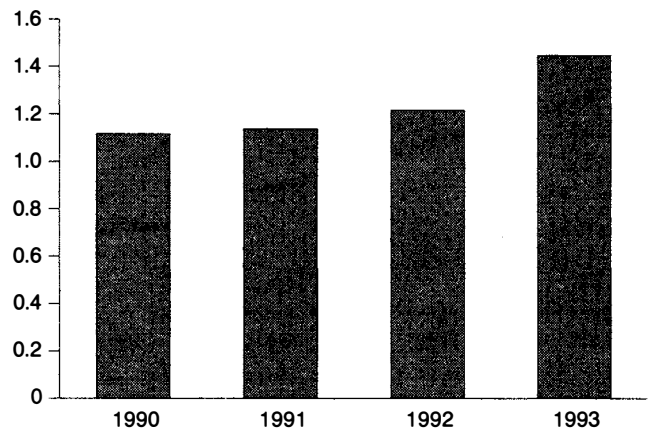


FIGURE 9

**Demographic estimates: total mortality**

(millions)



contribution was made by the war in Chechnya, which was started on the prime minister's initiative, and then transformed into a chronic conflict by the same prime minister (see **Table 2**).

Russian workers and engineers are returning from the regions and former Soviet republics where they had been sent on economic projects during the Soviet period. Each of them brings his family with him. Will their children enjoy reading *Misha* magazine in new schools being built for them? (See **Tables 3-4** and **Figures 4-5**.)

In 1994, thirty-four percent of higher and secondary schools were in need of physical repair. Many children, instead of finishing secondary school, had no opportunity other than to get involved speculative business dealings, often becoming an only source of income for their parents' families.



FIGURE 10

**Mortality from alcohol-related diseases**

(per 100,000 population)

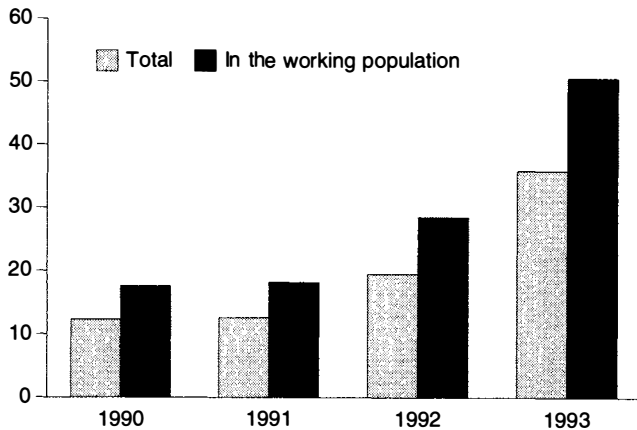


TABLE 8

**Percent increase of various causes of death**

Mortality	1/1/93-1/1/95	1/1/95-4/1/95
Infectious diseases	48%	11%
Pulmonary diseases	42%	NA
Total accidents, other trauma, and intoxication	41%	4%
Alcohol intoxication	210%	NA
Homicide	42%	6%
Suicide	35%	7%

No wonder, therefore, that in 1990-94, the number of students attending institutions of higher education decreased by 11%. Still, a lot of those who decided to get a higher education regard this decision as a mistake. For 51,000 post-graduate students and 126,000 college students were unable to move into their previously defined appointments. A raw-materials export economy, or colonial economy, has little need for science (Figure 6 and Table 5).

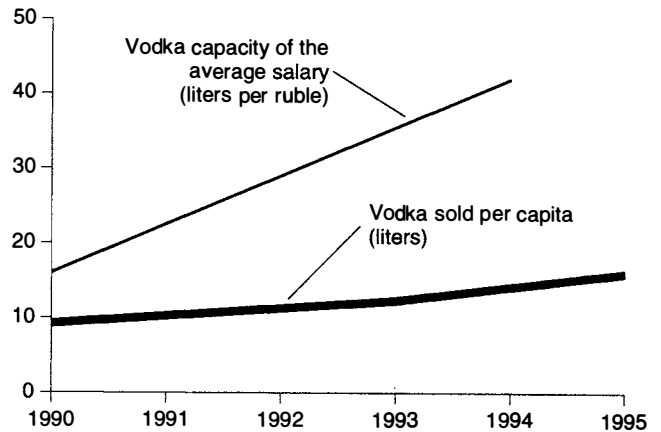
Still, "kind" Uncle Vitya, though not very popular among young men, old men, and especially refugees, can report to the modern malthusian ideologues at the United Nations, about his outstanding results in the implementation of the five-year plan for population decrease. In those circles, where the "zero growth" theory was originally developed, he will be more likely understood and praised than among the native population (see Tables 6-7 and Figures 7-9).

In the working population, total mortality increased even more dramatically—from 488,200 in 1990 to 741,200 in 1993 (see Figure 10).

The year 1994 brought a rapid increase of all the mentioned

FIGURE 11

**Alcohol consumption in Russia\***

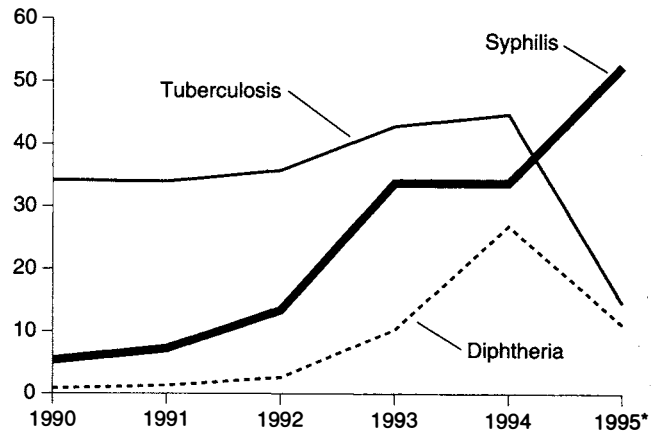


\* Exclusive of illegal sales and substitutes.

FIGURE 12

**Diseases associated with malnutrition and moral decay**

(cases per 100,000 population)



\* First through third quarter.

parameters. The second column shows the increase for the first three months of 1995 (Table 8 and Figures 11-12):

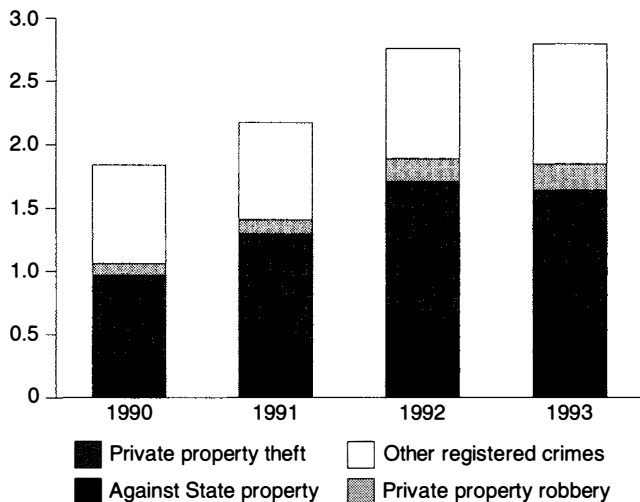
The incidence of syphilis will reach an enormous level this year: In the first quarter of this year alone, it was almost 10 times more than the annual level in 1990.

Unfortunately, two other figures are lacking in these statistical summaries: the increase of beggars in the streets, and restaurants for the "new Russians." It would be interesting to draw a correlation between these estimates and the dynamics of venereal diseases.

Poverty and alcoholic beverage substitutes were not the

FIGURE 13  
Incidence of criminality in Russia, 1990-93

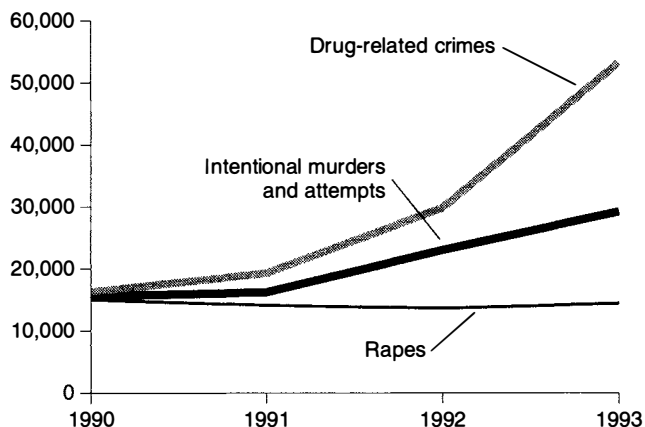
(millions of crimes)



Additional sources: "Russia Before Its Choice," *Obozrevatel*, Moscow, 1995; recent newspaper reports.

FIGURE 14  
Crimes against persons, 1990-93

(number of crimes)



only means for implementation of the U.N.'s population decrease ideology (Figure 13).

The U.N. ideologues should be pleased by the fact that crimes against property are growing more slowly than crimes against persons. Moreover, more and more often people don't need to be assisted in leaving this world! (See Figures 14-16.)

When Viktor Chernomyrdin replaced Yegor Gaidar as prime minister in December 1992, his appointment was met enthusiastically even by the Communists. Gennadi Zyuga-

FIGURE 15  
Mortality from homicides, 1990-93

(per 100,000 population)

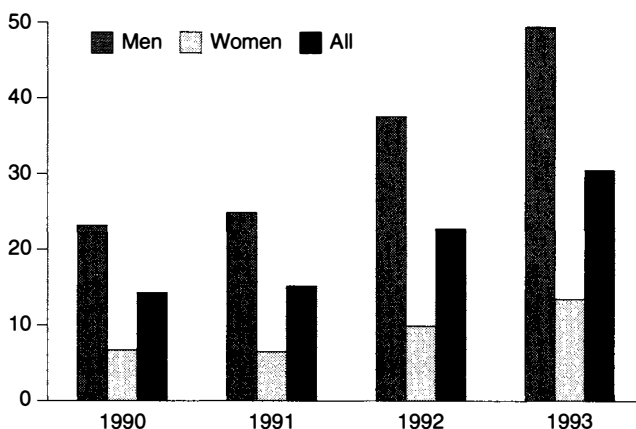
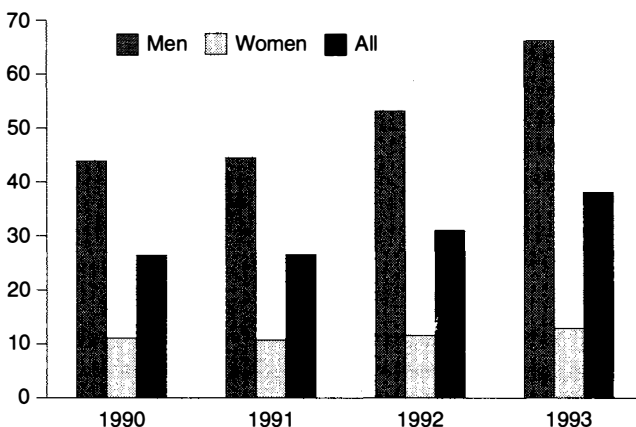


FIGURE 16  
Mortality from suicides, 1990-93

(per 100,000 population)



nov, the Communist Party leader, hailed him as "an experienced industrialist." It really seemed that this change would result in some qualitative changes, enabling the State sector of the economy at least to halt its breakdown.

If Chernomyrdin's government could be strong and independent enough to introduce a new economic strategy, people thought, if he were personally brave enough to get rid of the IMF's dictatorship, the results would surely be different. But it's a question of a personal choice—to be a person with a feeling of dignity, or just a triple zero; to be a national leader, or an IMF stooge; to serve one's homeland, or the corrupt world of the financial elite.

Chernomyrdin made his choice. Now he must not be surprised if the people do not choose in his favor.

### Foul compromises on the 'old debt'

*The government is stonewalling on a serious solution now, and ruining the future of Germany's municipalities.*

**T**he government of Chancellor Helmut Kohl, whose free-market and monetarist policies after German reunification caused the almost complete deindustrialization of the State sector economy of eastern Germany, is about to risk the ruin of 1,400 municipalities in the East, for the same ideological reasons.

The government has been stonewalling on any reasonable solution to the so-called "old debt" of some DM 5 billion, which the pre-1990 socialist regime of East Germany loaded on the municipalities by decree. Carried over into the unified Germany, this "old debt" has grown, through the addition of western interest charges, and is now almost DM 8 billion (\$5.5 billion), and will be DM 8.7 billion by the end of 1996.

This "debt," a dubious bookkeeping trick in East Germany's Five Year Plan, should have been written off in the process of German reunification. But, under the influence of the banks that bought up the East German banking sector and wanted to preserve their "claims," and under blackmail from the International Monetary Fund (IMF) and the international creditor banks to avoid a chain reaction from an internal German debt moratorium, the entire, absurd "old debt" of East Germany was treated as legitimate by Bonn. The debt was parked at the Berlin Treuhand agency, as a trick to relieve the heavily indebted federal state budget between late 1990 and the end of 1994.

In late 1992, banking experts recognized that the "old debt" would nev-

er be paid, because no one in the East could afford it, and that the federal budget would be thrown off its nervously guarded balance, were the "old debt" added to the existing government debt as scheduled by January 1995. In the spring of 1993, Kohl ruled that decision on the irksome issue be postponed into 1995.

This was intended to gain time and to escape a court battle with the municipal "debtors," since Bonn feared the court might rule in favor of the "debtors," because of the dubious nature of the debt. The entire problem only returned to the political agenda in the summer of 1995. Bonn chose a carrot and stick approach to breaking the resistance of the eastern municipalities. Instead, the municipalities have flatly rejected the various foul compromises offered by the government, and stated their firm intent to take the issue before the Supreme Court.

This was the situation in early November, and the conflict continues to escalate, because the DM 3.7 billion interest would become voided by Dec. 31, according to banking regulations, if the "old debt" were not recognized by that date.

Kohl felt compelled to step in personally, offering a "decisive" meeting in Bonn on Nov. 27. But, continuing its blackmail tactic, on Nov. 14, Friedrich Bohl, head of the Bonn chancery, threatened legal action by Nov. 24 to enforce debt payments. Bohl said the government would mail out final notices to pay, should the municipalities continue refusing to rec-

ognize the "legitimacy" of the claims. The ultimatum backfired, when the 1,400 municipalities responded that they would not pay, but would consider taking Bonn to the Supreme Court, should payment be enforced.

Now, the "old debt" issue is being featured at rallies in many eastern cities, resumed by concerned citizens to commemorate the 1989 protests that helped bring down the East German regime and to protest five years of government economic shock therapy.

All of this should have been a last warning to Bonn to solve the conflict by declaring a debt moratorium, before the courts got involved. Kohl withdrew the ultimatum, but then attempted a previously successful ploy, when he appointed Thuringia Gov. Bernhard Vogel to "mediate." Vogel had helped bolster Kohl in the summer of 1993, when he assisted in breaking the Bischofferode potash miners strike, which was gaining broad national, and international support. Vogel made promises to create new jobs for the miners, if they agreed to the closing of their mine. They accepted his proffer, but the jobs were never created.

The leopard doesn't change his spots: Vogel is now offering to relieve the municipalities of 50% of their "debt"—which would be picked up by the five eastern state governments and the federal government—if the "debtors" first recognize the legitimacy of the claims. Remaining payments would be stretched out over 25 years, at DM 800 million a year.

This foul compromise means that the 50% that the municipal "debtors" would have to pay, adds up to DM 10 billion. We would hope that, unlike the Bischofferode miners in 1993, the "debtors" of 1995 stay firm and turn thumbs down to these debt-collecting schemes that mean certain ruin to the municipalities.

# Business Briefs

## Africa

### Enron beats out South Africa in Mozambique

The George Bush-connected Enron Company in Houston, Texas has won a concession for the exploitation of natural gas in Mozambique after a lengthy tug-of-war with South Africa, the Nov. 3-9 South African daily *Afrikaner* reported, according to the U.S. Foreign Broadcast Information Service.

Enron is expected to attempt to sell the gas to South Africa at very high prices. The *Afrikaner* noted that the South African State power-generating company Eskom could have used the gas for generating electricity, but the Enron price is too high, according to Eskom. With little chance of Enron finding a buyer in South Africa, Enron will have to compress the gas to liquid form for transport. "It is an open question whether this sort of marketing will ever be viable, but it is apparently very important to the U.S. [Bush interests] to ensure that South Africa does not get the gas," the paper said. The natural gas is near Pande in the Inhambane district.

Pik Botha tried hard to get the concession for South Africa, just as he "saw to it that Mozambique was able to restore the transmission line to Cabora Bassa [dam] and export power to South Africa," the paper said.

## Gold

### Lease rate soars to historic highs

The gold lease rate (the rate at which financial institutions, in particular, banks, lease gold to those who want to borrow the metal) reached an all-time high of 6% on Nov. 27, the *Wall Street Journal* reported. "Never in the history of the gold market have these rates been so high," said Ian MacDonald, chief of precious metals trading at the New York branch of the Swiss Cr dit Suisse bank. "Scarcity is such that we're recalculating lease rates every minute."

Normally, lease rates are well below 1%, but they started to rise sharply the week before Thanksgiving. The rise is attributed to a shortage of immediate gold supplies. Some Wall Street spokesmen predict that gold's price will increase sharply above the \$400 per ounce level; gold has been trading below that level for several years.

The way the gold market works is that central banks lend gold to dealers, for example, banks such as Rothschilds, J.P. Morgan, or Chase Manhattan. The bank-dealers, in turn, lease the gold to interested parties. The rate of interest charged is the lease rate. Frequently, the bank-dealers lease gold to gold-producing companies which "sell the gold forward," that is, sell it on the forward-futures market. This is gold that the gold producers expect they will return to the dealers out of their future gold production.

Some dealers now think that the central banks, which have lent out a significant amount of gold, are reluctant to lend out more from their reserves. This creates a chain reaction. In recent months, it has been forward sales of gold by gold producers, providing more gold to the market, which has kept the gold price from rising. If that supply of gold (which is in large part provided by the central banks) is removed, the resulting shortage could lead the price of gold to skyrocket.

Driving this process, is the accelerating financial disintegration, which has led the Anglo-Dutch oligarchy, grouped around the House of Windsor, to stampede out of speculative financial instruments into physical assets.

## Russia

### 'Reforms' worse than World War II, says Lebed

The so-called economic "reforms" (imposed on Russia by George Bush, Margaret Thatcher, and the International Monetary Fund) have caused more devastation than World War II, Aleksandr Lebed wrote in a commentary in the German daily *Frankfurter Allgemeine Zeitung* on Nov. 30. Lebed is a nationalist and candidate for the State Duma (lower house of Parlia-

ment). During 1941-42, the worst two years of World War II, productive output fell by 34%; in 1992-95, three years of the reforms, productive output fell by 43%, he said.

National German radio Deutschlandfunk reported on Nov. 17 that the 50% collapse in Russian food production since the introduction of the "market reforms" in February 1992, was twice as big as the 24% collapse during Josef Stalin's forced collectivization in the 1930s. This year, agricultural production will shrink by another 10%.

The crisis has created pessimism among farmers, who might otherwise be creating family farms or non-collectivized farms. In 1994, for every 100 new private farms that were started, there were 103 farm bankruptcies. From the very beginning, Moscow showed absolutely no interest in supporting farmers. Every third private farm has no tractor, every sixth one has no combine; they get no loans, and therefore cannot invest in fertilizers, pesticides, or necessary infrastructure, leading to an enormous amount of their harvest being lost.

In addition, there has developed a tremendous disparity between costs and farm prices. The immediate result of this "scissors crisis" is horrendous debts. The radio quoted a Russian newspaper: "To say it openly, the State retreated completely from the village, and is watching from a secure distance as it goes under."

## Fusion Energy

### Budget cuts endanger projects in Germany

Several important energy projects, including the world's biggest international fusion energy project, the International Thermonuclear Experimental Reactor (ITER), are in deep trouble because of budget cuts.

Representatives of eight European Union nations, including the Netherlands, Sweden, and France, pushed through a motion to review the ITER project from a cost-effective standpoint at a meeting in Luxembourg in November. The meeting was supposed to discuss final arrangements for the ITER project, such as its

location; the eastern German city of Greifswald has been one of the prime candidates. If the majority of the EU countries decides at an upcoming EU meeting on the ITER in December that it no longer wants to participate, then "the project is dead. Germany cannot do it alone," German Minister of Science and Technology Jürgen Ruetters told the *Süddeutsche Zeitung* recently.

Ruetters said that nuclear fusion is very interesting, but merely for basic research, because the results would only show up in "30, 40, or 50 years from now."

Meanwhile, Ruetters has cut funds for the new Wendelstein 7-X reactor in Greifswald, whose design is the promising Stellarator approach to magnetic fusion. Several members of the Mecklenburg-Prepommernian Parliament have bitterly complained against these budget cuts, which have also caused the establishment of the new Max Planck Institute for Plasma Physics in Greifswald to be postponed until autumn 1996. Funds for 1996, originally DM 109 million (\$68 million), were reduced by 10%.

The daily *Frankfurter Allgemeine Zeitung* reported on Nov. 29 that a team of Chinese engineers is currently dismantling the German fusion test reactor ASDEX in Garching, in order to reconstruct it at the South-Western Institute for Plasma Physics in Leshan in the Sichuan region, where China is improving its biggest fusion research facility, bringing in 500 scientists and technicians.

## Eastern Europe

### Moldova orders cutbacks in electricity use

Moldova imposed harsh austerity measures on Dec. 1, in order to conserve electricity through the winter months, banning its use at peak times and forcing businesses and shops to change their operating practices. The former Soviet republic traditionally imports 98% of its energy resources.

Because most of those regions and republics which import electricity from Russia are now required to pay in hard currency, usually

dollars, which is difficult for Moldova to come by, its debts to the state energy company, Moldenergo, are now at \$100 million. Domestic electricity output has fallen from 15.5 billion kilowatt-hours in 1990, to about 6 billion this year.

A government decree, triggered by a dramatic fall in domestic electricity output, instructed towns, villages, ministries, and enterprises to turn off electricity for three hours in the morning and five in the evening. The order will force industrial enterprises to work on weekends. Street lighting will be halved and office hours are being advanced to prevent businesses from operating in the late afternoon.

All companies are prohibited from using electric heaters during peak consumption hours, and saunas with similar heaters will be closed down. School and public transport timetables have also been changed to save energy.

## Investment

### German agency bans derivatives speculation

The Berlin-based Federal Supervisory Agency for the Insurance Sector banned derivatives speculation, in a letter on Nov. 24 to all insurance companies which announced a new set of regulations. Any speculative use of derivatives is prohibited. Future and option transactions will be allowed only in very restricted forms.

On the same day, the president of the Federal Supervisory Agency for the Banking Sector, Wolfgang Artopoäus, warned at a conference in Munich that the "susceptibility of the worldwide financial system for disturbances" has greatly increased due to globalization of production, worldwide deregulation, and a "flood" of financial innovations.

The curb on derivatives is not expected to have much practical effect, because investment in derivatives is massive, and the risk involved is already leading many to pull out of these instruments. However, it does indicate an acknowledgment of the problem.

● **POLAND'S** food industry is the target for 60% of all foreign capital invested in Poland, said Dr. Stanislav Kaj, president of the West Institute in Poznan, in a speech to a conference of the Agrarsoziale Gesellschaft in Göttingen in late November. Food processing is mainly in the hands Coca Cola, Pepsi, and Master Food; pasta is controlled by Barilla, owned by Nestlé.

● **THE AEG FIRM**, for decades the leading German producer of industrial components for the power sector, will close its headquarters on Jan. 1, 1996 and all remaining units will become separate legal entities, AEG chairman Georg Stoeckl said on Nov. 28. The AEG workers' council expects that 10,000 jobs will be lost.

● **COLOMBIA'S** Energy Minister Rodrigo Villamizar has offered to sell 10 electricity-generating plants to the highest bidders, *El Espectador* reported on Nov. 27. They produce 3.6 gigawatts out of Colombia's installed capacity of 10 GW. Villamizar recently proposed a 40% hike in energy rates to attract buyers.

● **ENRON'S** deal with India has been renegotiated, the *Bombay Business Standard* reported on Nov. 21. The Sena-BJP state government scrapped Enron's deal with the Dabhol Power Co. on Aug. 3. The new deal involves a sharp reduction by Enron in capital costs and change of fuel to make it less dollar-dependent.

● **AIDS PATIENTS** can no longer be refused treatment by doctors on personal safety grounds, the ethics committee of the Australian Medical Association said in a new code of ethics announced Dec. 1, the *Weekend Australian* reported. Currently, 19,000 of 17 million Australians carry the HIV virus.

● **INSURANCE** companies are selling off mortgage derivatives, in response to threatened downgrades of their credit ratings, the Nov. 27 *Wall Street Journal* reported.

# The Lords of Loudoun

by Jeffrey Steinberg

Investigations by *EIR* into the operations directed against statesman and Presidential candidate Lyndon LaRouche, have uncovered a treasonous nest of oligarchical families in Northern Virginia's Hunt Country, some 40 miles from our nation's capital. This group of families shares a common outlook with, and are, in effect, extensions of the British oligarchy, headed by the royal family; together with allied networks of families in New York, Boston, and other locations, they form a single transoceanic oligarchy. As we shall show, they have spun off a web of deployable, operational assets capable of manipulating government policy and combatting their enemies. This is the pack of rascals who were behind the fraudulent prosecution and fraudulent conviction of LaRouche et al. They are the same forces who are behind the attack on U.S. President William Clinton, who has become the most anti-British President since Franklin Roosevelt proposed to dismantle the British Empire and create a system of nation-states in its place at the end of World War II.

In this report, we shall focus on the nature of this oligarchy and some of its principal assets. We shall examine a handful of families to show how they have an operational focus of activities against the interests of the United States, and in the direct interest of the British Crown. We have chosen four families whose names are not so well known—Bryan, Hanes, Ohrstrom Bryant, and Arundel—because they reveal far-flung connections and function in various “projects” of the oligarchy with importance well beyond their local domain. We will also explore the families' deployment of “asteroid” intelligence assets, as well as corrupted parts of the national security apparatus, using the way these were employed in the LaRouche case as paradigmatic.

Throughout the history of the United States, there has existed a small, but powerful network of families whose true allegiance is to Great Britain and the British Crown. During the Revolutionary War, they were referred to as Tories. Following the victory over Britain, some of our Founding Fathers, led by Benjamin Franklin,



*British Crown power in Northern Virginia, and subversive influence on Washington policymaking, are epitomized by the British flag flying over a local law firm in downtown Leesburg, the Loudoun County seat. Inset: Queen Elizabeth II, who has reportedly made at least four private visits to Northern Virginia in recent years.*

pressed to have these traitors expelled from our shores.

Unfortunately, softer heads prevailed, and over successive generations, this Tory apparatus grew and prospered, always in junior partnership with London's financial elites. New York and New England families such as Coolidge, Perkins, and Weld, joined with their British "cousins" in the Far East opium trade during Britain's two Opium Wars against China, earning fabulous fortunes and building a power base within the eastern financial establishment.

E.H. Harriman of New York became the personal banker for Prince Edward Albert, the Prince of Wales, who eventually succeeded his mother, Queen Victoria, as King Edward VII. Prince Edward Albert was known among his contemporaries as "The Prince of the Isles," after he succeeded in forging a geopolitical alliance of convenience—under British domination—among Europe's heavily intermarried royalty. That alliance is today known as the "Club of the Isles."

In Virginia, the Carolinas, and elsewhere in the South, the Tory families, with British backing, built a feudal economy based on black chattel slave labor to grow tobacco and cotton. During the Lincoln era, on behalf of London, the Tories led the secessionist insurrection against the Union; and when they were defeated on the battlefield, they schemed—under British direction—to assassinate President Lincoln and subvert his vision of reconstruction and reunion, through such instrumentalities as the Ku Klux Klan and the Southern Jurisdiction of the Scottish Rite of Freemasonry. All the while, they enjoyed the quiet support of their Tory brethren in the

New England and New York financial community.

By the turn of the twentieth century, the heirs of this Tory establishment, led by E.H. Harriman, had descended upon Washington in a way different than the British Red Coats of 1812. They relocated branches of their families from the Connecticut and Hudson River valleys, Mississippi, and the Carolinas, and took up residence on lavish country estates in Northern Virginia, for the first time merging the two geographic wings of Tory treachery. Here they joined forces with an already deeply entrenched local, inbred Anglophile crowd of hard-core racists, holdovers from the secessionist era who maintained a local power base in Richmond, the capital of the Confederacy, and in the old Potomac River port city of Alexandria, adjacent to Washington, D.C.

Additional waves of Anglophile migrants to the Northern Virginia area came after both world wars. Today, the area is so polluted by these types that it were accurate to refer to the Hunt Country as the "arse end" of London.

### **A base of operations**

In the Northern Virginia counties of Loudoun, Fauquier, Clarke, and Prince William, and further to the south in Albemarle County, these "carpetbaggers" reproduced a slice of the aristocratic English countryside, importing the "gentlemanly sports" of fox hunting and polo, and transforming working farms into horse-breeding "gentlemen's farms." All the while, these Hunt Country barons maintained their intimate political and financial ties to London. In the modern era

of transatlantic jet travel, the Virginia Hunt Country afforded the British oligarchy a home away from home, and a political base of subversion.

One of the key operational centers for these Tory activities in the area is George Mason University, which was created as a project of the Hunt Country families. GMU houses a string of radical free market fronts, led by the Atlas Institute, the command center for the Mont Pelerin Society's worldwide web of think-tanks directed at subverting sovereign nation-states through the promulgation of radical "privatization" schemes and other Conservative Revolution anti-government projects. Through "academics" such as James Buchanan, the Nobel Prize-winning economist and recent head of the Mont Pelerin Society, GMU exerts a significant policy-shaping influence on the Gingrichites in the U.S. Congress.

Secure in their control over the media and local politicians, these oligarchs have used the area to spawn a nationally significant infrastructure privatization project, the Dulles Greenway, a high-priced toll road in Loudoun County.

As our researchers probed deeper, they found the families in effective control of an array of private "off-line" intelligence assets, linked to the dirty George Bush-connected sections of the intelligence establishment. One of those "asteroids," the Armed Response Group U.S. (ARGUS), generated a scandal that helped drive Loudoun County Sheriff John Isom, a co-founder of ARGUS, out of office in the November 1995 elections, by voters who saw ARGUS as an attempt to launch a private militia, under quasi-official auspices. The ARGUS scheme is still the subject of a federal grand jury probe. And pressure is continuing to mount for a serious government investigation into the railroad prosecution of Lyndon LaRouche and numerous of his political associates. During an Oct. 6, 1986 paramilitary raid on LaRouche's publishing offices, ARGUS combat equipment was put on standby, in the hope that government authorization would be given for an assault on a local farm where LaRouche and his wife were residing.

### 'Focal Point'

In launching ARGUS, the "families" were able to tap into a little-known, but powerful segment of the U.S. national security apparatus known as the "Focal Point" system. Housed in the offices of the Joint Chiefs of Staff, it is the logistical hub of the nation's low-intensity warfare capabilities. Long before the CIA developed its own logistical capabilities—covert airlines, shipping companies, etc.—Allen Dulles, President Eisenhower's Anglophile Director of Central Intelligence, got authorization to tap into the Pentagon's resources whenever he received Presidential endorsement for a covert operation. To this day, and in sharp contrast to prevailing popular opinion, the CIA receives only a tiny portion of the nation's approximately \$25 billion-a-year intelligence budget. Most of the covert intelligence cash, flows into the Pentagon.

*EIR* discovered that several former and current "Focal Point" operatives were important players in the ARGUS scheme, and in other *private covert activities* run through the Hunt Country. One of the key ARGUS figures, Col. Tom Harvey (ret.), was still on active duty, assigned to the Office of the Chief of Staff of the Army, when he arranged for ARGUS to purchase and warehouse U.S. military equipment, including "ferret" armored personnel carriers. Harvey swapped his Army uniform for a three-piece suit and a lucrative job working for one of the Ohrstrom Bryant family foundations during the early 1990s.

The deeper *EIR* probed into the behind-the-scenes affairs of the Hunt Country oligarchy, the more evident it became that several Northern Virginia counties (Loudoun and Fauquier, in particular) were de facto *run* as part of the families' subversion of the Focal Point system. Such information gives the lie to a common myth promoted by British-allied sources, that such "spooky operations" are part of some "CIA conspiracy" that is the source of subversion of our government. As we show, what is often called "American intelligence" is actually a British-sponsored "asteroid" operation, which serves an international oligarchy. The real conspiracy lies in this oligarchy's pollution of American institutions.

### Why publish this now

On Oct. 30, 1995, *EIR* published an abridged and locally focussed version of this study in *EIR News for Loudoun County*, a newspaper circulated in Northern Virginia. Shortly after its publication, Loudoun voters trounced the two most prominent stooges of the Hunt Country's law enforcement team, ARGUS cofounder Sheriff John Isom and the local prosecutor, Commonwealth's Attorney Bill Burch, both of whom played a key role in the "Get LaRouche" effort. Also defeated was the oligarchs' chosen candidate for chairman of the local county council. Subsequently, new evidence has further established the international significance of this "American Tory" crowd's penetration of America's national security institutions, including the federal judiciary.

Coming at a moment when President Clinton has made breakthroughs in the Balkans, Middle East, and Northern Ireland peace processes that are bound to prompt British Crown countermoves, the editors of *EIR* determined that it was appropriate to publish a more extensive dossier on this Tory subversion, for international circulation. Clearly, a more comprehensive report on the several dozen Hunt Country families and their ties to City of London finance and British intelligence, would warrant a new chapter in *EIR* writer Anton Chaitkin's book *Treason in America*, which catalogued the efforts of these Tory families in America up through the early decades of this century.

What we present should make it clear that this treasonous Tory establishment, with a key branch right in Washington's backyard, represents the principal internal security threat to the United States today.



# Virginia Hunt Country: the 'ass-end of London'

by L. Wolfe

Within an hour or so drive from the nation's capital, in the countryside of Northern Virginia, are the estates of members of some of the nation's wealthiest families. They include names synonymous with plutocratic wealth, such as the Harrimans, du Ponts, and Mellons, as well as new rentier financier and other wealth, whose fortunes have been made in the speculation of recent decades, with names less familiar, such as Arundel, Ohrstrom, and Bryant. These comprise the so-called Hunt Country establishment, a loose configuration of oligarchical families and pseudo-aristocrats unified by their raving Anglophilia and imitation of feudal English oligarchical practice, including fox hunting and related field sports. However, the area's families and their Hunt Country are really, despite their pretensions, the "ass-end of London," a repository of important, but secondary players in an oligarchical elite whose nerve center is London and the royal family.

It is well known locally that the area, which includes western Loudoun, Fauquier, Orange, Rappahannock, and adjacent areas in Prince William counties, is effectively ruled over by a war council of these rentier financial interests and decaying industrial fortunes, in much the same way that a council of nobles lorded over sections of the British Isles, or the Venetian nobility ruled Venice. It is interconnected with the families of Alexandria, Fairfax, and Arlington counties, with its influence extending into Washington, D.C. itself.

There is no formal membership list for this council, nor is there an announced meeting schedule; participation is highly restrictive. Most of its business is done at various parties on their estates and gatherings associated with the various "Hunts" of the area, including fox-hunting parties and steeplechase events. Wealth is by no means the most important criteria for participation: One must be wealthy, but one must also have the right "breeding" to be accepted. It is this hereditary principle of oligarchical rule that both unifies this establishment, and ties it to its British "mother."

## An imported 'culture'

The Hunt Country culture was imposed on the area by carpetbaggers. There was no "Hunt Country" in the area to speak of until it was imported, lock, stock, and dung heap toward the end of the last century, from the environs of Long Island and parts of upstate New York, including the oligarchical "watering hole" of Saratoga, parts of Connecticut,

Pennsylvania, and eastern New Jersey. The first hunt was set up in the Warrenton area by E.H. Harriman, who made his money in the service of the royal family, and the traitor August Belmont, who arranged funding of the Confederacy for the British. Along with the Harrimans, Belmonts, Astors, and the like, came the Mellons, Morgans, and du Ponts. Their gatherings were interlocked with the existing "northern" hunts, and featured, according to their own records, participation from members of the British oligarchy, either visiting or stationed in the United States.

A second wave of carpetbaggers, which included speculators, parvenus, and diplomatic types, migrated into the Hunt Country after World War I; members of the British aristocracy posted to the diplomatic corps also took up residence in this Anglophile enclave. By the 1930s, the Middleburg, Loudoun, Fairfax, Orange, and Warrenton Hunts were already centers of British subversion in the United States, with parties frequented by members of the royal family itself, including the Duke and Duchess of Windsor.

Long ago, the wealth and power of these parasites eclipsed that of the native landed aristocracy. With a third wave of carpetbagger migration after World War II, this British cultural colony in Northern Virginia became known as the "New Dominion," to be distinguished from the "Old Dominion" landed aristocrats, whose power is centered in Richmond and southern Virginia. (That area has, in recent years, also been invaded by carpetbaggers, including the likes of billionaires John Kluge and Edgar Bronfman; the Abermarle County hunt is very much involved with its Northern Virginia "brothers.")

Local sources report that there is much fighting within the pecking order of the "New Dominion" families, with the older carpetbagger families looking down their noses at those who have made more recent wealth. This, in turn, has led to some battles both within and among the various hunts—battles within a single oligarchical class.

The rigidly stratified nature of the hunts and their society, mirroring the feudal British social order, are inherently anti-American in cultural outlook. As such, they provide an ideal basis for brainwashing the unsuspecting. Close to the center of national government, the hunts exert a subversive influence on the culture of our capital, helping to spread the viruses of oligarchism and Anglophilia. For example, they have played a particularly disorienting role within the American military and intelligence establishment, providing grounds for recruitment for British policy outlook and projects.

The Hunt Country has historically served as a base for dirty, covert projects of the families and their British controllers. Many are funded by family wealth, which, as with the British and Venetian oligarchy, has been set up in the form of "fondi," enhanced through various real estate and tax scams. We have chosen to examine four such families which have "operational"-oriented components.



*The Hunt Country "culture" fosters an environment for treasonous corruption of Washington. Above, Sen. John Warner (R-Va.) (on horseback, left) at the Oatlands Point-to-Point races; Judge Albert V. Bryan, Jr., who railroaded Lyndon LaRouche to prison (top); Magalen Ohrstrom Bryant, at the opening ceremony for her Greenway toll road.*

## British royals at home in Virginia Hunt Country

by Scott Thompson

For at least two generations, a majority of the British royal family has made a vacation pilgrimage to the Virginia Hunt Country. Queen Elizabeth II made "private visits" to the United States at least four times in the past decade, and made stopovers in the Hunt Country on most of those treks.

According to sources in Loudoun County, Virginia, one of the queen's favorite rest stops is the Upperville estate of Paul Mellon, son of former Treasury Secretary Andrew Mellon, of the Pittsburgh banking family. A former mayor of Middleburg reported: "There have been several royal visits to Middleburg that have never been made public. They

are surreptitious. Paul Mellon is 'in play' on these visits." A spokesman for the Middleburg tourist office stated: "A majority of the British royal family has visited Middleburg. They usually stay with Paul Mellon. I am sure the queen has been there. They land at Paul Mellon's private airport and leave from his private airport, so that no one will know of their visit."

### A genuine Anglo-Dutch asset

Many of the Hunt Country elites are British royal wannabe's, but their love of "all things British" has never brought them into the inner circles of the Windsor apparatus and its shadowy Club of the Isles. By contrast, the aging Paul Mellon is a genuine Anglo-Dutch asset—with the royal medallions and titles to prove it.

He has been decorated by Queen Elizabeth as an Honorary Knight Commander of the Order of the British Empire, and the Dutch royal family made him a Knight Grand Officer of the Order of Orange Nassau. During World War II, Mellon served as a major in the Office of Strategic Services branch in London under his then-brother-in-law David Bruce, of the Scottish Bruce dynasty, who was the uncrowned king of Virginia Hunt Country while he lived. Mellon

studied at Yale University, and received a second bachelor of arts degree from Cambridge University. He has been a fellow of the Royal Society of Arts in London since 1969.

Prince Charles, heir to the falling House of Windsor, was in Loudoun County in July 1995, making one semi-public appearance to pick up a piece of sculpture handcrafted for him. Prince and Princess Michael of Kent, first cousins to Queen Elizabeth II, have visited the Mills family, owners of Hickory Tree Farms in Loudoun County. Princess Anne, a daughter of Queen Elizabeth II, has been to Loudoun horse events.

According to one account, Queen Elizabeth II visited Pamela Harriman's estate in 1986. British-born Pamela Harriman, currently U.S. ambassador to France, is the widow of Averell Harriman, the Anglophile banker and foreign policy "wise man" whose family fortune derived from his father's work for Prince Edward Albert, later King Edward VII. One of Pamela's previous husbands, Randolph Churchill, was the son of Winston Churchill, and her son Winston Churchill III, has been a leading Mont Pelerin Society influential in nearby Washington, D.C., through his position on the editorial board of the Heritage Foundation's *Policy Review* magazine.

The queen's jaunts into the American countryside also bring her to the Kentucky bluegrass region, where she maintains some brood mares at Lane's End Farm near Versailles, which is owned by William Stamps Farish III. Farish handled the private trust of George Bush throughout Bush's tenure as vice president and President. As a student at William and Mary, Farish formed a polo team that frequented the Middleburg area, and he has been a visitor to Virginia Hunt Country ever since.

Farish, one of the queen's favorite American "cousins," derived much of his family fortune from his grandfather, who was prosecuted in 1942 for trading with the enemy. Will Farish, Sr. was a top official of Standard Oil, and was personally involved in maintaining that company's collusion with the Nazi chemical cartel IG Farben into the early years of America's involvement in World War II.

The Windsors' embrace of Farish doesn't embarrass them. For example, King Edward VIII, later the Duke of Windsor, was forced to abdicate the British throne on the eve of World War II, ostensibly because of his plans to marry an American divorcée. In fact, Edward was the patron of the rabidly pro-Nazi Cliveden Set, and he remained so even after Hitler double-crossed some of his British patrons. The duke was viewed by President Franklin Roosevelt as a treacherous enemy agent, and until FDR's death, the Duke of Windsor was barred from entering the United States. But within two years of Roosevelt's demise, the Duke and Duchess of Windsor took up semi-permanent residence in the United States. One of their first stops on their inaugural postwar American tour was Fauquier County, Virginia, in the middle of the Hunt Country.

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Albert V. Bryan, Jr.

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## Alexandria's racist Tory establishment

by Steven P. Meyer

Albert Vickers Bryan, Jr., the senior judge for the Eastern District of Virginia, who, in 1989, personally commanded the railroading of statesman Lyndon H. LaRouche, Jr., sentencing him to 15 years in prison, is a seasoned operative of the Alexandria, Virginia-based Confederate families which are an integral component of the British-controlled Hunt Country establishment.

The Alexandria power nexus is an extremely close-knit group, whose treasonable activities date back to before the Civil War. They are interconnected with the same Tory New York and Boston establishment whose members colonized Northern Virginia Hunt Country. In the post-Civil War period, this created a single oligarchical network extending from the Potomac River to the Blue Ridge Mountains, with connections, for example, through the Hanes family, into the Old South. As with the Loudoun County families, the Alexandria branch of this network totally controlled the political and judicial apparatus within their domain, through their control of the federal court in Alexandria and of the Democratic Party apparatus of the 8th Congressional District of Virginia, which extends deep into the Hunt Country; in both operations, the Bryan family plays a key role.

Alexandria is thus a protected haven for British-run dirty operations directed against the United States.

### The family tradition

The Bryan family's role in this Tory establishment dates to at least the turn of the century, when Albert Bryan, the grandfather of Judge Albert V. Bryan, Jr., became a political power in Alexandria as a lawyer, Democratic Party chairman, and a director of First and Citizens Bank, the region's largest financial institution. From this position, the elder Bryan was integrated into a political and banking apparatus which dominates Northern Virginia to this day.

His son, Albert V. Bryan, Sr., inherited his father's mantle as lawyer, banker, and Democratic Party power broker. From 1947 to 1961 he served as a judge of the Federal Court in the Eastern District of Virginia. From this position, Albert V. Bryan, Sr. established the infamous "rocket docket," in which keeping the railroad running on time is more important than securing justice. Defendants' rights are routinely sacrificed in the interests of speedy trial. In 1961, Bryan, Sr.

was elevated to a judgeship on the Fourth Circuit Court of Appeals, where he saw that the "rocket docket" was enforced. The federal courthouse in Alexandria bears his name in honor of this ignominious achievement.

Albert V. Bryan, Jr. continued the family tradition. Before following his father onto the federal bench, Bryan trained as a facilitator for the Anglophile Alexandria establishment. One of his more notorious assignments was in 1955, when, at the age of 29, he helped to create Interarms, an international arms supply company based in Alexandria and London. Interarms was a private intelligence "asteroid" which supplied rifles and small arms to foreign governments and insurgency movements alike, as part of Britain's balance of power, geopolitical games. Interarms' first contract moved a half-million rifles purchased from the British War Ministry to the government of Argentina. Other Interarms projects included selling arms to the government of Cuban dictator Fulgencio Batista, and then to Fidel Castro.

Nominally headed by Samuel Cummings, who had worked for CIA head Allen Dulles in Guatemala and in the Caribbean, Interarms was a project of Gardner L. Boothe and his close friend Clarence J. Robinson, who personally tasked Bryan, Jr. to this network. Boothe was then president of First and Citizens National Bank, the bank which financed the creation of Interarms and many of its projects. Directors of the bank included both Robinson and Bryan, Jr., whose father and grandfather had been officers and directors of the bank as well.

Bryan was co-counsel for First and Citizens, along with Boothe's law firm. He was the registered agent for Robinson's Terminal Warehouse, the Alexandria depot in which Interarms stored its weapons for shipment. In 1958, he helped create the Potomac Arms Corporation, another endeavor of Robinson's financial network, and served as its registered agent.

Another director of First and Citizens, J.C. Herbert Bryant, Sr., an Alexandria industrialist and yachting buddy of Clarence Robinson, married Maggie Ohrstrom.

After establishing Interarms, Bryan, Jr. followed his father into the judiciary. In 1962, he was appointed to a state court judgeship, and, in 1971, President Nixon appointed him to the federal court, where he presides in the courthouse named for his father. Bryan, Jr.'s training with the Anglophile oligarchy and intelligence establishment prepared him for many of his assignments on the federal bench. The Eastern District of Virginia sees a high number of national security-related cases, because many public and private defense and intelligence agencies are located within its jurisdiction.

In 1978, Bryan, Jr. was appointed to the panel of judges on the newly created court established under the Foreign Intelligence Surveillance Act. The FISA court is a secret court which approves Justice Department requests for national security warrants, wire-taps, and other surveillance techniques. Unlike an ordinary court, its proceedings are secret and the results of its rulings are never revealed, even to the

## Judge Bryan railroaded Lyndon LaRouche

Judge Albert V. Bryan, Jr.'s service to the British monarchy was nowhere more evident than his role as the conductor of the railroad trial of Lyndon LaRouche, Jr. As Chief Judge of the Federal Court of the Eastern District of Virginia, Bryan's relationship to the Virginia branch of the British oligarchy was itself sufficient to have disqualified him from presiding over the case. Instead, as a crony of the Loudoun County oligarchy, Bryan presided over the trial, to ensure the unjust conviction of LaRouche.

One of Bryan's first acts in the LaRouche case was to help concoct the fraudulent charges against LaRouche and his co-defendants. On July 27, 1987, fifteen months *before* LaRouche et al. were indicted, Bryan supported federal prosecutors' efforts to proceed with an unlawful and fraudulent involuntary bankruptcy of several firms associated with LaRouche. The bankruptcy terminated all loan repayments from those firms to the lenders who were political supporters of LaRouche. Those same prosecutors had already admitted, in other federal court proceedings concealed from the defense at the time, that without terminating those loan repayments, criminal charges against LaRouche and his co-defendants could not succeed. Hence, the firms were illegally bankrupted.

With the illegal bankruptcy secured by Bryan's ruling, federal prosecutors began fabricating a criminal conspiracy prosecution based on the bankrupted firms' non-repayment of loans. LaRouche and six others were indicted on

targets of the surveillance.

The illegal prosecution of Lyndon H. LaRouche, Jr. began after Henry Kissinger and the President's Foreign Intelligence Advisory Board instigated an investigation of LaRouche under Executive Order 12333. The Reagan-era Executive Order established the procedures under which government intelligence agencies could circumvent constitutional restrictions on their activity on the basis of national security. The order formalized operations such as those under the "Focal Point" (see p. 40).

### The Tory establishment

The Bryans derive their power from the leading families of the Alexandria Tory establishment. Railroad lawyer, banker, and Interarms founder Gardner L. Boothe and his son Armistead successively chaired the Democratic Party in northern Virginia for decades. According to knowledgeable sources, Gardner Boothe's closest friend was Henry St. George Tucker who, in 1927, became the Episcopal Bishop

those charges on Oct. 14, 1988.

Prior to trial, Bryan approved a government request to prohibit from trial any evidence that the government (and implicitly Bryan) had initiated the illegal bankruptcy which terminated all loan repayments. Consequently, prosecutors were allowed to accuse the defendants of conspiring to not repay loans, but the defense was prohibited from presenting evidence that the government (and the judge) had ended all possibility of loan repayments by initiating the illegal bankruptcy. In short, Bryan's ruling ensured LaRouche's trial would be rigged.

One year after the fraudulent conviction, U.S. Bankruptcy Judge Martin V.B. Bostetter found the government's bankruptcy action to be illegal, "in bad faith," and perpetrated by a "constructive fraud on the court."

Never bashful, Bryan practically cheered when his railroad succeeded. "I should get a cigar from Judge Keeton for doing his work for him," he bragged after the rigged jury's fraudulent guilty verdict was returned.

Bryan was referring to Judge Robert Keeton of Boston, who presided over LaRouche's first federal trial. That case ended in a mistrial after government prosecutors were caught withholding information from the defense and the court. Keeton even ordered prosecutors to search then-Vice President George Bush's office for documents about LaRouche. Keeton later ruled that the prosecution had committed "systemic and institutional misconduct" in the case. Prosecutors resented Keeton's rulings, which FBI documents described as allowing the defense to "rummage" through FBI files. After the Boston case mistried, prosecutors brought the case to Alexandria, where Judge Bryan protected the prosecutors' efforts to conceal evi-

dence of their misconduct by denying all defense motions for discovery.

Judge Bryan further exhibited his perfidy at LaRouche's sentencing, stating, on the record, "defendants have repeatedly raised this idea that this is a politically motivated prosecution. I reject this as errant nonsense. The idea that this organization is a sufficient threat to anything that would warrant government bringing a prosecution to silence them, is, just defies human experience."

Bryan's outburst was a bald-faced lie on at least two counts. First, as a life-long ally of LaRouche's political enemies in the Virginia squirearchy, he knew full well the political motivations behind the railroad he was conducting. Second, during the trial, Bryan had seen massive documentation of a nationwide hate-propaganda campaign against LaRouche, generated from the salon of New York investment banker and British collaborator John Train. Bryan also had seen evidence that the Soviet government and its communist allies considered LaRouche a substantial threat to Soviet interests, as documented in the official State-controlled Soviet and East bloc press. During the trial, Bryan backed government efforts to prevent this evidence from being heard.

Three years later, Bryan repeated this calculated lie, when presented with even more evidence of the political motivation behind the LaRouche prosecution in a motion for a new trial. "The notion that the movement's significance would prompt such retaliation was characterized by the court at sentencing as 'arrant nonsense.' The term when transcribed appeared as 'errant nonsense.' Either word will do."

of Virginia, and who served as the Head Bishop for the Episcopal Church in America in 1937-44. In 1937, Tucker worked with John Foster Dulles to create the World Council of Churches in Geneva.

Tucker's grandfather, Nathaniel Beverly Tucker, like Gardner Boothe and his crowd, ran weapons for the British. In 1857-61, he served as the U.S. consul to Liverpool and pre-arranged for the British to supply arms to the Confederacy.

Nathaniel Beverly Tucker lived much of his later life as a fugitive in Canada, Switzerland, and other locales, avoiding potential arrest for his role in Confederate secret service plots to burn northern cities during the Civil War and for his involvement in planning the assassination of President Abraham Lincoln. Tucker personally arranged for the safe passage from Canada to England of John Surrat, John Wilkes Booth's co-conspirator who carried out the on-the-ground planning to assassinate Lincoln.

In 1932, his son, Bishop Beverly Dandridge Tucker, arranged for Armistead Boothe to attend Oxford University's

Braesenose College, from which Boothe graduated with a degree in jurisprudence. Upon his return to Alexandria, Boothe spoke before the Rotary Club where he proudly gushed: "During my two years over there, I was converted into an Anglophile, a terrific Anglophile. I love England . . . with a passion."

In 1937, Alexandria's Christ Church, where the Boothe, Bryan, and Robinson families were all vestrymen, reenacted the crowning of England's King George VI. In 1942, Prime Minister Winston Churchill, on a trip to visit President Roosevelt, attended services at Christ Church.

In December 1955, the same year that Interarms was crafted, Armistead Boothe traveled to London as a trustee of Colonial Williamsburg to present its first "Freedom" award to Winston Churchill. At the dinner honoring Churchill at Grovesnor Hall, Boothe sat at the head table next to then-Foreign Secretary Harold Macmillan and the Earl of Crawford. During the trip, Boothe, chairman Winthrop Rockefeller, and the three other trustees of Colonial Williamsburg

held a private meeting with Churchill at his home; Rockefeller had a private audience with the queen.

The five were also hosted by the National Trust for places of Historic Interest or Natural Beauty at the behest of Viscount and Viscountess Esher. The Queen Mother of England, Her Majesty Queen Elizabeth, served as president of the trust, while the Earl of Crawford was the chairman of the Executive Committee.

### **A close-knit organization**

On March 8, 1930, Gardner Boothe convened a meeting of more than 150 persons at Elks Hall in Alexandria to form a campaign committee to elect Judge Howard W. Smith, Sr., to the U.S. Congress from the 8th C.D., which at that time included Loudoun County and extended to Winchester. Boothe was elected Smith's campaign manager, and Boothe fielded a campaign committee of 23 of the most powerful persons in the city, who represented the top banks, law firms, and even judgeships. The committee included Albert V. Bryan, Sr., whose father, Albert Bryan, was Smith's first political patron.

Smith, who lived in Warrenton, Virginia, where Russell Arundel presided as master of the local Hunt, was elected to Congress that November. He served on the Rules Committee for 36 years.

The Smith and Bryan families were extremely close and maintained their relationship for decades, often succeeding one another in key political positions. In 1916, as chairman of Alexandria's Democratic Party, Albert Bryan placed Smith onto the Alexandria Common Council, of which Bryan was the chairman.

In 1928, Bryan's son, Albert V. Bryan, Sr., became the commonwealth attorney for Alexandria, a post Representative Smith had vacated in 1922. In 1937, Smith's son, Howard Worth Smith, Jr., and Albert V. Bryan, Sr., became law partners, a relationship that would last ten years until Bryan was recommended by Smith to a federal judgeship in the Eastern District of Virginia.

While they were partners, Smith often assisted Bryan, Sr. in major Commonwealth cases. When Bryan, Sr. resigned in 1947, he was succeeded as Commonwealth Attorney by Smith. Upon graduating law school in 1950, Albert V. Bryan, Jr. went off to "occupy" office space in Howard Worth Smith, Jr.'s office.

In May 1952, Rep. Howard Worth Smith and Judge Albert V. Bryan, Sr. honored their grand patron Gardner Boothe with a testimonial dinner.

### **Their racist roots**

Confederate Tories down to their knickers, the Smiths and Bryans also share a fundamental hatred of American ideals, as defined by the Constitution and Bill of Rights. Both vehemently opposed giving U.S. citizens of African-American descent their lawful rights.

Smith, one of the most powerful congressmen, was a white

supremacist who obstructed or watered down every piece of legislation that would make African-Americans full citizens. As chairman of the Rules Committee in 1950-66, and as a leading supporter of the Southern segregationist movement, he battled the Civil Rights movement tooth and nail, and led the opposition to the 1964 Civil Rights Act. In one of his last speeches on the House floor, Smith lamented, "God save the United States of America" if the Act were passed. President Johnson signed the bill into law a few hours later.

Smith defended slavery and publicly declared that "southern people have never accepted the colored race as a race of people who had equal intelligence and education and social attainments as the white people of the South." In a private letter to his sister in which he complained vehemently about school integration, he stated that integration would lead to an unacceptable "mixture of the races" that would "mongrelize America."

In 1955, he resigned from Alexandria's Christ Church, because its leading clergy supported the 1954 landmark integration case decided by the U.S. Supreme Court. In 1968, when his Episcopal church in The Plains, Virginia (the town where Nicky Arundel resides), held a memorial service for slain civil rights leader Martin Luther King, Jr., he quit that church, too.

On Sept. 23, 1966, some 800 persons met in the Warrenton Armory to honor Rep. Howard Worth Smith with a testimonial dinner. Smith had finally been defeated in the Democratic Party primary by the Kennedy and Johnson wing of the party, and an era was coming to an end. Many of the Hunt Country elite, along with the Bryans, were there to show their appreciation.

Smith's closest friends, the Bryans, were racist obstructionists, too. Although Judge Albert V. Bryan, Sr.'s biographers note that he upheld the 1954 Supreme Court decision and ordered school integration in Northern Virginia, they failed to mention that the High Court's decision reversed a decision of Bryan's in the battle against integration, the "separate but equal" doctrine upheld in the Prince Edward County, Virginia segregation case.

Albert V. Bryan, Jr., the judge in LaRouche's case, did not let the 1954 Supreme Court decision deter him from carrying on the fight to deny full citizenship to African-Americans. In 1955, he endorsed Virginia's Gray plan, which flaunted its opposition to the Supreme Court and which explicitly stated that its aims were to resist court-ordered integration. The plan called for a constitutional convention to amend Virginia law to allow public funding for private schools. Bryan and his segregationist friends hoped to send their children to all-white private schools, which would be supplemented with state education funds. On March 5, 1956, Albert V. Bryan, Jr. ran unopposed in a special election to represent Alexandria's elite families as a delegate to that convention. The Gray plan was adopted but declared unconstitutional in 1969 as Virginia acquiesced to the rest of the nation's move toward civil rights.

# The Carolina tie to Northern Virginia

by Roger Moore

The name of John Wesley Hanes, Jr. came up in *EIR*'s investigation of the Armored Response Group, U.S. (ARGUS) (see p. 41). Hanes is the head of its parent foundation, the Law Enforcement Assistance Foundation, and money from his family wealth helped bankroll the project, along with the Loudoun County, Virginia-based Ohrstrom Bryants.

The Hanes connection to ARGUS points to two important facts about the Northern Virginia Hunt Country establishment. It does not exist in isolation from related pockets of oligarchical wealth; in this case, it shows the relation to the aristocracy of the old slave-holding South, in the Carolinas. And, it demonstrates the mistake of viewing these families as distinct from the British-dominated Eastern Establishment oligarchy centered in New York and Boston. It were precisely this oligarchical combine, with control centered in London, but operating through New York, Boston, and Northern Virginia, that ordered the operations launched to eliminate Lyndon LaRouche and his political movement.

Hanes, Jr.'s grandfather, John Wesley Hanes, and his great uncle, Pleasant Henderson Hanes (1845-1925), managed the family's plantation in Winston-Salem before serving in the Confederate Army; Pleasant eventually became a special courier for Gen. Robert E. Lee. With the defeat of the British-sponsored Confederacy, Pleasant Hanes served on the staff of Gen. Julius Carr's United Confederate Veterans.

After the Civil War, the family developed one of the largest tobacco-manufacturing operations in the South and, by 1900, had merged this with the Reynolds and Gray families' Reynolds Tobacco of Winston-Salem (now RJR Nabisco). The family branched into textiles and hosiery. In the early 1900s, Durham, North Carolina's James B. Duke joined in creating the British-American Tobacco Company (BAT), a global cigarette monopoly heavily focused on China.

Britain's tobacco merchants were brought into India to plant poppy so that the British East India Company could create new revenues selling opium to China; this, after bankrupting India's domestic textile industry for the benefit of Manchester England's textile mills. Those mills processed the cotton coming out of the South's slave economy. The BAT, particularly around World War I, became a breeding ground for British intelligence operatives. The head of Britain's MI-5 in 1956-65, Roger Hollis, worked on assignment

for British intelligence in China during 1928-36, in a unit tucked away in BAT.

## An errand boy for the Morgans

Hanes, Jr.'s father, John Wesley Hanes, Sr. (1892-1987), was introduced to British economics while working for Duke and BAT's domestic arm, the American Tobacco Company. Shortly after World War I, Hanes, Sr. went into another branch of the Empire's U.S. operations: investment banking with Charle D. Barney, which soon became an arm of the House of Morgan's Smith, Barney, Harris Upham.

Hanes, Sr., in the mid-1930s, was sent into the Roosevelt administration, in which he became assistant secretary of the Treasury after a short stint at the Securities and Exchange Commission. A protégé of Harry Davison, one of the architects of the Federal Reserve System, Hanes, Sr. was reposted into Republican Party politics, starting in 1939. He worked in the treasonous circle of the Dulles family. Hanes, Sr. became a powerful figure in the GOP. A 1948 *New Republic* article explained, "Hanes is powerful in the Republican Party as a spokesman for the House of Morgan. His family, along with the Reynoldses and the Dukes, runs North Carolina."

Their connection to the Dullesees and Morgans, as well as their own connections to British policy and economic interests, placed the Hanes family in the center of British subversive operations in the United States. Hanes, Sr. and Hanes, Jr. were deployed to control the Olin Corporation, a manufacturer of small arms and munitions which emerged from the war in control of half of the U.S. technical competence in this area. The Olin Foundation, created by John M. Olin, and in which the Hanes played a policy-determining role, has been a constant source of funding for British projects in the United States, including the promotion of "free market" and "free trade" policies. Olin money, with Hanes direction, has sponsored the career of numerous British agents, including Sir Henry Kissinger.

Hanes, Jr.'s (1925-) family "tasked" him into the intelligence community, where he became involved with covert operations. In 1950-52, he worked under John J. McCloy, the High Commissioner Germany (HICOG), on covert assignment for the CIA. CIA head Allen Dulles personally deployed Hanes, Jr. in 1953 into the State Department, run by his brother John Foster Dulles, to serve as a bridge between State and CIA. At State, Hanes, Jr. became one of a small group of operatives who served as John Foster Dulles's palace guard and his dirty operations capabilities.

Simultaneously, another British tobacco asset from Winston-Salem, Gordon Gray, was assistant secretary of the Army and special assistant for national security affairs to President Eisenhower. By 1955, Gray was heading up the 5412 Committee, also known as the Special Group. This was a chokepoint created to control covert operations, and was the liaison between the White House and State and Defense departments. By 1957, Hanes, Jr. was appointed head of the Bureau of Security and Consular Affairs, giving him control

## Hanes and the Nuclear Club of Wall Street

In late 1977 or early 1978, a group of New York investment bankers met in the Madison Avenue boardroom of the Dreyfus Corp., to create an "asteroid" intelligence operation called the Nuclear Club of Wall Street. John Wesley Hanes, Jr. was at this meeting. According to participants, the Club's purpose was to gain financial control over the borrowing of the U.S. nuclear industry, including for uranium mining and production and scientific research; ultimately, this would lead to a virtual shutdown of nuclear plant construction in the United States. The Club, as *EIR* discovered, was also involved in conduiting U.S. nuclear secrets to Israel.

The Club had direct input from London, through such individuals as the British intelligence-connected banker Arthur Ross. Its operating chief was reported to be Marvin Rose, a director of Allied Chemical, a company dominated by the interests of Eugene Meyer of Lazard Frères investment house; its president was Jeffrey Friedman of Dreyfus, which has been identified as an American financial conduit of the Mossad; another director was Irving

Harold Sherman, who was reported to be close to the station chief for British intelligence in New York City.

At several meetings, the "LaRouche problem" was discussed: how to sabotage the growing influence of Lyndon LaRouche among nuclear scientists, engineers, and policymakers, and his promotion of nuclear fission and fusion energy. The Club launched a "delphic" project, forming a parallel organization to the LaRouche movement's Fusion Energy Foundation (FEF), publisher of *Fusion*, which at the time had one of the largest circulations among scientific journals. The group was called the Society to Advance Fusion Energy (SAFE), and was run by Alfred Slaner, an executive of the Kayser Roth textile firm, and his wife Luella Mar Slaner. Hanes, and the banker John Train, who was later to run an anti-LaRouche salon, were both involved. It orchestrated a misinformation campaign that claimed that fusion was safe while fission reactors were not, and ensured that neither program was adequately funded.

The Club coordinated a series of slander campaigns that LaRouche and the FEF were "anti-Semitic." At the same time, the Club was in super-secret discussions with a top Israeli scientist about ways to assist the Israeli nuclear program. According to sources, it passed nuclear information and possibly materials to Israel in violation of U.S. law.

over the security operations of the State Department; intelligence specialists have remarked that this is a "CIA posting." The appointment included control over the Office of Munitions Control (export), which was critical for the Alexandria, Virginia-based companies which supplied the weapons for the 5412 Committee's covert operations, such as Interarms, Co., linked to Judge Albert V. Bryan (see p. 25).

Hanes, Jr.'s last diplomatic posting, in 1960-61, involved restructuring the Caribbean Commission, a multilateral organization established to protect British control. The British colonies in the area remain colonial possessions to this day, and are among the biggest dope "money laundries" and centers of organized crime activity of Dope, Inc.

Upon leaving government after the Kennedy administration took over, Hanes, Jr. became an associate and then general partner of Wertheim and Co. investment bank in New York. Wertheim was known for handling assets of wealthy individuals, much as is John Train, another Wall Street anti-LaRouche operative, of Train, Smith Counsel. Wertheim is now owned by London's Schroder Plc.

Hanes, Jr. is a member of the exclusive 1001 Club of Prince Philip's World Wide Fund for Nature (WWF). This privilege is not yet granted the newer wealth of the Arundels or the Ohrstroms, and reflects the Hanes family's century-long service to the British Crown. In 1978, Hanes, Jr. under

the general direction of the networks involved with his WWF friends, was involved with a select group of investment bankers in New York and Boston, including John Train, who were attempting to take control of all investment in the nuclear industry. This group, the Nuclear Club of Wall Street, was deployed against the movement of LaRouche.

The Hanes family foundation in 1986 also funded the National Endowment for the Preservation of Liberty, a support operation for Oliver North's Iran-Contra drug- and gun-running. More recently, it has been a major funder of the *American Spectator*, the British-controlled mouthpiece of the "neo-conservative" movement which has attempted to destroy the Clinton Presidency, on orders from London.

Exactly when Hanes moved into the Hunt Country, with a number of small investment outfits based in Alexandria, remains unclear. However, by the mid-1980s, Hanes joined his acquaintance Nicky Arundel, as an owner of small newspapers in Northern Virginia. Sources describe Hanes and Arundel as being not in competition, but rather cartelizing the market among a single, allied, British-linked intelligence nexus. Hanes's "share" of the market involved the *Connection* newspapers. When efforts were made to contact Hanes, Jr. about his role in ARGUS, and about ARGUS's tax problems, the caller was informed that Hanes had left the area and was unavailable for comment.



## A Hunt Country asset of the British Crown

by L. Wolfe

Until the most recent period, Magalen Ohrstrom Bryant was hardly known in her native Loudoun County, outside the exclusive circles of the Middleburg Hunt Country. To the extent that anyone had heard of her, it was either in connection with her substantial contributions to environmental causes, locally, nationally, and internationally, or because of her strange stepson, J.C. Herbert Bryant, the self-styled generalissimo of the Armored Response Group U.S. (AR-GUS), a paramilitary organization cofounded with Loudoun County Sheriff John Isom.

That has all changed, especially since 1992, when she emerged in public as the principal investor behind the Dulles Greenway, the private toll road between Leesburg and Dulles Airport (see box). But those who travel the Middleburg circuit have long been aware of the ambitious Mrs. Bryant and the power that she wields. Maggie, as she calls herself, derives her clout from the extended business connections of her family, the Ohrstroms, which go all the way into the most exclusive corridors of the City of London banking community, with linkage to the royal family itself.

### A scam artist with connections

Maggie Bryant's family standing was not always that secure.

Her father, George L. Ohrstrom, was a Wall Street investment banker who was picked up and used by the Morgan, Mellon, and Harriman interests in the 1920s. Mr. Ohrstrom's specialty was in the creation of large utilities' holding companies, whose ownership was parcelled out to the exclusive clientele of the Morgans, Harrimans, and other allied investment banks. Often, among these investors were many of the key corporate powers, as well as politicians, judges, and others, whom the investment banks held in their pockets. The interconnected webs of these investment "trusts," with their interlocking directorates, were the means of British control over the U.S. economy, which was broken, in part, by the administration of Franklin Roosevelt in the 1930s.

Ohrstrom's Utilities Holding Corp. was modest by Morgan standards, but, with the blessing of the large investment banks that provided his clients, it made him a considerable

amount of money. That money placed him in the hunt country of Fairfield County, Connecticut, where he became active in the hunt, ultimately becoming the master of the hunt there and, later, in exclusive Westchester County, New York.

When the stock market crashed, Ohrstrom, whose bank had financed the New York headquarters of the Morgan-controlled General Motors, and who had an important correspondent bank in London, was overextended. His patrons were in no position to bail him out, and, in 1931, he was allowed to go bust.

However, Ohrstrom was given a new lease on financial life when "friends" in Connecticut arranged for the Merritt Parkway to pass through his property, which was purchased at a huge markup. One of the powers at the time in Connecticut was a later close friend, Brown Brothers Harriman partner Prescott Bush, the father of George Bush; Prescott's bank partners had financed the rise to power of Adolf Hitler.

Ohrstrom suffered another major setback when the Securities and Exchange Commission pulled his license to trade securities, on grounds of fraud. This time, Prescott Bush came directly to the rescue, rehabilitating him and having him placed on the board of directors of Dresser Industries, in which he played a role in the Bush-directed reorganization.

Following World War II, Ohrstrom was used by British and British-linked investment circles, including the Harriman-Bush crowd, to take over small but strategic sections of U.S. industry. Ohrstrom focused on defense component makers, electronic parts, and, along with the Bushes, holdings in foreign and domestic oil production and reserves.

When Ohrstrom died in 1955, he left his children, George, Magalen, and Ricard, holdings in a number of companies, in an estate valued in the tens of millions of dollars. Today, the combined interests and holdings of the three children (Ricard died this year) total nearly \$500 million, as estimated by financial journals.

### In Her Majesty's Service

The two principal holdings are in two huge conglomerates, the Dover Corp. and the Carlisle Companies. Maggie has long been the largest shareholder, along with her family's foundation, the Ohrstrom Foundation, and her brothers, in both companies, and she sits on their boards of directors.

Both companies are industrial producers of strategic equipment, in which their market share makes them "choke-point" producers, critical suppliers for an interconnected web of industries. Dover, which has nearly \$3 billion in worldwide sales, ranks first in the world in production of vital equipment for oil exploration, distribution, and pumping; they are also first in the world in the production of elevators and critical valves and compressors used in nuclear submarines and the nuclear industry, generally. The Carlisle Companies is among the world's largest producers of fabricated rubber products, and is also a multihundred-million-dollar company, with numbers of subsidiaries.

The boards of directors of both companies are interlocked with two high-level financial interests associated directly with the British Crown: the Kleinwort-Benson and Robert Fleming investment banks.

Kleinwort-Benson runs the financial affairs for Prince Philip's World Wide Fund for Nature (WWF). David Benson, who sits on the board of Dover, is chairman of Kleinwort Charter Investment Trust and is the former chairman of Kleinwort-Benson Group, Plc. His father, Rex Benson, one of the bank's founders, was an associate of Lord Louis Mountbatten and was assigned during World War II, by Stuart Menzies, the head of the British Secret Intelligence Services, as the military attaché of British embassy in Washington, where his assignment was to spy on and penetrate American leadership circles; among the places he frequented were the Middleburg and other hunts. Michael Devas, the former chairman of Kleinwort Charter Investment Trust, also sits on the Dover board.

Robert Fleming and his brother Ian, the author of the James Bond stories, were operatives of the British Special Operations Executive (SOE) during and after World War II. During the war, they worked under the direction of the Canadian Sir William Stephenson in spying on the United States, and in penetration of U.S. military and intelligence circles, based in both Washington and New York. Roderick Fleming, Robert's son and the international portfolio director of Robert Fleming Holdings, Ltd. and their director of corporate financing in the United Kingdom, sits on the Dover board; David Thomas, chairman of the Fleming Enterprise Investment Trust, sits on Carlisle's board.

A London-based specialist on British Intelligence and the royal family said that the presence on the Dover and Carlisle boards of such high-level British operatives indicates that the companies are assets of circles associated with the British Crown, and that the Ohrstroms are "trusted operatives"; if the latter were not the case, the specialist said, they would have been removed from any positions of responsibility.

### A place in the Hunt Country

George Ohrstrom was moved from the New York area to Loudoun's Hunt Country in the late 1940s, settling in the Middleburg area, near the Harrimans and in close proximity to the Arundels. According to a *New York Times* article on Maggie Ohrstrom Bryant, he made the move to pursue "his love of fox hunting." At the time, he was already the publisher of the prestigious horseman's journal *The Chronicle*, and with his recommendations from the Harriman interests and New York and Connecticut (as well as international) hunt circles, the family was welcomed into Loudoun's elite.

Young Maggie Ohrstrom, tutored by her father in the Hunt Country's hypercompetitive, elitist ways, sought avenues that would bring her higher in the corridors of oligarchical power. She gained the reputation for making "good"

## Maggie Bryant's private toll road scam

It is hardly surprising that when the networks associated with the Mont Pelerin Society, which promotes fascist economic policy for interests linked to the British royal family, needed someone to head a "breakthrough" privatization scheme, the first private toll road in the United States in nearly two centuries, they tapped Maggie Ohrstrom Bryant.

The 14-mile Dulles Greenway cuts a swath through the center of Loudoun County, between Dulles International Airport and the county seat in Leesburg. The Greenway opened Sept. 29, with ceremonies featuring the celebrants of the Mont Pelerin-sponsored privatization craze and with positive publicity in the national media (see *EIR*, Oct. 27). Such publicity tended to downplay the fact that the private road charges a \$1.75 toll for a one-way trip (the toll is scheduled to rise to \$2.00 on Jan. 1, 1996); there is no graduation of the toll according to distance. The tolls collected go primarily to pay off an investors' group headed by Maggie Bryant (who claims to have put up approximately \$80 million in family funds) and a banking consortium, led by the North American branch of the City of London's Barclay's Bank, as well as other creditors, including three British-linked insurance companies.

Ten years ago, there were already state plans to build a Loudoun extension of the state-run toll road then under construction, whose terminus was at Dulles Airport. In 1987, those plans were put in motion to build the road,

financial judgments—the kind that would make her huge amounts of money. Her father left her an estate estimated at about \$4 million. Through shrewd investments, and two calculated marriages, she has parlayed that "grubstake" into a fortune estimated in excess of \$230 million.

One of the most important of these calculated moves was her marriage to J.C. Herbert Bryant, from a large Southern plantation-owning family in Mississippi; his holdings included a mini-empire of farm supplies stores throughout the south (Herb Bryant Stores) and the O'Sullivan Company in Winchester, Virginia, which at one point made heels for shoes, and now ranks among the largest makers of fabricated body parts for the auto industry. Through this marriage, Maggie Ohrstrom enhanced her land holdings, both in Virginia and in Mississippi, and was reportedly able to use the Bryant wealth to finance her various environmental projects, including the creation of a wildlife preserve in Mississippi—Tara,

which was projected to have a graduated toll of about 75¢, and would have been completed by 1991, under a worst case scenario. At that point, Maggie Bryant and her privatizers got into the act. Through her connections to the corrupt George Bush apparatus, her "private toll road" scheme was pushed as a nationally prominent project by a Bush-run privatization council. She used her local connections to impose her private road on the state, getting it to drop its plans for a road, and then pass legislation that had state and local government create the "legal" basis for her project.

Under this misnamed "public-private partnership," the toll road investors were essentially able to use local and state government efforts and powers to secure their right-of-way, while state agencies "rubber stamped" their toll rates set as high as needed to "guarantee" a profit. (The tolls charged are more than double those on the existing state-run road, which generates a surplus of funds over its operating and bond expenses; if the same toll rate were charged on the New Jersey Turnpike, for example, motorists would pay \$20 for its full length, rather than approximately \$5.00 as is currently charged!)

Bryant and her privateers had claimed that their plans would keep costs down and deliver the road much sooner than the state could. According to published figures, their efforts doubled the cost of the road to more than \$326 million and delayed its projected completion by nearly five years! The privateers had added their own hefty profits into the project; while they claim that the road has been built "without taxpayer expense," taxpayers are indeed paying for it through the king's ransom tolls being charged.

### **Possibility of bankruptcy**

One of the major reasons for the delays was the inability to convince even friendly banks that the scheme was a sound investment. Maggie's management team projected that they would need approximately 30-35,000 trips daily to break even; as of this writing, motorists are refusing to pay the high tolls, as sources report that daily weekday trips are averaging "well below" 10,000, and on weekends, far less. (When the road first opened, it had three days without tolls; there were only 20,000 trips on those "free" rides.) If these trends continue, and there is no reason to assume that they won't, the Greenway will quickly exhaust its \$40 million revolving credit line, and a bankruptcy would be possible. According to state law, the Commonwealth of Virginia is prohibited from assuming the road's debt.

But the Greenway was intended by the Mont Pelerin crowd to plow a path for future and even larger privatization schemes, including the privatization of the interstate highway system. They are not about to admit the failure. Maggie's privateers have already made a proposal to take over the management of the state-run toll road and are salivating over the possibility of constructing a portion of a new "Outer Beltway" around Washington, D.C. And the Greenway itself continues to get free promotional publicity. On Nov. 26, Maggie Bryant appeared on the CBS Evening News, proclaiming the success of her venture. Showing her lack of touch with reality (and her faulty math), when asked if the tolls weren't a bit high, she proclaimed that she didn't think so, that they were "only" 10¢ a mile. It is for such reasons that her road has been renamed by some locals, the "Greedway."

named for the Bryant family estate.

The Ohrstrom wealth, as well as Maggie's own personal organizing capacities, have been deployed on behalf of British policy interests to create and manage a web of environmentalist organizations and funding conduits which are interfaced with the House of Windsor's international environmentalist-terrorist operations network and its WorldWide Fund for Nature. Maggie Bryant currently is chairman of the National Fish and Wildlife Foundation, which has an annual budget of more than \$27 million, much of it for projects which interface with the WWF.

### **The intelligence connection**

Like Arthur Arundel, Maggie Bryant and her brothers have been identified as funding conduits for selected projects of the British-controlled elements of U.S. intelligence, associated with George Bush, the son of George Ohrstrom's pa-

tron Prescott Bush. That included the funding of Lt. Col. Oliver North's gun- and drug-running operations, and, along with another British-connected family front, the Hanes (hosiery and underwear) interests, with connections to the same Wall Street circles as the Ohrstroms, the aforementioned private army, ARGUS.

Much of the funding is accomplished through the Ohrstrom Foundation, Inc., which had assets valued at \$27 million in 1992; the family also controls two smaller foundations, the Catesby Foundation and the Little River Foundation.

It was the Ohrstrom Foundation which poured funds into Prodemca in 1986, one of Ollie North's "support" groups for his Contra operations. It also funds the African Wildlife Foundation (AWF), an Anglo-American private intelligence operation, in which Maggie's close friend Arthur "Nicky" Arundel plays a prominent role and which has recently been

## Bryant's GETF pushes environmental sabotage

In late 1988, while he was still playing a major role in the ARGUS operation, Magalen Ohrstrom Bryant tapped National Security staffer Tom Harvey to head a new off-line intelligence "asteroid" that she was creating: the Global Environmental and Technology Foundation (GETF). The organization's profile places it among the extended network of Prince Philip's World Wide Fund for Nature (with which it works), in imposing environmental policies in order to destroy national economies.

According to its brochures, the GETF has inserted itself into international leadership in the transfer of "environmental technology." However, its major areas of focus appear to target the defense-related industry of the former Warsaw Pact nations. It has programs in the "newly independent states of the former Soviet Union, Central and Eastern Europe, Asia, Latin America and the Middle East." It works directly with the U.S. Department of Defense to implement a program "that made all DOD commanders responsible for environmental stewardship."

Meanwhile, representatives of GETF's Annandale, Virginia office have visited some of the most highly classified weapons labs and production facilities of the former Soviet Union. There are unconfirmed reports that GETF personnel are targeting Russia's military-industrial complex (MIC) scientific cadre, utilizing information drawn from U.S. intelligence profiles of the Soviet Union's weapons labs and production facilities.

At a November 1995 GETF conference in Washington, D.C., entitled "Environmental Opportunities in Central and Eastern Europe and the New Independent States," Harvey's teams, heavily funded by the Department of Energy, outlined their goal to corrupt Russia's remaining MIC core cadre to ensure that Russia's industrial-scientific potential would be bound into an environmental strait-jacket.

Speaker after speaker let the cat out of the bag, that the biggest "contribution" to Russia's environment, was to shut down its industry.

Harvey appears to have been chosen for his job with GETF, in which he holds the title of "chairman of the board, CEO, and founder," because of his past work with his good friend Richard Armitage, who headed up the Bush administration programs to assist Russia in "converting" its MIC.

Other GETF directors have all the characteristics of a "hit team" in environmental sabotage:

GETF President Stephen R. Wassersug is a former Environmental Protection Agency bureaucrat who headed the Budapest, Hungary Regional Environmental Center after President Bush's visit there in 1989; GETF Vice President Warren Philips is a behavioral psychology man, and author of a 1983 tome, *Crisis Warning: The Perception Behavior Interface*; director Robert Leroy Herbst is the Washington representative of the Tennessee Valley Authority who, in 1977-81, was Assistant Secretary of the Interior for Fish, Wildlife, and Parks, a key position within the environmentalist mafia. Herbst is reported to be a close friend of fellow board member Magalen Ohrstrom Bryant.

Director Henry J. Hatch, chairman of the Law Companies Group Inc., was the former head the U.S. Army Corps of Engineers. Hatch imposed on the Corps the ideas of "relevant engineering and sustainable development." In 1988, the Law Companies Group, an environmental engineering consultancy, absorbed Britain's Sir Alexander Gibb & Partners. Sir Gibb was a leading figure in British Intelligence's Arab Bureau, whose company helped build the military and port infrastructure needs of the Empire in the Middle East.

According to London sources, Ohrstrom Bryant played a key role in choosing the board members of her "asteroid"; she demanded that Hatch be brought "on board" GETF, and asked Harvey to accomplish that task.

involved in helping foment British-sponsored genocide in Rwanda (see previous article).

Meanwhile, the Catesby Foundation funded the Afghan Relief Committee, an intelligence project run from the offices of John Train, a New York-based private investment banker who handles the portfolios for some of the wealthiest American families, including the Mellons. In the 1980s, ARC provided the seed money to Afghan mujahideen and their support apparatus then fighting the Soviets; that apparatus has provided the basis for a new terrorist international being deployed by the British to destabilize South Asian and other

countries.

The Catesby Foundation also provides funding for Greenpeace, a British-controlled sponsor of environmental terrorist actions. Sources in London report that Maggie Bryant is currently lobbying to have herself placed on the international board of directors of Greenpeace, "for services rendered."

Ohrstrom family foundations also fund the Manhattan Institute for Policy Studies and the Heritage Foundation, two premier think-tanks promoting British "free market" economics and "privatization" schemes.

## Hunt Country crowd's minister of propaganda

by L. Wolfe

Arthur Windsor "Nicky" Arundel is, according to sources who know him, a man who likes to boast of his power. His Arcom, Inc. publishing empire, while small by international standards, nonetheless has a virtual exclusivity in the print media of the Hunt Country, publishing its three largest newspapers, the *Loudoun Times-Mirror*, the *Fauquier Democrat*, and the *Clark Courier*, as well as other papers in Northern Virginia. Their editorial support can make or break most local politicians or business schemes, making their owner a useful instrument of the Hunt Country families. His fortune, estimated at approximately \$80 million, is substantial enough to buy anything he wants.

Well, almost anything. Arundel longs for respect and acceptance among those of the "first rank" of families of the Hunt Country establishment, and wealth alone can't buy that. Nicky, although a loyal servant, as was his father, to the British-connected oligarchy's interests, doesn't have the proper "breeding," and full acceptance must await the coming of new generations—if it ever comes.

Meanwhile, Arundel arranges what honors he can to promote himself in the local area. His papers routinely win awards, which he gladly accepts (although he is widely recognized to be illiterate when it comes to even the most simple journalistic skills) from organizations which he funds in significant part. As the force behind the Great Meadows Field Events Center in The Plains, and the chairman of the Virginia Gold Cup racing event, Nicky was seen awarding the Gold Cup trophy to himself a few years back. He also has expended not inconsiderable sums in a repeated and futile effort to "prove" that he is somehow connected to English aristocracy by some distant relation. The fact that his true peers regard him as "second rate" makes him all the more desperate to prove his worth to them in what he does best—"dirty tricks" and political thuggery against their enemies.

### Dirty money

Nicky Arundel's wealth is recent, only second generation. He inherited a considerable sum from his father, Russell Arundel, who moved to the area in the 1930s. Russell Arundel, once administrative aide to Sen. Jesse Metcalfe (R-R.I.), was active in GOP circles working subversion against the Franklin Roosevelt administration. Those circles were dominated by the Morgan interests, one of the most notorious

London-controlled private banking nexuses. As was the case with several picked-up operatives, the Morgans made sure that Russell Arundel had sufficient wealth and connections to be of use to them; it was they who inserted him into the Warrenton (Fauquier) Hunt, where he became a master of the hunt. The Arundel estate was located on Wildcat Mountain; the other side of the mountain was owned by Lawrence Morgan Hamilton, the grandson of J.P. Morgan.

Sources in London and in Loudoun County, Virginia indicate that the key controller of Russell Arundel, and later the sponsor of his son, Nicky, was Harold Jefferson Coolidge, Jr., a member of one of Boston's dirtiest Anglophile families and one of the creators of the British crown's far-flung private intelligence networks operating under "environmental cover." The Coolidge family were, by the middle of the last century, the leading opium traders in the United States, linked directly to the British East India Company and Jardine Matheson Company, the Crown's leading opium traders. The Coolidges parlayed this "dope money" into control of the Bank of Boston and the United Fruit Company, both of which have been used as funding conduits and, in the case of United Fruit (now United Brands), cover for British-allied intelligence operations. The Coolidges intermarried into the Virginia "aristocracy," through the family of Thomas Jefferson.

Coolidge, who later played an important role in promoting British-linked operative Allen Dulles's organization of American intelligence, picked up Russell Arundel in the mid-1930s, and put him into the leadership of the National Wildlife Management Institute, a position which Arundel held for most of the rest of his life. An intelligence community source in London describes the institute, which was created with funds from the Morgan-controlled du Pont interests, through sections of the arms industry (Remington Firearms), as fully integrated with British intelligence operations, dating back to the 1930s; it later functioned in parallel with Prince Philip's World Wildlife Fund (WWF, now World Wide Fund for Nature), of which Coolidge was a founding member, and Prince Bernhard of the Netherlands' International Union for the Conservation of Nature (IUCN). (Coolidge, a mammologist, was closely associated with the British intelligence operative and biologist Julian Huxley. He was head of the IUCN and its president emeritus until his death in 1985.)

Sources in Loudoun County report that Coolidge helped put Russell Arundel in touch with Pepsi Cola Company. Arundel was given the assignment of arranging, through his legislative connections, for an exemption for Pepsi to import corn syrup from the Caribbean at a time when sugar imports were prohibited. Under the direction of Pepsi chairman Wallace Groves (who in 1941 was convicted of mail fraud and sent to prison, and whose links to organized crime were later exposed), Arundel shuttled back and forth to Cuba, whose sugar and syrup production was effectively controlled by the Meyer Lansky "Murder, Inc." mob, which ran the unions



*Arthur "Nicky" Arundel, whose Northern Virginia press empire and dirty tricks capabilities are at the beck and call of the Anglophile families.*

and many of the production facilities, with overlapping connections into Coolidge's United Fruit.

Russell Arundel got his fingers more than dirty in negotiating contracts for Pepsi. But he was well rewarded for his efforts, receiving in 1943 the Pepsi bottling franchise for New York. He later parlayed this into Pepcom, which held the franchise for the entire East Coast and is the source of the Arundel family fortune that provided Nicky with the seed money for his publishing empire.

### **Training in 'psywar ops'**

Coolidge, whose family also had pull in Harvard University, helped place Nicky in that school. Later, sources report, he helped, through his intelligence connections, to get Nicky, a Marine paratroop officer, tasked to the CIA during service in Korea and Vietnam in the early 1950s. Operating as part of the "secret team" operations of Col. Edwin Lansdale, Nicky Arundel was taught, and practiced, the art of "black propaganda" in "civil affairs" operations, becoming a specialist in "psywar ops." He was involved, for example, in destroying the largest printing facility in what was then the northern section of Vietnam; later, he helped run a "psywar" campaign aimed at setting up a counterinsurgency among northern tribes in Vietnam, causing their migration to the south and laying the ground for that country's partition; this, in turn, helped set the stage for the Vietnam War.

Nicky Arundel's skills in "psywar," and his connections to the British-polluted U.S. intelligence establishment, made him the ideal candidate to become the "Hunt Country's Minister of Propaganda." Sources have pointed out that there was

no way that an individual would gain control of the most significant media in the Hunt Country, and in what is also a "national security zone," unless he or she had the approval of the establishment and its intelligence community component.

These sources have described Arundel as playing the role of a "civil affairs" intelligence operative in a private intelligence operation based in Loudoun. They report that, in approximately 1960-61, numbers of former intelligence operatives were placed in the Washington metropolitan area to create an "off line" capability, deployable in coordination with Allen Dulles's apparatus in the CIA and families of the so-called Hunt Country.

In 1961, after an undistinguished career as a correspondent for CBS and United Press International, and a stint, arranged by his father and Coolidge, in the U.S. Commerce Department, Nicky, using his father's money, purchased the small Washington, D.C. radio station WAVA-AM, and converted it into the nation's first "all news" station. Sources report that he used this to build up a large staff which was later deployed into his print media operation. Over the course of the next decade, Nicky Arundel became Northern Virginia's, and especially the Hunt Country's, acknowledged print media czar; at the same time, he became more active in the local hunts.

According to sources in Loudoun County, Nicky Arundel serves as the unofficial "gatekeeper" for the Hunt Country. When he is told by some intelligence operatives to move a particular individual into the area, he sees to it that it is done without problems. When the families and/or his spook sources ask that someone be removed, Nicky arranges for the removal, using his ability to conduct press smears and his coordination with the local sheriffs and prosecutors; such operations, or "dirty tricks," extend far beyond the media, into all classes of operations.

This is most clear in his several-year operation as a component of the families-encouraged operation to destroy the political movement of their enemy, Loudoun County resident Lyndon LaRouche. Nicky Arundel's media empire played a major role in the circulation of "big lie" slanders against LaRouche and his associates, slanders that were, in turn, interwoven into bogus state and federal prosecutions. In many cases, the fabricated information was directly generated, under Arundel's orders, by his journalists, including the drunk Bryan Chitwood, during 1984-92. (In addition, sources report that there is every reason to believe that the du Pont family used Arundel and his media to help set up the aborted kidnapping of du Pont heir and LaRouche associate Lewis du Pont Smith.)

It is Nicky Arundel's media that have been most responsible for promoting the myth of the "Hunt Country" as the area's "native" culture. While he has promoted a false and glorified image of the hunts, he has also seen to it that the seamier and more perverse sides of the Hunt Country, the kinds of scandals which are found in the tabloids, are kept

## The Arundel family's role in genocide in Africa

The Arundel family has historically played a role in British-sponsored operations in Africa that have promoted both continued neo-colonial rule and genocide. It has done so through connections to royal family-linked intelligence and "environmentalist" organizations, which currently operate under the aegis of Prince Philip's World Wide Fund for Nature (WWF). They have an overlapping interest with other Loudoun County, Virginia families, including the Ohrstroms, in promotion of genocidal projects, under the cover of "wildlife protection."

The family's involvement with Africa policy dates back to the 1930s, when Nicky Arundel's father, Russell, became involved with a British-linked network of intelligence specialists who established the National Wildlife Management Institute (NWMI), at the instigation of Harold Coolidge; this organization was directly linked to the International Nature Office, which was already at that time running projects nominally involved with the tracking and cataloging of various wildlife species in Africa.

### Covering for subversion

A London-based intelligence specialist in these matters reports that such projects were used by the British Secret Intelligence Service (SIS) as "covers" for the placement of agents and for spying on various nationalist and other insurgencies.

After the war, the NWMI played a role in helping establish the "need" for large game preserves. The Oct. 28, 1994 *EIR Special Report*, "The Coming Fall of the House of Windsor," documents how these preserves are used as bases of subversive activity, and a means to "lock up" vast mineral reserves in Africa, under British control.

In 1956, Russell Arundel, as director of NWMI, sponsored one of the first "invasions" of Africa by American zoologists. The mission was led by Lee Tolbert, who was

later to become a top consultant for the WWF, the director of the royal family-created International Union for the Conservation of Nature, and a top assistant to Russell Train at the Environmental Protection Agency. The mission was focused on the "white rhino" and "mountain gorilla" populations.

During this period, Nicky Arundel went on several safaris to Africa on behalf of the National Zoo, including some with his father. It is not known whether he went on the 1956 mission.

### The AWLF

In 1961, Nicky Arundel was tapped by Coolidge, CIA operative Kermit Roosevelt, and Russell Train (reported to be a protégé of Coolidge) to found the African Wildlife Leadership Foundation, now known as the African Wildlife Foundation (AWF). This is an "off line," privatized intelligence operation which recruits and trains operatives to run the game parks. All its members can be described as highly trained Anglo-American intelligence assets.

The AWF, which Arundel formerly headed, has been implicated in the genocide in Rwanda through its sponsorship of a mountain gorilla protection project in the Virunga game park on the Uganda-Rwanda border; this area, under the virtual supervision of AWF operatives, is the key transmission belt for British-backed forces which instigated the Rwandan civil war.

Our London source says that the AWF and Nicky Arundel play a continuing important role in British Africa policy, through the mountain gorilla and other projects. Arundel's family foundation, as well Arundel personally, provide funding for these projects, as does the WWF and the Ohrstrom family foundations.

Arundel is also reported to have influence over U.S. Rep. Frank Wolf (R-Va.), whose Tenth District includes the Hunt Country of Loudoun and parts of Fauquier counties. Wolf has played a major role in the destabilization of Sudan, in accordance with British policy objectives. Wolf and his office have been in direct contact with British Overseas Development Minister Baroness Lynda Chalker on these and other matters pertaining to Africa policy.

from public view.

To this day, Nicky Arundel maintains autocratic control over his empire, firing editors and other subordinates almost at whim, and dictating editorial policy on all crucial questions. And he can be seen prancing around like a little lord at the various Hunt Country events and parties.

But all is not well in Nicky's domain. In the most recent election, despite his dirty tricks and smear operations, the key candidates that he supported in his Loudoun County base

were routed by the voters after successive issues of a local newspaper published by *EIR* exposed their corruption and the top-down oligarchical control of the county. Nicky, according to sources within his own empire, flew into a blind rage. He ordered his flagship paper, the *Loudoun Times-Mirror* to downplay the results, printing an absurdly written story under a banner headline: "Voters Show Little Enthusiasm." The headline would have been correct with the addition of the words, "For My Candidates."

# George Mason University: a base for British 'free market' warfare

by Charles Tuttle and Steven P. Meyer

In the 1970s, when the British oligarchy and its allied policy interests needed a location close to the nation's capital to establish a network of policy advisory think-tanks to promote anti-American, "free market" ideology, they turned to a little-known campus in Fairfax, Virginia—George Mason University. The choice was far from accidental: The university had been created virtually from scratch by the local Tory establishment, and its controlling board was completely under their thrall.

Today, George Mason University, and its cluster of Mont Pelerin Society-linked think-tanks, has a corrupting influence on American national policy similar to the notorious University of Chicago School of Economics. It is the leading repository of the papers of Austrian school of economics ideologue and Mont Pelerin Society founder, Friedrich von Hayek, and, through the GMU's schools of Economics and Law, the provider of much of the policy blueprint for Newt Gingrich's and Phil Gramm's fascist "Conservative Revolution" and its "Contract with America." Its think-tanks are fully integrated with other adjuncts of British intelligence and promoters of British, fascist economics, such as the Heritage and Cato foundations. They have direct access into Congressional offices, and during the Bush administration, played a major role in the Executive branch formulation of policy, especially on economic issues. Their representatives are also key spokesman for "free market" policy in the media, nationally and internationally.

## Back in the beginning

Much of the groundwork for GMU's creation as a university center was laid by Judge Albert V. Bryan, Sr., the Alexandria-based power broker who, in 1956, as a rector of the University of Virginia, headed a committee to find a site for George Mason in Fairfax County. In 1960, the construction of George Mason College was completed and the school was designated a two-year "feeder college" to the University of Virginia, Charlottesville. Albert V. Bryan, Sr. was then chairman of the board of visitors for the entire University of Virginia system.

In 1964, Clarence J. Robinson, the creator of the Interarms gunrunning project discussed elsewhere in this *Feature*, became the chairman of George Mason's advisory

board, in order to transform the college into a full four-year institution. Within a year, young Arthur Windsor Arundel, a former CIA propaganda and covert operations man from a Hunt Country family, was posted as Robinson's vice president.

In 1966, Arundel formed a Citizens Committee on Higher Education in Northern Virginia, which he chaired, in order to publicize the need to expand George Mason. Anglophile controller Armistead Boothe was a leading member of Arundel's committee.

In 1970, Albert V. Bryan, Jr. was added to the board of advisers of George Mason College, joining Arundel and Robinson. In 1972, when George Mason was launched as a separate university center, both Bryan and Arundel were retained to serve on its founding board.

## Spinning the web

The GMU "wastebasket" was now ready for a hefty pile of British ideological trash. Several interrelated think-tanks on economic and public policy, many of which have overlapping staff and, in some cases, are even located within each other's premises on and near the campus, have as their nerve center the Atlas Economic Research Foundation, which had an East Coast network established in 1981 by Mont Pelerin Society member and Institute of Economic Affairs founder Sir Antony Fisher. Atlas (as in Ayn Rand's *Atlas Shrugged*) has branches in London and near Stanford University, home of the Mont Pelerin-saturated Hoover Institution of War, Revolution and Peace.

Fisher had come to the United States in the 1970s with the expressed goal of setting up a vast network of ("non-partisan" and, therefore, tax-exempt) regional think-tanks, each offering up Hayekian policy initiatives expressed in the populist, rage-filled rhetoric of the day, such as that heard through the likes of Rush Limbaugh. In return for his efforts, Fisher was knighted by Queen Elizabeth II shortly before his death in 1988.

Atlas has since moved into quarters housing a concentration of kindred institutions, located a few blocks off-campus.

Since 1989, The Locke Institute, named for British philosopher John Locke, who thought rights do not derive from being human, but through ownership of private property, has



been housed in Atlas's offices. Next door lies the Institute for Humane Studies, originally brought to Fairfax from its 1960s San Francisco Bay-area origins in 1985. IHS houses one of the largest libraries of Austrian School works on earth, including stacks devoted to drug legalization, sponsored by the Liberty Fund, Inc. and the Hanes family-directed John M. Olin Foundation, Inc.

Upstairs, one finds the Center for the Study of Market Processes, whose chairman is Mont Pelerin Prof. Walter Williams, a British free-trade freak with the gift of gab who, at times, substitute-hosts Limbaugh's radio show. The Center, like all these places, recruits and processes Hayekian "scholars" who graduate and move onto similar think-tanks and government and academic positions.

In 1983, the founders of the British-dominated "Virginia school of political economy" brought onto their faculty long-standing Mont Pelerin operative Prof. James M. Buchanan, along with his associate, Prof. Gordon Tullock. They were brought on board the Center for the Study of Public Choice, which moved with them from Virginia Tech's campus; they are a political intelligence operation effectively geared to framing debate on public policy, limiting choices to what the British think are acceptable. The current operational goal of this network is the destruction of U.S. constitutional government during the ongoing economic collapse. Affiliated with the Center is The Buchanan House, opened in 1994 to serve as a library and focal point for research in "constitutional economics."

### The treasonous network

Below we indicate the depth and interconnection of this operation, by providing the names and functions of key think-tank members:

- Atlas Economic Research Foundation: Alejandro Chafuen (Mont Pelerin Society), president; Leonard Liggio (Mont Pelerin Society, 1992-, president of Mont Pelerin Society U.S.-affiliate Philadelphia Society, advisory chairman to Heritage Foundation Salvatory Center for Academic Leadership, former president and distinguished scholar with Institute for Humane Studies, former Cato Institute vice-president, vice-president and research professor with George Mason University departments of Law and History), executive vice-president.

- Institute for Humane Studies board members: Richard H. Fink (Reason Foundation trustee, Center for the Study of Market Processes fellow, Cato Institute director, 1987 Presidential Privatization Commission member, Koch Industries vice-president); Howard Rich (Cato Institute director, U.S. Term Limits president); Leonard Liggio (see Atlas Economic Research Foundation). Program Review Committee: James M. Buchanan (see Center for the Study of Public Choice); Arthur Seldon (see the Locke Institute).

- Center for the Study of Public Choice: James M. Buchanan (Mont Pelerin Society president 1984-86, Cato Insti-

tute distinguished fellow, Reason Foundation adjunct scholar, National Taxpayers Union director, recipient 1986 Nobel Prize); Robert D. Tollison (1994-96 Public Choice Society president, Citizens for a Sound Economy board general director, editor *Public Choice*); Richard E. Wagner (editor *Constitutional Political Economy*, academic advisory Center for the Study of Market Processes), educational director and research associate; Gordon Tullock (Mont Pelerin Society), distinguished adjunct associate; James C. Miller III (Heritage Foundation advisory board, Hoover Institution senior fellow), distinguished fellow.

- International Institute (which has extensive international connections, ferrying scholars and students back and forth between various countries): John H. Moore (Mont Pelerin Society, board member Earhart Foundation, former board member of the Fisher Institute, former fellow and deputy director of the Hoover Institution, adviser to the Center for Studies in Free Enterprise, staff and Professor of Economics and International Transactions at the Institute for Public Policy).

- Law and Economics Center (in Arlington, Virginia, which houses the controversial Economics Institute for Federal Judges, offering seminars at resorts to "educate" judges in the Austrian school of economics, and also houses the Economics Institute for Law Professors): Henry G. Manne (Mont Pelerin Society), chairman, University Professor of Law and Dean of School of Law; D. Bruce Johnsen, director; Leonard Liggio (see Atlas Economic Research Foundation); Peter Ferrara (Heritage Foundation adjunct scholar, National Center for Policy Analysis fellow).

- Center for the Study of Market Processes: Walter E. Williams (Mont Pelerin frequent participant, trustee Reason Foundation, adjunct scholar Cato Institute, distinguished scholar Heritage Foundation, Hoover Institution executive), John M. Olin Distinguished Professor of Economics, chairman of the Department of Economics; Robert D. Tollison, board member (see Center for Study of Public Choice); Don Lavoie (Cato Institute adjunct scholar, editor *Market Process*, staff, Institute for Public Policy staff), fellow; Richard H. Fink (see Institute for Humane Studies).

- The Locke Institute: Charles K. Rowley (Mont Pelerin Society, editor *Public Choice*, honorary lifetime president of European Public Choice Society, academic advisory Institute of Economic Affairs, founding editor *The International Review of Law and Economics*, editorial board *The Review of Austrian Economics*, academic advisory Center for the Study of Market Processes) general director and professor of economics; Arthur Seldon (former vice president Mont Pelerin Society, retired founder president of Institute of Economic Affairs) editorial director.

- The Institute of Public Policy: John H. Moore (see International Institute), faculty; Don Lavoie (see Center for Study of Market Processes), faculty; Seymour Martin Lipset (fellow, the Hoover Institution), faculty.

# The Focal Point system for covert action

by Edward Spannaus

The “Focal Point” system refers to an inter-agency covert actions capability, which was created in the mid-1950s as a CIA capability extending into the Defense Department and other U.S. government agencies. From the beginning, it was heavily dependent on private financing; over the years, it has been expanded and “privatized” so that it has little relation today to what is left of the CIA.

In his 1974 book *The Secret Team*, Col. L. Fletcher Prouty, USAF (ret.) described how the Focal Point was created in 1955 by then-CIA director Allen Dulles. Prouty served as the Focal Point officer for contacts between CIA and the Department of Defense on matters pertaining to Special Operations (clandestine, covert operations) of the CIA. Within a few years, Prouty wrote, the Focal Point system had “hundreds of experts and agents concealed in military commands throughout the world who were part of a network I had established in 1956.”

Broadly, Focal Point encompasses counterinsurgency and covert action; more specifically, the Focal Point system also refers to a secret communications channel throughout the military by which CIA-originated and other secret communications can be transmitted throughout the military, hidden from access by the conventional military establishment.

The chief Focal Point office in the Pentagon was housed in another office which Prouty helped to create, that of the “Special Assistance for Counterinsurgency and Special Activities” (SACSA), in the Joint Staff of the Joint Chiefs of Staff (JCS). According to the JCS Historical Office, SACSA existed in 1962-70, when it was disestablished and its functions merged into what became the J-3 Special Operations Division of the Joint Staff. The secret Focal Point communications and logistics channel is today located in the Support Activities Branch of the J-3 Special Operations Division.

Prouty states that the functions of SACSA in the 1960s were “almost entirely CIA oriented,” and related to special operations forces of the Army and the other services. Formally, it operated under the direction of the National Security Council.

Central to the operations of SACSA and the Focal Point was the counterinsurgency activity known as “Civil Affairs.” The CIA did not invent the doctrine of Civil Affairs (actually, the British did); the U.S. Army had created its Civil Affairs School at Fort Gordon, Georgia during World War II. From its inception, the CIA was always heavily involved, and in

the late 1950s, the Civil Affairs curriculum was taken from Fort Gordon by a team of CIA-related officers and civilians, and installed in the U.S. Army Special Forces school at Fort Bragg, North Carolina; later, this was named the “JFK School for Special Warfare.” British Special Air Services (SAS) officers have always played a key role in guiding and directing U.S. Special Operations Forces; the two top Army officers involved in establishing the JFK School and the Green Berets, Gen. William Yarbrough and Col. Charlie Beckwith, respectively, are both honorary members of British SAS.

## Private financing

According to various knowledgeable sources, private financing played an important role in Focal Point operations. The first bank to play a major role in financing these operations was the First National Bank of Boston (today the Bank of Boston). The network built around former CIA official Theodore Shackley was central to the Focal Point.

Others who played key roles in financing these increasingly “off-the-books” operations were:

- the Nugan Hand bank in Australia, a CIA-run money-laundering one of whose founders was a former Green Beret from Vietnam, Michael Hand;
- Bishop Baldwin Rewald, a CIA-run “investment bank” set up in Hawaii in the early 1980s as a successor to Nugan Hand;
- Armand Hammer;
- John Shaheen, OSS veteran, oil man, and close friend of William Casey;
- Robert Vesco, the former financier, now a fugitive living in Cuba.

Public financing of the Focal Point system is facilitated by the Economy Act of 1932, which permits “horizontal” financing of operations by “lending” funds or resources from one agency to another.

These financing mechanisms are also a major source of the corruption of the Focal Point system, which in fact served a useful function at one point. Beginning particularly with the Kissinger-run National Security Council period in the mid-1970s, national security and the national interest—even in its misguided forms—played less and less of a role, as pure profiteering became a dominant feature. By the 1980s, the Focal Point was still alive, but not well: It brought us the Bush-run privatized covert operations featuring drug-running and arms-smuggling, such as became known to the public as “Iran-Contra.”

The Focal Point and Civil Affairs were by no means restricted to operations abroad. Already by the late 1950s, a Civil Affairs capability was being put in place inside the United States; with its network of agents-in-place throughout the military and other federal agencies, the Focal Point system forms the backbone of the “secret government” structure inside the United States.

# ARGUS: a profile of Focal Point operations

by Leo F. Scanlon, Jr.

The key role played by Loudoun County, Virginia Sheriff John Isom, a stooge of the Hunt Country families, in a paramilitary outfit known as the Armored Response Group, U.S. (ARGUS), became a major issue in the recent elections in which Isom was voted out of office. Two of ARGUS's founding members and officers, "Generalissimo" J. C. Herbert Bryant, Jr., the stepson of Magalen Ohrstrom Bryant, and Warren County, Mississippi Sheriff Paul Barrett, are headed to federal prison, convicted of felonies, while Isom and his involvement with ARGUS remain part of a federal corruption probe.

Career intelligence officers have described ARGUS as an "asteroid," an entity established to provide cover for off-line private intelligence operations. It was created with family monies (from the Ohrstrom-Bryant and Hanes families), and its operational officer was a family member—not the clown Herb Bryant, but the top intelligence operative John W. Hanes, Jr. (see p. 29). ARGUS was fully integrated into the "Focal Point" apparatus that put together intelligence, military, and other entities for operational deployment (see p. 40). Information from the federal felony trial of Herb Bryant, as well as other source material, identifies Thomas Nelson Harvey, an intelligence officer tasked to ARGUS, as a "focal point" operative and case officer for the project.

## What is ARGUS

ARGUS was officially established in 1986, first as the Law Enforcement Assistance Foundation (LEAF), then as ARGUS. J.C. Herbert Bryant, Jr. served as president; Isom served as its secretary. Both were members of its executive board, which managed its daily affairs. Magalen Ohrstrom Bryant and John W. Hanes were the moneybags for ARGUS. According to IRS documents, during 1986-89 alone, ARGUS received a quarter of a million dollars from both families combined.

According to its founding documents, ARGUS was established to acquire special surplus armored military equipment for use in "anti-terrorist," "anti-drug," and other crisis situations involving police and law enforcement agents. ARGUS was described as a deployment point for equipment such as armored personnel carriers for use by local police throughout the Mid-Atlantic region; to facilitate these deployments, ARGUS obtained a C-130 military transport aircraft. In addition, through its contacts, ARGUS was able to arrange to have access to the Regional Organized Crime Information Center

(ROCIC), a government computer database.

Ohrstrom Bryant and Hanes were more than financial patrons. Both played an active role in directing ARGUS's affairs. Ohrstrom Bryant was a founding member of the board of directors. Hanes served as CEO of the executive board and board of directors, and as treasurer. Annual board meetings were convened at his shooting club in West Virginia, and his Belle Haven Country Club in Alexandria, Virginia. In addition, records show that ARGUS held a meeting of its board of directors at the U.S. Army depot at Cameron Station in Alexandria, where the board also had use of the officers' club.

In the 1994 trial of Herb Bryant, in which he was convicted of impersonating a federal officer, Harvey testified that he used his capacity as an aide to Sen. John Warner (R-Va.) and his intelligence connections to help arrange for Bryant, Isom, and others associated with ARGUS to receive Special Deputy U.S. Marshal badges; he further claimed to have arranged for ARGUS, nominally a civilian-run organization, to receive surplus military armored equipment and to be able to store the equipment at Cameron Station. Harvey told the court that he arranged for ARGUS personnel to receive paramilitary training. Harvey's influence with Jack Twomey of the Marshals Service also led to Bryant being appointed to head the U.S. Marshals Foundation. That foundation foundered amidst allegations of mismanagement, fraud, and other illegal acts by top Marshals officials.

Based in Loudoun County, ARGUS, under Harvey's operational control and with Bryant and Isom as "cover," fell under the umbrella of a larger quasi-private security apparatus, deployed through networks associated with the families, as represented by people such as Hanes. Through contact with police at state and local levels, and integration into such regional operations as the ROCIC, ARGUS appears to have been recruiting specially trained operatives for certain still-undisclosed purposes.

An indication of what such purposes might have been comes from the confirmed information that pieces of ARGUS equipment and some of its personnel were brought into place as "backup," as part of the state-federal-local raid on offices of companies associated with the LaRouche movement in Leesburg, Virginia on Oct. 6, 1986. That raid was to include the assassination of LaRouche, to be accomplished through a raid on his residence possibly involving ARGUS equipment. The raid was called off after President Reagan was informed of the operation in progress.

"Asteroid" operations such as ARGUS, to be effective, are best kept out of public view. However, the antics of the clown Bryant and Isom's corruption made that difficult. ARGUS became a local scandal, and therefore a potential liability, when it was revealed in 1992 that Isom had used his office to have Loudoun County foot the bill for ARGUS's insurance, and even to hold title to some of its military equipment. That was done behind the backs of the Board of Super-



*This ARGUS armored vehicle was "at the ready" for use in a planned Oct. 6-7, 1986 assault, on the residence of Lyndon LaRouche.*

visors, the county's legislative body, which ordered Isom to break all county ties to ARGUS.

That act led to ARGUS's unraveling. Its equipment was reportedly disposed of, although there is no confirmation that this was ever completed. And ARGUS, until earlier this year, maintained a phone in Loudoun and an office address. Meanwhile, there is evidence that ARGUS may have made false representations to state and federal tax authorities, for which its officers could be liable.

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## Profile

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# Thomas Harvey, a 'Focal Point' operative

Thomas Harvey, who was an Army officer at the time he created ARGUS, was working in Senator Warner's office on assignment, from his official posting as an assistant to the Deputy Chief of Staff of the Army. Intelligence specialists who have reviewed Harvey's official military record, note that his career path fits the profile of the typical "spook" military officer, operating on behalf of networks which penetrate the military and the world of black operations. He has the profile of a "Focal Point" operative.

Harvey graduated from West Point in the early 1970s, and was posted to a SHAPE (Supreme Headquarters Allied

Powers Europe) support group position. In 1975, he trained as a Foreign Area Specialist in Yugoslav studies. It was at this time that the Henry Kissinger apparatus began building gunrunning networks in the Balkans which would supply arms for proxy-wars throughout the Middle East, Africa, and Ibero-America. Harvey was later assigned to the headquarters of the 9th Army Division (which has responsibilities throughout the Pacific), and in 1983 attended the Command and General Staff College, thus becoming eligible to serve with the Joint Chiefs of Staff.

Although Harvey's name appears in the Pentagon telephone directories from 1983 until his retirement in 1991, he is usually listed as an official in the office of the Deputy Chief of Staff of the Army, a speechwriter responsible for space, arms control, and low-intensity operations. According to his testimony in the trial of Herb Bryant, Jr., some of which has been confirmed, he held numerous sensitive intelligence positions during that time, including stints working directly for Vice President Dan Quayle and Secretary of Defense Richard Cheney in the Bush administration, senatorial staff positions with Strom Thurmond (R-S.C.) and Warner, and for the White House Space Council. Informed sources indicate that Harvey is a protégé of Richard Armitage, who was Assistant Secretary of State for International Affairs. Armitage is a notorious intelligence community "Asia hand" whose career in the Pentagon has been tainted with charges of gunrunning, drug smuggling, and privateering on a grand scale.

According to Bo Gritz, one of the most highly decorated military officers in history, Harvey was the National Security Council contact point for his mission to negotiate with Khun Sah, the leader of the Shan tribe in Burma. Khun Sah had been a partisan of the CIA's covert military operations in Laos and Cambodia, and had developed elaborate drug-smuggling capabilities in order to fund these military activities. Khun Sah told Gritz that he wanted "out" of the business, and would be willing to shut down the drug routes throughout the Golden Triangle. Khun Sah's claimed that it was U.S. intelligence and military officials, Richard Armitage and Ted Shackley, in particular, who were providing him with weapons for self-defense, and shaking him down for drugs. Their blackmail was simple—no drug money, no guns. Shan tribesmen would be handed over to the Communist Chinese.

When Gritz returned to the United States with this surrender offer, a bonanza in the war against drugs, he was told by Harvey that the Bush administration was "not interested" in the offer. He was told to shut up about Khun Sah's revelations. Gritz refused, and he and his associate Scott Weekly have been subject to intense legal harassment as a result.

Harvey continued to work for the families in the ARGUS operation at least until his retirement from active military service in 1991. At that point, he appears to have transferred to another "asteroid" operation, also funded by Ohrstrom Bryant money, the Global Environmental Technology Corporation (see p. 34).

# Focal Point network targets LaRouche

by Edward Spannaus

When the oligarchical families, on orders from their London masters, set in motion the process that they hoped would lead to the elimination of Lyndon LaRouche and his political movement, they turned to the "Focal Point" apparatus based in Northern Virginia and the Washington metropolitan area to implement key parts of their decision.

Such Focal Point operatives as Arthur "Nicky" Arundel, an original member of Gen. Edward Lansdale's "Civil Affairs" team in Vietnam in the 1950s, were brought "on line," while way down the ladder, at the gutter level, Deputy Sheriff Donald Moore, who bragged of his own "Civil Affairs" training and activity in Vietnam, and in Loudoun County in the 1980s, became a point man for the anti-LaRouche operation.

In the intervening levels, were countless, and many still unknown, tentacles of the Focal Point system's secret government apparatus. The Pentagon-backed ARGUS, a joint project of the Hanes and Ohrstrom-Bryant families, provided a "private" capability to provide heavy military equipment for use anywhere on the East Coast from its headquarters in Loudoun County; it was directly deployed in the 1986 raid in Leesburg against LaRouche and his associates—intended by some as a Vietnam-style "search and destroy" mission. Moreover, the Pentagon's still-existing Focal Point system was directly involved in that raid, as revealed by Defense Department documents later obtained under the Freedom of Information Act.

## Loudoun County, a 'secure area'

Because of the cluster of military and intelligence facilities in the county and nearby, Loudoun County has been designated as a "secure area" since at least the 1950s. In the late 1950s, construction of the Pentagon's massive underground nuclear-war "Doomsday project" bunker was begun at Mount Weather, astride the Blue Ridge Mountains on the western edge of the county; the AT&T communications bunker sits on Short Hill mountain in northwest Loudoun. To the north of Loudoun County in Maryland is Camp David; to the south is the CIA redoubt, near Warrenton in Fauquier County.

(Ironically, Loudoun in its early history was regarded as just such a safe place, because of its *anti-British* population. During the War of 1812, the originals of the Declaration of Independence and the United States Constitution were taken to an estate near Leesburg for safekeeping while the Redcoats



*Following the Oct. 6, 1986 federal, state, local raid on offices of associates of Lyndon LaRouche, storage of materials seized was organized through the "Focal Point" system.*

sacked Washington. Today, Loudoun is the last place one would try to hide something from the British!)

In the late 1950s, as plans were being made to apply "Civil Affairs" methods inside the continental United States, Arundel and other members of the CIA/Focal Point team were deployed into strategic domestic locations. Arundel's major local assignment was to take over and control the local news media in the Loudoun-Fauquier area. One of the initial functions of Arundel's takeover was to suppress information about the Defense and CIA facilities being constructed in the area; later, his news media played a central role in circulating black propaganda and attempting to isolate the LaRouche forces so they could be run out of the area or otherwise eliminated.

In 1983, Arundel's *Loudoun Times-Mirror* played a key role in "watergating" the previous sheriff, paving the way for the John Isom-Don Moore team to come in from Fairfax County in 1984.

Around 1983, Lyndon LaRouche and his associates received recommendations from certain security advisers and intelligence sources, that they relocate from New York City to Northern Virginia, and Loudoun County in particular, where they could be protected from terrorist and other threats. LaRouche was intensively involved in working with elements of the Reagan administration on the Strategic Defense Initiative (SDI) and various intelligence matters, which have been discussed in other published locations.

*Loudoun County Sheriff's Department "community relations officer" Donald Moore testifies in U.S. v. The LaRouche Campaign, Boston, March 28, 1988:*

**Q:** In what capacity while in the military did you have occasion to be dealing with the evaluation of intelligence materials?

**Moore:** I'd have to explain how Civil Affairs fits into the military organization. . . . It's commonly known to the public as the attempt to win the hearts and minds of the people. What it was, in fact, was—and my job in the latter portion of my tour in Vietnam—was to take charge of a village and with an interpreter and several other Marines you would build their defense forces, operate an intelligence network, and attempt to fight that village as its own entity. . . .

In that function I was trained down at the JFK School for Special Warfare to analyze such overt as opposed to covert forms of intelligence that I might gather. That is to say, walking around, talking to people, analyzing what they had to say, rating them as to their veracity, rating them as to the probability of the intelligence, using that information and reporting up the chain of command. . . .

I stayed in the Marine Corps in the Reserve capacity for another couple of years afterwards. And in Washington, D.C., there was the Fourth Civil Affairs Group which was the Reserve outfit. . . .

**Q:** So, I take it, it was in that capacity that you developed your familiarity with intelligence-type matters, is that correct?

**Moore:** Yes, sir.

LaRouche and his associates were at first welcomed into the county by many of its citizens and business people. However, for the families that comprise the Tory Hunt Country establishment, LaRouche was most unwelcome. Within a year of LaRouche's arrival in the county, and before the arrival of the majority of his associates from the New York area, a national-security investigation against LaRouche was launched at the instigation of Henry Kissinger and his cronies in the President's Foreign Intelligence Advisory Board (PFIAB). This gave the families and their local Focal Point apparatus the opportunity they needed; almost simultaneously, Arundel got the ball rolling with slanders in the *Loudoun Times-Mirror*.

By early 1985, *EIR* and other publishing enterprises associated with LaRouche had relocated to Loudoun County. Arundel's first sustained campaign against the LaRouche movement centered around efforts to shut down a summer camp being operated by LaRouche's associates for children of their employees. The camp was located at Sweetwater

Farm, which happened to be within a mile or two of the AT&T telecommunications bunker. The *Loudoun Times-Mirror*, under Arundel's hand-picked editor, Vietnam Special Forces veteran George Barton, launched a furious campaign to deny a zoning permit for the summer camp. Arundel's power was such that the County Zoning Commission and Board of Zoning Appeals both denied the re-zoning; on further appeal, a judge brought in from outside the county ruled that there had been absolutely no legal basis for denial of the zoning permits.

The anti-Sweetwater campaign was organized in classic "Civil Affairs" fashion, with press propaganda, dirty tricks, and even door-to-door organizing among the "indigenous" peoples to try to mobilize them against the alleged "terrorist training camp." Crawling out from the woodwork to support this Focal Point operation, were a number of long-standing intelligence operatives, who rarely speak in public, appearing as "neighbors" (some of them actually were) to protest the children's camp.

### The Leesburg raid

"Community relations" specialist Deputy Moore played a key role in stirring up the locals against LaRouche. In the same testimony in which he boasted of his Civil Affairs training, Moore described how he had put his training to use in Loudoun County, going around to local stores, even to a butcher, to find out what the LaRouche people were buying, going through the garbage to see what they were throwing out, and even hiding in the bushes to see what else they were doing.

But, there was a more deadly side to Moore's psychotic fantasies. (Like his Vietnam tent-mate Oliver North, Moore was a real "Section 8," who was treated for mental disorders while in the Marines; he was later diagnosed as suffering from "Post Traumatic Stress Disorder.")

On Oct. 6-7, 1986, over 400 federal, state, and local law enforcement personnel carried out a search and seizure operation in Leesburg against offices of publishing companies run by associates of LaRouche. Moore later bragged that he was prepared to carry out a bloody assault against LaRouche himself at Ibykus Farm near Leesburg, where LaRouche was being housed.

This was no idle boast. At the staging ground near Leesburg were personnel from the FBI's Hostage Rescue Team—the same unit responsible for the carnage at Waco, Texas and Ruby Ridge, Idaho. Also waiting for its orders was the ARGUS private army apparatus. It was only when LaRouche sent a personal telegram to President Reagan, that the planned assault on Ibykus Farm was called off.

Simultaneously with the Leesburg raid, heavily armed FBI agents served arrest warrants on a number of LaRouche's associates; the charges were obstruction of justice, for allegedly impeding a federal grand jury investigation of "credit card fraud" being conducted in Boston. Where did these

allegations come from? The prime instigator of the “credit card fraud” charges—alleged to have taken place in New York and Virginia—was the Bank of Boston, the renamed First National Bank of Boston, which has been identified as a key financial conduit for the Focal Point network since the 1950s and ’60s; the bank is controlled by Arundel’s patron, the family of Harold Coolidge.

### **The Focal Point trail**

But a few years after the Leesburg raid, the Focal Point showed up in a very direct way. During court proceedings in Boston, attorneys for LaRouche and his co-defendants were first told that two truckloads of documents which had been seized and carted off during the Leesburg raid had been taken to Quantico, Virginia, where the FBI has a training academy alongside a U.S. Marine Corps base. Later, during the trial in Boston in 1988, prosecutors admitted that the seized records had actually been stored in Henderson Hall, a Marine Corps building adjacent to Fort Meyer in Arlington, Virginia.

Even though the documents had been seized under both federal and state search warrants, and were supposed to be in the joint custody of the FBI and the Virginia State Police, the Virginia authorities were denied access to the documents for several weeks while they were being held at Henderson Hall.

The beginnings of a documented trail of the Pentagon role in the 1986 raid were disclosed in a partially declassified group of documents obtained in 1992-93 from the FBI under the Freedom of Information Act.

The earliest document so far disclosed concerning the military role in the raid is a memorandum to Assistant Attorney General William F. Weld (now the governor of Massachusetts) from Kent S. Robinson, the Assistant U.S. Attorney in Alexandria, Virginia who was the lead prosecutor for the LaRouche frameup in that district. The Robinson memo is dated Oct. 1, 1986, and is entitled “Office Space at Henderson Hall Marine Base for LaRouche Investigation.” The memorandum was classified “Secret,” and was also stamped “URGENT.” (In the memo, OJCS stands for Office of the Joint Chiefs of Staff.)

The Robinson-to-Weld memorandum states:

“Attached please find a draft of a letter from you to the Director, Joint Special Operations Agency, OJCS, requesting the assistance of the military in providing secure office space for the storing of documentary materials we hope soon to seize from the LaRouche organizations. . . .

“As you will note, I have stamped both the letter and this memo ‘SECRET.’ The procedure by which the Department requests assistance from the military on matters such as this is classified. . . .

“This letter should not be mailed. Rather, [deleted] FBI Special Operations Division, will pick it up from you and hand carry it to the appropriate person. . . .”

The letter drafted by Robinson for Weld was addressed to the Director, Joint Special Operations Agency, OJCS;

Attn: Colonel Byron Hooten, Chief, Support Activities Branch. The Joint Special Operations Agency was the agency incorporating the JCS J-3 Special Operations Division and related functions, such as unconventional warfare, psychological operations, and civil affairs. As we have shown, the Special Activities Branch is the direct continuation of the Focal Point Office.

The official functions of this branch, as listed in DOD manuals, include:

“1. Represent the Joint Chiefs of Staff as the DOD POC [point of contact] with other Government agencies for required sensitive support.

“2. Serve as the Joint Staff POC and provide staff assistance for sensitive support to or support from non-DOD agencies. . . .

“5. Provide staff support to other Joint Staff directorates in planning, staffing, and executing sensitive operations and support involving participation of other Government departments. . . .

“7. Provide the focal point for a special channel within the worldwide communications system involving the Services, unified commands, and DOD and non-DOD agencies in the area of support activities.”

These are precisely the logistics and communications functions of the Focal Point Office.

On Oct. 9—three days after the Leesburg raid—a formal letter of approval was sent to the Department of Justice and the FBI by Colonel Hooten of the Support Activities Branch. A copy of the memo was sent to the “USMC FPO”—the U.S. Marine Corps Focal Point Officer. (Colonel Hooten also showed up in documents concerning the Iran-Contra affair, as the contact for DOD assistance for CIA covert operations in Central America.)

Note that in the Oct. 1, 1986 memorandum cited above, Robinson says that “the procedure by which the Department requests assistance from the military on matters such as this is classified.” The first question that comes to mind is this: If all that the FBI and DOJ were doing was asking for use of a building, then why go through the “classified” Focal Point channel? Why not just call up the people who handle facilities and ask them for a secure building? No person consulted on this question among various military specialists has been able to answer this question, except to point to the obvious: that this involved a clandestine operation and contrived “national security” issues.

What is thus known, is that the Focal Point system took control of two truckloads of LaRouche documents. What is not yet known, is exactly why this was done. Was it so that evidence could be tampered with, or false leads manufactured, in the event the Leesburg raid culminated in the bloodbath which the oligarchical families and their operatives like Don Moore planned and desired? Or did it have some other purpose?

The final chapter in this story has yet to be written.

## Clinton in Northern Ireland thwarts British operations

by William Jones

The three-day visit of President Clinton to Great Britain, Northern Ireland, and Ireland has become a defining moment of his Presidency to date. As one Washington columnist put it, the President faced down the British—and they blinked. This, just a few days after he had successfully “faced down” the attempts by Speaker of the House Newt Gingrich to force the President to accept a budget to which he was adamantly opposed, beginning the “Cry Baby’s” rapid demise.

In his London speech on Nov. 29 to Britain’s Parliament at Westminster, the President was all graciousness and good will. There was even a good deal of humor in the exchanges between the President and House of Commons speaker Betty Boothroyd, at the expense of Newt Gingrich. Choosing the theme of the Roosevelt-Churchill relationship, the President alluded to the collaboration between the United States and Great Britain during the war years.

The form he chose for his speech, which he himself had carefully worked on, was a panegyric to the U.S.-British relationship. The content, however, was far different than that any President in the last 25 years could have given. In effect, the President was redefining the U.S.-British relationship. Although none of the protagonists referred to this fact, it was recognized by all.

President Clinton expressed a special gratitude for “your efforts in Northern Ireland,” words that must have stuck in the craw of some of his listeners, like Lady Maggie Thatcher, who had been most liberal in her dispatch of British troops to Northern Ireland during her Downing Street years, and most adamant in her refusal to negotiate. In fact, the United States had to bring the British, kicking and screaming, to the negoti-

ating table in Northern Ireland. Only the granting of a visa to Sinn Fein leader Gerry Adams in September 1993 by the United States, against strong British protest, created a situation in which Adams, a key figure in any negotiations, was lifted from the “non-person” status the British establishment had assigned him. Adams played a key role in attaining the cease-fire in Northern Ireland, now in place for the last 15 months.

### Last-minute negotiations

Just prior to the President’s arrival in London, the British had tried to throw a monkey-wrench into the awaited Anglo-Irish accord that would set a date for all-party talks on Northern Ireland. British Prime Minister John Major’s insistence that the Irish Republican Army had to start to give up its arms *before* talks could begin, was seriously hampering progress on any of the issues. The British were also somewhat perturbed that the “decommissioning” of weapons would be handled by an independent commission headed by former Sen. George Mitchell, the U.S. President’s special adviser on Ireland. Only a last-minute scramble by Ireland’s Prime Minister John Bruton succeeded in getting an agreement before Clinton arrived. The two prime ministers issued their “two-track initiative” just hours before Air Force One touched down in London. The initiative separates the issues of the all-party talks and the “decommissioning,” and sets a target date for the talks for the end of February.

But the tables were turned on the traditional *modus operandi* of U.S.-British relations, according to which the British policymakers manipulate U.S. political and military



might to their advantage. The shift was apparent already in October, when the President met with Russian President Boris Yeltsin at the Franklin Roosevelt home in Hyde Park, New York to initiate a new "partnership" with the Russian leader. Here in London, the President was presenting *his* agenda and asking support for his attempts to secure peace in Northern Ireland, as well as in Bosnia, for which he also made an appeal. "We can help the people of Bosnia as they seek a way back from savagery to civility. And we can build a peaceful, undivided Europe," the President said. There was supreme irony in the President's words, spoken in the city that is the real center of international terrorism and destabilization, and which has callously manipulated the Bosnia conflict for geopolitical reasons, directed against the other European powers.

But the trip to Westminster, which included extensive talks with Prime Minister Major and a 25-minute meeting with Queen Elizabeth and Prince Philip, was simply a prelude to the trip to Northern Ireland. While the President has worked hard since coming into office to achieve peace in Northern Ireland, this was the first time ever that a U.S. President had set foot in what had always been solely a British domain. The amenities in London were an attempt to smoothe over whatever British "feathers" the Presidential visit in Northern Ireland was going to ruffle.

Clearly not everybody was happy. In the general applause following Clinton's comments to the two Houses of Parliament, there were those who demonstratively refrained from clapping. Reflecting the rage among some British circles, the *Daily Mail's* Simon Heffer on Dec. 1 ranted, "We have proceeded with a nervous glance over our shoulder at you and your administration, seeking your approval for what we do in our own country. No wonder you think you can get away with lording it over us."

Not only the successful U.S. efforts to bring Sinn Fein into the negotiations broke with British precedent, in which Sinn Fein was simply considered a non-player, but also the personal intervention of the President, who intended to go to Northern Ireland to speak to the Unionist parties and to present his own government as an honest broker in the talks, must have been particularly galling for those British mandarins, who had seen the area as their "eminent domain" for centuries. No doubt, enraged and unreconstructed British aristocrats are now gathering in smoke-filled rooms to discuss how to stop this "upstart" President. Knowing that terrorism, destabilization, and psychological warfare are all integral elements of this group's "bag of tricks," ought to cause heightened awareness among White House policy planners as well as among those responsible for the President's security.

### **'One hundred thousand welcomes'**

The reception the President received when he landed in Belfast should have belied any impression that this was "Brit-

ish turf." As Clinton's entourage drove in from the airport in the wee hours of the morning, people had begun to line up along the roads to get a glimpse of the American President. The turnout was far greater than anyone could have imagined. In a public meeting in Derry (or Londonderry, for the Unionists), the first of several on this whirlwind tour, people jammed the Guildhall Square, waiting for hours to see the U.S. President. "We want Bull, we want Bull," the crowd chanted, calling for "Bill" in the local dialect. When he appeared, a roar went up from the crowd, with thousands of people waving small American flags. "There was not a Union flag nor a Tricolour [the flag of the Irish Republic] to be found in the entire city that day," noted one native observer.

In his speech, President Clinton pointed out that it was Derry that had been the model for the architectural design of Philadelphia in the mind of an Ulster Protestant, William Penn, a soldier turned Quaker, who "founded Pennsylvania, a colony unique in the New World because it was based on a principle of religious tolerance." "Today when he travels to the States," the President said, "John Hume is fond of reminding us about the phrase that Americans established in Philadelphia as the motto of our nation, *E pluribus unum*—'Out of many, one'—the belief that back then Quakers and Catholics, Anglicans and Presbyterians, could practice their religion, celebrate their culture, honor their traditions, and live as neighbors in peace." "We are struggling to live out William Penn's vision," the President said, "and we pray that you will be able to live out that vision as well." "The time has come for the peacemakers to triumph in Northern Ireland, and the United States will support them as they do," the President promised.

A beaming John Hume was looking on from the podium that day. Hume, a representative for the Social Democratic and Labour Party in the British Parliament from Derry, was one of the key people with whom the administration had worked closely to help bring about the cease-fire. The President called Hume "Ireland's most tireless champion for civil rights."

Earlier in the day the President spoke to workers and the community of Mackies Metal Plant, one of the Belfast employers which had worked to break down job discrimination in Northern Ireland, and which is situated along the Belfast "peace line," the wall of steel and stone that had long separated Protestant and Catholic areas. The President was greeted by two Belfast children, Catherine Hamill, a 9-year Catholic girl whose 29-year-old father had been killed in the "Troubles," and 10-year-old David Sterrett, a Protestant. Most poignant was the letter Catherine had written for the President. "My first daddy died in the 'Troubles,'" Catherine said. "It was the saddest day of my life. I still think of him. Now it is nice and peaceful. My Christmas wish is that peace and love will last forever in Ireland." Catherine got a big hug from the President, moved by her words.

"For 25 years now, the history of Northern Ireland has

been written in the blood of its children and their parents,” the President told his Mackies audience. “The cease-fire turned the page on that history; it must not be allowed to turn back. We will stand with those who take risks for peace, in Northern Ireland and around the world,” the President said. “If you walk down this path continually, you will not walk alone.” The President also announced that “those who do show the courage to break with the past are entitled to their stake in the future,” making clear that even those previously involved in the violence on either side, would be included in the peace, if they walk the road of peace.

### ‘Blessed are the peacemakers’

Later in the day, President Clinton spoke to over 80,000 people in front of the City Hall in Belfast, where he lit the city’s Christmas tree, a gift of the people of Nashville, Tennessee, the home town of Vice President Al Gore. Speaking for himself and for the First Lady, the President called the day, “one of the most remarkable days of our lives.” Mrs. Clinton, in addition to accompanying the President at the official events, also had her own itinerary, speaking with some of the women at the Women’s Drop-In Centre in Belfast, a haven for mothers and wives on both sides to come and talk of their experiences. They discussed social issues, jobs, and the challenges of bringing up children in a violent city. Lighting the tree, the President said, “And when God was with us, He said no words more important than these: ‘Blessed are the peacemakers, for they shall inherit the Earth.’ ”

In a well-orchestrated “chance” meeting in the Catholic West Belfast, when President Clinton had stopped to do some shopping, Sinn Fein leader Gerry Adams appeared for the first public handshake with the President. They had met earlier at the Washington Conference on Ireland in May, but not before the cameras. “*Cead Mile Failte*,” Adams proffered the President the traditional Irish greeting, meaning, “One hundred thousand welcomes.”

Later in the evening, at a reception in the President’s honor at the Europa Hotel in Belfast, Clinton met with some of the top Unionist leaders to discuss the perspectives for peace. The reception was also attended by Gerry Adams. All the major Unionist figures seemed pleased that the U.S. President was personally engaged in the peace process. As Gary McMichael, leader of the Ulster Democratic Party, one of those loyalist leaders whom President Clinton named as responsible for bringing about the cease-fire, told *EIR*: “What Bill Clinton has been able to do, is to concentrate people’s minds on what this peace process is about. It’s not about decommissioning. It’s not about the various nuances of the impasse. It’s about keeping the peace. It’s about creating the tolerance between the communities which will allow them to move forward to an agreement. . . . It’s about changing people’s minds by creating an openness where they can embrace political change. In that respect, the visit

will be a tremendous catalyst to give the maneuverability to those who need it most.” Even for those who looked to Britain for their support, the United States has now become the major player.

Proceeding on to Dublin, President Clinton addressed 100,000 people on College Green. “I’ve been here before,” the President told his listeners, referring to a little-known trip he had made to Ireland as a student at Oxford in the late 1960s, precisely when the “Troubles” in Northern Ireland started to flare up.

### The Irish in world history

Addressing the Irish Parliament (the Dail) later in the day, President Clinton referred to the important role of Irish immigrants in the American Civil War. “The regimental banner brought by President Kennedy that hangs in this house reminds us of the nearly 200,000 Irishmen who took up arms in our Civil War. Many of them barely were off the ships when they joined the Union forces,” the President said. “They fought and died at Fredericksburg and Chancellorsville and Gettysburg. Theirs was only the first of countless contributions to our nation from those who fled the famine. But that contribution enabled us to remain a nation and to be here with you today in partnership for peace for your nation and for the peoples who live on this island.”

The President also referred to the valuable role of the Irish monks 1,500 years ago, when they preserved the records of civilization. “It has been said, probably without overstatement, that the Irish, in that dark period, saved civilization,” the President told his listeners. “Now we seek to repay that in some small way—by being a partner with you for peace. We seek somehow to communicate to every single person who lives here that we want for all of your children the right to grow up in an Ireland where this entire island gives every man and woman the right to live up to the fullest of their God-given abilities and gives people the right to live in equality, freedom and dignity.”

Also attending his speech in the Dail was Gerry Adams, long considered *persona non grata* there, wearing the traditional green Sinn Fein insignia. Many things were rapidly changing on the Emerald Isle—thanks to the persistence of the President.

Immediately following the visit, former Senator Mitchell was scheduled to continue the talks to achieve an agreement on the “decommissioning” of arms, a task that will not be an easy one. In addition, there is also planned a follow-up conference to last May’s White House Conference on Investment, sometime in the first half of next year and probably in Chicago. Much remains to be done. As Gary McMichaels noted, many people had been “over-optimistic” about the results of the White House conference last May. As one Belfast-based journalist pointed out to *EIR*, “Economic development is key. That’s what will solidify the whole peace process.”

# Schiller Institute meets in Germany: 'The future determines the present'

by Werner Hartmann

Nearly 500 members and guests of the Schiller Institute from over 30 nations—from eastern and western Europe and Eurasia, Africa, the Middle East, and the United States—attended a conference in Eltville, Germany Dec. 2-3, on the theme, "The Future Determines the Present: 1996, the Year of Decision." Participants included many members of parliament from different nations, advisers to governments, and other responsible officials. Their goal was to master the changes in philosophical and political principles that are required in order for mankind to make the leap into a new era, after the demise of the current world order.

The deliberations were summed up in a "Memorandum to Mankind" (see *Documentation*), drafted on the initiative of the Ukrainian and Russian delegates, and endorsed by the conference as a whole. The statement calls for constructing a community of nations that would reject "balance of power" games and instead promote the optimal economic and cultural development of every nation for the benefit of all humanity.

Lyndon LaRouche, who co-founded the institute with his wife, Helga Zepp-LaRouche, in 1984, opened the conference with a speech on the subject, "We Are at the End of an Era." In a lengthy presentation, LaRouche explained the inevitable collapse of the present economic and financial system, which will occur with great probability before the end of 1996, if not as early as the coming weeks. The decisive factor is the widening of the "scissors" between financial aggregates, monetary aggregates, and production of physical goods. Real production in the world economy has greatly decreased since the 1960s; the amount of money that has been put in circulation by the governments has increased; the amount of worldwide financial titles is growing, as a result of speculation, with a daily turnover of \$3 billion. Since some of the speculative deals have to be financed by withdrawal of money from the physical economy, an endpoint will soon be reached. The abandonment of the International Monetary Fund policy of the last 25 years is obligatory for humanity to survive.

LaRouche recalled that most cultures in the history of humanity failed and disappeared, because they held the majority of the people as slaves or bondsmen. The superiority of western European culture can be seen in the growth of its

population and the increase in life-expectancy as a result of the 15th-century Renaissance.

But the principles of the Renaissance that came out of the educational method of the Oratorians and the success of the first nation-state under Louis XI of France (1461-83), were not fully carried forward. The oligarchical feudal system not only retained control over the international financial system, but was also able to achieve a dominating influence in philosophy and science, through people like Paolo Sarpi and Isaac Newton, and could weaken nation-states by trapping them into working within a "balance of power" policy framework. Today, the center of what remains of the oligarchical system, which still controls world finance as well as oil and raw materials, is the British monarchy. We are now living through the demise of that centuries-old symbiosis of the oligarchical system and the nation-state.

What were the wrong decisions historically, that led to the collapse of the world financial system that we are now facing? LaRouche asked. The wrong path started right after the Second World War, after the death of President Franklin Roosevelt in April 1945. Roosevelt's plan to liberate all colonies, and to cautiously enter into cooperation with the Soviet Union, was blocked. Instead, the Cold War period and the weakening of the nation-states began, with the intention to put a neo-feudal world government in their place.

Today, the world needs to reverse this policy and begin cooperation among sovereign nations, LaRouche said. The leading role must be played by the United States, which was the most powerful enemy of the feudal system since its founding. The community of nations has to uphold the most important right of people and nations, the right to full development of their scientific and cultural potential. Just as the Constitution of the United States is pledged to "promote the general welfare, and secure the blessings of liberty to ourselves and our posterity," so this community must be oriented to the future. Every human being needs to look at his life's work with the same eye that a musician does: "The composer dies, his work lives on." (The transcript of LaRouche's address will appear in our Jan. 1, 1996 issue.)

In the conference's open discussion, LaRouche elaborat-

ed on the historical reasons for the demise of the “half-nation-state, half-oligarchical” civilization, and the kinds of concrete measures that need to be taken to advance the nation-state without the oligarchical parasite, particularly in the realm of economics. In reply to a question from a professor from eastern Europe, LaRouche explained how the world financial system and the big central banks have to be reorganized, in the same way one would reorganize a bankrupt company. The greater portion of the debt has to be cancelled, so that new investment in productive areas—infrastructure, agriculture, housing construction—can follow, supervised by a national bank under government control. This “American System of political economy” of Hamilton, List, Carey, and Lincoln has always worked, wherever it has been applied.

LaRouche emphasized, in reply to questions from guests from several African nations and from Armenia, that there is no “specific solution” for this or that country. Small nations can only hope to achieve peace and economic development, if the power of the oligarchy is broken, and the oligarchical system is replaced by a system of mutual benefit, under the leadership of the United States and President Clinton. That this is possible, is shown by the opposition in the United States to the fascist austerity policy of the “Conservative Revolution.” The counterpart to Gingrich’s “balanced budget” in Europe, the infamous Maastricht criteria, will suffer a defeat, like that of Gingrich in the United States.

### Corruption in the U.S. Justice Department

Other speakers on the first day of the conference included three extraordinary fighters for justice: former South Carolina State Sen. Theo Mitchell; Dr. Josef Milosko, who was vice-prime minister in the first post-communist government of Czecho-Slovakia, and is a former resistance fighter; and Italian “Mafia-hunter” Judge Carlo Palermo. Mitchell and Dr. Miklosko participated over Aug. 31-Sept. 1 in hearings by an independent commission investigating gross misconduct by the U.S. Department of Justice, whose proceedings were videotaped by the Schiller Institute, which also published the transcripts (see *EIR*, Oct. 6, 1995). Selections from the videos were shown at the conference.

Mitchell’s speech, on “The Re-Establishment of Justice in the U.S.A.,” exposed the far-reaching corruption in the FBI and the U.S. Department of Justice, as revealed in the systematic persecution of African-American elected officials. Mitchell himself became a victim of this, and was imprisoned for several months in 1994. Other cases of political persecution, which Mitchell and Miklosko discussed, were the case LaRouche, the case of the former Austrian President Kurt Waldheim, and the case of John Demjanjuk, who was extradited to Israel—where he was sentenced to death—by the Office of Special Investigations, the “Nazi-hunter” section of the Justice Department. At the time the OSI sought Demjanjuk’s extradition in 1978, it held proof that he was not the war criminal “Ivan the Terrible,” as

accused. The Israeli Supreme Court reversed his conviction and death sentence in 1993, when this outrage came to light.

But Mitchell also pointed to a positive change taking place in America, as shown by three developments: the independent commission’s hearing on corruption in the government bureaucracy, the Oct. 16 “Million Man March” of over 1 million African-American men; and President Clinton’s successful opposition to the Gingrich budget-slashing policy, with which he already once forced the shutdown of government operations in November.

Judge Palermo, in his speech on “The Relation Between Morality and Economics in Illegal Financial Flows,” described the new order of Mafia activities after 1989, which includes money laundering and collaboration with organized crime in eastern Europe. He condemned the attitude of some Western circles, that the “more economic damage is done by money laundering, than doing nothing.”

At the end of the first day, the conference participants watched a video of a Schiller Institute music seminar conducted by Norbert Brainin in the Slovakian town of Dolna Krupa in September 1995. Brainin, the first violinist of the former Amadeus Quartet, demonstrated in several master-classes there, the principle of *Motivführung*, or motivic thorough-composition, in Classical composition, in which a whole work is developed out of the germ of an idea, and because of this, it contains nothing random, and has an extraordinary effect as a “unity,” from the first note to the last.

### The end of the ‘dinosaurs’

The morning of the second day began with a public rehearsal of the chorus and orchestra of the Schiller Institute, under the direction of Anno Hellenbroich, performing selections from Johann Sebastian Bach’s *St. John Passion*. After that, the founder of the international Schiller Institutes, and its chairman in Germany, Helga Zepp-LaRouche, addressed the question of overcoming the present worldwide crisis through a “community of nations based on natural law.”

“While Leibniz speaks about the best of all possible worlds, the European governments are pursuing, with the Maastricht Treaty, a policy of the worst of all possible worlds,” Helga Zepp-LaRouche began. The European Union treaty prohibits the only possible means to achieve an economic upswing, through government investment in infrastructure, and prescribes instead, a brutal policy of austerity which has led, in France, to an enormous strike wave. The politicians who proceed with this austerity policy are “dinosaurs,” who will be blown away with the end of the present financial system.

The solution, she said, is cooperation among nations, following the principle of Nicolaus of Cusa, according to which the best development of the macrocosm only happens, if all the included microcosms—e.g., all nations of the world—are developing to their utmost. This contradicts the principle of the “balance of power” and the liberal, hedonistic concept of the individual that dominates today. Each person

has to fight to overcome the troubles of other peoples and nations, as he or she fights for his own nation.

Next, Faris Nanic, who heads the Bosnian ruling party in Croatia, provided an analysis of the prospects for Bosnia since the peace agreement in Dayton, Ohio (see text, p. 53).

### **Classroom mathematics and ‘lazy reason’**

Dr. Jonathan Tennenbaum then addressed the topic “Why ‘Standard Classroom Mathematics’ Makes People Stupid: Paolo Sarpi and the Fraud of the Enlightenment.” Tennenbaum described two different kinds of human thought: “lazy reason,” as Leibniz called it, in which one tries to explain phenomena on the basis of seemingly fixed assumptions, and on the other hand, the Socratic method, in which the axioms of thought are continuously questioned and superseded. The Venetian monk and chief of secret intelligence in the 16th century, Paolo Sarpi, was the founder of the school of “lazy reason,” *par excellence*. This school was taken over by Newton, Locke, and others, and now dominates worldwide; it assumes a linear, three-dimensional space and a one-dimensional time, and tries to reduce all phenomena to simple kinematic reactions among particles, and to algebraic calculations.

Typical for Newton was the assertion that he could explain all physical science without hypotheses. Leibniz already identified that assertion as absurd, because the fundamental assumption of three-dimensional space is itself nothing other than a hypothesis, and has proven itself to be utterly inadequate in physics, where the principle of least action and other “dimensions” operate.

Sarpi’s school was scientifically disproven in the 19th century most clearly by Bernhard Riemann, Tennenbaum continued, but the political influence of the oligarchy has nevertheless ensured its worldwide acceptance. With the end of the oligarchical system, there is now the happy chance for a renaissance of the Socratic method.

Elisabeth Hellenbroich also took up the issue of Socratic method in her concluding report to the conference on the work of Plato. Plato fought to save and extend the achievements of the Classical Athens, from the “Persian model.” For that purpose, he established an Academy for future statesmen and philosophers, based on human creative thought. Some 2,500 years ago, Plato realized that truth lies beyond our senses. The *Parmenides* dialogue is engaged with this principle of order, the “One” that encompasses the “Many,” which was the theme of all the later dialogues of Plato.

Hellenbroich illustrated the concept of “the One and the Many” with two examples: Raphael’s painting *The School of Athens*, which depicts thinkers from many different epochs isochronically (at the same time), whose spirit lived on in the Renaissance; and the phenomenon of Classical music, in which the performing musician must have the entire composition in his mind as a unity, which is only revealed to the audience after the last tone has faded away.

In addition to the “Memorandum to Mankind,” the con-

ference participants endorsed a message of greeting to the U.S. political prisoners of the LaRouche movement in Virginia, a resolution calling for an end to the Serbian persecution of the Albanian ethnic population in Kosova, and a resolution to the Colombian government, to provide protection for *EIR*’s correspondents and contributors in Colombia, who have received almost daily death threats from the drug mafia for much of this year.

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## Documentation

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### **World catastrophe or progress of civilization**

*The following “Memorandum to Mankind 1996: World Catastrophe or Progress of Civilization?” was drafted during the conference of the Schiller Institute on Dec. 2-3, 1995 in Eltville, Germany. It was adopted by the attendees representing more than 30 nations: Armenia, Austria, Bosnia-Herzegovina, Bulgaria, Canada, China, Colombia, Croatia, Denmark, Egypt, France, Georgia, Germany, Ghana, Hungary, Iraq, Italy, Jordan, Netherlands, Norway, Poland, Russia, Rwanda, Slovakia, Sweden, Switzerland, Uganda, Ukraine, United States of America, and Zaire.*

The imminent collapse of the international monetary system and the world’s physical economy has become a grave reality. The productive forces of society are being crushed, while the cancer of financial speculation continues to spread, threatening to destroy everything it touches. And the parasitic hedonism of the oligarchical ruling minority—acting through the International Monetary Fund, the World Bank, Greenpeace, and other organizations—threatens not only the economy, but human morality as well, as education and science are being replaced by information age surrogates, by the cult of egoism and violence.

Deregulated governments are becoming toys in the deadly games of transnational private banks and raw material corporations. These brainless giants manipulate millions of people through the mass media, first promoting “democracy” with unlimited free trade and then, after looting nations, imposing colonial dictatorships in order to keep their puppets in power.

Due to the efforts of Lyndon LaRouche and the Schiller Institute internationally, many citizens, especially scientists, politicians, and people from the cultural sphere, who are interested in real economic development and the well-being of nation-states, are coming together to form an intellectual force capable of counterposing these ideals to the perspective

of global apocalypse.

We hold that real progress of humanity can be ensured through a new policy of partnership among sovereign nation-states, based on the following principles:

1. Bankruptcy reorganization of existing international financial institutions, and the creation of a new world financial and credit system to revive the productive economy, based on cooperation among sovereign nation-states, as an alternative to the present neo-colonialist looting of the world by the British-centered financial oligarchy.

2. Establishing the exclusive responsibility of governments and central State banks for emission of currency and creation of credit, for regulation of the banking system and for defining priority needs in production and infrastructural development, as an alternative to wild, unrestrained speculation and to the gigantic accumulation of fictitious financial aggregates.

3. The leading role of the State in defining an economic strategy consistent with its obligations to provide social protection for the whole population, as an alternative to liberal "laws of the jungle" which allow only the strongest, and most criminal elements, to survive.

4. Economic competition based on the constitutional equality of property forms, encouragement of those private enterprises proving to be most efficient for public welfare and productivity, but State responsibility for energy, water, basic transport systems, etc., as an alternative to the dictates of private interests and to uncontrolled privatization which damage vital economic and social functions.

5. Stimulating physical productivity of national economies through flexible levers of credit, taxes, and customs duties for the development of domestic industries and infrastructure, and a new system of economic cooperation based upon existing productive and technological specialization and partnership, as an alternative to the free-trade system, which links terms of trade to destructive austerity measures and imposes a division of the world into mining, refining, and consuming countries.

6. Introducing a diversified system of land use, respecting the priority of existing State interests in land policy, while supporting efficient private farms, as an alternative to latifundist policies which regard land as a simple object of speculation or a battlefield for rival transnational corporations.

7. Large-scale investment in world infrastructure projects (transport, energy, communications) that will change the world in accordance with the human right to development, in such a way as to ensure the qualitative growth of consumption per capita, per household, and per square kilometer, as an alternative to U.N. policies of population control and environmentalist neo-Malthusianism.

8. Promoting State support for fundamental science and advanced technologies, encouraging new international scientific cooperation, as, for example, launching new joint space projects, as an alternative to the current "brain drain" of

scientists and budget austerity.

9. Establishing a new system of public education and culture based upon the heritage of national and world classic culture, as an alternative to counterculture and to "soap opera" mass culture that promote immorality, irresponsibility, and violence.

10. Cooperation among the great monotheistic religions for the sake of strengthening human morality, world peace and development; active participation of national and religious minorities in the economic, cultural and political life of nation-states, as an alternative to pagan cults, mysticism, fanatical ethnicism, and separatist terrorism run by deployed experts of the financial oligarchy.

The preconditions for this new policy of partnership and mutual respect are democratic parliamentarism, defense of the inalienable rights of man, and the assumption of responsibility by governments to strengthen their national economies and to guarantee a decent living standard for their people. A true community of interest should be the basis for the new global cooperation, and for this community of interest a knowable criterion exists: the mutual benefits and future well-being of all mankind that will result from this new type of cooperation.

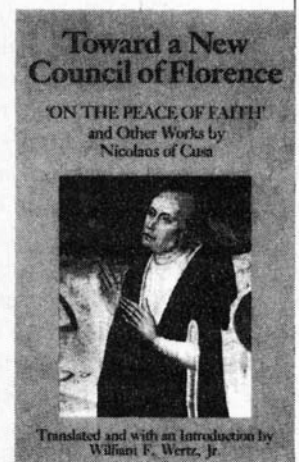
We, therefore, appeal to all nations of the world to unite around these principles in order to prevent global catastrophe.

## Toward a New Council of Florence

'On the Peace of Faith' and Other Works by Nicolaus of Cusa

The Schiller Institute has just released this new book of translations of seminal writings of the 15th-century Roman Catholic Cardinal Nicolaus of Cusa, who, through his work and writings, contributed more than anyone else to the launching of the European Golden Renaissance. The title of the book, *Toward a New Council of Florence*, expresses our purpose in publishing it: to spark a new Renaissance today.

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# Faris Nanic: 'Dayton accord is a first step'

*Faris Nanic is the secretary general of Bosnia's ruling Party of Democratic Action (SDA) in Croatia and has on several occasions been a member of Bosnian State delegations. His presentation to the Dec. 2-3 ICLC/Schiller Institute conference in Eltville, Germany is excerpted below.*

. . . The Dayton agreement has been signed under the auspices of the United States, and, if I may say, under great pressure from the United States. Now we have a certain peace agreement that has been signed, and has been accepted by all sides, but we still don't know whether this agreement can function, whether this will have any impact, nor to what extent this will have an impact on the ground.

Unfortunately, this agreement was based upon the so-called Contact Group Peace Plan which divided Bosnia into two confederal or federal units in the ratio of 51-49, respectively, in a way, the newly formed, bloody, ethnic divisions. It also respects the military demarcation line, with some exclusion. . . . What is still problematic, however, is the question of the river port of Brcko in the north, on the River Sava, which marks the border between Croatia and Bosnia, which is to be solved a year after the NATO mandate expires. This will be solved by international arbitration.

The agreement itself is rather contradictory, because it starts from the ethnic division. At the same time, it is the NATO mandate to enforce the return of all refugees and displaced persons to their homes, and, once this is achieved, to hold free and democratic elections for all Bosnia. What is contradictory is, if you return all the Bosnian Muslim refugees to eastern Bosnia, which was mainly inhabited by the Bosnian Muslims before the war, and before the genocide was committed, then you can have a Bosnian Muslim majority in the Serb Republic. Therefore, you can have a Bosnian Muslim elected as President of the Serb Republic. I don't foresee that any Serb regime in the Serb Republic will allow this to happen. So I don't know whether this will function.

Our impression, because we have not seen the whole document yet—nobody has, except the delegations and the respective parliaments—was that this agreement, since it is contradictory and very hard to implement, is only a first step toward that for which we have been fighting from the very beginning, toward the final reintegration of the country.

We have the impression that Mr. Clinton . . . was actually forced to make a certain compromise where Bosnia was concerned, after actually breaking with the geopolitical game which played the card of the Serbian gendarme in the Bal-

kans, by establishing a certain balance, at least between Zagreb and Belgrade, between Croatia and Bosnia, because he had simply turned a blind eye toward the Croatian offensive, not only in Krajina, but also in Bosnia. And now, it's just a matter of time—and we must give this time to the President, if he will win the election, I don't know—to undertake further measures in solving the Bosnian crisis after being reelected in 1996. This is my impression, as well as that of people with whom I work.

## 'We have some fears'

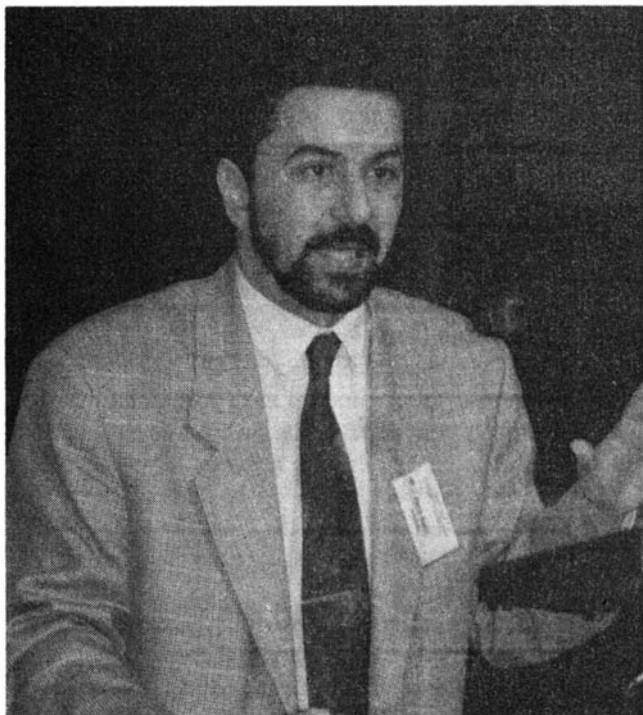
. . . We have some fears. First of all, NATO bases are organized only in the territory of the Federation of Bosnia, i.e., the territory controlled by the Bosnian government and the Croatian forces. But there is not one single base which will be organized in the territory of the Serbian Republic in Bosnia. This was the same with the Unprofor [U.N. Protection Forces]. . . . This means that we have the same problem with NATO.

Secondly, it seems that the providing and securing of the demarcation lines between the warring factions to the conflict is much stronger than it is for the existing internationally recognized borders of Bosnia. We don't know how the NATO forces will be deployed or will defend the existing external borders of Bosnia.

The international force under the command of NATO will include some Russians, some French, who are not members of NATO, and some forces from Islamic countries. The commander of the international forces, who will be based in Sarajevo, is British. Most of the members of the staff in Sarajevo are British, although there is a NATO general, [U.S. Gen. George] Joulwan, who will be commander of the operation. So, therefore, we do not exclude possible obstruction in the implementation of the NATO mandate.

Maybe the most important, let me give you an example of the refugees from Foca. It is a small city on the Drina River, which is the natural border between Bosnia and Serbia, where massive genocide was committed; over 7,000 Bosnian Muslims were killed there in 1992. By the Dayton agreement, Foca remains under the Serbian Republic. Foca had a majority of Muslims before the war. I wouldn't know how it would be possible for me to go back to Foca and to appeal for any kind of permit from the civil authorities there, where I know that the guy to whom I'm going to submit my application is the same one who killed my daughter and raped my wife. And there will be no enforcement, or at least we don't see who is going to enforce the right of these people to go back; and then, who is going to guard them from the same people who killed their families three years ago? That's what we don't know. Therefore, I don't see the mechanism for returning those refugees.

Even so, this has been the most decisive approach, from the military and the political standpoint, compared to anything that has been proposed so far, such as the Vance-Owen,



*Faris Nanic addressing last year's ICLC/Schiller Institute conference in Eltville.*

or Owen-Stoltenberg, or Contact Group peace plan, or whatever. It includes NATO forces and, according to the information I got yesterday from Gen. [Paul Albert] Scherer [former head of German military intelligence], this time, NATO and the Americans have to play rough.

This gives us some hope. This agreement has also some advantages, of course, since Bosnia as a whole, as an internationally recognized country, has been preserved in its existing borders. We have managed to provide one currency, because there were proposals to create two or three currencies in Bosnia; we have one central bank—we hope it will be a national bank and not a central bank; there will be a government and a parliament, though a somewhat crippled parliament, for the whole country. This should be the element of reintegration of the country.

The peace is the chance for the [Bosnian-Croatian] Federation, the territory controlled by the Bosnian government, to create a certain model which, in time, can become attractive to the partly isolated Serbs of Bosnia, and, somehow, make them change their minds, and change their political leadership, and join the Federation as a project for everybody in Bosnia. Because the controlled war that we have lived through in Bosnia, was fuel for the para-state that was organized, for the paramilitaries, for the armies, for the mercenaries, for everybody who was active in the destruction of the country. Therefore, we think the peace could be our chance.

People are reacting differently. It mainly depends on whether their town or village had remained in Federation

or under the Serb control. We have major protests, rallies, organized in Zagreb, in Croatia, by the people from the Posavina region, where the famous Serbian corridor is, on the northern side. The whole territory of this very rich portion of the country belongs to the Serbs, with the exception of two small municipalities in the far north. People are rallying against the President of Croatia, because the Bosnian delegation said there was a pre-arrangement, before the negotiations in Dayton started, between the Croatian and the Serb Presidents that the Posavina region—which was mostly inhabited by the Bosnian Croats and the Bosnian Muslims—would go to the Serbs. . . .

### **IMF wants the last drop of blood**

. . . But we are afraid of something else: the so-called international financial aid, which supposedly has to be channeled through the International Monetary Fund (IMF) and the World Bank. The Bosnian government has come out with the rough estimate of \$20 billion to be invested in the reconstruction of the country: the modernization of the infrastructure and production capabilities, at least the basic ones. The *ad hoc* IMF delegation that visited Sarajevo a couple of weeks ago and spoke to the representatives of the Bosnian government said yes, but their estimate is that \$3.7 billion would be enough for the reconstruction of Bosnia, and at the same time, the Bosnian part in the so-called Yugoslav debt has to be calculated. Therefore, Bosnia has to agree to pay about \$5 billion of the so-called Yugoslav debt, after it has been totally shattered, without any delay, with no grace period, with no moratorium whatsoever, if they want to get help from the IMF (which is offering \$3.7 billion); in a country where 90% of the people are unemployed, where the State-guaranteed monthly wage is DM 23 [about \$16]. They want us to pay the debt, even before the problem of the legal succession of former Yugoslavia is resolved in Geneva.

Now, there will be a conference in London, where they will discuss this problem of reconstruction. They are going to gather the eventual donor States and try to channel this aid, which will go through the IMF; and we don't know what the conditionalities will be, of course. At the same time, the trade sanctions against rump Yugoslavia, according to the 10-24 resolution of the U.N. Security Council, have been lifted. This gives a chance to rump Yugoslavia to use the gold and the hard currency reserves of the former Yugoslavia (which are estimated at a couple billion dollars), before the legal succession.

We don't know how to deal with the IMF's intentions. We have to find a way for there to be bilateral or multilateral cooperation in the reconstruction of Bosnia. We have our own projects, our own plans for rebuilding and modernization of infrastructure, together with Croatia—because there are some large infrastructural projects which are very interesting for both countries—and we know what we have to do. The problem is whether we will get the money.



# Drug cartel threatens Colombian opponents

by Andrea Olivieri

“You cannot afford the luxury” of allowing another of your political opponents to be assassinated “behind your back,” warns Maximiliano Londoño, head of the Ibero-American Solidarity Movement in Colombia and an associate of Lyndon LaRouche, in an open letter to Colombia’s narco-dictator Ernesto Samper Pizano. Both Londoño, a contributor to this magazine, and *EIR*’s Bogotá correspondent Javier Almarío, have been the targets of death threats and harassment, designed to silence their criticisms of Samper’s corrupt government and his alliance with the Cali drug cartel.

“In my double position as both journalist and political figure, I have been your adversary, and I understand quite well that our activities disturb you,” writes Londoño. “However, given that you happen to be in the Presidency, for the moment, you cannot afford the luxury of failing to provide minimal protection for the lives, as well as the freedom of expression, of even your fiercest political opponents. . . . One more crime against an opponent of your regime, after the horrible murder of your harshest political rival Dr. Alvaro Gómez, would unleash a new attack against your government, nationally and internationally. It would be a fatal error for a President to allow his rivals to be eliminated ‘behind his back,’ as now seems to be the custom in our country.”

Londoño’s charges have been reproduced by Colombia’s Conservative opposition daily *La Prensa*, and aired in radio interviews. They have also been covered in Mexico, Argentina, Puerto Rico, and the Dominican Republic, while political figures from across the Western Hemisphere have written to Samper demanding adequate protection for Londoño, Almarío, and their families.

## Growing desperate

Samper’s growing reliance on intimidation to win himself more time in the Presidency reflects a new level of desperation on the part of the narco-terrorist cabal which currently runs Colombia. This desperation can be directly linked to the Oct. 22 executive order issued by President Bill Clinton for the purpose of hitting the Cali Cartel. One result of this U.S. pressure was the Colombian Council of State’s confirmation of the cartel’s nemesis, Prosecutor General Alfonso Valdívieso, in his post for three more years.

Another is the apparent “falling-out among thieves” between Cali Cartel kingpins Gilberto and Miguel Rodríguez Orejuela. According to the Bogotá daily *La Prensa* of Dec.

4, the two brothers—currently imprisoned in Bogotá’s La Picota prison—had a fist fight over whether Samper could be trusted with their lives and their fortunes. Gilberto argued for sticking with Samper, while Miguel, fearing extradition to the United States by the weakened narco-President, has announced that he is considering turning State’s witness, in exchange for promised “house arrest” by Prosecutor Valdívieso. Samper’s former campaign treasurer Santiago Medina, the man who first fingered Samper as fully complicit in taking drug money for his Presidential bid, has just been granted “house arrest” for his cooperation.

Possibly adding to the pressure on Miguel Rodríguez Orejuela is the fact that a former employee, Cali Cartel accountant Guillermo Pallomari, is currently in the U.S. witness protection program and singing like a bird. Pallomari has not only confirmed Medina’s charges against President Samper, but has identified numerous others, including Attorney General Orlando Vásquez, as on the cartel payroll as well. Pallomari has just accused Miguel Rodríguez of having ordered the execution of Pallomari’s wife in early August, which Pallomari says was the ultimate reason for his “defection” from the cartel. If murder charges are pressed against Miguel Rodríguez, he could face as many as 40 years or more in jail, and any deals he has with Samper could go up in smoke.

Samper’s hopes are currently centered on the so-called Accusations Committee of the Colombian House of Representatives, which was asked by Samper himself to open up an investigation into the charges against him. The only problem is that the majority of members of the committee are from the Samper bloc of the ruling Liberal Party, and many of them—including committee chairman Heyne Mogollón—are themselves currently under investigation for corruption! No one is expecting a recommendation for Samper’s impeachment trial from this committee, especially after the head of military intelligence, Gen. Luis Urbina, succeeded in taping a phone conversation by Mogollón, in which he admitted to having been “influenced” in Samper’s favor. Urbina was promptly sacked by Samper for the “illegal interception” of a congressman’s telephone.

In fact, Samper is so confident of being cleared, that his defense lawyer Antonio Cancino gave interviews to the press on Dec. 3 on how the Accusations Committee will “necessarily and unequivocally recognize the President’s innocence” when it releases its findings later in the week. Cancino based his forecast on the authority of none other than Attorney General Orlando Vásquez, who had just offered his opinion that “there is no merit to begin a formal investigation” of Samper. The Attorney General is also under investigation for corruption by the drug mob!

Mogollón himself told interviewers Dec. 5 that his committee would probably “shelve” its investigation of the President, but acknowledged that it could be reopened at any time during Samper’s Presidency, which runs through 1998.

# Free trade=drugs: looking close up at the 'Salinas model' in Mexico

by Valerie Rush

The City of London and Wall Street's "Salinas model" in Mexico has entered a phase of accelerated decay, as that so-called miracle of "free trade ethics" and "globalization" today stands exposed as a mechanism for looting and drug-money laundering, forged by the international financial centers which run Dope, Inc., and enforced by a cabal of political degenerates. The victimized citizens of Mexico are in a rage: effigies of former President Carlos Salinas de Gortari (1988-94) are being hung on street corners and at debtors' protests. The Mexican Senate has voted up a call for the former President's political trial, and congressmen and journalists are denouncing Salinas for treason.

There are also ongoing investigations into his personal finances in several countries, which may include drug-money laundering in cahoots with his brother Raúl, currently jailed in Mexico for the murder of a political opponent. And unconfirmed rumors have it that Carlos Salinas is hiding out in Cuba, along with Dope, Inc. financier Robert Vesco. Besides his Wall Street links, Salinas has long-standing ties to Fidel Castro and his minions across Ibero-America: for example, Salinas's official biographer is none other than Sandinista former Interior Minister Tomás Borge.

And yet, the London and Wall Street financial elites still stand behind their creation. Dow Jones, Inc., Salinas's current employer and publisher of the *Wall Street Journal*, issued a statement declaring that its board of directors is "100% comfortable behind Carlos Salinas," even as lurid details of his administration's corruption continue to flood into the public domain. Why are these elites going out on a limb for Salinas? Very simply, because Salinas—and most emphatically the corruption he represents—is *inseparable* from the free-trade economic model they are wedded to.

On Nov. 27, the *Wall Street Journal* warned current President Ernesto Zedillo that any serious pursuit of charges against the Salinas brothers could lead to a discrediting of the Salinas economic model, which Zedillo remains committed to. Similarly, M. Delal Baer, director of the Mexico Project at Henry Kissinger's Center for Strategic and International Studies in Washington, cautioned on Dec. 6 that Mexicans must be careful not to overreact. Said Baer, "The blackened Salinas reputation could end up giving privatization and economic opening a black eye. A Thermidorian backlash would make it harder for Mr. Zedillo to muster support for needed

change in areas like pension reform and petrochemical privatization. Recent polls even show support for NAFTA faltering." Mexico, she concludes, must "not throw out the baby with the bathwater."

## The 'corruption' diversion

In order to protect the free-trade economic policies epitomized by the bankers' now-tarnished "golden boy," Salinas has been deployed to point the blame at that convenient bogey-man, "the Mexican political system." In a rambling eight-page fax sent to all major Mexican media, Salinas—whose whereabouts are still a matter of conjecture—accused other members of the Mexican political elite of muddying his reputation to boost their own power-hungry designs.

Salinas claimed that a bitter power struggle was going on between so-called "reformers" (represented by himself, of course), and ruling party "hardliners" out to "turn back the clock." They want to turn me into everyone's "favorite villain," whined the former President. In particular, Salinas targeted former President Luis Echeverría as one of the so-called "dinosaurs" of Mexican politics who would bring communism to Mexico. On cue, certain media mouthpieces for foreign interests chortled at the prospect of a political bloodbath that would supposedly bring Mexico "closer to democracy."

But such obvious attempts to divert Mexicans' outrage over Salinas's free trade devastations may not be so easy. For example, Mexicans learned over the first week of December that it was none other than the U.S. banking giant Citicorp which facilitated all of Raúl Salinas's dirty money transfers from Mexico, through the United States, into Switzerland, all under a false identity. It is reliably reported that Citicorp was fully aware that the alias belonged to the brother of the Mexican President. Further, it was Citicorp which provided Raúl Salinas's wife Paulina Castañon, today under arrest in Switzerland, with the power of attorney to withdraw \$84 million from her husband's Geneva account, also under a false identity. Finally, it should come as no surprise that it was none other than the Geneva branch of Citicorp which had profitably harbored Salinas's millions—until the Nov. 15 arrest of Paulina Castañon, that is.

Swiss Federal Prosecutor Carla del Ponte is currently in Mexico, together with the head of the Swiss federal anti-drug force, Valentin Roschacher, where they are meeting with

Mexican officials on the money-laundering investigation currently ongoing against Raúl Salinas and wife. Del Ponte arrived in Mexico via Atlanta, Georgia, where she met with officials of the U.S. Drug Enforcement Administration (DEA), who have been active in the Salinas investigation all along.

In a press conference on Dec. 6 in Mexico City, Del Ponte announced that Swiss authorities had discovered several bank accounts belonging to Raúl Salinas, and that they were being used to launder drug money. "A criminal investigation has been opened against two Mexican citizens for suspected laundering of money linked to drug trafficking," said Del Ponte, referring to the Nov. 15 arrest of Raúl Salinas's wife and brother-in-law. Raúl Salinas is already being investigated for forgery and illicit enrichment, in addition to the murder charges against him.

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## The Salinas Family

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The Nov. 15 arrest by Swiss authorities of Paulina Castañón, wife of Raúl Salinas de Gortari, on suspicion of laundering drug money through the banking system of Switzerland, has lifted the cover on a sewer of corruption and evil, in the midst of which stand the Salinas brothers: former Mexican President Carlos Salinas de Gortari, the "favorite son" of the Bush-Thatcher duo, and elder brother Raúl.

The revelations confirm what *EIR* has been saying ever since the Zapatista insurrection broke out in Chiapas, Mexico on Jan. 1, 1994: that Mexico is the victim of a foreign invasion, run by London, which seeks its disintegration as a nation. The Salinas de Gortari family is only one, but a key piece of the invasion scenario which these foreign forces have been directing, from the moment Carlos Salinas took power in 1988 through blatantly fraudulent elections, to his o'er-hasty flight from Mexico shortly after Raúl's arrest for murder in March 1995.

Although former President Salinas would now like to deny it, the fact is that he and brother Raúl have been an inseparable team going back decades. There has simply been a division of labor between them: Carlos handled economic policy, public relations, and all-important international connections; older brother Raúl dealt with the dirtier side, including links to drugs, terrorism, and "hits" against political opponents.

The financial oligarchy that put the Salinas family into power continues to defend them to the hilt. As Heritage Foundation analyst Jack Sweeney declared in an Aug. 8 interview with the Mexican daily *El Financiero*, "There is a campaign to rehabilitate the image of former President Carlos Salinas, and heading that campaign are the editors of the *Wall Street Journal*, the Kissinger Group, the Inter-American Dialogue, the International Monetary Fund, the World Bank,

and various research and academic centers both on the left and right."

In the profile of Raúl which we publish below, we place under the microscope the four key elements which best characterize the Salinas "model": free trade, political assassinations, the drug trade, and terrorism.

**Name:** Raúl Salinas de Gortari

**Date of birth:** Aug. 4, 1946

**Father's name:** Raúl Salinas Lozano

**Mother's name:** Margarita de Gortari

**Place of birth:** Monterrey, Nuevo León, Mexico.

**Family history:** Father Raúl Salinas Lozano was commerce secretary in the 1958-64 government of Adolfo López Mateos, and part of the political group identified with former President Miguel Alemán (1946-52) and with Antonio Ortiz Mena, Mexico's finance secretary for 18 years (1952-70). Ortiz Mena, uncle to Raúl and Carlos Salinas, was also the director of the Inter-American Development Bank (IADB) (1970-89), and his history as a creature of the monetarist oligarchic school known as the Mont Pelerin Society is well documented in the book *The Salinases and Manceras Reincarnate Porfirio Díaz*, edited by the Mexican Labor Party in 1987.

On the "De Gortari" side, the family has a leftist tradition, as exemplified by the Maoist Eli de Gortari, a university professor jailed in 1968 for his role in the student disturbances that year, in which both Carlos and Raúl participated.

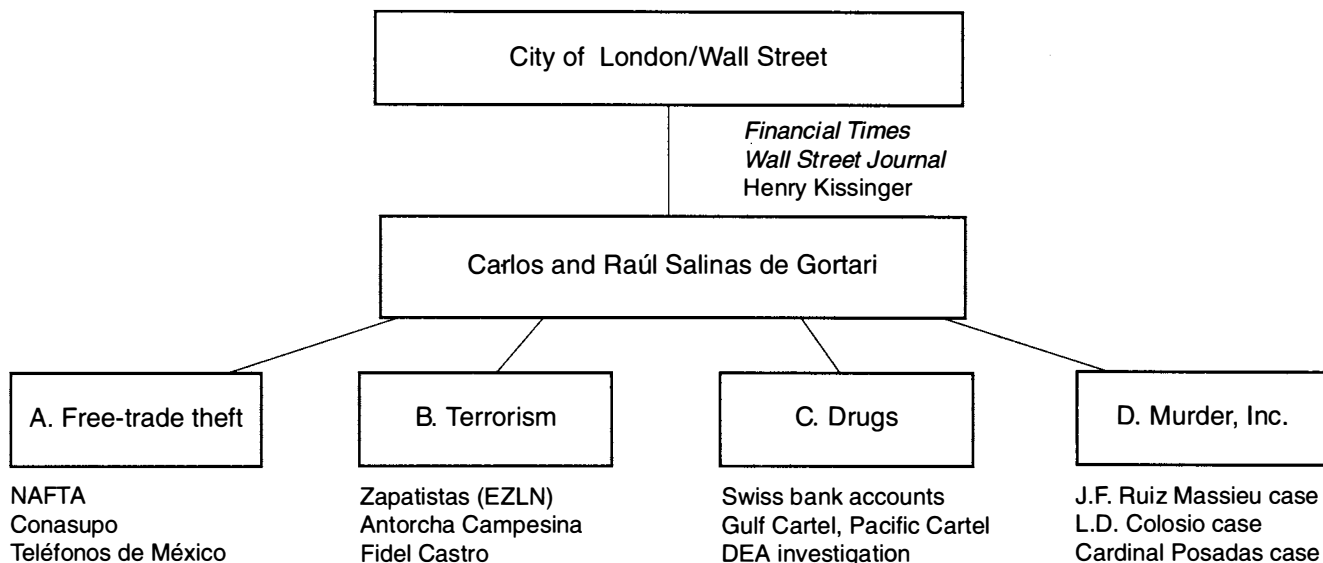
**Criminal history:** On Dec. 18, 1951, the brothers Raúl and Carlos Salinas had a tragic incident in their early childhood, which many experts view as having had a decisive influence on the formation of unstable personalities. As children, five-year-old Raúl and three-year-old Carlos participated in a macabre game with a neighbor, in which they shot and killed a servant. It has never been clear who fired the shot. The daily *La Prensa* reported that, on Dec. 18, 1951, "three children killed a servant in the Colonia Narvarte of Mexico City." The note says that "Carlos and Raúl Salinas," children of Raúl Salinas Lozano, together with their little friend Gustavo, "innocently fired a shot" with a 22-caliber rifle, murdering "12-year-old servant Manuela M."

**Existentialist history:** Raúl Salinas de Gortari has written three books: *Calculated Death*, in 1980; *The Lover*, in 1989; and *The Secret, A Day*, poems dedicated to his second wife. One of his favorite verses reads:

I need to write it  
so all will hear it;  
that the world is shit,  
rage produces sorrow,  
happiness is sadness,  
faith is defeat,  
Let everything change  
so that I won't die.

FIGURE 1

**The web of crime behind the Salinas brothers**



**A. Free trade:** Free trade, or economic liberalism, has never been anything but the institutionalization of theft. What George Bush and Carlos Salinas called their North American Free Trade Agreement (NAFTA), was a mechanism for looting the Mexican physical economy, to pay a foreign debt artificially bloated hiked through usury. The following demonstrates how the Salinas brothers personally benefitted.

On Nov. 28, 1995, Norma Samaniego, head of the Mexican comptroller's office which is currently investigating Raúl for "illicit enrichment," revealed that his investments in goods and real estate, as well as deposits in five bank accounts (from among the 45 he has in various countries) during the last 16 months in which Raúl served as a public servant, add up to \$7 billion. Swiss authorities are talking about \$84 million in just one account in that country.

The amount of money detected, beyond that reported as legitimate income, went from \$220,000 in 1990, to nearly \$2.3 million in April 1992, which Raúl claims was a "credit" from an individual. But the comptroller says this money could eventually add up to \$1 billion, while other sources says his fortune could be at least \$3 billion.

At the same time, from 1983 to 1992, Raúl doubled his property holdings. In a statement of his holdings on Feb. 8, 1983, he listed 18 properties. By May 25, 1992, there were 39. Among these is the Las Mendocinas estate, 176 hectares in the state of Puebla, equipped with stables, bridal trails, other sports facilities, and two lakes. On March 1, 1995, the daily *El Nacional* reported that Raúl acquired Carmen Island, in Loreto, Baja California Sur.

One of Raúl's sources for "illicit enrichment," was his use of the opening to foreign investment under NAFTA, to collect innumerable commissions from investors and compa-

nies that established themselves in Mexico.

There is the case of one of the most talked-about financial scandals (1992-93), in which IBM agent Kaveh Moussavi, of Iranian origin, sued the "Mexican government" for having demanded a \$1 million bribe in order for IBM to win a contract to supply sophisticated air traffic control equipment. The three individuals who had visited Moussavi said that the money was for the National Solidarity Program (Pronasol), largely controlled by Raúl. In 1994, then Attorney General Jorge Carpizo tried to silence Moussavi's revelations. Moussavi denounced Carpizo and reported having been on the scene when Mitsubishi Corp. hired "the services of Mr. Raúl Salinas de Gortari" for 10% of a multimillion-dollar refinery project in Salina Cruz, Oaxaca.

Another source of enrichment was buying into the companies themselves. For example, on March 16, 1995, a wire report from Ansa news service revealed that former President Carlos Salinas and his brother Raúl were stockholders in the Mexican company Pycsa, S.A., which obtained the right to build \$2 million highway projects in Panama, according to Panama's former public works minister Alfred Arias.

Another major source of illicit income for Raúl that is currently under congressional investigation, was his profiteering from the National Company for Popular Subsistence (Conasupo), a chain of State supermarkets which also oversaw the import and export of corn and other basic products. Substantial quantities of money could be skimmed from the transactions conducted under the rubric of "free trade." From 1985 to 1988, as general director of Conasupo, Raúl skimmed a fortune.

Among the cases frequently mentioned by press sources was the import of beans and rice, at prices ridiculously high

compared to domestic prices. In just one case, of a shipment of beans aboard the *Pantanasa* imported from China, Raúl collected some 100,000 billion pesos, or \$33 million. In a similar operation, the government was forced to suspend a shipment of milk, imported through Liconsa, a Conasupo affiliate, contaminated by the Chernobyl nuclear accident.

Raúl also carried out major deals with Maseca, the company which produces 70% of the corn flour in the country, and which recently formed an association with the U.S. grain cartel company Archer Daniels Midland. Various press sources reported that, on Raúl's orders, 40% of Maseca's sales were made through the 20,000 rural stores run by Liconsa, under Conasupo's aegis. Conasupo has 300 warehouses and 20,000 rural stores, and conducts sales on the order of some \$500 million a year.

The "Salinas model" tried to disguise its looting schemes under "social liberalism," reducing the suffering of the poor through the National Solidarity Program (Pronasol). From 1990 to 1992, Raúl Salinas was the "technical evaluation secretary" for Pronasol. The Salinas brothers used Pronasol not only to enrich themselves, but to finance violent political projects, such as those which led to the Zapatista insurgency in Chiapas. For example, "the leaders of the most important rural organization in Chiapas, the Kiptik Ta Lekubtesel Union of Collective Farm Unions," received substantial funding from Pronasol, according to Rafael Aceituno of the magazine *Siempre*. "This collective farm union was an important source for recruiting militants to the EZLN," reveals journalist Aceituno.

Speaking before the Mexican Chamber of Deputies on April 5, 1995, eight PRI congressmen from Chiapas, headed by Walter León and Ali Cancino, charged that "former President Carlos Salinas de Gortari, his brother Raúl, and current Sen. Hugo Andrés Araujo were the ones who initiated and financed the armed movement in Chiapas, through funds channeled via Pronasol." León added that one of the funding channels was Araujo's National Union of Autonomous Regional Peasant Organizations (Unorca).

**B. Terrorism:** The Salinas brothers used terrorism effectively as a form of "low-intensity warfare" to eliminate enemies of both their policies, and their personal ambitions. In January 1994, *EIR* issued a *Special Report*, " 'Shining Path North' Explodes in Chiapas," which charged:

- The guerrillas who made up the EZLN began their organizing process in Chiapas in 1974, through the so-called Torreón Group, a collection of leftist Maoists founded in the late 1970s and early '80s by, among others, Raúl Salinas and the Marxist Hugo Andrés Araujo.

- During the 1970s, Raúl Salinas worked closely with Araujo, who also founded the group Proletarian Line, together with Marxist Adolfo Orive Alva. During Carlos Salinas's administration, Araujo was head of the PRI's National Peasant Federation, and a senator.

- Adolfo Orive Alva was educated at the Sorbonne in

Paris, under the Marxist-Maoist Louis Althusser, who granted him the express task of creating an "Althusserian" movement in Mexico. When Orive Alva became the director of Pronasol, Raúl Salinas was his technical secretary.

- Hugo Andrés Araujo supervised the radical Maoist group Peasant Torch, which, despite its Marxist-Leninist origin, was accepted inside the PRI party in 1985. As *El Financiero* reported in February 1990, "after the designation of Raúl Salinas de Gortari, the brother of the President, as technical secretary of Pronasol . . . the members of Peasant Torch have undertaken more daring actions."

- In October 1990, an article in the magazine *Contenido* pointed to Raúl as one of the government officials who supported Peasant Torch, among whose many crimes were the assassination of political enemies, land invasions, kidnappings, and mobilizing Jacobin mobs in the poor neighborhoods.

- Raúl gave extensive financial and political backing to Peasant Torch through Conasupo. Raúl's main instrument for operations like these was the current governor of Chiapas, Julio César Ruiz Ferro.

- There have also been repeated denunciations in the press of the role played by Raúl in both forming and backing the leftist Workers Party. Raúl personally introduced them to his brother in the Presidency, with whom important political deals were struck.

Carlos Ramírez wrote in *El Financiero* on Feb. 21, 1995 that Raúl's links to subversive movements extended to "Latin American guerrilla groups. . . . His friendship with the Guatemalan guerrilla 'Gaspar Ilan,' son of the novelist Miguel Angel Asturias, was well known. . . . During the past administration, that guerrilla leader was sleeping at Los Pinos," the Presidential residence, wrote Ramírez.

**C. The drug trade:** Raúl Salinas de Gortari is today under investigation by at least three governments for crimes related to drug money laundering: Switzerland, the United States, and Mexico. Swiss authorities have officially confirmed that they are investigating him and his wife, Paulina Castañón, in that regard, and the head of the Swiss anti-drug agency, Valentin Roschacher, traveled to Mexico on Dec. 3, stopping on the way in Atlanta, Georgia, for meetings with the U.S. Drug Enforcement Administration.

Should the charges be proven, there will obviously be political fall-out of strategic proportions, both in Mexico and abroad. Less obvious, but also important, is that, if Raúl Salinas's connections with the Gulf and Pacific drug cartels of Mexico, as charged by various news media and by U.S. anti-drug intelligence, are confirmed, this would puncture the myth of the supposed "war of the cartels" which has been falsely used to cover up, among other things, the assassination of Cardinal Juan Jesús Posadas Ocampo, Archbishop of Guadalajara, in May 1993.

- October 1991: Arrest of Juan Nepomuceno Guerra, founder of the so-called Matamoros Cartel. The Monterrey

press indicated that “supposed political protection for Juan N. Guerra was linked to construction of an industrial park in Villahermosa, Tabasco, in association with Raúl Salinas de Gortari.”

- March 5, 1993: The bulletin, *The Mexico Report*, edited in Washington, insists that Raúl Salinas is the beneficiary of profits from the smuggling of drug shipments by land, through Eagle Pass in the border desert state of Coahuila.

- June 5, 1995: According to AP, *Newsweek* magazine, and *Sol de México*, Raúl Salinas had close relations with the head of the Gulf Cartel, Juan García Abrego, during Carlos’s Presidency. One witness told *Newsweek* that Raúl and García Abrego were so close that they were seen embracing at a glamorous party that García Abrego threw in 1992 at his home near Monterrey. “When I saw them embrace, I knew then that Juan was untouchable,” said the witness.

- June 16, 1995: The *Los Angeles Times* maintains that the increase in drug trafficking in Mexico occurred in parallel with NAFTA, and that “Salinas’s free-trade policies . . . opened [Mexico] to foreign investment, including to the most powerful drug cartels in the world, especially from Cali.”

- July 4, 1995: The news agencies EFE and Notimex, as well as the daily *Reforma*, cite an article from the *Arizona Daily Star* which reports that an anonymous member of a drug-trafficking group out of Colorado, named Raúl Salinas as the Mexican connection for Colorado’s narcos, who intro-

duced tons of marijuana and cocaine into the United States in the late 1980s and early ’90s.

- July 30 and 31, 1995: The *New York Times* reported that former Bush administration officials had charged that they had been ordered by other senior Bush officials to hush up reports of drug activity under the Salinas team—such as how drug-traffickers were buying up Mexican State companies that were being privatized—in order to get NAFTA passed.

- Oct. 26, 1995: The column “*Frentes Politicos*” of the newspaper *Excelsior* cites information according to which Raúl was “an accomplice of the Arellano Félix brothers [the heads of the Pacific Cartel], because the existence of checks drawn on Conasupo’s account to one of the drug traffickers recently became known.”

- Nov. 28, 1995: Jorge Fernández Menéndez, one of Mexico’s best-informed analysts on politics and the drug trade, reports in *El Financiero* that “Raúl’s relations with the drug trade are close and very open: Humberto García Abrego made 3.4 billion pesos worth of grain and cotton sales to Conasupo, during the period Raúl Salinas controlled that State company.”

- Nov. 28, 1995: A U.S. State Department source indicated that his government assumed the existence of a close relationship between Raúl Salinas and the visible head of the Gulf Cartel, Juan García Abrego. “Mexicans would be sur-

## EIR was right about Mexico’s Salinas

While Wall Street and London hailed former President Carlos Salinas de Gortari as “their man” in Mexico, whose free trade program would usher in a new age of prosperity, *EIR*, alone among the international press, consistently denounced the “Salinas model” as a fraud. Today, Salinas’s fate proves that we were right, while the others were dead wrong:

Nov. 29, 1991, *Executive Intelligence Review*

“Salinas’s Lies Fail to Hide Mexican Economic Disaster.” In a speech on Nov. 1, “Salinas served up three whoppers, lies so transparent that his own government’s figures easily refute them: to wit, that employment is increasing; that the balance of foreign trade is healthy; and that agriculture is improving.”

Aug. 7, 1992, *Forbes* magazine

Editor-in-Chief Malcolm S. Forbes, Jr. writes: “The Mexican government is performing a miracle rivaling those of Germany and Japan after World War II, and of Korea and other so-called Asian Tigers in recent years. . . . Congress should take a crash course in economics from Carlos Salinas.”

Nov. 9, 1994, *Journal of Commerce*

“Carlos Salinas, Mexico’s President, leaves office later this month with a record most other leaders would envy. . . . The turnaround in Mexico’s public finances offers a good lesson for most other countries.”

**Nov. 30, 1995:** The Mexican Senate approves a resolution calling for a political trial of Carlos Salinas, on corruption charges. Suspected of embezzling millions from his nation, and collaborating with drug-traffickers and assassins, Salinas is now believed to be in hiding in Cuba. His brother Raúl is in prison on charges of masterminding the murder of a political opponent, and on Nov. 15, Raúl’s wife and brother-in-law were arrested in Switzerland, attempting to withdraw an estimated \$84 million from bank accounts using forged documents.



prised to learn the amount of information we have received on this matter," said a source from the Congress' Select Intelligence Committee. The information, said the source, involves "people very close to the previous Presidency."

**D. Murders:** *EIR* has insisted all along that the three high-profile murders that shook Mexico during the last two years of the Salinas de Gortari administration—Cardinal Juan Jesús Posadas Ocampo, May 1993; PRI Presidential candidate Luis Donaldo Colosio, March 1994; PRI Secretary General José Francisco Ruiz Massieu, September 1994—were committed by forces controlled by British intelligence as part of its irregular warfare against the Mexican nation. Whether British financial interests used the Salinas brothers and their respective political allies and machinery to commit these crimes—as they have done in the areas of economic policy and terrorism—is still an open question, but there are many reasons to consider this a fruitful path of investigation.

In the case of Cardinal Posadas Ocampo, current Attorney General Antonio Lozano Gracia has stated that the case is now closed and that the official position taken by then Attorney General Jorge Carpizo—that it was a matter of the cardinal having been caught in a cross-fire by two warring groups of drug traffickers—still holds.

Just weeks before his murder, Cardinal Posadas Ocampo had made strong criticisms of NAFTA, Pronasol, and the malthusian policies of the United Nations and of the Salinas government. He was also a key obstacle, within the Catholic Church, to the hegemonic aspirations of the "Red Bishop" from San Cristóbal de las Casas, Chiapas, Zapatista protector Samuel Ruiz.

The case of Luis Donaldo Colosio grows increasingly more tangled, although Attorney General Lozano Gracia maintains that it was a "concerted action." A letter from Ernesto Zedillo, Colosio's campaign manager, to Colosio, published recently by the daily *Reforma*, indicates that within the highest levels of the group around Colosio, it was feared that Salinas de Gortari was considering ridding himself of Colosio, who had given indications that he was breaking from Salinas's control.

Regarding the murder of José Francisco Ruiz Massieu, Lozano Gracia considers the case officially resolved as far as intellectual authorship is concerned. It is for this crime that Raúl is today in jail.

Unequivocal evidence has been provided of the close friendship between Raúl Salinas and federal Congressman Manuel Muñoz Rocha, who disappeared shortly after the crime was committed and who has been named by his own accomplices as Raúl's front man in carrying out the crime. Although various of the accomplices, such as Fernando Rodríguez González, have declared that the order to assassinate Ruiz Massieu came because "he was an obstacle to the Salinista project," no official explanation for Raúl's motives have been offered, although most plausible is that, as a former Salinas brother-in-law, he simply "knew too much."

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## The Philippines

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# Is Manila heading 'down Mexico way'?

by Gail G. Billington

*EIR* Ibero-American Intelligence Editor Dennis Small hit the ground running in Manila, the Philippines, during his Nov. 21-25 visit, giving several radio and TV interviews, four press conferences, several private meetings, and appearing as guest speaker at the founding convention of a new political movement, which is taking shape in opposition to the high cost of "free trade" liberalization and privatization which the International Monetary Fund (IMF) is demanding of President Fidel Ramos.

Small, a longtime associate of Lyndon LaRouche and author of *EIR*'s 1995 report, "How LaRouche Knew the Mexico Debt Bomb Would Explode," addressed the founding conference of the Kilusang Tangkilikan ng mga Pilipinong Tunay (Katapat)—roughly translated, the Movement of Mutual Support of True Filipinos. Katapat brings together small and medium-sized business in retail trade, agriculture and industry, labor and non-governmental organizations (NGOs), hard hit from the effects of ratification of the General Agreement on Trade and Tariffs (GATT) by the Filipino Senate in January 1995.

From the moment he landed in Manila until his departure four days later, Small told his audiences "what they have been afraid to hear, but keep hearing anyway, and only half-believing half of that they hear," reported a well-known TV talk show hostess in her Nov. 27 *Manila Standard* newspaper column.

Can a Mexico-style crash happen in Manila? "The signs are all there," Small confirmed, and then proceeded to present how *EIR* successfully forecast the Mexico crisis two years before it happened. But, Small added, "The reason for the Mexico crash had little to do with Mexico. The true cause of the explosion of the debt problem was the international speculative crisis . . . which will bring down the entire world economy."

"When the economy is built on casinos, lotto, speculation, real estate, cancer is strengthened without the healthy part of the economy being shored up. To feed people and build infrastructure—what is known as the physical economy—you need to produce grain and steel. But the physical economy has stagnated," Small said, the IMF's financial cancer "invaded" Mexico, and dominates the entire global economy. The policies of the Mexican government only

whetted the cancer's appetite.

Small punctuated his remarks with charts and graphs comparing the rates of growth of physical economy to the ballooning financial speculation, shocking his audiences when he showed that, since 1986, the fastest-growing item has been financial derivatives, up a whopping 59% *per annum*, followed by illegal drugs at 25% *per annum*.

The "good news," Small said, is that he couldn't say how soon Manila will go "down Mexico way," because "50 countries are now on the list" ahead of the Philippines. But he could say that, around the world, a movement is taking shape to put the bankrupt IMF system out of its misery before it disintegrates in chaos. He then distributed to his listeners copies of LaRouche's "Ninth Economic Forecast," the *EIR* 1995 study on Mexico, and the "Guadalajara Manifesto" and "Draft Emergency Legislation" adopted by the First National Forum meeting in Mexico in June 1995, under the banner "There Is Life After the Death of the IMF."

Small added that LaRouche and his associates have paid a high personal price for telling the truth about the bankruptcy of the IMF system and how to cure it, then describing how LaRouche, Small himself, and several associates were made political prisoners of the Bush administration, and the ongoing international exoneration campaign on their behalf.

### **The Philippines' vulnerability**

Asked where the Philippines is most vulnerable, Small responded, "People are thinking the way Mexico thought before December 1994. You don't realize a tidal wave is about to break over the entire Third World." To rid yourself of cancer, you must first admit you are sick, and then isolate and cut out the disease, while strengthening the healthy tissue.

The Philippines is repeating Mexico's mistakes, feeding the cancer by allowing the economy to become increasingly dependent on cheap food imports, especially of rice, increasingly dependent on highly speculative foreign "portfolio" investment, including possibly opening up to derivatives trading, and in its dependence on exporting up to 20% of its labor force, as overseas contract workers (OCWs), who are the biggest single source of foreign exchange earnings, but at increasingly declining wages and terrible social cost to the nation.

With Small in Manila was Schiller Institute Human Rights representative Gail G. Billington, who first travelled to Manila in January 1995 with *EIR* economics correspondent Richard Freeman to present LaRouche's Ninth Economic Forecast and the international campaign for the exoneration of LaRouche, Small, and her husband, Michael O. Billington, who is serving a 77-year sentence as a political prisoner in Virginia. *EIR*'s trip last January occurred as the Orange County, California, derivatives fiasco broke, and shortly after the first shockwaves of the Mexico peso crisis. Right up to Small's arrival in Manila, the IMF and its stooges in the financial press and in finance ministries around the world were heralding the Mexico bailout as the "success story" other countries must follow.

# British-sponsored movement escalates

by Claudio Celani

On Nov. 23, speaking from Palermo, Sicily, at the yearly meeting of the Italian Catholic bishops, Pope John Paul II made a passionate call for preserving the unity of the Italian nation, against the separatist drive of the Northern League and others. The next day, Italian President Oscar Luigi Scalfaro paid a sudden visit to the city of Trent, capital of the Trentino-Alto Adige region, to give a speech against separatist tendencies and in defense of the Italian Constitution. Scalfaro's intervention was prompted by a secret service report describing a "potential army" of 25,000 which could support the plan for a secession of the Italian Tyrolean province, to form, together with the Austrian Tyrol and Trentino, a new region, called Euregio.

Thus, the two highest authorities, the political one (head of State) and the moral one (head of the Catholic Church), joined efforts in exposing a destabilizing scheme with international dimensions, which *EIR* has repeatedly documented.

### **The Northern League's plan**

The Northern League's program and the Euregio project, as well as other movements in southern Italy, are in fact the product of a strategy run from international oligarchical centers, for the destruction of the nation-state. One such scheme, called "Eurotopia," was drafted by Dutch oligarch Alfred H. Heineken, head of the famous brewery and a member of Prince Philip's 1001 Club. Heineken's projects, drafted in 1992, propose to carve up Europe into 75 mini-states, and to assign their governments to members of royal families (see *EIR*, Sept. 2, 1994, p. 50). As Heineken explains, his idea came out of discussions with British intelligence operative Cyril Northcote Parkinson, a key promoter of the idea of a "Europe of the Regions," rather than of nation-states. Not only does the Italian Northern League have its cultural origin with Euregio ideologues, such as Denis De Rougemont and Leopold Kohr, but a proposal published in 1994 by Francesco Speroni, a Northern League member and minister in the Silvio Berlusconi government, to divide Italy into autonomous "macro-regions," looks like a carbon-copy of Heineken's 1992 project.

The League, exploiting the popular reaction against the fiscal austerity policies dictated by the International Monetary Fund (IMF), is pushing for a constitutional reform which



# separatist in Italy

they call “federalism,” whose declared aim is to take away from central government most of its fiscal powers, and assign them to local and regional governments. By doing so, they promise their northern constituency that the tax revenues of the richer northern regions would be reinvested locally and not be poured into the poorer Mezzogiorno, as the south of Italy is called, where, they insist, the funds are stolen by the Mafia. However, the real aim behind this fascist-populist argument, is to destroy the ability of central government to conduct economic policy at all, and even to maintain basic functions like communications, infrastructure, and defense, thus destroying the nation-state as such.

Furthermore, electing a Constitutional Congress at this moment would mean that a majority of representatives would be elected who are opposed to the very principles of natural law on which the present Italian Constitution is founded. This means that Italy would end up losing a real Constitution.

Last May, returning from a trip to Zagreb, Northern League leader Umberto Bossi had announced the formation of a “Northern Parliament,” composed of League representatives, in the city of Mantua. Since then, the *Parlamento del Nord* meets regularly to discuss and vote on legislative proposals, as if it were a parallel government. So far, the danger represented by the Mantua Parliament has been played down by the media, and only the Vatican daily, *Osservatore Romano*, has warned against it.

Recently, the Northern League announced that their “Parliament” would discuss establishing a voluntary National Guard for Northern Italy, as a first step toward creating a police corps. But at the Northern League meeting on Nov. 26, where the expected proposal was to be presented, no announcement was made. Instead, Bossi threatened that, if the National Parliament did not implement a “federalist” reform, giving large autonomy to regions such as Lombardy, Veneto, etc., the League would go for northern “independence.” The League, Bossi said, “is an anti-centralist movement for the freedom of the North. Federalism and Independence represent two possible levels of the anti-centralist struggle. The issue of Federalism vs. Independence is a false problem. It is false that there are two different goals to achieve. . . . Once we have succeeded in disaggregating the State, the people will have the choice in a referendum be-

tween federalism and independence.” “If we do not win everything,” Bossi added, “if we have to choose between Mantua and Rome, we will chose Mantua. Now, we do it democratically, but the moment may come for turning over the table, and taking up the sword.”

One week later, in Milan, Bossi repeated the threat: “What is important is a new Constitutional Congress. If federalism is rejected, Padania [what the League calls the northern Italian region from Piedmont to Veneto] . . . can choose independence and therefore a Constitutional Congress of an independence type.”

Bossi is using a tactic which was already successful in 1946, when the threat of the Sicilian separatist movement, led by British puppet Finocchiaro Aprile, forced the Italian postwar central government to concede to Sicily a State-like special autonomy. Sir Winston Churchill’s original project was to split Italy in two or more parts, but due to American opposition, that plan failed. As a fallback, they could make sure that, at least in Sicily, the power of the oligarchy, and therefore of the Mafia, could be unchallenged by the central authority.

Today, the British-centered oligarchy is using Bossi as they used Aprile’s movement in Sicily: to force the Parliament to concede a “federalist” reform with the threat of violent secession—a civil war—if the reform is not implemented. Thus, while Bossi’s Jacobins play the “hard cop,” other entities play the “soft cop,” proposing the same thing. Among these, the media cartel belonging to the pro-British Agnelli-De Benedetti group (*Corriere della Sera*, *La Stampa*, and *La Repubblica*), as well as would-be political candidate Antonio Di Pietro, the former prosecutor who, through the “Clean Hands” judiciary investigations, led the destruction of the old party-system.

## The British liberals

The newest initiative in favor of a Constitutional Congress to enact a “federalist” reform came from a group called “Friends of *Liberal*,” referring to a magazine founded last year to promote British liberalism, i.e., politics without principles. Their editors do not even care to translate the concept into Italian. The list of Friends of *Liberal*, which includes Antonio Di Pietro, intersects with the board members of another entity which pushes for “real British liberalism,” the Adam Smith Society (ASS), which was founded in Italy in 1993. While the *Liberal* initiative was supported by FIAT manager Cesare Romiti, his nephew Stefano Romiti is a vice-director of ASS. Another member of the *Liberal* crowd, former minister Antonio Maccanico, is a member of the scientific board of ASS. Maccanico is also very close to Mediobanca, the center of the British-controlled oligarchical private banking in Italy. Maccanico himself has been chairman of Mediobanca in the past.

ASS has been very active in promoting initiatives in favor of privatization and deregulation. As an ASS spokesman

explained to *EIR*, the Adam Smith Society works “in a certain complementarity with the Mont Pelerin Society. Some of our members are also members of Mont Pelerin, but whereas Mont Pelerin deals with global issues and has a lot of influence on the international scene, we deal with domestic issues. While Mont Pelerin works together with the United States Information Service, we work with the British Council.” Indeed, the ASS co-sponsored a series of meetings with the British Council and with something called the Oxford and Cambridge Society for Northern Italy, which shows that the British oligarchy already considers Italy a divided country, along the lines of the Northern League’s separatist schemes.

The ASS has promoted initiatives on: privatization of municipal companies, privatization of pensions, development of financial markets, and anti-trust legislation. A series of lectures on “Liberalism Today” was attended by British “experts,” such as Lord Harris of High Cross, Eamon Butler (ASS London), Sir Alan Peacock (David Hume Institute), Max Hartwell (former chairman, Mont Pelerin Society), and Kenneth Minogue (London School of Economics).

In one of their brochures, the ASS explains: “In the present period, Italy is showing [itself to be] an extremely receptive country towards new proposals and ideas. For years, a much too stable political scene had contributed to create, guarantee, and expand a massive and suffocating public presence in a large part of the economy and social life. Already before the spectacular results of the various Clean Hands investigations, the limits of the Italian model of welfare state and of public intervention in the economy . . . were evident.” It adds, “As to the new direction to be taken, there seems to be a large consensus to a drastic reduction of the role of the State in the economy and a vast program of privatizations and deregulation.”

## Trentino and Sicily

The secessionist danger in Trentino, although apparently opposed to the League phenomenon, must be viewed in the same context. According to press accounts, both the Italian and Austrian secret services have produced a report exposing the entity called “Euregio.” Euregio is formally a joint commercial initiative by the Italian Trentino-Alto Adige and Austrian Tyrol regions, which recently opened an office in Brussels. According to the intelligence report, however, the real nature of Euregio is not commercial, but political. Furthermore, the report indicates that the “Schützen” movement, an association of German-speaking inhabitants of Alto Adige, can supply a “potential army” of 25,000 well-armed people. Investigations by this author have confirmed that the Schützen, who used to carry light hunting weapons, have demanded to be supplied with modern guns, and that both the Alto Adige and Trentino government parties support this demand. According to the same sources, however, President Scalfaro’s sudden visit to Trent has momentarily intimidated the secessionist movement.

However, the danger remains, and Northern League leaders are using it as a threat, calling it a reaction to the Italian failure to make a “federalist” reform. Roberto Maroni, Northern League member and former interior minister, mentioned the Euregio entity, the Sardinian-Corsican region, and the provinces of Varese, Como, and Novara (which would join Ticino, the Italian-speaking part of Switzerland), as examples of such a threat. Gianfranco Miglio, a former League ideologue, indicated that residents of the Veneto region, “in the wake of the large economic development of their lands, feel that they cannot work for an Italy which is in a serious crisis and is weaker and weaker.” Miglio concluded: “Only the birth of a federal State, that unites the various macro-regions nowadays present on our national territory, can prevent separatist projects from being concretized in a short time.”

Another factor in the separatist scenario is Sicily. After the death of prosecutors Falcone and Borsellino, in two spectacular bombings in 1992, the island has undergone a political upheaval which has seen the rise of a so-called “anti-Mafia” movement called La Rete, whose charismatic leader Leoluca Orlando has been elected mayor of Palermo. In reality, Orlando is far from being a threat to the Mafia. A creature of radical Jesuit Father Ennio Pintacuda, Orlando is a jacobin zombie who studied at the University of Heidelberg in 1968, at the same time that the terrorist Red Army Faction (Baader-Meinhof Gang) was founded there. Heidelberg is the center of separatist projects throughout the world, through the Department of Linguistics, where the study of local dialects and “cultures” is promoted.

As Orlando recounts in an autobiography (*Palermo*, 1990), his family belongs to the landed aristocracy which has historically controlled the Sicilian Mafia. An ancestor of his mother’s family was the first biographer of Charles V, while his father, Orlando Cascio, was a top Sicilian lawyer, who, after the land reform, was the lawyer for both the latifundists and the Italian State.

Orlando’s ideology is “Sicily for the Sicilians.” He argues that the Mafia profits from development programs financed from government spending, which he therefore opposes. Thus, by opposing the only possibility of job-creation programs, in a region where unemployment reaches 25% (half of which is among the youth), Orlando makes sure that illegal activities expand and that the Mafia’s power increases. This, in turn, feeds the Northern League separatist drive in the North.

Recently, Orlando’s movement has played a key role in the political persecution of former Prime Minister Giulio Andreotti. Orlando is a co-plaintiff in the Palermo trial where Andreotti is accused of being the political leader of the Mafia. Orlando’s colleague Alfredo Galasso, a former communist, is co-plaintiff in another trial, in Perugia, where Andreotti is accused of Mafia murder. The allegations against Andreotti are grotesque, and would not stand up in any fair trial. The

purpose of the Palermo and Perugia trials is to hit Andreotti as a symbol both of the Christian Democratic Party and of the Italian State. By destroying that symbol, the British-controlled anti-State revolution demonstrates that it has achieved new power. If the same standard were applied across the board, all of Italy's heads of state and government of the postwar period, as well as all popes, could be prosecuted for the same allegations.

### The pope's intervention

It is not by chance, therefore, that Pope John Paul II chose Palermo as the seat for the yearly meeting of the Italian Catholic hierarchy and that he launched from there a call for recovering a national mission to unite North and South.

John Paul II called on Italy "not to disperse its great heritage of faith and culture, to save its national unity and make it more and more effective and vital, overcoming the dangers of particularism, both corporative and local-territorial." He indicated a crisis of the Italian nation, which "has been hit for a long time, and today with special strength, by cultural currents that endanger the very foundations of its Christian heritage." However, he said, "this is not the time to save the existing: This is a time of mission. It is the time of proposing again, and first of all, Christ."

Pointing to the dramatic collapse of the birth rate in Italy (at 1.19 births per woman, it is the lowest in the world), the pope said: "There is a question which is not possible to avoid; it concerns the very future of Italy as a nation. Some worrying symptoms, and now persisting in time, seem in fact to indicate that the Italian people do not have a good and positive relationship with their own future. Among these, in particular, the scarcity of births is evident, giving Italy a sad and almost incredible record, as though Italian families were surrendering to fear in the face of life." The pope also denounced the collapse of the educational system: "Nor is better attention paid to school and the education of new generations. This is certainly a duty of the State."

"As I wrote to the bishops," said the pope, "Italy, in conformity to its history, is given, in a special way, the task of defending for the whole of Europe the religious and cultural heritage planted in Rome by Peter and Paul. Italy's European vocation, reaffirmed here in Palermo, shows at the same time its whole dynamic opening toward other continents and other cultures: Due to its geographic orientation itself, in fact, Italy seems to indicate to Europe the ways through which the East and the South of the world meet together."

The pope then focused on the question of the Mezzogiorno: "From this city of Palermo and this land of Sicily, I cannot help reminding the whole beloved Italian nation, its rulers and responsible officials at every level, as well as the whole population, that the so-called 'southern question,' which worsened in the last period especially, because of the dramatic unemployment, mostly among youth, is really a

primary question for the whole nation. Sure, it is up to the southern people to be the main players in their emancipation, but this does not exonerate the whole nation from the duty of solidarity."

The next day, the pope intervened in Rome at a meeting of health care workers, whose morning session was chaired by Giulio Andreotti. Demonstratively, John Paul II shook Andreotti's hand and spoke to him before the television cameras. This provoked an outraged response by pro-British media such as *Corriere della Sera*. At the same time, a few League leaders reacted against his Palermo speech. A League representative from Turin, Mario Borghesio, proposed to establish a "Church for Northern Italy." But Bossi, evidently intimidated by the interventions of both the pope and President Scalfaro, refused to entertain an open challenge. He attacked the pope indirectly by saying, "The League believes in a Church of Faith and not in the Church of the God Money, which is too close to the nationalist powers of the State."

But even if a show of determination by the leadership of Church and State is necessary and proves to be effective, the real danger of the destruction of the Italian nation will be defused only when the country takes up its mission: the development of the Mezzogiorno through a dirigist, State-financed infrastructural program. And this is impossible under the present IMF-dictated policy.



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Lyndon LaRouche's Democratic presidential primary campaign has established a World Wide Web site on the Internet. The "home page" brings you recent policy statements by the candidate as well as a brief biographical resumé.

**TO REACH** the LaRouche page on the Internet:

<http://www.clark.net/larouche/welcome.html>

**TO REACH** the campaign by electronic mail:

[larouche@clark.net](mailto:larouche@clark.net)

Paid for by Committee to Reverse the Accelerating Global Economic and Strategic Crisis: A LaRouche Exploratory Committee.

# Anti-Caldera coalition defeated in Venezuelan elections

by David Ramonet

Venezuela's regional elections held on Dec. 3, saw the sound defeat of those proto-coup forces which are seeking the first opportunity to oust President Rafael Caldera from office. Such extremist opposition parties as the advocates of neo-liberal economics, the "social Christian" Copei, and the affiliate of the narco-terrorist São Paulo Forum, Radical Cause (Causa R), went down to defeat across the nation. Both parties had predicted that the election for congressmen, governors, mayors, would be a "referendum" on President Caldera, whose government is under siege by infernal economic and political warfare. Orchestrated and directed from the City of London and Wall Street, this warfare is due to the Venezuelan President's steadfast refusal to impose the austerity and looting measures demanded by the International Monetary Fund (IMF).

In the month prior to the elections, a pamphlet published by the Venezuelan Labor Party (PLV) and the Ibero-American Solidarity Movement (MSIA), exposing "Who Wants to Defeat Caldera, and Why," was circulated throughout the country, first as an insert in a Caracas daily and later included in newspapers in Maracaibo and Barquisimeto. Among the Venezuelan people, the pamphlet's revelations sparked angry repudiation of those engaged in trying to overthrow President Caldera. It shed light on the true motives behind the "pincers" operation against the President, sponsored by corrupt Venezuelan bankers and the narco-terrorist left linked to Fidel Castro's São Paulo Forum.

The pamphlet also exposed the campaign by the British Embassy in Venezuela to politically resuscitate former President Carlos Andrés Pérez (or CAP as he is known), currently under house arrest awaiting a court ruling on charges of corruption and of encouraging destabilization.

Sources in the Democratic Action (AD) party (the party of the discredited CAP) have revealed that the party's faction loyal to ex-President Pérez, campaigned on behalf of Causa R's candidate in Bolívar state, site of the giant Sidor mining and metallurgical industrial complex as well as strategic energy resources. Since 1989, when Pérez began his second, unfinished term in office, the state has been governed by AD. But the coalition of parties which back the Caldera government supported the Democratic Action candi-

date in Bolívar, to defeat Causa R.

In Táchira state, on the border with Colombia, Pérez's faction of Democratic Action campaigned for gubernatorial candidate Walter Márquez against the AD's own candidate, who nonetheless won the election.

Moreover, Antonio Ledezma, the Democratic Action candidate for the politically crucial mayoralty of Libertador municipality in Caracas, defeated Causa R incumbent Aristóbulo Isturiz. Although Ledezma was governor of the Federal District under Pérez's government, he has downplayed his image as a Pérez supporter. In fact, after learning of his victory, he reported that Democratic Action Secretary General Luis Alfaro Ucero "told me to watch out for cronism, because he knows that my scalp is at stake in this office. His advice is that I govern with well-trained people, and protect the public treasury—and that is my primary concern." So, Ledezma has joined with Alfaro Ucero, the Democratic Action leader who expelled Carlos Andrés Pérez from the party.

Thus, those Democratic Action candidates linked to Alfaro Ucero's traditional party machine, which has offered critical support to the Caldera government, won 12 out of 22 governorships.

The ruling coalition, made up of National Convergence (Convergencia Nacional) and the Movement To Socialism (MAS), won six governorships, and Copei won two. As we go to press, with a tiny margin of votes, Causa R is arguing with Democratic Action over who won the governorship of the oil-rich state of Zulia. Causa R's gubernatorial candidate here was Francisco Arias Cárdenas, one of the leaders of the Feb. 4, 1992 coup attempt, led by the Revolutionary Bolivarian Movement-200 (MBR-200), now affiliated with the São Paulo Forum.

A victory for Arias Cárdenas in Zulia would be the tragic result of an average national abstention rate of close to 65%. The Causa R candidate only won 10% of the vote in Zulia, but this pathetic support seemed much larger because of the high abstention rate. The party had also quietly infiltrated the state oil workers unions, always capitalizing on worker discontent over the country's generalized economic depression.

An Arias Cárdenas victory in Zulia would guarantee the explosion of an international zone of conflict. During his campaign, Arias warned that if elected, he would seek to have the United Nations intervene to mediate with Colombia's narco-guerrillas who operate in that border region.

### **Financial warfare against the nation**

The electoral results reflected popular rejection of those neo-liberal detractors of President Caldera's economic policies. Obviously, this doesn't mean that the Venezuelan people are content with the current situation; rather, this is an institutional mandate to resist pressures from the International Monetary Fund and international speculators who are enraged at the government's protectionist controls.

Just recently, the International Monetary Fund mission which had been negotiating in Caracas returned to Washington, after having rejected the government's proposal for a "gradual" application of economic austerity to reduce the fiscal deficit. With the full backing of President Caldera, Finance Minister Luis Raúl Matos Azócar is negotiating with the Fund, but based on the conditions set by the government's "Agenda Venezuela," the plan which has IMF Managing Director Michel Camdessus climbing the walls. He doesn't like the idea of having governments impose conditions on the IMF.

Agenda Venezuela's conditions are:

1. Exchange controls will be lifted if the IMF advances \$2.5 billion to sustain foreign reserves, as current reserves would be insufficient to satisfy the renewed demand of speculators.

2. IMF funds must be disbursed for social investment, to alleviate the effects of lifting controls on prices and interest rates on the weakest sectors of the economy.

Ordinarily, the IMF first imposes its conditions on a country and only makes disbursements six months later.

Not only does the Fund reject Venezuela's terms; it insists on an immediate lifting of exchange controls, as well as a 100% increase in the gasoline price, an increase in the sales tax from 12.5% to 18%, and liberalization of the banking and financial system, now under the control of the Emergency Financial Board.

But even Edgar Dao, president of the National Banking Council, admits that the impact of setting "positive" interest rates above the inflation rate, would be the *coup de grâce* to what remains of Venezuela's banking system. No one will be able to withstand interest rates that will rise above 80-100%, once there is a devaluation as a result of lifting exchange controls.

This is the situation that the IMF's allied speculators have tried to force, fueling inflation via a de facto currency devaluation. Three months ago, financial authorities allowed so-called Brady bonds to be negotiated on the local stock market, where they are traded in national currency, and implicitly set an interest rate through arbitrage. This then be-

comes the official exchange rate for services such as tourism. Speculators have taken advantage of this opening to push the uncontrolled exchange rate as high as 350 bolivars to the dollar, against the controlled rate of 170 per dollar. This is because in Caracas, Brady bonds are quoted at more than 100% of their value, despite the fact that in New York, they fluctuate between 45-50% of their value.

### **'You can't let the wall fall on people'**

President Caldera is clear on the fact that "if we had not had a banking crisis last year, it wouldn't have been necessary to go to the International Monetary Fund," as he recently explained in a televised interview which was widely commented on around the country. In the interview, he said, "I know Venezuela much better than Mr. Camdessus does," making equally clear that decisions on the management of Venezuela's economy don't depend on the IMF's "valuable" recommendations. The President reiterated that in confronting the crisis, "we are rebuilding a country in which real people live, and we must consider that, often, if a wall is going to fall down, it may very well fall on innocent victims, who must be protected."

During this interview, President Caldera fully backed Finance Minister Matos, and explained that he had fired the liberal president of the Venezuelan Investment Fund (FIV), Carlos Bernárdez, because the latter opposed the government's economic policies, and because "a unity of leadership, and a coherent economic policy is required."

He also emphasized that it's not that exchange controls have failed, but rather that pressures arising from international agreements have led members of the Exchange Administration Board to make controls "flexible." "For example," he said, "if we limit whiskey imports, the British ambassador will protest, and British whiskey exporters will bring us before the World Trade Organization and accuse us of setting restrictions on whiskey imports."

### **The seduction of unlimited wealth**

In a speech sent to the International Colloquium on "Economics, For What Future?" recently sponsored in Rome by the Jacques Maritain International Institute, President Caldera said that "the illusion that a period of peace and happiness would follow the fall of the Berlin Wall and the disintegration of the Soviet Union has unexpectedly vanished," and this calls for analyzing "reality and the practical possibilities of [creating] an economy inspired by Christianity."

The Venezuelan President then warned that "for social Christianity, nothing has changed in doctrinal terms, but there is a new situation dominated by the confusion of many who have been seduced by the idea of unlimited riches as the only motor of the economy. As Pope John Paul II has suggested, with the disappearance of communism, we must ask whether the causes which motivated it have also disappeared."

# International Intelligence

## **Second Korean President arrested in purge**

Chun Doo Hwan became the second South Korean former President to go to jail, on Dec. 3, on charges of leading a military rebellion. Prosecutors said they wanted to question Chun over the putsch and a massacre of pro-democracy protesters in May 1980 in the city of Kwangju that crushed civilian opposition. Chun says he will fight the charges.

It was Chun Doo Hwan and his cabinet which were the targets of the bombing in Rangoon, Burma, in September 1983, which resulted in the death of half the cabinet, including the foreign minister. The bombing abruptly halted Chun's efforts to widen South Korea's diplomatic relations with Southeast Asia and India.

Chun's Presidential successor, Roh Tae-woo, also a former general, is now detained on unrelated corruption charges. He had first put forward the "Northern Policy" in November 1988 for an opening to North Korea on the basis of economic development.

President Kim Young-sam, who has been a longstanding opponent of the military, has ordered a special law to punish Chun and Roh for their roles in the coup and massacre.

## **Taiwan elections boost New Party**

The Nationalist Party of Lee Tung-hui received a major setback in elections in Taiwan on Dec. 2. According to the *New York Times*, the party won 85 seats in the 164-seat parliament, down from the 92 it now holds, and received only 45% of the popular vote, the lowest in its history. The biggest gain went to the New Party, which ran on a platform of reconciliation and reunification with China, comprised of those who had been forced to leave the Nationalist Party due to its equivocal stance on this issue. The Democratic Progressive Party, which wants Taiwan independence, gained four seats, but it had expected a far greater showing.

The Green-liberal DPP told a journalist on Dec. 1 that they hoped to pick up as many as 60 seats in the 164-seat Taiwan parliament.

The DPP, which bases its position that Taiwan is already an "independent" nation on the Japanese conquest of Taiwan in 1895, is "very disappointed" with President Clinton's position on Taiwan and China, the spokesman said. Before the visit of Taiwan President Lee Teng-hui to the United States, the U.S. position was that the two sides—China and Taiwan—would have to decide their future relations; now, the Clinton administration and the State Department are openly saying that they oppose the independence of Taiwan, and support the "One-China" policy.

The elections will not bolster the DPP's view that Clinton should listen to the U.S. Congress, where 100 members have signed a petition calling for Taiwan to join the United Nations, thereby boosting the idea of its independence.

## **Brazil judge rejects suit against LaRouche friends**

The Brazilian Workers Party (PT), a co-founder of the São Paulo Forum with the Cuban Communist Party, brought suit in a Porto Alegre, Brazil court against the Ibero-American Solidarity Movement (MSIA), charging that it had violated the election law, by circulating a pamphlet exposing the Forum as a narco-terrorist organization, and detailing the PT's integral relationship to the Forum. The PT had claimed that it was not true that they were tied to the São Paulo Forum, a narco-terrorist organization, because, they claimed, the Forum did not exist. The MSIA defends the views of Lyndon LaRouche, Jr. in Ibero-America.

On Nov. 30, the MSIA learned that the judge threw the case out, ruling, among other things, that what the MSIA wrote about the Forum was a matter of public record, and even Cuba's *Granma* newspaper had published this information.

The decision followed one day after a new Brazilian magazine, *Atenção*, had published a slander against LaRouche and *EIR*'s

correspondent in Brazil, Lorenzo Carrasco. The article accused LaRouche and Carrasco of inspiring Brazilian and international neo-Nazis. It was written by Clarinha Glock of Porto Alegre, a city from which the Workers Party and a "human rights" operative for the Anti-Defamation League of B'nai B'rith (ADL), terrorist sympathizer Jair Krieschke, have frequently attacked LaRouche's associates. The author worried that Carrasco appears to have "significant penetration" in the country.

Glock admitted that the ADL was her chief source of "information," and retailed the litany of ADL charges against LaRouche, whom she accused of pushing "conspiracy theories" about Jews dominating the world, and also attacked Nation of Islam leader, Minister Louis Farrakhan, linking him to LaRouche. The October issue of *Atenção* included an article praising the narco-terrorist Landless Movement, and another one attacking Pope John Paul II.

## **Thai statesman attacks Bush drug apparatus**

Thai statesman Dr. Thanat Khoman attacked the Bush drug apparatus in a speech at the United Nations on Oct. 30. He heads a Thai Commission of Inquiry into U.S. accusations against two Thai politicians for drug dealing, accusations which were originally made in March 1992 by the Bush administration, and have caused a conflict between the new government in Thailand and Washington.

In his U.N. speech, Khoman said the United States has used the narcotics issue to impose its will on the world. On Bush's 1989 Panama invasion, he said: "Thousands of troops and squadrons of war planes were used causing grievous loss in human lives and material destruction. The Panama invasion was launched, allegedly to capture a renegade general, who was not long ago a former partner of a former President. What happened to the partnership is not exactly known. Indeed, no one may ever know the true facts. The whole story was shrouded in unsolved mystery. . . . In fact, the trial was hushed and the accused was kept in-

comunicado in a maximum security jail." On money laundering by the notorious Bank for Credit and Commerce International, he said: "It is confirmed by the case of former Secretary of Defense Clark Clifford, who was tried in a law court, but was subtracted from the judicial proceedings by a political decision. Drug money laundering, it should be stressed, is very much an American phenomenon." On Clinton, he added: "We applaud, although with reservation, President Clinton's decision to fight against drug cartels as well as drug money laundering." He questioned whether Clinton accepts U.S. responsibility, "as a consuming country," for the existence of the drug problem.

### **LaRouche defense paper topic in Ibero-America**

The Ibero-American Solidarity Movement (MSIA) held a series of conferences to present the special double-issue editions of *EIR*'s Spanish-language *Resumen Ejecutivo* that feature Lyndon LaRouche's campaign paper, "The Blunder in U.S. National Security Policy," and the *Special Report* on the São Paulo Forum narco-terrorist international, which appeared in *EIR* on Nov. 17, 1995. LaRouche's security policy paper was a rebuttal to the Pentagon's *Strategy for the Americas* report, which proposed "democracy" as the sole criterion for U.S. policy in Ibero-America.

Public conferences were held in Colombia, Argentina, and Brazil, on Nov. 30. There were 60 people in the audience in Buenos Aires including diplomats from the embassies of Colombia, Ecuador, and Romania, people from police, intelligence, and security agencies and the military, several university students and professors, and subscribers who traveled from as far away as Patagonia, Córdoba, and Corrientes. In Brazil, the reports were presented at a major military institution. In Bogotá, Colombia, 25 persons, more than half of them with military connections, attended a briefing on the reports.

In the Dominican Republic, Jorge Meléndez, speaking for the MSIA, was inter-

viewed on Nov. 30 on the TV program "Sintesis" by Cristino del Castillo. During the live, wide-ranging interview, Meléndez referred to the "Blunder" document to illuminate the situation in Haiti, the continent-wide push for "democracy" and "free trade, and the imminent collapse of the world's financial and monetary system." All of the meetings and interviews emphasized the need to pressure the Colombian government to protect the lives of *EIR*'s journalists, which have been threatened there (see *EIR*, Dec. 1, 1995).

### **Sri Lankan Army in drive on Tamil terrorists**

The Sri Lankan Army has captured sections of the city of Jaffna, stronghold of the British-spawned terrorists, the Liberation Tigers of Tamil Eelam (LTTE), according to an article in *Asian Age*, datelined Colombo, Nov. 29. But after a strong initial blast against the city, the resistance put up by the Tamil Tigers slowed down the Army advance, and the Army admitted for the first time that it was using aerial bombardment of the city. The Tigers have heavily mined and booby-trapped Jaffna.

There is also a danger that the LTTE will take its grisly war tactics into the capital, Colombo. On Nov. 11, two Tamil Tiger suicide bombers blew themselves up, injuring people. One tried to gain entry to Army headquarters and then blew himself up upon questioning, and a woman LTTE suicide bomber blew herself up at the railway station soon after. Both incidents occurred close to the home of President Kumaratunga.

The capture of Jaffna is a significant military development, a senior U.S. administration official said in Washington, according to the Nov. 25 edition of the *Economic Times* of India, but "with the fall of Jaffna, the fighting is not going to be over. So we continue to support a negotiated political settlement." There has been no protest from the United States, however, or from any of the western European countries to the Sri Lankan Army drive against the Tamil Tigers.

## Briefly

● **U.N. SANCTIONS** have killed a half million Iraqi children so far. According to a study by the U.N. Food and Agriculture Organization, the mortality rate for children under five increased fivefold, while there was a threefold increase in diarrheal disease-related mortality among the same age group.

● **COLOMBIA'S** narco-communist FARC guerrillas have been striking "business deals" with leaders of Peru's 40 drug cartels, for the purpose of building FARC up into Colombia's number-one drug cartel, according to the Peruvian daily *Expreso*.

● **THATCHER** clone Brian Mulroney is the target of a Royal Canadian Mounted Police probe into whether he illegally used his influence as Canada's prime minister in 1988 to help a Conservative Party fundraiser, Canadian papers reported Nov. 30.

● **PERUVIAN** sources wonder if new leadership has been sent in from abroad to revive the MRTA terrorist organization. A shoot-out between MRTA and police and army units outside Lima on Dec. 1 left one policeman dead, and three wounded. The terrorists used grenades and took four women and children hostage.

● **THE DALAI LAMA** appeared to be "extremely confused," a source in New Delhi told *EIRNS* on Dec. 1, after meeting with the Tibetan spiritual leader for an hour. The Dalai Lama said he was not stuck on Tibetan independence from China, but was willing to settle with Beijing, if only he could become the administrator of the Tibetan capital of Lhasa.

● **THE AFGHANSIS** can "go back and fight in their own countries," said Pakistani Prime Minister Benazir Bhutto on Nov. 30, in Islamabad. She said Pakistani people were outraged by the suicide bombing of the Egyptian embassy in Islamabad, which killed 16 people and wounded more than 60. The bombing was claimed by three afghansi-related Egyptian Muslim extremist groups.

# Gingrich battered by FEC, House ethics complaints

by Suzanne Rose

America's leading crybaby, House Speaker Newt Gingrich, and the movement he leads, have suffered several potentially devastating setbacks over the recent weeks. On Nov. 30, the Federal Election Commission made public over 1,000 pages of exhibits from its ongoing investigation and civil complaint against GOPAC, the political committee headed by Gingrich until earlier this year. The FEC is seeking summary judgment in U.S. District Court on its complaint that GOPAC was not registered with the FEC as a federal political committee, at a time when it provided funds for the reelection of Gingrich in 1990, and a number of other candidates for federal office. The exhibits and complaint throw at issue the whole process by which the petty dictator was reelected to Congress in 1990, and the takeover of Congress by his minions in the 1994 election. The complaint details a sordid history of the Gingrich-allied movement, exposing corruption, fraud, and the manipulation of the political process to achieve the fascistic aims of destruction of the American government and political institutions.

On Dec. 7, after foot-dragging for over 15 months, the Gingrich-controlled House ethics panel also voted unanimously to appoint an independent counsel to investigate an ethics complaint against Gingrich, involving the use of tax-exempt foundation funds to finance a college course taught by Gingrich. The course, "Renewing American Civilization," is the source of material which is reproduced on tapes and used to build his political machine. Gingrich also plugs corporate sponsors of his political endeavors in the classes. Other complaints were tabled, with the admonition that the actions which prompted the complaints were violations of House rules, including Gingrich's notorious book deal with media magnate Rupert Murdoch, who has business before House committees that Gingrich controls.

Gingrich is facing an increasingly hostile electorate, as

voters become more aware of the killer implications of the savage budget cuts he is attempting to impose. In response, the Speaker has become more despotic. His minions refused to hold hearings on the proposed cuts. He reacted to the growing opposition as a threat to his power, and made a series of missteps, including throwing a temper-tantrum over his seating on the plane trip to the funeral of Israeli Prime Minister Yitzhak Rabin. He also chose a path of confrontation in mid-November with the White House, in which he appeared power hungry and venal for causing the shutdown of government when his ultimatums were not met. When the newspapers served up cartoons of Gingrich in diapers, and the media picked up a song, "It's My Party and I'll Cry if I Want To," with lyrics exposing Gingrich's plight, by Lyndon LaRouche associate Bill Ferguson, Republicans, it appears, tried to muzzle their Speaker.

On Dec. 1, the *Washington Times* reported that Gingrich would be taking a back seat as spokesman for the the Conservative Revolution movement in Congress. Sources in the leadership of freshmen Republican congressmen, whom Gingrich directs, were quoted saying that their "Contract with America" agenda would be better served if the Speaker played a less vocal role for a while.

Since the "Contract on America" involves the virtual destruction of the power of the federal government to do good, and the imposition of spending cuts in medical care and other essential services which will lead to an increased death rate, the temporary weakening of the Gingrich leadership could be a window of opportunity for a grassroots mobilization to permanently defeat their policies. This indeed would set back the London-based financial elite who are behind the Gingrich campaign to impose budget cuts and privatization of government services all over the world.

On Dec. 5, AFL-CIO President John Sweeney an-



nounced a two-week mobilization of union members in 55 congressional districts represented by "Contract on America" budget-cutters, against cuts in Medicare, Medicaid, and education.

### **Popular axioms must be challenged**

However, it will fall to the associates of LaRouche to challenge the popular axioms which have softened the population up for Newt's budget axe—a belief in free trade, and an hysterical commitment to balancing the budget. The process of educating the electorate to the fallacies inherent in these beliefs, which allows speculators to loot the economy, coupled with elaboration of positive solutions to the crisis, began a year ago when associates of LaRouche began distributing millions of pamphlets entitled "How the Conservative Revolution Crowd Plans to Destroy America." The pamphlets exposed the origins of the Conservative Revolution, which lie in the lunatic economic policies of Austrian fascist economist Friedrich von Hayek and his Mount Pelerin Society.

The campaign to crush this fascist element in the Republican Party escalated, however, following a Nov. 15 conference of the Schiller Institute in Washington, D.C. entitled, "Why American Voters Are Rejecting Newt Gingrich," which was addressed by economist LaRouche. Participants included state legislators and elected officials from all over the country. They issued a statement demanding an end to the Gingrich policies of budget cuts, which they planned to place as an ad in the *Washington Post* on Dec. 13. Ammunition for the drive was provided in the form of detailed documentation of the systematic destruction of the physical economy of the United States by a cabal of London-centered speculators who have driven outstanding financial claims on the physical economy into the stratosphere, while causing the industrial and agricultural base to collapse in order to feed their speculative bubble. These interests are represented by many of the think-tanks which deploy the House speaker and his minions in Congress.

### **The GOPAC investigation**

The FEC complaint reveals details of investigations which have been ongoing since 1990. These details show that Gingrich and his allies have been building a "reform" movement to take over Congress, using techniques and funding which have been largely unreported in the media. Begun in 1979 by former Delaware Gov. Pete DuPont, GOPAC was started as a political action committee for the Bush wing of the Republican Party, to fund ideologically aligned candidates on the state and local level. Gingrich took it over in 1986, and it adopted, according to the complaint, an ambitious program for the takeover of the U.S. Congress (which would bring it under the purview of the FEC, to the extent it was involved in election campaigning). It also, however, saw as its mission the rebuilding of the GOP as a majority party by recruiting from the ranks of the politically disillusioned and enraged sections of the population—who can be,

in times of economic crisis, the basis for a fascist movement. By 1989-90, Gingrich, his strategists, "idea men," financial backers, and ideologically aligned think-tanks, had "taken the lead in planning, research and development for the entire Republican Party."

Hundreds of so-called focus groups were conducted, using the most advanced demographic research, to develop issues for a national political reform agenda, which would be pushed by candidates at all levels of government simultaneously. The issues adopted, which came to be known as the "Contract with America," did not address the economic crisis, but various social issues, which could be used to manipulate people against the government. "Focus groups sought to identify specific proposals of change (our products) and specific examples of the obstacles to change, from left-wing values and the bureaucratic welfare state (their anger points) which would motivate them to vote for the Republican Party." Arguments for the issues invented for political reform, such as "term limits," or "education choice," critiques of the proposals, and slogans, were packaged and mass-produced as videotapes and audiotapes of Gingrich's courses. Language and issues were "shaped and guided" for prospective candidates who were encouraged to play the tapes over and over until they had learned to "speak like Newt."

In 1994, the complaint reveals, Gingrich's "farm team" of 5-10,000 aspirants for political office got audiotapes on a monthly basis. Gingrich concealed a vast slush fund of interlocking political committees, nonprofit groups, and foundations, which were financing candidate "support and education," direct mail efforts, satellite teleconference hookups, and focus groups around the country. He mounted what the complaint calls the "largest and most encompassing recruiting, training and funding effort ever attempted by any group."

By the 1994 elections, they had targeted 170 congressional districts for takeover. The effort produced a crop of freshmen with the fascist agenda of "creating a sense of public rage by proving there is a corrupt liberal welfare state sustained and protected by a selfish, entrenched Democratic machine." So brainwashed are many of them that they refuse to respond to anything but the agenda defined by the GOPAC circle. Their mission was to take down departments, slash spending, eliminate bureaucracies, a "march through the institutions" reminiscent of the proto-terrorist SDS movement of the 1960s. In fact, according to a memo described in the complaint, the GOPAC planning group was urged to read Mao's *Guerrilla Warfare*.

The effort, which installed 73 freshmen of the Conservative Revolution in Congress in 1994, was not successful because of the brilliance of the strategists, their skullduggery, nor even the vast money machine which was created to fund the candidates, but because of the weakened state of the Democratic Party, which refused to acknowledge the economic crisis in the country during the campaign. Gingrich was able to engineer a victory based on a cynical sort of emphasis on family values, and an appeal for change.

# Congress still threatens default

by Carl Osgood

On Nov. 30, House Speaker Newt Gingrich (R-Ga.) appointed Nick Smith (R-Mich.) to lead a task force to investigate the actions that Treasury Secretary Robert Rubin took on Nov. 15 to avert a default by the U.S. government on its debt obligations. Since the time of Rubin's action, Smith, with backing from George Soros's Wall Street interests, has been seeking a way to prevent Rubin from using such measures again, in the event that Congress continues to fail to approve an increase in the debt limit ceiling. The increase in the debt limit ceiling, necessary to avert a government default, has been a key hostage of the Gingrich crowd in their attempt to force through their Conservative Revolution agenda.

Smith sent a letter to Rubin on Nov. 17, demanding the legal justification for the Treasury Department's actions. He complained that "this attempt at circumventing the debt limit makes a mockery of the Congress' ability to limit the amount of debt this government can issue."

Rubin took action to disinvest \$61 billion from the Government Securities Investment Fund (the "G-Fund") and the Civil Service Retirement and Disability Fund (CSRDF) in order to make payments on \$57 billion in principal and interest on the federal debt that, had he failed to do so, would have forced the U.S. government to default on its obligations. Two days earlier, President Clinton had vetoed the bill presented to him by Congress for a temporary increase in the limit, precipitating Rubin's action. Clinton found the bill objectionable because it provided for a reversion of the debt limit to \$4.8 trillion, from \$4.9 trillion, on Dec. 12, the day before \$44 billion in government securities were to mature, which would have forced an immediate default.

The Treasury was forced into similar maneuvers in 1985 when the Congress had failed at that time to approve an increase in the debt limit. Then, as now, the failure was because of an attempt to tie budget deficit reduction to an increase in the debt limit. Then-Secretary of the Treasury James A. Baker III also disinvested trust funds to make interest, principal, and benefits payments. Unlike Rubin, Baker included the Social Security trust fund, which action later drew criticism from the General Accounting Office.

The Treasury Department expects to be able to operate at least through the end of December, and possibly well into January, without further action. On Dec. 3, Rubin told

American businessmen in São Paulo, Brazil that "we will do everything in our power" to avoid a U.S. government default, in the event a debt limit increase still has not been passed.

Smith has been leading a campaign since last summer to use the debt limit issue as leverage against the Clinton administration for the purpose of pushing through the Republican balanced-budget plan. Smith, in a letter on Nov. 22 to Gingrich, said, "I have been keenly interested in the debt ceiling and its use in obtaining a balanced budget." Smith's task force is pursuing an investigation that is intended to lead to public hearings and possibly legal action against the Clinton administration to prevent further use of the trust funds to get around the debt limit.

Smith circulated a memo on Nov. 22, saying that the real issue isn't simply "how the government keeps its books or when we reach a balanced budget. The true confrontation is changing the way government operates. . . . The question is whether we will have more government control over our lives, higher taxes, and greater borrowing, or whether we will go back to what made this country great—a frugal government and individual responsibility."

## Advice from speculators

Smith isn't simply spouting his own ideology. On Nov. 1, he revealed on the floor of the House that he, and other members of Congress, were getting advice from, among others, Stanley Druckenmiller, the managing director of Soros Fund Management. Smith reported that Druckenmiller was telling members of Congress to "stick to your guns" on the balanced budget, or they would see "the stock market fall." Druckenmiller, along with Kenneth G. Langone, the chairman of Invemed Associates, took out a full-page ad in the Sept. 26 *Washington Post*, saying that the financial markets would look at it positively if the federal government were forced into default, if it meant a balanced budget would be the eventual result.

Druckenmiller works for George Soros, who has made billions by destroying the national currencies of several countries, most recently that of Italy. However, for the time being at least, the Clinton administration has kept the speculators at bay, by successfully separating the debt limit issue from the budget issue. That was one of the outcomes of the "train wreck" in the middle of November when House Speaker Gingrich was taken out as the central figure in the budget negotiations between Congress and the administration.

Now, the Conservative Revolutionaries are in a panic because the Clinton administration could keep the government running indefinitely without a debt limit increase. The Joint Economic Committee released a report on Nov. 20 with a chart that shows that, by manipulating the trust funds, the government could run on without a debt limit increase until July 2001, through a second Clinton administration, and then some.

# America and the Irish revolution

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*Anton Chaitkin outlines the joint projects of both countries' nationalists for a peace-winning economic strategy.*

The people of Northern Ireland gave President Bill Clinton a tumultuous reception on his historic peacemaking visit there Nov. 30. They waved American flags in thanks for the U.S. effort to stop decades of brutal oppression and chaotic killing. Britain's occupation of Ireland's northeastern six counties rests largely on the claim that Irish Protestant-loyalists and Irish Catholic-republicans will murder each other unless British troops restrain them. Peace between the Irish factions will inevitably undermine the British position and doom the "United Kingdom of Great Britain and Northern Ireland."

President Clinton has been completely even-handed, and peace inherently favors the hopes of the nationalists, prompting the furious London *Daily Mail* to lecture President Clinton that Ireland is "None of your damn business!" But contrary to that tabloid's view of the matter, Irish and American patriots have always seen their two countries as sharing a common fate, in a common struggle against the British Empire. As a contribution to the peace process, we shall outline here the unique role of the American and Irish *nationalists* in securing the national existence of the U.S.A., and of Ireland. The history of their joint projects contains some good lessons, particularly as it points toward an economic strategy that is vital for the success of a stable peace.

## Franklin, Carey, and the Irish revolution

America's senior political leader, Benjamin Franklin, visited Ireland in 1771, four years before the American Revolution began. Franklin was working for an alliance that could stand up against the British, who then governed Ireland as a conquered territory. He wrote that he found the Irish patriots "to be friends of America, in which I endeavored to confirm them, with the expectation that our growing weight might in time be thrown into their scale, and, by joining our interests with others, a more equitable treatment from [the English] might be obtained for them as well as for us.'"<sup>1</sup>

Contrary to the imperial "free market" dogma, Franklin outlined the protective policy that American and Irish leaders would follow to unite farmers and city dwellers and create national power independent of Britain:

"Every manufacturer encouraged in a country makes part of a market for provisions within ourselves, and saves so much money to the country, as must otherwise be exported to pay for the manufactures he supplies. . . . [W]herever a

manufacture is established which employs a number of hands, it raises the value of land in the neighboring country all around it. It seems, therefore, the interest of our farmers and owners of land to encourage our young manufacturers in preference to foreign ones."<sup>2</sup>

A young Irish Catholic, Mathew Carey (1760-1839), was hired in 1775 by the patriotic Dublin paper *Hibernian Journal*. The American Revolution began that year, when British forces invaded Massachusetts, and the *Hibernian Journal* called for British government officials to be tried as murderous criminals. Benjamin Franklin, moving to France in December 1776, sought money, arms and allies for the Revolution. In November 1778, the *Hibernian Journal* published an open letter from Franklin to the Irish people, showing that America and Ireland had a common cause against the British. Irish patriots were by then arming and drilling in the "Volunteers" movement, under the pretext that they would defend the country from the threat of invasion by France, America's ally! The Irish nationalists emulated America's non-importation associations, boycotting British goods and pledging to wear only Irish-made clothes.

The British oligarchy's senior intelligence expert, Lord Shelburne, wrote from Ireland that he found "all classes more animated about America than in England. In every Protestant or Dissenter's house the established toast is success to the Americans."<sup>3</sup> Shelburne was informed that trade had opened up between northern Ireland and the American rebels, and that the Irish had arranged with Franklin to deal with them as America's ambassador on matters of mutual interest and support.<sup>4</sup> Shelburne's Whig party was saying in Parliament that the rebellious Irish were in correspondence with the Americans, that they had made a treaty with "the Arch-Rebel Franklin."<sup>5</sup>

The Volunteers had 100,000 men under arms by the end of 1779. But these were almost all Protestants. British rule forbade Irish Catholics (the majority) to own weapons, to hold public office, to own land or to speak out against their condition. The Catholic Church submitted meekly, while the Protestants' British-nurtured suspicion of their Catholic countrymen undermined the nationalist effort.

Acting to bridge the gap, young Mathew Carey now wrote, anonymously, "The Urgent Necessity of an Immediate Repeal of the Whole Penal Code against the Roman Cath-

olics." On Nov. 11, 1779, a bold advertisement appeared in various Dublin papers, headlined "An Appeal to the Roman Catholics of Ireland," showing the title page of the anonymous pamphlet which was to be published the next day. Leaflets were distributed throughout Dublin and were stuck on the doors of churches and cafés.

In this explosive situation, a reward was put out for the identification and arrest of the dangerous rebel author. Carey went into hiding, and then fled to France. He had a letter of introduction to a Paris priest, who brought him to Benjamin Franklin, and Carey now went to work printing American revolutionary literature in Franklin's headquarters at Passy. Carey was interviewed by General Lafayette about the Irish readiness to receive a Franco-American invasion of the British Isles.

American commander George Washington issued General Orders in March 1780, directing a day of rest for his army on St. Patrick's day to celebrate "the very interesting proceedings of the Parliament of Ireland, and of the inhabitants of that country . . . [who aim] to remove those heavy and tyrannical oppressions on their trade, [and] to restore to a *Brave and Generous People*, their ancient Rights and Freedom, and by their operation, promote the cause of America."<sup>6</sup>

Carey returned to Ireland in late 1780, and began editing the *Freeman's Journal* in 1781. Carey's pro-American paper was the main outlet for the Volunteers. In December 1781, as soon as the news hit Ireland of the British surrender at Yorktown, the Volunteers called for a delegated meeting of the whole movement to occur in Dungannon on Feb. 15, 1782. At this meeting the Volunteers issued resolutions for an independent Irish parliament and for the repeal of the penal laws against Roman Catholics.

One suspicious Anglican bishop saw the guiding hand of Franklin in the Protestant-Catholic rapprochement. He said of the Dungannon pronouncement, "If it had more of violence and passion, I should fear it less. It partakes the coolness of my late acquaintance, Dr. Franklin, and I am persuaded was not penned at Dungannon. The resolutions relative to Papists never originated there."<sup>7</sup>

Within two months, the armed Volunteers movement was in control of the Irish situation. Viscount Hillsborough, British Secretary of State for the southern department, wrote on March 12, 1782 to British intelligence official William Eden: "Your cursed Volunteers, and Patriots have alarmed us here very much. . . . That infamous Franklin by his agents is certainly attempting mischief in Ireland."<sup>8</sup> The British government resigned a week later, March 20, 1782. A new government under Lord Shelburne negotiated peace with the Americans and granted an independent parliament to Ireland.

Mathew Carey now created and published a new paper representing the nationalist movement, called *Volunteers Journal or Irish Herald*. In line with Franklin's views, the paper set forth the program of national sponsorship for the

development of manufacturing, through which to "complete the emancipation of our country from domestic and external slavery." Britain, he wrote, had gained prosperity and power by "protecting [industries] against external competition" and had excluded "from her ports all those manufactures whose introduction might depress and injure her own."<sup>9</sup>

This Franklin-Carey program was adopted during the brief rebirth of Ireland's freedom. The newly independent Irish legislature enacted tariffs to stop British trade war, put the garment factories back into business by making credit available, and offered bonuses for new inventions. Canals were begun to move Irish commerce; an Irish postal system was created; the publishing industry started up in earnest and the publishing of Classical music and serious literature was encouraged. State control over the grain market favored the farmers. Restrictions on Catholic landholding were repealed.

But British police-state measures never let up. Mathew Carey became an Irish national hero after his 1784 arrest for sedition. Indicted for high treason, Carey was able to flee to America. He settled in Ben Franklin's Philadelphia, and started as a publisher under the sponsorship of Washington and Lafayette.

By 1801 the British had crushed Irish resistance; the nation was juridically erased in the Act of Union creating the United Kingdom of Great Britain and Northern Ireland. Over succeeding decades Britain closed Ireland's factories and reduced the people to penury and starvation.

## The second Irish revolution

In Philadelphia, Mathew Carey went on to become the great shaper of American nationalist politics. He revived the protectionist polemics of his mentor Franklin and Franklin's ally Alexander Hamilton, after the free trade faction had blocked the Founding Fathers' first attempts at industrializing the country. Mathew Carey's "Pennsylvania school" economics writings instructed the statesman Henry Clay. Carey, Clay, and Carey's German protégé Friedrich List were the policymaking leadership that promoted the government sponsorship of canals, railroads and manufacturing, from the 1820s through the 1840s. Mathew Carey's son, Henry C. Carey (1793-1879), became much more famous: His books instructed the Japanese, the Russians, and Americans including the nationalist, Abraham Lincoln. As President, Lincoln reversed the earlier free trade policy disaster of Presidents Pierce and Buchanan, and enacted the Carey program for government creation of industry and infrastructure.

Henry Carey became a venerated American figure, with a circle of fiercely loyal allies extending from Philadelphia industry and scientific circles into politics, diplomacy, the military, and trade unions.

In the 1870s—100 years after his father had joined the Irish nationalists—Henry Carey took responsibility for reviving and shaping the Irish movement. A Philadelphia apostle of Carey's, the Irish Protestant physician William Carroll,

took the assignment on behalf of the Carey grouping to manage the Irish revolutionary underground. Dr. Carroll was chairman of the executive board of the Clan na Gael or “Fenians” in the United States and Ireland from 1875 to 1880. Other Carey allies helped to lead the movement, men such as Knights of Labor chief Terence V. Powderly, and University of Pennsylvania economics professor Robert Ellis Thompson.

As a crisis developed pitting Russian against British interests in the Balkans and the eastern Mediterranean, Carey’s nationalists worked to bring Russia and the U.S.A. into a war to finish off the British Empire, which included an Irish uprising. They built warships for the Russian Navy in Philadelphia, negotiated with Russian and other European officials, and shipped money and weapons into Ireland. The Clan na Gael “skirmishing fund” paid Irish immigrant inventor John Holland to build prototype submarines to make war on British ships; later the U.S. Navy hired Holland to build its first battle submarines.

Dr. Carroll wrote to a colleague in 1876, calling for a meeting “to immediately prepare a plan of operations. 10,000 men should be enlisted and drilled here. No. 2 should be authorised to get the men at—in readiness with the least possible delay. We could then send in our men by detachments as ‘friends returning to see their relatives,’ etc. Arrangements must be made for seizing the strongholds there. We must also provide means of introducing arms. I will see No. 2 on Sunday, and settle all details. . . .”<sup>10</sup>

Dr. Carroll toured Ireland and England clandestinely in 1878. He reunited the 20,000 members of the underground Irish nationalist movement, who had split into three squabbling factions. The Careyite leadership proposed to revive the movement with a program “such . . . as the movement has not had since the days of Mathew Carey. That is—‘The right of Ireland . . . to protect her people in securing the fruits of their toil agricultural, commercial and manufacturing. . . .’ We should . . . show Irish and Americans what Henry C. Carey laboured to show them, that until Ireland and America protect their manufacturing and other industries against English tyranny and monopoly the work inaugurated here in 1776 is but half completed, if that half, even, is not ultimately lost by allowing England to reign an absolute despot over the industries of the two countries—Ireland and America.”<sup>11</sup>

Allies of Henry Carey pressed on in the leadership of the Irish freedom movement after his death, persisting in the 1880s and 1890s even after much of the U.S. policymaking establishment became subservient to British Empire strategy objectives. They built up new organizations and coalitions, uniting Irish-Americans to Ireland’s cause, until an Irish advocate of Carey’s ideas, Arthur Griffith, founded the Sinn Fein movement in 1902. Arthur Griffith proposed to throw off British rule and rebuild Ireland with the Carey program: State-controlled finance and State-sponsored industrial de-

velopment to achieve self-sufficiency in manufacturing. Sinn Fein founded the Irish Free State in 1921, and Griffith was Ireland’s first President until his death in 1922.

Griffith wrote: “Adam Smith[’s] . . . *Wealth of Nations* was . . . the best example of a subtle scheme for English world-conquest . . . under the guise of an essay on political economy. . . . [The free trade] doctrines of Adam Smith were sedulously promoted [in other countries] by England. . . . The Secret Service money of England was lavished . . . on [foreign] journalists and . . . theorists to influence them to advocate opening [their] . . . ports to English products. . . .

“Frederich List . . . fell under the influence of the two Irishmen, Carey, whose ideas, incorporating with his own, formed the foundation of his doctrine of National Economy, on which modern Germany is built. . . . [Mathew Carey’s] famous son, Henry Carey, elaborated the doctrine of Protection which the United States adopted in opposition to the doctrine of Smith. Henry Carey is the author of the United States as England’s commercial rival. . . . Modern Germany and modern America—England’s political rivals and commercial competitors—are the creation of List and Carey.”<sup>12</sup>

Now Arthur Griffith’s political successor, Sinn Fein President Gerry Adams, has been President Bill Clinton’s main partner in the Irish peace process. It is therefore well worth quoting from President Clinton’s Nov. 30 address to the people of Derry, Ireland: “Pennsylvania [was] a colony unique in the new world because it was based on the principle of religious tolerance,” he told them. “Philadelphia . . . became the main port of entry for immigrants from the north of Ireland, who made the Protestant and Catholic traditions valuable parts of our treasured traditions in America. Today . . . [we are reminded of] the phrase, that Americans established in Philadelphia, as the motto of our nation, *E Pluribus Unum*—out of many, one.”

## Notes

1. Franklin to Thomas Cushing, Jan. 13, 1772, quoted in Maurice R. O’Connell, *Irish Politics and Social Conflict in the Age of the American Revolution*, Philadelphia: University of Pennsylvania Press, 1965, pp. 25-26.
2. Quoted in Robert Ellis Thompson, *Social Science and National Economy*, 1875, reprinted as *Elements of Political Economy*. . . , New York: Garland Publishing Co., 1974, pp. 242-3.
3. Shelburne to Richard Price, Sept. 5, 1779, quoted in Maurice R. O’Connell, op. cit., p. 124.
4. *ibid.*, p. 191.
5. *ibid.*, p. 197.
6. Quoted in *The Pennsylvania Packet*, March 30, 1780.
7. Dr. Woodward, The Bishop of Cloyne, quoted in O’Connell, pp. 322-323.
8. *ibid.*, p. 325.
9. *Volunteers Journal*, Dec. 29, 1783, in the National Library of Ireland.
10. William Carroll to John Devoy, in *Devoy’s Post Bag*, Dublin, C.J. Fallon, Ltd., 1948, Vol. 1, p. 207.
11. William Carroll to John Devoy, May 11, 1880, *ibid.*, pp. 525-526.
12. Arthur Griffith, *The Resurrection of Hungary: A Parallel for Ireland*, Dublin, Whelan and Son, 1918, pp. 122, 124, 126.

## House insists on funds for veterans medical care

On Nov. 30, the House voted 216-208 to recommit the Veterans Affairs-Housing and Urban Development Appropriations bill conference report back to conference committee, with instructions that the House conferees insist on the original House amendment that provides an additional \$213 million for veterans medical care.

Criticism of the bill from Democrats centered on provisions dealing with public housing, medical care for veterans, and environmental enforcement, and the floor debate was particularly strong. Louis Stokes (D-Ohio) said that the Republicans "have shown a blindspot to the high cost in human suffering and damage to this country's precious resources that this legislation will extract."

John Dingell (D-Mich.) called the bill "outrageous," and said it was "the worst attack on housing since the Hoover administration."

David Obey (D-Wisc.), who made the motion to recommit the bill, said that it would "leave our country much poorer."

## GOP sour grapes over Clinton's Ireland trip

On Nov. 30, several Republican senators took to the floor of the Senate to criticize the President on both the budget and his plan to deploy U.S. troops to Bosnia as part of the peace agreement.

Incredibly, James Inhofe (R-Okla.) claimed that the President was "hiding out in Europe." While "the President is out rejoicing in his new posture as the international peacemaker in Belfast and other places, time is going by and American troops, as we speak, are being sent to Bosnia," he

complained. Characterizing the situation in Bosnia along the lines of the British-scripted ethnic warfare propaganda, Inhofe said that after the initial deployments of U.S. soldiers, "larger and larger numbers will be coming because that is the President's plan, as he hides over in Europe and allows more and more of our soldiers to go over to put us in a position where we have to support him, to send ground troops in."

Byron Dorgan (D-N.D.) suggested that this "is not the kind of thoughtful discussion that would advance a spirit of cooperation, to do the right thing for this country." He said that "it is thoughtless for anyone to come here and suggest that what the President is doing at this point in Europe, dealing with the issue of peacekeepers in Ireland, and so on, is that the President is hiding out."

## Telecommunications bill lacks universal access

On Nov. 30, Byron Dorgan (D-N.D.), in remarks on the floor of the Senate, attacked the telecommunications reform legislation currently working its way through conference committee. He said that "the market system is not going to decide that the income stream in a rural state is going to persuade people to come and engage in robust competition to provide new services in rural areas."

Dorgan added that the reason rural communications services exist is because "we have decided that it is a matter of universal importance for everyone to have modern communications equipment so that everyone can communicate with one another." He reported that a bipartisan coalition of senators has written a letter to the con-

ference committee to support the provisions in the bill that protect universal access for rural areas. The House conferees are trying to strip that provision out of the legislation.

## Rangel slams hypocrisy of Gingrich, Gramm

Rep. Charles Rangel (D-N.Y.) appeared at the Women's National Democratic Club on Nov. 28, to discuss the "Democratic Perspective on Social Programs." He ridiculed Presidential candidate Sen. Phil Gramm (R-Tex.) and House Speaker Newt Gingrich (R-Ga.) for having built their lives on federal paychecks almost from the time they were born, and yet both now talk so much about "privatization and getting government out of our lives."

Rangel described Gramm as someone "seeking public housing at the White House. . . . I'm not saying this is wrong, but you can't get there and then feel you have an obligation to pull that ladder away for other people who try to attain it."

Rangel described social and other government programs going back to the New Deal of Franklin Roosevelt as investments in Americans. Instead, with the Republicans, he said, "we have a disdain for the things that were happening under Roosevelt, under Johnson, and under Kennedy. A disdain where we have compassion, with the federal government trying to give a safety net. And we have a philosophy that the United States government should not be involved, is saying anybody is not entitled to anything, which includes Social Security—they just don't have the political heart to hit it, this time."

Rangel asserted that the fight is not

about a balanced budget, but rather "putting the United States of America in a position that once these programs are cut, never will they be restored as national programs." He said that the way this works is that, when federal taxes are reduced by \$245 billion, as the Republicans are trying to do, then state and local taxes are increased to pay for services that were formerly paid for by federal revenue. He said no Congress will come back and raise federal taxes, on top of the state and local tax increases that will result from the Republican budget plan, in order to restore the services that are cut. "So when you hear all of this talk about balanced budgets," said Rangel, "forget it, and realize what they're doing is saying . . . that being old, being poor, being aged, that you're not entitled. 'Go to look for it at local government, go to look for at state government.' Once we tighten up, you're not going to find any Congress, Republican or Democrat, [that will say], 'We're going to increase your taxes on top of what local and state government has done.' And that's abundantly clear."

## Tax cut pledge is called 'negotiable'

The House and Senate budget committee chairmen, John Kasich (R-Ohio) and Pete Domenici (R-N.M.), respectively, both agreed on NBC's Meet the Press on Dec. 3, that the Republicans' \$245 billion tax cut plan is negotiable. "I would tell you," Kasich said, "that we're not going to end up with \$245 billion at the end of the day. It's going to be less than that." Domenici added that "everything's on the table, but they [the Clinton administration] have to bring their budget to the table."

Kasich reiterated that the Republicans are still committed to the capital gains tax cut, "because we want the economy to grow." He claimed that the capital gains tax cut will spur investment and job creation which will help "balance the budget."

## Work schedule makes members, staff edgy

Congress's heavy work schedule, aggravated by the budget wrangling between the Clinton administration and Congress, has made many in Congress nervous about whether they'll be able to spend the holidays with their families.

Freshman Rep. Mark Neumann (R-Wisc.) blasted the House leadership in a letter to the editor in *The Hill* newspaper on Nov. 29. He said the the schedule is interfering with his family life and even making it difficult to meet with constituents in his district. He wrote that he was even told by the House leadership that "if you have children, you should not serve in Congress." Neumann referred to the half-dozen members of the freshmen class who have been divorced or are in the process of getting divorced. "When my service to my country in this office is over, I fully intend to still have my family to come home to," he said.

David Dreier (R-Calif.) was questioned on the House floor about the schedule in view of the upcoming holiday season. "At this point," he said, "there are just so many questions that remain; we are hoping to see a budget agreement, we are hoping to see a wide agreement on other things, and until those are resolved, we do not know what the schedule will be after the 15th."

When *Roll Call* asked David Obey

(D-Wisc.), the ranking minority member of the House Appropriations Committee, when he thought the House would adjourn for the year, he replied, "That [question] assumes we will finish [the budget] this year."

## Gingrich ethics investigation tabled

On Nov. 30, the House voted to table, for the second time in two weeks, a privileged resolution sponsored by Harry Johnston (D-Fla.) and Pete Peterson (D-Fla.) to require the House ethics panel to report on its investigation of complaints against Speaker Newt Gingrich. The motion to table, which prevented debate on the resolution, was offered by Majority Leader Dick Armey (R-Tex.), and it passed by a vote of 218-170.

Earlier in the day, a number of Democrats had demanded debate on the resolution. Pat Schroeder (D-Colo.) said that the ethics panel ought to provide a report, "especially on a day when the newspapers in America are filled with articles talking about how the Federal Election Commission has said the appearance of corruption is spread all over GOPAC and the speaker's fundraising." She told the members of the House, "If you vote to table, you are covering up."

After the vote, Lloyd Doggett (D-Tex.) referred to the fact that the House voted for the second time to refuse to discuss "in the light of day" what the ethics panel has been doing for the last 14 months. "I believe that our Republican colleagues can hold that pressure cooker lid down," he said. "But sooner or later, enough people in this country are going to care about the operations of this House and the ethics of this House, that they are going to demand action."

# National News

## Whitewater instigator's personal bias exposed

Jean Lewis, the Resolution Trust Corp. employee who initiated the Whitewater/Madison investigation, was deeply biased against President and Mrs. Clinton from the beginning. During a hearing of the Senate Whitewater Committee Nov. 29, it was revealed that a month before she opened the Whitewater investigation in 1992, Lewis sent a letter to a friend calling Bill Clinton a "lying bastard."

In the course of her letter discussing the Gennifer Flowers affair, Lewis wrote, "His ability to lie surpasses that of the most astute politicians." Richard Ben-Veniste, minority counsel on the Senate Whitewater Committee, questioned Lewis about the letter, and also about her frequent calls to the local FBI office in the fall of 1992, after she had referred the Whitewater/Madison matter to the FBI for possible criminal charges against the Clintons. Lewis told the FBI agent that the Madison case could "alter history." Ben-Veniste said the investigation was planned as an "October Surprise" to damage Clinton's presidential election campaign.

Sen. Barbara Boxer (D-Calif.) also questioned Lewis about her 1993 efforts to market a T-shirt with large letters B-I-T-C-H, with the slogan, "Bill, I'm Taking Charge, Hillary," or "Bubba, I'm Taking Charge Here." During the questioning, Lewis collapsed and was taken to a hospital, where she was admitted for observation. Her blood pressure reportedly reached 210/110.

## Caterpillar strikers up against financial cartel

The prolonged contract dispute between Caterpillar, Inc. and the United Auto Workers has been driven by corporate managers more interested in financial speculation than in maintaining a vital manufacturing industry. Company records show that Caterpillar has increasingly used financial instruments to hedge losses and turn profits.

According to Caterpillar's 1995 Annual

Shareholders Meeting Notice, Financial Projects (Caterpillar Financial Services Corporation and Caterpillar Insurance Company, Ltd.) comprised 28% of the company's assets (\$4,668 million out of a total of \$16,250 million). This compares to only around 2% in 1984—\$168 million in financial assets in 1984 out of a total of \$6,253 million.

The real change began in 1990, with the appointment of new chairman Don Fites, named CEO of the year in 1995 by *Financial World* in recognition of his having destroyed the union. In 1991, Clayton Yeutter—the man credited in Cat's 1991 annual report as the "architect of the U.S.-Canada Free Trade Agreement"—was added to the Caterpillar board. Yeutter was George Bush's secretary of agriculture and headed Bush's 1992 re-election campaign. It was in 1991 that the strike actually began, as the UAW recognized that Fites' only real objective was to break the union.

## Phil Gramm campaign is running out of cash

According to the Dec. 5 *New York Times*, Texas Sen. Phil Gramm's bid for the Republican Presidential nomination may be on the rocks. The *Times* reported that the Conservative privateer sent out an S.O.S. to his "steering committee" on Nov. 17, asking for "emergency donations" to cover a "cash shortfall." The letter warned, "The consequences of this shortfall are so threatening, I have no other choice but to ask for your help again."

Gramm campaign spokesman Gary Koops dismissed the letter as just a "way to motivate" the grassroots, and urged the *Times* not to take the candidate's words seriously.

Gramm kicked off his campaign in February by proclaiming, "I have the most reliable friend you can have in American politics, and that is ready money." He spent \$14 million through September, a rate of \$53,000 per day, reportedly leaving him at that point with \$3.9 million in cash on hand. His fundraising plummeted from \$8.7 million in the first quarter, to \$2.1 million in the third quarter, while the campaign reported \$4.7 million in third quarter expenses.

His Republican opponents have reportedly concluded that, whether he solves his financial problems or not, his campaign has an unsurmountable problem, "the Phil Gramm problem."

## Prison population grew at record rate in 1995

The number of state and federal prison inmates grew by a record 89,707 in the 12 months ending June 30, 1995, according to the Bureau of Justice Statistics Report released Dec. 3. That is the largest annual increase in American history, and the equivalent of jailing an additional 1,725 prisoners every week. The U.S. rate of incarceration is the highest in the world, among nations which maintain reliable statistics. The U.S. locks up 565 inmates per 100,000 residents; Russia is second at 558 per 100,000.

As of June 30, there were 1,004,608 state prison inmates in the United States, up 9.1% from June 30, 1994, and 99,466 federal inmates, up 6.1%. Texas, which has become the nation's "gulag," had the largest inmate growth, with an increase of 27%, followed by West Virginia and North Carolina at 26%. Nationally, a much higher percentage of African-Americans are incarcerated than whites, with 6.8% of all black male adults in prison or jail, compared with less than 1% of white male adults.

## LaRouche associate confronts Kissinger

In a dramatic moment before about 500 students, faculty members, and dignitaries at the University of Akron, Ohio on Nov. 30, Henry Kissinger, the former secretary of state who admits he was a British agent, was confronted by a supporter of Lyndon LaRouche who had been distributing a leaflet on Kissinger's role in the political prosecution of LaRouche.

Kissinger was at the university to give a speech on "The Geopolitical Outlook in the Global Climate," with his standard Metternichian assertions that morality has no place



in diplomacy.

LaRouche associate Philip Valenti was the second person Kissinger called on during the question period. "Lyndon LaRouche has shown that you should go to prison," Valenti said, "for your evil role in arranging his political frameup, and because you are guilty of genocide, not only because of Vietnam, Cambodia, Lebanon, Chile, and other crimes, but because of your National Security Study Memo 200—NSSM 200—of 1974, where you demanded population control against non-white nations. Also, since you were knighted by the Queen, and you are an agent of the British monarchy—"

At this point, pandemonium erupted. Kissinger hissed back: "Lyndon LaRouche is too full of himself! I've never heard of NSSM 200 requiring population control, and all the other material suggests to me that they sent him to the wrong institution! Next question!"

Kissinger had launched the LaRouche railroad in a 1982 letter to FBI head William Webster.

## Black legislators call for probe of DOJ

Several hundred African-American legislators and labor leaders gathered in Birmingham, Alabama Nov. 28 to Dec. 2, for the 19th Annual Legislative Conference of the National Caucus of Black State Legislators (NBCSL), which represents some 574 legislators in 44 states and the U.S. Virgin Islands.

According to the *Birmingham News*, the group adopted a resolution on Dec. 2, proposed by state Sen. McKinley Washington (S.C.), demanding that the U.S. Congress conduct investigative oversight hearings into Department of Justice misconduct. The resolution cited recent independent hearings convened by the Schiller Institute on this issue, which heard testimony on the DOJ's unjust prosecution of black elected officials, the political frameup of Lyndon LaRouche, and the cases of John Demjanjuk and former Austrian President Kurt Waldheim.

Addressing a panel on ethics, state Sen. Theo Mitchell (S.C.), a leader of the NBCSL since its founding, gave a report on his own

incarceration as a result of an FBI frameup. He detailed how he had been placed in prison, stripped of his committee chairmanship and, ultimately, his Senate seat, without any formal hearing, and banned from the practice of law in South Carolina.

"If you speak out," he said, "I don't care if you are black or white, they will come after you. You all know about the most famous case of a man who wrote and railed against the system, who would not be silenced in his demand for financial reorganization and a new, more just economic order. They called Lyndon LaRouche a radical. Well, let me tell you something: When my own people were too frightened to help me, that so-called radical, at great risk to himself, stepped forward and did."

## Bosnian Imam aids synagogue in Illinois

A new Conservative Jewish synagogue of about 200 people, in the Chicago suburb of Northbrook, lacking a building in which to hold services for Rosh Hashanah last September, found help from an unexpected source, the *Chicago Tribune* reported on Dec. 1. They had tried in vain to rent schools, hotels, and other facilities, but all were booked up. Then they approached Imam Senad Agic, the leader of the Bosnian Muslim mosque in Northbrook. He readily agreed.

"I would like this news to be widespread and to receive some objections or reactions," he told the *Jewish United Fund News*. "According to Islamic teachings, this is not only allowed, but it's desirable." The *Tribune* quoted Agic: "I lived in an environment where Muslims lived in peace for centuries with Jews and Christians. I'm used to this; there is no prejudice."

The Jewish congregation used the mosque twice for Sukkot services as well, and the door remains open for them until they get their own permanent location.

The synagogue's Rabbi Dan Sherill told the *Tribune*: "Everybody has a view of God, and the only thing that varies is the structure practiced in a particular religion; but we all are on the same path and God is protecting and looking out for all of us."

## Briefly

● **LAROUCHE** campaign representatives in Denver, Colorado filed the necessary documents and filing fee on Nov. 30, to place Lyndon H. LaRouche, Jr. on the state's March 5 Democratic Presidential primary ballot. Colorado is one of a handful of states which require a candidate to be certified for federal matching funds as a qualification for ballot status. LaRouche was certified by the Federal Election Commission on Nov. 2.

● **THE SOLAR** and Heliospheric Observatory was launched from Cape Canaveral, Florida on the morning of Dec. 2. SOHO, a joint project of the European Space Agency and NASA, is equipped with instruments to study the Sun, the solar wind, and the solar-terrestrial relationship. There will be a strong emphasis on the ultraviolet and extreme ultraviolet spectral ranges.

● **ATTORNEY GENERAL** Janet Reno and Securities and Exchange Commission chairman Arthur Levitt, Jr., on Nov. 30 announced indictments of 11 securities brokers alleged to have defrauded their clients in ten states. This is the first time that the SEC has moved beyond the application of administrative sanctions, to threaten a broker with a prison sentence.

● **DISTRICT** of Columbia municipal employees used garbage trucks and other city vehicles to shut down a major intersection during rush hour on Dec. 4, protesting plans to slash city jobs and benefits as a result of the privatization of city services.

● **JOHN ISOM**, the sheriff of Virginia's Loudoun County and anti-LaRouche operative who was defeated in the November election (see *Feature*), has been named executive director of the Virginia State Crime Commission. The commission is made up of six delegates and six senators.

### *A thought for Christmas*

If we compare this Christmas season with that of a year ago, a first thing to take note of is President Clinton's political strength this year, as compared to last. A year ago, Phil Gramm and Newt Gingrich had achieved an apparently stunning congressional victory; but that has turned out to be short-lived.

Then, Bill Clinton's prestige was at its lowest ebb; now, he is virtually assured reelection—especially after his central role in the successful peace negotiations in the Middle East, the Balkans, and Northern Ireland. What is most important about President Clinton's foreign policy initiatives, more than the specifics of their concrete implementation, is their cumulative effect in weakening the ties between the United States and the British monarchy. Bill Clinton is an *American* President, which, sadly, has not been the case with anyone who has held that office since the death of President John F. Kennedy, nor, before that, with any of Franklin D. Roosevelt's immediate successors.

Yet, this is not a time for self-congratulation, because the situation which the world faces in the coming year, is one of accelerating disintegration, fueled by an escalating economic collapse. Take, for example, the former Soviet Union, in which 75 million individuals are now living in absolute poverty, under conditions which are comparable to the devastation suffered by the Soviet Union in World War II.

The present strike confrontation in France is also directly attributable to economic collapse. Here the British are attempting to impose the same kind of insane austerity economics on the French which destroyed Russia and the other economies of the former East bloc. The tragedy is that the German government has allowed itself to be used against France, in its insistence on the adoption of "sound financial measures" by the French government, as a prerequisite for fulfilling its obligations under the European Union's Maastricht Treaty.

Unless free-market ideology is widely acknowledged for what it is—a vicious British hoax—and as

such, repudiated, there is no solution to the crisis. What we face in the not-too-distant future, if this is not done, is the disintegration of western civilization.

It is from the vantage point of the future that we gain the strength and intellectual maturity to face up to the tasks that are before us. It is we, who have inherited all of the beauties of the Renaissance, who are the heirs of Dante and Nicolaus of Cusa, of Leonardo da Vinci and Johannes Kepler, who must guarantee that these treasures are not lost to a humanity driven back into a new and terrible Dark Age.

Immediately, there are many problems which must be urgently addressed—most notably to do with the economic collapse; but as the Christmas season approaches, it is a good time to rise above the immediate. Lyndon LaRouche has spoken out in the strongest terms against the Venetian perversion of science and culture, which has created an intellectual elite that is literally brainwashed by Aristotelianism. The very best Christmas gift which we can give to anyone, is to reawaken in him or her the joy of expressing the God-given gift of creativity.

At the European conference held by the Schiller Institute and the International Caucus of Labor Committees on Dec. 2 and 3, Lyndon LaRouche gave a keynote speech, which expressed this most beautifully. He pointed to the great power for evil which is presently concentrated in an oligarchy that wishes to dominate the mass of humanity, reducing them to little better than slaves. Even despite the great gains of the Golden Renaissance, the society of the past 500 years has failed to get rid of this disease of oligarchism, and the Aristotelian ideology by which it is buttressed.

This is the task which is before us now. To accomplish it, we must assert the human right, LaRouche said, for all men and women to be creative, to "play," as did Leonardo da Vinci, so that their lives, like his, will have the character of a great musical composition.

This is our Christmas thought.

# SEE LAROUCHE ON CABLE TV

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- ANCHORAGE—ACTV Ch. 40  
Wednesdays—9 p.m.

## ARIZONA

- PHOENIX—Dimension Ch. 22  
(call station for times)

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- E. SAN FERNANDO—Ch. 25  
Saturdays—10 a.m.
- LANC./PALMDALE—Ch. 3  
Sundays—1:30 p.m.
- MARIN COUNTY—Ch. 31  
Tuesdays—5 p.m.
- MODESTO—Access Ch. 5  
Fridays—3 p.m.
- ORANGE COUNTY—Ch. 3  
Fridays—evening
- PASADENA—Ch. 56  
Tuesdays—2 & 6 p.m.
- SACRAMENTO—Ch. 18  
2nd & 4th Weds.—10 p.m.
- SAN DIEGO—  
Cox Cable Ch. 24  
Saturdays—12 Noon
- SAN FRANCISCO—Ch. 53  
Fridays—6:30 p.m.
- SANTA ANA—Ch. 53  
Tuesdays—6:30 p.m.
- STA. CLARITA/TUJUNGA  
King VideoCable—Ch. 20  
Wednesdays—7:30 p.m.
- W. SAN FERNANDO—Ch. 27  
Wednesdays—6:30 p.m.

## COLORADO

- DENVER—DCTV Ch. 57  
Sat.—4 p.m.; Mon.—6 p.m.

## CONNECTICUT

- BETHEL/DANBURY/  
RIDGEFIELD  
Comcast—Ch. 23  
Wednesdays—10 p.m.
- NEWTOWN/NEW MILFORD  
Charter—Ch. 21  
Thursdays—9:30 p.m.
- WATERBURY—WCAT Ch. 13  
Fridays—11 p.m.

## DISTRICT OF COLUMBIA

- WASHINGTON—  
DCTV Ch. 25  
Sundays—12 Noon

## IDAHO

- MOSCOW—Ch. 37  
(Check Readerboard)

## ILLINOIS

- CHICAGO—CATN Ch. 21  
*Schiller Hotline-21*  
Fridays—6 p.m.  
*The LaRouche Connection*  
Mon., Dec. 18—10 p.m.  
Tues., Dec. 26—10 p.m.

## INDIANA

- SOUTH BEND—Ch. 31  
Thursdays—10 p.m.

## KENTUCKY

- LOUISVILLE—TKR Ch. 18  
Wednesdays—5 p.m.

## MARYLAND

- BALTIMORE—BCAC Ch. 42  
Mondays—9 p.m.
- MONTGOMERY—MCTV Ch. 49  
Wednesdays—1 pm  
Fridays—8:30 pm
- PRINCE GEORGES COUNTY—  
PGCTV Ch. 15  
Thursdays—9:30 p.m.
- WEST HOWARD COUNTY—  
Comcast Cablevision—Ch. 6  
Daily—10:30 a.m. & 4:30 p.m.

## MASSACHUSETTS

- BOSTON—BNN Ch. 3  
Saturdays—12 Noon

## MICHIGAN

- CENTERLINE—Ch. 34  
Tuesdays—7:30 p.m.
- TRENTON—TCI Ch. 44  
Wednesdays—2:30 p.m.

## MINNESOTA

- EDEN PRAIRIE—Ch. 33  
Wed.—5:30 pm; Sun.—3:30 pm
- MINNEAPOLIS—MTN Ch. 32  
Fridays—7:30 p.m.
- MINNEAPOLIS (NW Suburbs)  
Northwest Comm. TV—Ch. 33  
Mondays—7 pm  
Tuesdays—7 am & 2 pm
- ST. LOUIS PARK—Ch. 33  
Friday through Monday  
3 p.m., 11 p.m., 7 a.m.
- ST. PAUL—Ch. 33  
Mondays—8 p.m.

## MISSOURI

- ST. LOUIS—Ch. 22  
Wednesdays—5 p.m.

## NEW JERSEY

- STATEWIDE—CTN  
Sundays—6 a.m.

## NEW YORK

- BRONX—BronxNet Ch. 70  
Saturdays—6 p.m.
- BROOKHAVEN (E. Suffolk)  
TCI—Ch. 1 or Ch. 99  
Wednesdays—5 p.m.
- BROOKLYN  
Cablevision (BCAT)—Ch. 67  
Time-Warner B/Q—Ch. 34  
(call station for times)
- BUFFALO—BCAM Ch. 18  
Tuesdays—11 p.m.
- HUDSON VALLEY—Ch. 6  
2nd Sunday monthly—1:30 p.m.
- ITHACA—Pegasys  
Wednesdays—8:05 p.m. Ch. 57  
Thursdays—7 p.m. Ch. 13
- MANHATTAN—MNN Ch. 34  
Sun., Dec. 24—9 a.m.
- MONTVALE/MAHWAH—Ch. 14  
Wednesdays—5:30 p.m.
- NASSAU—Ch. 25  
Last Fri., monthly—4:30 p.m.
- OSSINING—Continental  
Southern Westchester Ch. 19  
Rockland County Ch. 26  
1st & 3rd Sundays—4 p.m.
- POUGHKEEPSIE—Ch. 28  
1st & 2nd Fridays—4:30 p.m.
- QUEENS—OPTV Ch. 57  
Fridays—1 p.m.
- RIVERHEAD  
Peconic Bay TV—Ch. 27  
Thursdays—12 Midnight  
1st & 2nd Fridays—4 p.m.
- ROCHESTER—GRC Ch. 15  
Fri.—11 p.m.; Sun.—11 a.m.
- ROCKLAND—P.A. Ch. 27  
Wednesdays—5:30 p.m.
- STATEN ISL.—CTV Ch. 24  
Wednesdays—11 p.m.  
Thurs.—2 a.m.; Sat.—8 a.m.
- SUFFOLK, L.I.—Ch. 25  
2nd & 4th Mondays—10 p.m.
- SYRACUSE—Adelphia Ch. 3  
Fridays—4 p.m.
- SYRACUSE (Suburbs)  
Time-Warner Cable—Ch. 13  
1st & 3rd Sat. monthly—3 p.m.
- UTICA—Harron Ch. 3  
Thursdays—6:30 p.m.
- WEBSTER—GRC Ch. 12  
Wednesdays—9:30 p.m.
- YONKERS—Ch. 37  
Fridays—4 p.m.

- YORKTOWN—Ch. 34  
Thursdays—3 p.m.

## OREGON

- PORTLAND—Access  
Tuesdays—6 p.m. (Ch. 27)  
Thursdays—3 p.m. (Ch. 33)

## TEXAS

- AUSTIN—ACTV Ch. 10 & 16  
(call station for times)
- DALLAS—Access Ch. 23-B  
Sun.—8 p.m.; Thurs.—9 p.m.
- EL PASO—Paragon Ch. 15  
Thursdays—10:30 p.m.
- HOUSTON—PAC  
Mon.—10 p.m.; Fri.—12 Noon

## VIRGINIA

- ARLINGTON—ACT Ch. 33  
Sun.—1 pm; Mon.—6:30 pm  
Tuesdays—12 Midnight  
Wednesdays—12 Noon
- CHESTERFIELD COUNTY—  
Comcast—Ch. 6  
Tuesdays—2 p.m.
- FAIRFAX—FCAC Ch. 10  
Tuesdays—12 Noon  
Thursdays—7 pm  
Saturdays—10 am
- LOUDOUN COUNTY—Ch. 3  
Thursdays—8 p.m.
- MANASSAS—Ch. 64  
Saturdays—12 Noon
- NEWPORT NEWS—  
Cablevision Ch. 96  
(with box: Ch. 58 or 01)  
Wednesdays—7 p.m.
- RICHMOND—Conti Ch. 38  
(call station for times)
- ROANOKE—Cox Ch. 9  
Wednesdays—2 p.m.
- YORKTOWN—Conti Ch. 38  
Mondays—4 p.m.

## WASHINGTON

- SNOHOMISH COUNTY  
Viacom Cable—Ch. 29  
(call station for times)
- SPOKANE—Cox Ch. 25  
Tuesdays—6 p.m.
- TRI-CITIES—TCI Ch. 13  
Mondays—11:30 a.m.  
Tuesdays—6:30 pm  
Thursdays—8:30 pm

## WISCONSIN

- WAUSAU—Ch. 10  
(call station for times)

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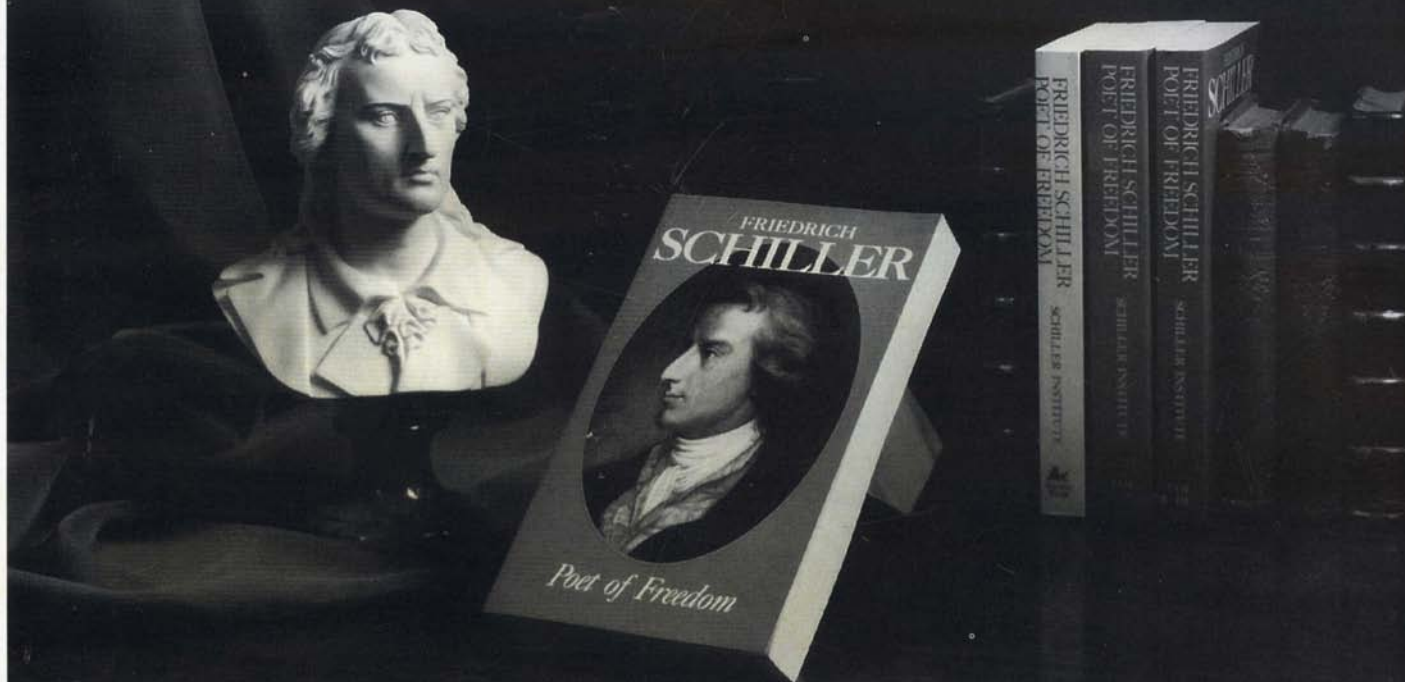
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