

# EIR

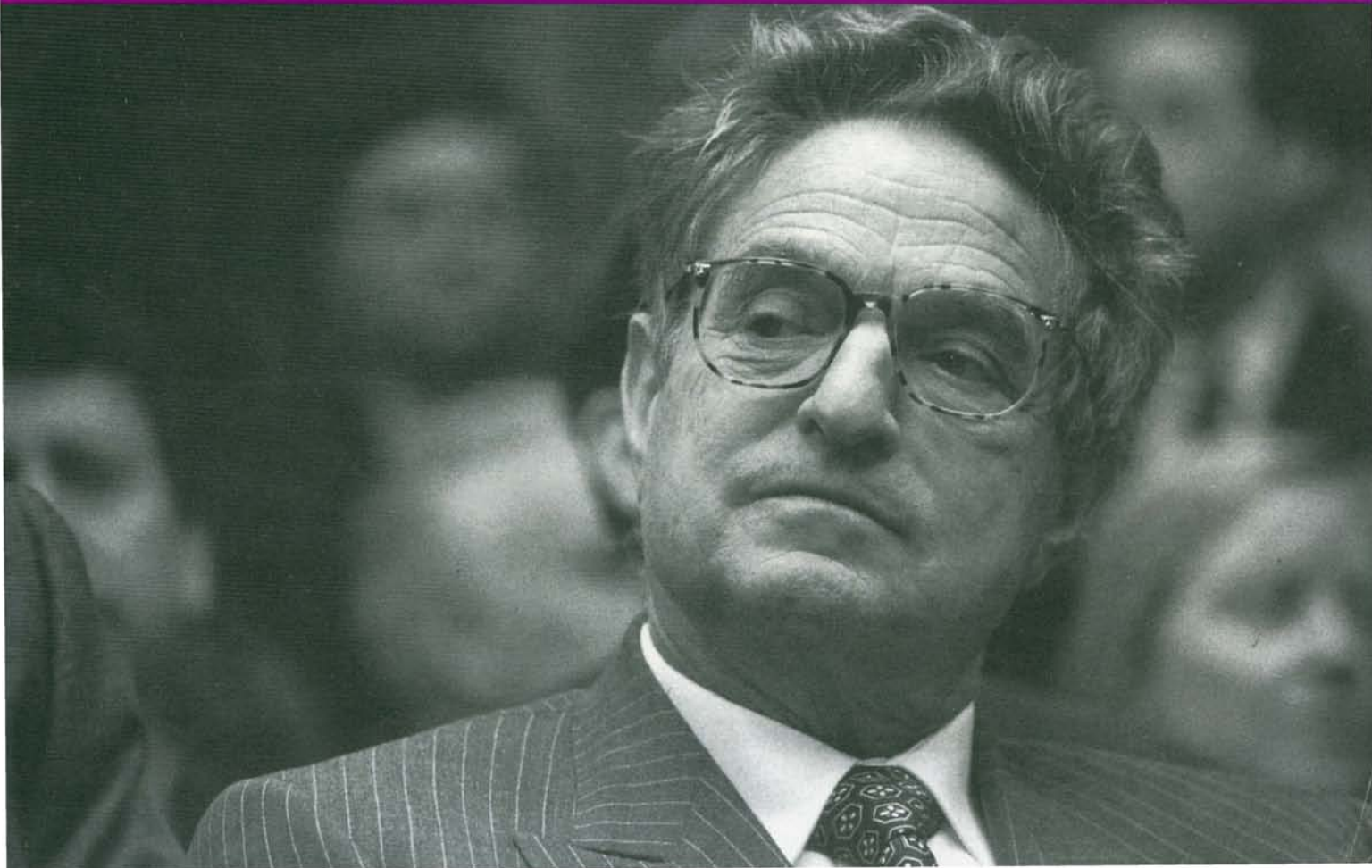
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LaRouche wins 12-13% in Super Tuesday races  
Mexicans combat IMF, Mont Pelerin Society  
Britain's 'new Empire' strategy invades Asia

**Soros bankrolls drive  
for drug legalization**



# FIDELIO

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FEATURED in the Spring 1996 issue:

## *How Hobbes' Mathematics Misshaped Modern History*

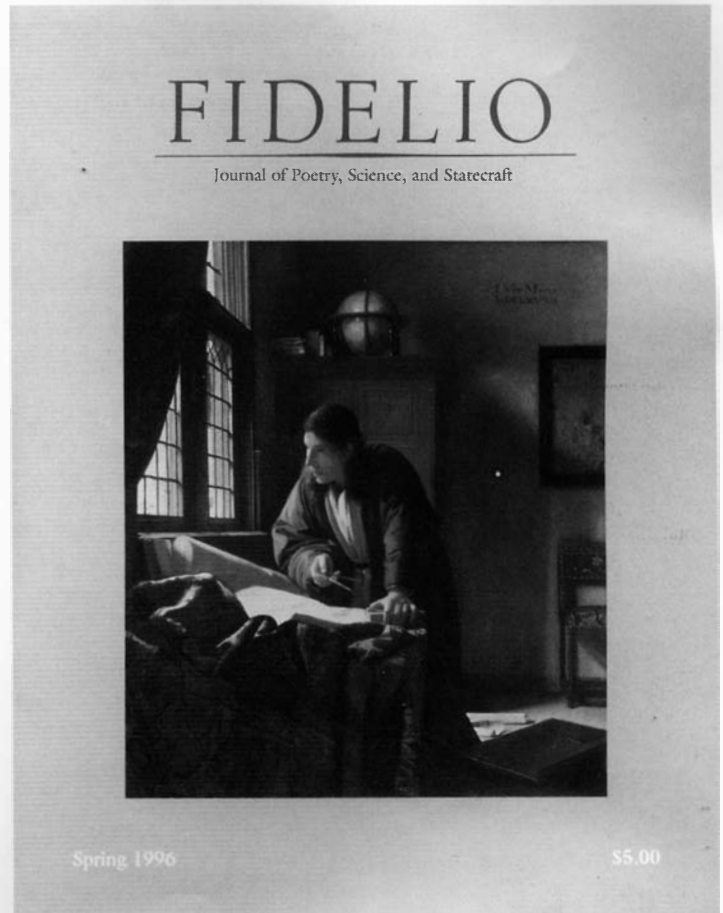
by Lyndon H. LaRouche, Jr.

"There is no area of prevailing opinion in the fine arts, the so-called 'social sciences,' in political-economy, in the teaching of theology, in doctrines of historiography, within the departments of philosophy, and so on, which is not premised upon the same, false, axiomatic assumptions which are derived from the mathematical-physics presumptions of the mathematicians Sarpi, Galileo, Hobbes, et al."

*Thomas Hobbes: Fascist Exponent of  
Enlightenment Science*, by Brian Lantz

*The Mandeville Model*, by H. Graham Lowry

*Christian Economics—Or the 'Structures  
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## From the Associate Editor

**T**his issue brings you the good news of Lyndon LaRouche's continuing strong showing in the Presidential primaries: You'd better read it here, because it's being blacked out by the media everywhere else. LaRouche has emerged as a political force to be reckoned with in the Democratic Party, even as his ideas are under increasing debate.

We also bring you quite a rogues' gallery this week. Many people suspect that "respectable" bankers and politicians are profiteering from the drug trade, and are ruining the economy by their financial speculation. Articles in this issue expose some of the top SOBs, at the intersection of the drug cartels and the financial boardrooms:

**George Soros:** The *Wall Street Journal* calls the man on our cover a philanthropist; he is actually a pirate, who made a cool \$280 million in September 1992 speculating against the Italian lira, in cahoots with the British monarchy. It now turns out that Soros is bankrolling the drug legalization lobby (see *Feature*).

**William F. Buckley** is the pot-head pictured with **Henry Kissinger** on p. 23. Buckley's *National Review* is the U.S. house organ of the Mont Pelerin Society, and Buckley is leading the "conservative" charge for drug legalization. As for Kissinger, his role in the dope apparatus is documented in *EIR's* book *Dope, Inc., The Book That Drove Kissinger Crazy* (1992 edition).

**Michel Camdessus**, pictured on p. 13, is the managing director of the IMF, whose role in wrecking the Russian economy and driving it into the hands of organized crime, is reported by our St. Petersburg correspondent Roman Bessonov.

**Lee Kuan Yew** of Singapore, known to the British as "the best bloody Englishman east of the Suez," is a key operative in the British strategy to extend their dirty financial influence into Asia, as Michael Billington analyzes (*Strategic Studies*).

**The Mont Pelerin Society**, with its promotion of British neo-liberal economics, is a bastion of the pro-drug legalization lobby, with such leading lights as **Milton Friedman** and **Michael Novak**. In *Economics*, we report on the challenge to this gang that has been mounted in Mexico, and which will be cross-fired around the world, to other nations where patriots are fighting the same battle.

*Susan Welsh*

# EIR Contents

## Interviews

### 16 Leah Casselman

She is the president of the Ontario Public Service Employees Union in Canada, who led the 67,000 members of OPSEU out on the first strike by civil servants in Ontario's history, in protest of the anti-labor policies of the provincial government of Progressive Conservative Premier Mike Harris.

### 35 Maximiliano Londoño

The president of the Ibero-American Solidarity Movement (MSIA) of Colombia explains why he came to the United States to urge government officials and lawmakers to back decertification of Colombia.

### 46 Karen Vardanian

He is a member of the Presidium of the Union for Constitutional Rights (Armenia) and was interviewed during a visit to the United States.

### 65 Dr. Abdul Alim Muhammad

The Washington, D.C.-based medical doctor, national spokesman for the Nation of Islam, gives an eyewitness account of Minister Louis Farrakhan's recent tour of Africa and the Middle East.

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## Strategic Studies

### 52 Britain's 'new Empire' strategy invades Asia

By Michael O. Billington. The British campaign was dramatically advanced at the "Asia Europe Meeting" (ASEM) in Bangkok on March 1-2. Singapore's Lee Kuan Yew played the role of the top British stooge, and French President Jacques Chirac, that of Lee's most befuddled admirer.

## Departments

### 19 Report from Bonn

Hanging by the rope of austerity.

### 72 Editorial

The magic of the marketplace.

## Economics

### 4 Mexicans combat IMF, Mont Pelerin Society

The battered nation of Mexico is refusing to roll over and play dead, as was proven by a meeting on March 8 in León, Guanajato of the Fourth National Forum "Yes, There Is Life After the Death of the IMF."

**Documentation:** Press coverage of the Forum and international messages of support.

### 10 Investigation of Soros shifts mood in Italy

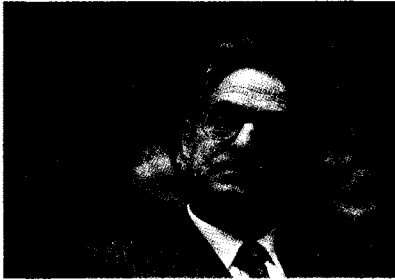
### 12 Camdessus and Russia's 'big boys'

Roman Bessonov reports from St. Petersburg.

### 14 Global warming hoax takes its last gasp

### 20 Business Briefs

## Feature



Billionaire financier George Soros has given over \$10 million to the Drug Policy Foundation in the past year, to finance their campaign to legalize marijuana and other drugs.

- 22 Soros bankrolls global drive for drug legalization**  
At the root of the dope-legalization drive is growing hysteria in London and on Wall Street over the looming global financial blowout. *EIR* presents the legalizers: who they are, and who among your elected officials is working to advance their nefarious aims.
- 26 Dope, Inc.'s Soros: Vesco of the 1990s**
- 28 Swiss referendum is crucial in fight against drug legalization in Europe**
- 31 The Samper Pizano file: Colombia's decertified President is a 20-year project of drug legalizers**  
**Documentation:** Excerpts from an interview Samper granted showing that he wanted drugs legalized in 1979.
- 34 Dope lobby pushes legalization debate**  
A profile of the Inter-American Dialogue.

## International

- 40 Schiller Institute exposes British plot against Sudan**  
In written testimony prepared for congressional hearings, Muriel Mirak Weissbach demolishes the British operatives from Christian Solidarity International who are trying to manipulate the policy of the U.S. government.
- 42 Freemasonic intrigue and the British 'party of treason' in France**
- 44 Prince Philip fiddles, while monarchy burns**  
What would happen to the Duke of Edinburgh's project for a new, global Mother Earth religion, if the constitutional plug were pulled on the House of Windsor?
- 46 Armenian leader tours U.S., condemns IMF genocide**  
An interview with Karen Vardanian.
- 50 International Intelligence**

## National

- 60 LaRouche campaign sparks fight on national policy**  
With double digit showings in two of the Super Tuesday primaries, the 73-year-old candidate is well situated to re-focus the Democratic Party on the issues that will enable it to defeat Gingrich in 1996.
- 62 Muster up the courage to solve our problems**  
Excerpts from Lyndon LaRouche's March 7 speech to the Rotary Club in Monroe, Louisiana, where he was invited as a contributing editor of *EIR*.
- 64 Farrakhan tour: Atonement principle applied to world**  
The firsthand account of the controversial National of Islam delegation's tour, which neither the mass media nor Congress have wanted to hear.
- 68 Congressional Closeup**
- 70 National News**

## Mexicans combat IMF, Mont Pelerin Society

The London *Economist*, in its Feb. 24 issue, proudly confided that the international financial elite had managed to keep the Mexican debt explosion of December 1994 from putting an end to the International Monetary Fund system, by brutally reducing the living standard of Mexico's nearly 100 million people. "Tough as it sounds, part of Mexico's success last year was the extraordinary downward flexibility of real wages," it noted with smug satisfaction. However, the City of London mouthpiece added ominously, "the danger now is that these gains may be squandered in excessive pay rises. . . . The real test of whether last year's bailout has succeeded is still to come."

London's problem is that the battered nation of Mexico, like many others around the world, is refusing to roll over and play dead before the International Monetary Fund (IMF). A case in point was the March 8 gathering in León, Guanajuato of the Fourth National Forum "Yes, There Is Life After the Death of the IMF." There, in one of central Mexico's most productive agricultural regions, which is now sinking into deep depression, 300 leaders from several Mexican states, representing scores of farm, industry, business, professional, and consumer organizations, and many university students, met to review the world financial crisis, and to map out strategy.

They came, not to praise the IMF, but to bury it.

### The most successful meeting yet

The León meeting was the most successful of the four National Forum conferences held in Mexico so far, both in numbers and in the quality of representation, since the first took place in Guadalajara on June 16-17 of last year. The second and third National Forum events were held on Aug. 18-19 in Mexico City, and on Oct. 6-7 in Monterrey, respectively.

The immediate aim of the León meeting was to force the Mexican government to jettison the IMF's neo-liberal free trade policies, which it has followed for over a decade with disastrous results. Instead, the half-dozen sponsoring organizations concurred, the government must adopt the seven-point bill for the Emergency Bankruptcy Reorganization of the Mexican Economy, proposed by the Ibero-American Solidarity Movement (MSIA) and endorsed by the dozens of other organizations participating in the National Forum movement. The MSIA draft legislation is widely known in Mexico as the "LaRouche Plan," being based on the dirigist economic policy proposals developed by U.S. Presidential candidate and former political prisoner Lyndon LaRouche. If these measures are not adopted, MSIA leader Marivilia Carrasco told the delegates and reporters from every TV station, newspaper, and nearly every radio station in the state, millions of Mexicans will suffer the same fate as the people of Somalia or Burundi, and Mexico will disintegrate under "narco-terrorist mercenaries, such as the Zapatista National Liberation Army, working for the British Crown's strategy of destroying the very concept of the sovereign nation-state."

The MSIA used the occasion of the Fourth Forum to release its new pamphlet which exposes the perverse philosophical roots of the IMF's neo-liberalism, *The Mont Pelerin Society: the Social Doctrine of Satan*, and to announce that it was launching a continent-wide campaign to politically destroy that evil organization. As MSIA executive committee member Carlos Cota Meza explained in a presentation to the León gathering, the Mont Pelerin Society is a powerful association of economists, politicians, and supposed theologians, who unabashedly promote extreme British liberalism in economics, including drug legalization. Members and associates include the Nobel Prize-winning drug pusher Milton Friedman, former U.S. Presidential candidate Steve Forbes, and others,

and their ideas are best reflected in the genocidal Gingrich-Gramm Conservative Revolution in the United States.

### The eyes of the world are on Mexico

Guanajuato Gov. Vicente Fox, a member of the opposition PAN party with Presidential ambitions of his own, sent a personal representative with greetings to the León meeting.

Carlos Rojas, president of Guanajuato's El Barzón Federation of Agricultural and Industrial Producers and Debtors, which co-sponsored the meeting with the MSIA and a number of other organizations, welcomed the delegates, and noted that the last dozen years of high interest rates, farm foreclosures, and tight credit have meant disaster for family farmers. "That's why we must finish off the IMF," he said. Rojas stressed that the meeting in León was being watched internationally, and reported that messages of support had come in from Argentina, Brazil, Colombia, Peru, Germany, Australia, France, the Philippines, Armenia, and Russia, countries which themselves are fighting to rid themselves of the IMF (see *Documentation*).

The keynote speech was given by Dennis Small, the Washington-based Ibero-American affairs editor for *EIR* and "for 25 years a close collaborator of economist Lyndon LaRouche, who is contending for the Democratic Party's nomination for the Presidency of the United States," in the words of the March 9 local daily *El Herald*o.

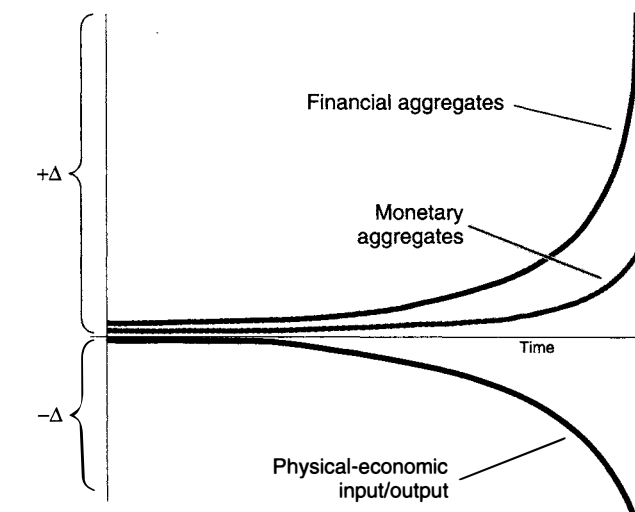
Small, who has been a speaker at three of the four National Forums, began by emphasizing the far-reaching international implications of the León proceedings. "Mexico woke up the world," he told the audience. "First, in December 1994, when the explosion of the Mexican debt bomb forced people to admit that the entire IMF system was at the edge of total disintegration. And then over the course of 1995, your National Forum movement was a stirring example to nationalist forces in dozens of countries around the world who are also resisting IMF genocide." For example, he said, the "Guadalajara Manifesto" of June 17, 1995, calling for the IMF to be tried for crimes against humanity, had been personally presented by himself and other LaRouche spokesmen, to members of the parliaments of Ukraine and Russia; to leading political forces in Argentina, Brazil, and Nigeria; to anti-IMF business groups in the Philippines, and elsewhere.

"Now, once again," Small told the participants, "the eyes of the world are upon you," noting the greetings from around the world. But, he added, the eyes of Mexicans must also be on the world. The problems that Mexico faces are caused by a collapse of the international monetary system. "Your debt crisis, the destruction of your nation's productive economy, is no different from what is also happening in Russia, Ukraine, Argentina—in fact, everywhere. All of these crises are caused by the cancerous growth of the international derivatives bubble, and by the collapse of global physical economic production."

Small then showed the audience a transparency of the

FIGURE 1

### A typical collapse function



"Typical Collapse Function" graph which Lyndon LaRouche made famous when he presented it to millions of American viewers on a half-hour nationwide TV show on Jan. 27. The graph shows how the growing gap between global monetary aggregates and financial turnover, on the one hand, and physical economic output, on the other, is leading inevitably to a crash (Figure 1). The same process is evident in Russia and Ukraine, Small explained, proving his point with a set of graphics which document the collapse of the physical economies of those two nations from 1990 to the present—about the only thing that has grown is the production of vodka (Figures 2-5). The audience was shocked to learn that the average wage in Ukraine today—about \$2 per day—is even lower than that of Mexico, which has plummeted so drastically under IMF policies that, in 1995, it won the dubious distinction of being the lowest in all Ibero-America.

Small then reviewed what the IMF and its sister institution, the World Bank, are demanding of the war-torn nation of Bosnia: to assume the foreign debt of their Serbian oppressors; to establish a fully convertible currency; to privatize the economy; and, amazingly, to avoid "a bloated social assistance budget," because this would "undermine fiscal prudence." This, in a nation of 90% unemployment, massive death and dislocation of the population, and devastation of all infrastructure. "This isn't economics," Small argued. "The IMF and the World Bank are acting like buzzards picking over the corpse of a destroyed nation. Do you really think that you can sit down and negotiate better terms with buzzards, as some in Mexico propose be done with the IMF?"

### Exonerate LaRouche

Small told the delegates that the United States itself was also being subjected to such "buzzard economic policies," in

FIGURE 2

**Russia: a typical collapse function**

(producer goods output, percent change since 1990)

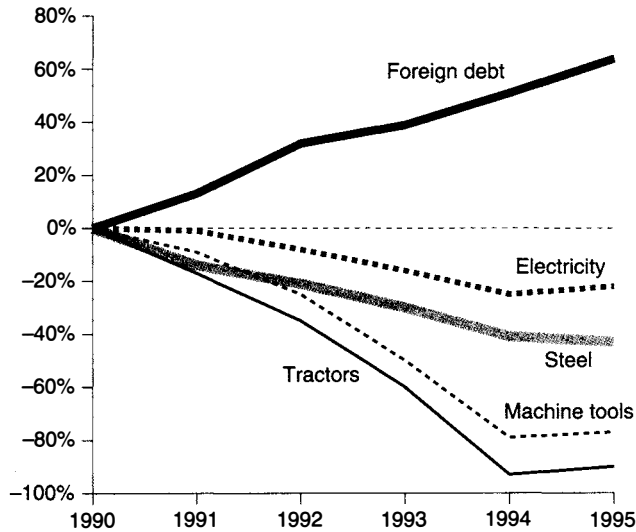


FIGURE 3

**Russia: consumer goods collapse**

(consumer goods output, percent change since 1990)

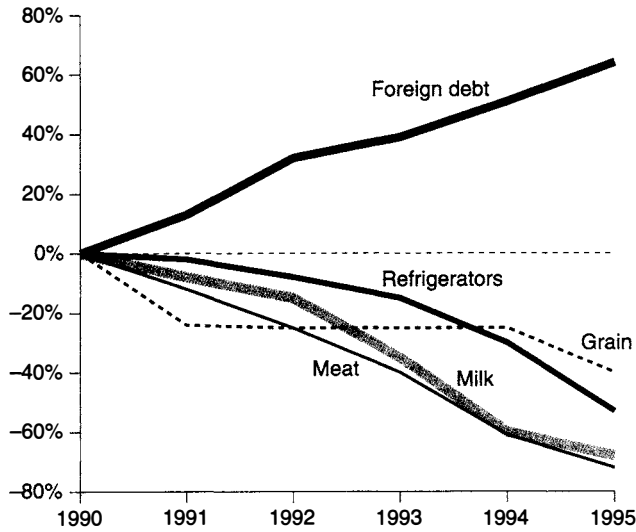


FIGURE 4

**The collapse of the physical economies of Russia and Ukraine since 1990**

(producer goods output, percent change)

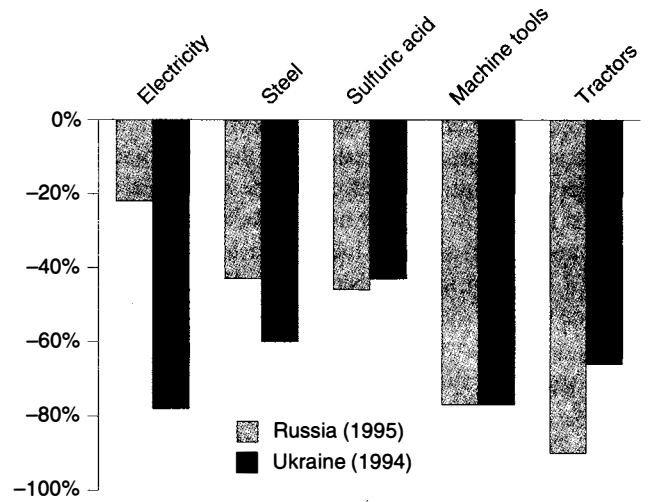
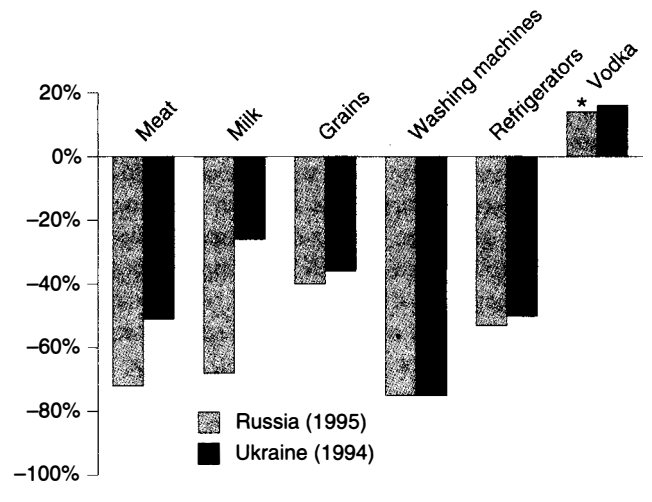


FIGURE 5

**Collapse of consumer goods output in Russia and Ukraine since 1990**

(percent change)



\* 1993.

the form of the Mont Pelerinite Conservative Revolution of Newt Gingrich and Phil Gramm. But here, too, there is growing resistance, which the LaRouche Presidential campaign, with its early primary achievements, is spearheading (see our *National* section, p. 60).

“Compare LaRouche’s views with those of another U.S. Presidential candidate you may have heard about, billionaire

Steve Forbes,” Small suggested. “Back in 1992, when the ‘Mexican miracle’ of President Carlos Salinas was all the rage on Wall Street, Forbes said: ‘The Mexican government is performing a miracle rivaling those of Germany, and Japan after World War II. . . . The U.S. Congress should take a crash course in economics from Salinas.’ A few months later, Lyndon LaRouche told a Mexican radio audience: ‘Mexico



is suffering the spillover of a global pattern typified by the growth of the derivatives bubble. . . . When it will pop, we can't say; but looking over the period of the next 9-12 months we must expect major financial implosions, coming out of the activities of pirates, buccaneers, thieves, such as George Soros.' Now, I don't have to tell this audience that in December 1994, the Mexican debt bomb blew apart, and with it the whole Salinas model, just as LaRouche, and LaRouche alone, had forecast. So you tell me: Who is better qualified? Who would *you* rather see in the White House: Forbes or LaRouche?" asked Small. The audience shouted, "LaRouche!"

In the closing session of the conference, with "sustained, unanimous, and enthusiastic applause," according to a conference spokesman, the delegates to the National Forum adopted a resolution "joining the international clamor for President Clinton to fully exonerate Lyndon LaRouche," a former political prisoner of George Bush, who is now free on parole. "LaRouche is the only leader in the U.S. who has steadfastly fought against the IMF, and his exoneration is an indispensable requirement for the survival of civilization and our nations," it says. Another resolution condemns the IMF and World Bank for their genocide in Bosnia.

The delegates also resolved to pressure the Mexican government for the immediate adoption of an emergency economic program to deal with expected food shortages this year, which would include the MSIA's bankruptcy reorganization bill, which calls for the nationalization of the Bank of Mexico, the central bank.

### **Mexico at the crossroads**

This last resolution was motivated by MSIA President Marivilia Carrasco in her address to the gathering. "Just as we had forecast, the measures imposed on the country in 1995 by the IMF—high interest rates, credit strangulation, and the obstinacy of the government to save the banks rather than the country's producers—not only didn't improve the situation, but rather worsened the bankruptcy of both the public and private sectors," she said. As bad as 1995 was, Carrasco explained, 1996 will be worse, unless drastic action is taken. "Unless our draft legislation is adopted, the country's immediate future is the Africanization of millions of Mexicans, and a direct plunge into the political and territorial disintegration of the nation, at the hands of narco-terrorist mercenaries, such as the Zapatista National Liberation Army, working for the British Crown's strategy of destroying the very concept of the sovereign nation-state."

Carrasco underscored the gravity of the Mexican food crisis. "Even the secretary of agriculture has stated that 'the outlook for agricultural production is bleak.' On top of last year's 2.5 million ton drop in grain output, and the 20% collapse of area under cultivation—which are the results of a 36% contraction of credit for the countryside, and a 30% drop in public investment in the agricultural sector—this year more

than 500,000 hectares of irrigated land, which is about 10% of the total, will simply not be sown at all, because of the drought and the low levels of the dams across the country. According to the National Association of Corn Producers, corn output—a staple crop in the Mexican diet—dropped by 50% in the 1995-96 cycle, which is a loss of 2 million tons."

Carrasco concluded: "If we start from the simple fact of national and international financial bankruptcy, the only viable alternative for the country is the emergency bankruptcy reorganization of our financial system without the IMF, as we detailed in our draft legislation for national economic recovery."

As the London *Economist* nervously reported a few weeks ago: "The real test . . . is still to come."

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## **Documentation**

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### **Widespread media coverage**

The Fourth National Forum in León, Guanajuato, received extensive coverage in the media of this city of 1 million inhabitants, including TV interviews with conference speakers Marivilia Carrasco and Dennis Small. The March 9 issue of *El Heraldo* carried two articles on its front page. There was similar coverage in *El Sol* and *El Nacional*.

The most comprehensive report was published in the March 9 *A.M.*, the largest-circulation daily in Guanajuato. Apparently intended as an attack, the article ironically provided the most thorough coverage of the ideas discussed at the Forum. Following are excerpts from the article by Pablo Carrillo, entitled: "Barzonistas Indoctrinated about LaRouche; Forum Converted into a Course on 'Protectionist' Economics":

"The National Forum convened by El Barzón, turned out to be an indoctrination on the protectionist or mercantilist economic model. . . .

"Without realizing it, the Barzonistas yesterday listened to the philosophy of U.S. politician Lyndon LaRouche, a Democrat who seeks the Presidency of the United States and who opposes the International Monetary Fund and the international financial system because he considers them erroneous and heartless.

"'Neo-liberalism is Satanism,' 'NAFTA should be buried because it hurts all three countries,' 'Down with economic speculation,' 'President Zedillo should change economic course,' the protectionists said yesterday.

"This economic school reemerged in Mexico through the Ibero-American Solidarity Movement, whose leaders organized yesterday's Fourth 'Yes, There Is Life After the Death

of the IMF' Forum in León, with the support of Carlos Rojas's El Barzón. . . .

"An American Democrat gave a brilliant exposition about the mercantilism of Lyndon LaRouche yesterday. . . . Dennis Small, associate editor of *Executive Intelligence Review* (EIR), founded by Lyndon LaRouche to spread his philosophy throughout Latin America.

"Protectionism is an economic school founded by the German philosopher Leibniz. It is an alternative different from neo-liberal capitalism and socialism. They oppose the philosophies of Adam Smith and Karl Marx. This school is also known as dirigism or cameralism.

"Small said that NAFTA only benefitted the bankers, and that Lyndon LaRouche . . . 'has headed a fight within the United States and internationally against these destructive policies of the IMF.' He said that LaRouche was the only one

to point out in '92 and '93 that there was going to be a financial debacle in Mexico."

The article also cites Marivilia Carrasco, president of the Ibero-American Solidarity Movement, "which publishes 10,000 issues of a newspaper every fortnight. The Movement supposedly supports itself by donations from its sympathizers. . . . Carrasco explained that protectionism or cameralism consists in giving priority to the productive capacities of each nation, and only on the basis of that development, to promote international trade. . . . Mexico has never been allowed to develop its own industry. . . . In Mexico the current founded by Leibniz and developed in France by the Ecole Polytechnique, had two exponents during the 19th century: 'An industrialist from Puebla, Esteban de Antuñano, in the 1840s, and by politician Carlos de Olaguíbel, around 1860-1870, but both efforts were thwarted."

## Mont Pelerin Society: Satan's social doctrine

*The following is the editorial published in a pamphlet by the Ibero-American Solidarity Movement (MSIA), issued in March 1996. The headline reads: "Put an End to Narco-Liberalism! The Mont Pelerin Society: Satan's Social Doctrine." The pamphlet includes a reprint of EIR's Feb. 9 investigation of the Mont Pelerin Society and pseudo-Catholic Michael Novak, as well as the text of proposed legislation to reform the Mexican and world financial system. This draft emergency legislation was published in EIR, Oct. 20, 1995, p. 14.*

"No intelligent human order can be managed on the basis of Christian precepts. A free economy cannot be a Christian economy." These are the statements found in the writings of Michael Novak, the alleged Catholic economist to whom the Mont Pelerin Society pays gushing homage. Founded in 1947 by liberal Austrian economist Friedrich von Hayek, Mont Pelerin is today the primary bulwark of so-called neo-liberal economics. According to Novak, "The only realistic possibility is to build an economy for sinners: the only moral majority."

Novak, who has gained international notoriety with his presumed "religious" justification for the British colonial doctrine of free trade, and who poses as an "adviser to Pope John Paul II," is not only far from representing the social doctrine of the Catholic Church. He is a spokesman for the satanic doctrine put forward at the beginning of the 18th century by Anglo-Dutch oligarch Bernard de Mandeville; that is, that human beings' private vices generate the

public good. All of British imperialism's philosophers and economists—Adam Smith, Jeremy Bentham, Thomas Hobbes, John Locke, Thomas Malthus, et al.—based themselves on this doctrine.

This doctrine underlies all of the neo-liberal measures that Ibero-American governments have imposed over the past decade and a half, at the behest of the International Monetary Fund. It is nothing more than an attempt to justify the financial oligarchy's unbridled greed, and the demand that "economic" practices in which such greed is manifest—drug trafficking, slavery, usury, and George Soros-style speculation—be given free rein, without "State intervention" or "obstacles of a moral nature." From the time of the Opium Wars down to the present, the usurious oligarchy and its drug bankers have always found the Friedrich von Hayeks, Milton Friedmans, and Michael



# Eyes of the world on National Forum

*Below are excerpts from the many messages of support from around the world received at the León Fourth National Forum.*

**Argentina:** Former Cong. Antonio Achem: "We must commit ourselves to put forward and to explain that there is a real alternative to the neo-liberal model, which is leading us to confrontation and destruction. . . . You are an example for all of us Ibero-Americans who share this fight."

Novaks to serve as apologists for their evil.

The survival of the nations of Ibero-America demands the immediate eradication of economic neo-liberalism, Satan's social doctrine. Not only must the neo-liberal measures imposed by [former Mexican President] Carlos Salinas de Gortari and his emulators be eliminated, but the philosophical roots of these policies as well. The fact is that while the postwar financial and monetary system disintegrates, and the nations which neo-liberalism claimed as its greatest successes sink into unprecedented crisis—e.g., Mexico—the majority of our governments insist on continuing to swallow the same poison which already has them with one foot in the grave.

In opposition to Novak and friends, the only viable economic alternative is that which coheres with the laws of physical economy and which, therefore, is congruent with the precepts of Christian morality. As you will read in the pages which follow, it is precisely for this reason that American physical economist Lyndon H. LaRouche has characterized as "Christian economy," those scientific principles which must be adopted in order to rebuild our nations, beginning with the principle that *man is created in the image and likeness of God*. As LaRouche warns, either society organizes its economic activity in accordance with this principle, or it will die, as is occurring right now. This organizing function is the responsibility of the State and its laws, and failure to assume it has paved the way for the gravest financial and economic crisis in history.

As for which practical measures can be immediately implemented, we refer the reader to the bill to reactivate the national economy which appears in this pamphlet. This bill, already known in many places as "the LaRouche plan," is the antidote needed to stop neo-liberalism and return to sanity.

Former Cong. Orlando Luis Gallo: "It is necessary that the work of research and information that you are doing multiply in all our countries, because the plans imposed by the IMF for the looting and impoverishment of our countries are accompanied by brainwashing, to attempt to convince us that there is no other alternative. . . . Your Forum is a banner behind which we should all march. There is indeed life after the death of the IMF."

Luis Alcides Rossi, of the Federation of Agricultural Cooperatives of Corrientes: "May your deliberations reach the entire continent so that Ibero-American solidarity against the International Monetary Fund be increasingly stronger. . . [to] bring about the defeat, once and for all, of the neo-liberal perversity that is destroying the essence of our nations."

**Armenia:** Former Member of Parliament Hrant Khachatrian, president of the Union for Constitutional Rights: "The power of the IMF and its allies is not the big money nor the poor ideas of severe liberalism, [but] the weakness of their opponents."

**Australia:** Citizens Electoral Council national secretary Craig Isherwood: "The evil being done by the IMF can be defeated by a wise, brave, and courageous citizenry. It does not take many people, just courage."

**Brazil:** Cong. Valdir Colatto: "Brazil's agriculture, like Mexico's, because of scandalously high interest rates and the vested interests of the food cartels, is in the gravest crisis in its history. . . . The importance of our mission as farmers—the great and noble one of putting food on the tables of the hungry—might one day be recognized. We pray that it will not be too late."

Mayor Luís Carlos Heinze, of São Borja, Rio Grande do Sul, Brazil, who led a protest tractorcade through Brasilia in July 1995: "I have the conviction and the certainty that your meeting is important for agriculture in all of Ibero-America. The problems that afflict you and that keep you vigilant and united, are the same ones that afflict and concern the producers in my municipality and in all of Brazil. . . . Brazilian producers believe, as you do, that growing food is a patriotic activity and an issue of national sovereignty. If we don't produce what we consume, we will always be a dependent people. Governments cannot promise abundant and cheap food to the people, if production is not increased, and production cannot be increased if the producers are not protected."

**Colombia:** National Agrarian Federation (FANAL) president Orlando Jiménez Barrios, and secretary general Apolinar García Caraballo: "The national economy is a matter of national security."

Rito Ariel Martínez, vice president of the National Peasant Association of Colombia (ANUC): "We are pleased to be in contact with organizations that are seeking to advance and coordinate actions of continental interest, that are seeking alternatives to overcome problems that are common to us all. . . since they stem from the same global policies."

Pedro Rubio, of the United Federation of Workers of Bo-

gotá and Cundinamarca (Futraboc-CUT): "You, as we Colombians, are struggling for a life of dignity and justice. . . . But we must confront the most corrupt elements who are in the highest spheres of government, and who are ruining the lives of millions of Colombians."

**France:** Former Presidential candidate Jacques Chéménade: "It is the tempests that . . . open opportunities for a better future. Our efforts are united across the Atlantic."

**Germany:** Farmers Association (VDL) president Helmut Eichinger: "The current trade and financial system based on usury and looting, has not only hit Mexico and the countries of the Third World and eastern Europe, but it has also created a precarious situation for industrialized nations such as the United States, Japan, and western Europe. Germany and the nations of the European Union are now witnessing the death of their farms, the bankruptcy of their companies, growing unemployment, and the increasing indebtedness of family households, corporations, cities, and states. . . . The Maastricht Treaty seeks to impose on the European Union, a financial policy similar to that which the IMF has been imposing on the rest of the world. . . . Let us hope that we succeed, as we seek a peaceful transition to a new, just, international economic order, following the economic and financial proposals of Lyndon LaRouche and the initiatives of the Schiller Institute, which are the only alternatives that are currently available. May your Forum bring us closer to that goal."

**Peru:** National Federation of Port Workers (Fentenapu) secretary general Adolfo Granados Farías: "We salute the courageous initiative you are leading in this crusade for the sovereignty and for the very life of our nations. The workers of the continent are looking, I am sure, with renewed spirit, at the the courage with which you, by defending your fatherland, defend the entire continent."

**Philippines:** Antonio Valdes, member, steering committee of the Katapat movement: "Greetings to our friends in Mexico. To you goes our heartfelt congratulations and sincerest hope for a successful conference. It is gratifying to know that the National Forum of Mexico has called for a worldwide movement of solidarity to denounce the regressive policies of the IMF as imposed over many countries like ours. We in the Philippines through our movement, Katapat, join you in this noble effort and endeavor to build a new nation through a sound and Christian economy."

**Russia:** Viktor Kuzin, head of the Russian Bureau for Human Rights Defense Without Borders: "Your meeting must develop alternatives compatible with national statehood, patriotic feelings and real justice, instead of the political corruption, influence and support of criminal money, which prevail currently."

Prof. Taras Muranivsky, president of the Moscow Schiller Institute of Science and Culture: "Greetings on behalf of the groups of parliamentarians and scholars of Russia and our Ukrainian colleagues who spoke out against the IMF policy intervention into the economy of our countries."

## Investigation of Soros shifts mood in Italy

by Claudio Celani

The criminal investigation of speculator George Soros by several Italian state prosecutors, prompted by a legal brief presented by Paolo Raimondi, president of the International Civil Rights-Solidarity Movement, to state prosecutors in Milan, Rome, Naples, and Florence in October 1995, has provoked a political shift in the country and prompted one of Italy's best-known investigators, Milan State Prosecutor Francesco Greco, to open a third and most spectacular investigation.

Greco has been part of the powerful "Clean Hands" team, which has turned the Italian political system upside down in recent years. Greco's decision to enter the game has several implications, not excluding the possibility that it is an attempt at controlling the damage on the part of Soros's Italian friends. However, the opening of his investigation has dramatically shifted so-called "public opinion" against Soros, at the very moment that he is undertaking major penetration of the Italian economy on behalf of the British Empire. As a result, even from quarters where nobody would expect it, voices are being raised, to beware of Soros's "investment" operations.

An example is an article in the largest circulation weekly, the ultra-liberal *L'Espresso* magazine, on March 15. "For his debut in Italy," *L'Espresso* wrote, "Soros has chosen the least opportune moment. Just when he decided to invest his millions in an all-Italian operation," he "found himself in the center of a criminal investigation by the Milan prosecution. State Prosecutor Francesco Greco, in fact, is investigating alleged crimes which Soros is charged with having committed in September 1992, during his spectacular speculation against the pound-sterling which knocked down the Bank of England and gave him in one blow more than \$1 billion in profits. Soros not only speculated against the pound-sterling, but intervened heavily against the lira, during a monetary storm that ended up with us leaving the European Monetary System. Nobody dared to protest, nobody dared to attack Soros. Instead, many said and wrote that the Hungarian-born American businessman was a financial genius. [*L'Espresso* apparently forgot that it was one of the first to label Soros as such.] Only three years later, the International Civil Rights-Solidarity Movement led by Paolo Raimondi, presented a legal brief in court."

The Milan prosecution in the Soros investigation has received nationwide media coverage, with the most important dailies, including *Corriere della Sera*, *Il Tempo*, and *Il Giornale*, giving credit to the International Civil Rights-Solidarity Movement as the initiator of the investigation.

The case has even received coverage internationally. In Canada, for example, *Corriere Italiano*, a weekly Italian-language newspaper, recounted the case, quoting from the legal brief, and thanked the Solidarity Movement, "which shares its economic and political ideas with the American economist, and currently Democratic candidate for President, Lyndon LaRouche," and *EIR*. "Perhaps we will be able to identify the face, just as we can a mugger, of one or more individuals who do much more substantial harm to society than we can lay at the door of safecrackers, train robbers, or bank thieves," the weekly said.

### Soros 'buys Italian'

The Italian daily *Il Foglio* headlined its coverage, "Soros Mistreats the Lira but Buys Italian." It exposed Soros's most recent attempts to take over important Italian industrial assets. *Il Foglio*, although founded only recently, has already achieved recognition as an "opinion-maker" due to the fact that its editor, Giuliano Ferrara, a minister under former Prime Minister Silvio Berlusconi, is a well-known figure.

"George Soros, the Hungarian-born American businessman who has a prominent place in the big world money game, has changed tactics: He is less interested in the Italian lira and the British pound. More in Dalmine, ENI, and Italian blue chips," the paper said.

Dalmine is a steel company formerly owned by the State conglomerate IRI, a world leader in seamless pipe used, for instance, in pipelines. It was privatized in 1995 by the Dini government, and it recently emerged that Soros has acquired 6% of the firm, and aims to acquire a 10% share. Soros's partner in Dalmine is the Italo-Argentine Rocca group. "The venture," *Il Foglio* wrote, "matured in Argentina, where both Soros and the Rocca group have large interests." As for ENI, the Italian national oil company, 15% of which was also put on the market by the Dini government, *Il Foglio* reported that "in Milan's stock exchange, there are people who swear that Soros has collected ENI stocks."

The newspaper then listed Soros's friends in Italy, starting from brokers such as Isidoro Albertini, to Romano Prodi, one of the leading candidates of the center-left bloc in the present election campaign.

Of course, in the present polarized electoral climate, there is the danger that the initiative of the International Civil Rights-Solidarity Movement is being used by this or that political faction for its own ends. Mostly, the conservative bloc has exploited the fact that Soros has many friends in the leftist bloc, such as Prodi, who publicly rewarded Soros with a *honoris causa* degree in economics last Oct. 30 in Bologna. Thus, the newspaper *Il Secolo*, organ of the

right-wing National Alliance party, used the initiative to open fire against the left. In reaction, the magazine *Il Mondo*, which has recently been reorganized and aligned with the liberal left, covered the Soros investigation in the context of other criminal investigations on alleged derivatives speculation by financial companies owned by Berlusconi, leader of the conservative bloc.

### A deeper issue

But the issue is much deeper and, in a sense, independent of electoral manipulation. The International Civil Rights-Solidarity Movement initiative has broken through a wall of *omertà*, in which nobody, as *L'Espresso* hypocritically recognized, had dared to stand up and defend the national economy which was being ravaged under the name of "globalization." Now that the breach is open, other forces are moving, creating the possibility that the wave of privatizations and asset-stripping of the economy can be stopped. Also, the moment for Soros is very critical, because the investigation could jeopardize not only his investments in Italy, but other international operations as well.

One of these operations, which concerns Germany, involves an attempt to build up an international telecommunications cartel under the command of the British Empire, forcing the existing State-owned telecom companies out of the market. The initiative is called Hermes, and it is a consortium recently founded between Global Telesystems, a company jointly owned by Soros (16%), his friend Alan Slifka (17%), and British merchant banks, and Hit-Rail, a British-controlled cartel of 10 European railway companies, including Deutsche Bundesbahn. The chairman of Hit-Rail is Otto Benz, a former director of British Railways, and its base is in Nottingham, U.K.

### Control for the British Empire

The aim of the consortium is to contribute to achieving total control of future world communications for the British Empire. To do so, they have to build up national telecommunications networks able to compete with existing European telecom companies, and throw them out of the market. The strategy is to build the backbone of such networks, through the national railways' communications networks, which are to be upgraded with optical fiber technologies. In the second phase, such networks built and operated by Hermes would join with similar networks built by British Telecom for other national utilities (e.g., in Italy, they are negotiating with Autostrade, the company managing the national highway system, and with ENI, which has a north-south, east-west pipeline network) and would offer their services to private firms.

The telecommunications cartel has to be seen together with the British strategy to achieve complete control of transport and energy infrastructure, to add to their existing control over strategic raw material and energy resources.

# Camdessus and Russia's 'big boys'

by Roman Bessonov

Russian history knows many autocrats who looted the country and did not care even for their own children's future. *Posle nas khot potop*, goes the folk saying about such people. It's the Russian version of *après moi le deluge*, and it came to my mind when the results of International Monetary Fund (IMF) Managing Director Michel Camdessus's mid-February talks in Moscow were made public.

The televised slobbery embrace of Camdessus and Russian Prime Minister Viktor Chernomyrdin, recalling the love scenes of the late Communist bosses Leonid Brezhnev and Erich Honecker, symbolically expresses the essence of the current Russian leadership's policy. Preparations for the Presidential elections this June have become the backdrop to extraordinary acts of national betrayal.

The yielding of Chernomyrdin and President Boris Yeltsin to IMF conditions for the receipt of credits—in particular, the lowering of export duties on raw materials—is partly due to their need for “quick money” (the IMF infusion now, as opposed to duty revenues lost over a longer period in the future) to fulfill the promises they both have made for the payment of back wages and other social budget lines. They are also anxious for a decisive stabilization of war-torn Chechnya, the southern region across which Moscow would like to see a new pipeline carry oil from Baku, Azerbaijan, to markets in Europe.

For Chernomyrdin, success on securing the IMF loan may also have held out hope of improving his personal status, after a period of friction between himself and Yeltsin, which peaked in January. When Interior Minister Anatoli Kulikov spoke out in favor of renationalizing the largest Russian oil company, Lukoil, and Gazprom, the giant natural gas concern with which Chernomyrdin is closely linked, rumors of the prime minister's pending resignation intensified. In that context, the conditions offered by his friend and sometime hunting partner Camdessus were better for Chernomyrdin than the prospect of retirement. Thus, the Russia-IMF agreement also resembles a typical elite compromise.

But what can be explained is not what can be justified. Even liberal experts, writing for *Kommersant Daily*, expect that the tax reform will certainly lead to a new leap in prices for fuel, and consequently almost all goods and services, inside Russia.

This effect will be amplified by the reassessment of the

fixed assets of Russian enterprises, introduced March 1. This alone is expected to raise the prices for oil and oil products by at least 20%. After the IMF-dictated reforms, domestic prices for these products may soar to far above the level of world prices.

The population will feel the effect of the Yeltsin-Chernomyrdin “diplomatic success” very soon.

Already since Feb. 27, the price of railway tickets rose 20%. But the most terrible time for Russians will begin after July 1: Camdessus and Chernomyrdin have fixed this date for the final lifting of customs duties. Industrial collapse and famine will face Yeltsin's successor as President.

Meanwhile, the burden of the new phase of economic catastrophe, caused by the total decontrol of oil prices, will lie on the Russian population and the Community of Independent States (CIS) countries. To support what's left of Russian industry (at least until rising transportation costs kick the gallops board out from under it) and perhaps to delay a wave of strikes and unrest until summer, the government has imposed import duties on certain products—not only on the so-called “Bush's legs” (American chicken thighs), but also Ukrainian vodka, one of the main sources of Ukraine's budget revenues. For election campaign purposes, these measures are packaged as “protectionism” to save Russian national industry, but the real prospects of national industry under the IMF conditions are miserable.

Textiles and agriculture, naturally, are among the branches of the domestic economy to be hit hard by the soaring prices for energy. Due to huge transportation costs, those domestic producers that survive will market their products in their regions, splitting the domestic market into numerous regional markets. By the same token, many citizens will lose their last possibility of visiting their relatives in distant regions of Russia and the CIS countries, the “near abroad.” With its industry and society having disintegrated, Russia would scarcely exist as a nation any more, and only criminal “authorities” would maintain control over the whole territory, gaining new opportunities to exploit the weapon of want and the instincts of hunger and rage.

## Oil gangs

The oil monopolies as such, will be affected the least. Their fight for control of the oil fields, pipelines, and refineries

will more and more determine what passes for State policy. Their relations will more and more resemble the relations of rival gangs. Their Moscow lobbyists will be the most influential people. It is already so at the present time. The cutthroat relationships among the new Russian raw materials companies, and the Western cartels with which they interface, shape much of Russian politics today, as well as the war in Chechnya.

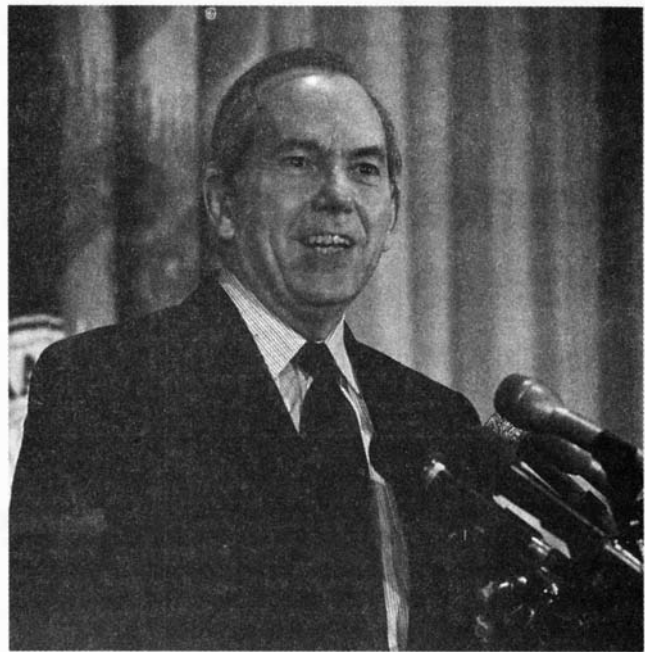
In mid-February, when Yeltsin was preparing to go to his hometown of Yekaterinburg to announce his candidacy for reelection and Chernomyrdin was vacationing in Sochi on the Black Sea, the Russian cabinet reviewed the behavior of the oil monopolies. First Vice Premier Oleg Soskovets, chairing the government meeting, interrupted a report from Deputy Minister of Fuel and Energy Oleg Morozov, to demand why hard currency revenues from petroleum sales were not being received into the State budget. Soskovets cited figures provided by Internal Affairs Minister Kulikov: a \$1.99 billion shortfall from oil sale revenues, owed to the State, and an \$880.6 million shortfall from the sale of petroleum products.

The Russian fuel sharks may be confident that Kulikov's renationalization will not be carried out. But in some cases, words spoken by a man of power do directly influence profits. The president of Gazprom complained, that now no bank would risk giving him loans. The vice president of Lukoil threatened the government, that oil industry workers would go on strike.

At this sensitive moment, Camdessus arrived, with an experienced sense of just when to extract the maximum benefit from the weakness of any leadership. A delegation from the De Beers diamond cartel chose the same week, to come sign its new agreement with Russia. (Despite strong arguments that Russia's dependency on international diamond trade monopolists was an embarrassment and a great disadvantage to the nation, those in the Russian leadership who tried to establish independent Russian diamond selling were unable to guarantee either the reliability of their counteragents, or the quick return of diamond sale revenues to the State budget. First Vice Premier Vladimir Kadannikov recently said that Russia will soon have to sell off part of its diamond reserves.)

Moving toward the elections and having issued a plethora of social promises for immediate fulfillment, such as disbursement of wage arrears, Yeltsin was in dire need of funds. Money is needed for Chechnya as well, both to wage the war and for attempts to cool it down. Power-brokers like Moscow Mayor Yuri Luzhkov, who has his people in the Communist Party (CPRF) group in the Duma (Parliament), or Lukoil's president Vagit Alekperov, who told *Forbes* magazine that the CPRF's popularity was just a matter of business, may quickly shift their support to Yeltsin's rival for the Presidency, CPRF leader Gennadi Zyuganov.

As for Chernomyrdin, he realizes that for many reasons, including his own power hunger, he has lost the strategic



*IMF Managing Director Michel Camdessus: His slobbery embrace of Russian Prime Minister Viktor Chernomyrdin eloquently expresses the current position of the Russian leadership.*

initiative. Therefore, he really cannot distance himself from Yeltsin, but is doomed to support him.

In this situation, Camdessus could play with the Russian President and prime minister as a cat with a mouse, as the IMF has played with a lot of other greedy, short-sighted, weak-willed, and easily manipulated State leaders. His own motivation is hardly less urgent; the world monetary bubble might live some time longer, if it is fed with Russian oil assets.

Camdessus's eagerness to reach a deal with Russia surprised even the Harvard free-marketeer Jeffrey Sachs, who helped launch the Russian economy toward disaster in 1992. The Russian leadership's eagerness to yield to the IMF's demands embarrassed even domestic liberal economists. *Izvestia*, a liberal mouthpiece and affiliate of the *Financial Times* of London, denounced the resignation of Yevgeni Bychkov from the State Committee on Precious Metals, a development favorable for De Beers, in a chorus with the nationalist *Zavtra*. The problems addressed by the Feb. 23 agreement were not really the problems of Russia, nor even of the IMF as an institution. The interlocutors came off as speaking less for countries or institutions, than for themselves as physical persons, Yeltsin and Chernomyrdin personally, and personally Camdessus and De Beers' Oppenheimer, the "big boys" cutting their deals.

These *persons* were seeking each other. At the core of any treason, there is always the same thing: a person with his own interests, which are above those of the neighborhood, the community, the people, the nation, or mankind.

# Global warming hoax takes its last gasp

by Rogelio A. Maduro

Over the past few months, the public has been subjected to a barrage of propaganda promoting the global warming theory. In the first two weeks of 1996, stories proliferated about how 1995 was the warmest year on record, while in the last two weeks of January, the same news outlets reported that the record snowfall and cold temperatures in many parts of the world, were proof of global warming. In fact, the propaganda shoveled through the *New York Times*, *Newsweek*, and other establishment outlets is the dying gasp of the global warming theory, one of the greatest scientific frauds ever concocted.

The *New York Times*'s front-page story of Jan. 4 shows how these scientific frauds are committed. The story, by William K. Stevens, promoted a sensational claim by the British Meteorological Office and the University of East Anglia, that 1995 was the warmest year on record. This was meant to provide support for the global warming theory. It turns out that the British Meteorological Office's claim was based on only 11 months of data. The British "scientists" actually manufactured the December data out of thin air.

At the time that the *New York Times* story was published, the British report was contradicted by highly accurate satellite data that show an actual cooling. The satellite data, as well as ground-based data, show that December had the largest recorded temperature drop in 10 years, 1.3° Fahrenheit.

This revelation is in many respects a positive event, because the general public has, for the first time, a slightly open door through which to see how the global warming and other hoaxes have been concocted. Real atmospheric scientists are taking the opportunity to expose these hoaxes. Dr. S. Fred Singer of George Mason University, for example, wrote the following letter to the *New York Times*:

"What would motivate [the British researchers] to issue a premature, incomplete, and quite misleading report? Two possible explanations: 1) They knew in advance that December 1995 was going to be awfully cold and wanted to beat the clock with a hot news story. 2) They wanted to give a boost to the just completed report of the U.N.-sponsored Intergovernmental Panel on Climate Change (IPCC), prepared under the direction of the director of the British Met

Office. It predicts a major warming trend—albeit much less than what IPCC predicted only three short years ago when statesmen, including George Bush, were induced to sign a Global Climate Treaty at the Rio 'Earth Summit.'

"And what about the 'global warming trend'; is it really there? Unfortunately for the climate models, the IPCC, the British Met Office, and the *New York Times* story—the answer seems to be: NO. The best global data we have, come from satellites [which give] the global trend as  $-0.05^{\circ}\text{C}/\text{decade}$ . That's a cooling, not a warming!"

## Mysticism and Druids

The Western Fuels Association went a step beyond Singer's denunciation and called the environmentalists "Druids," who are engaged in committing "scientific fraud" to promote their global warming theory, in a press release dated Feb. 15. Western Fuels, a cooperative of several coal producers and electric utilities that burn coal fuel in the West, has been taking the lead in funding the publication of research by scientists opposing the global warming theory. They have come under intense attack for this, both from the news media and other electric power utilities.

The Western Fuels press release starts with an attack on the British Meteorological Office and the University of East Anglia for releasing data that figured prominently in William K. Stevens's *New York Times* article, "to the effect that 1995 was the hottest year on record, thus supporting the new vision of apocalypse." The press release notes that the data were completely wrong, and that "scientists who subsequently contacted East Anglia for the data on which the story relies have been rebuffed." The release warns that one can "expect the University of East Anglia, Steven Schneider, and the professional environmental community to continue to make unsupported scientific claims."

The reason for this, is that "today's environmental community is like the ancient Druids. Environmentalists, like their druidic predecessors, hold a worldview based on mysticism. . . ." The "environmental community, with support from many in the media, is perpetrating scientific fraud on the American people in the continuing push of their vision of apocalyptic global warming."

Western Fuels announced that they will publish a new *State of the Climate* report on April 22, to expose "this ongoing fraud, in an effort to inject rational science into the policy debates that swirl around energy and electricity utilization in the United States and the world community." The report "will detail trends in global and regional climate based upon surface, radiosonde [weather balloon], and satellite measurements of temperature, on precipitation, and other variables relative to the climate change issue." The report will be edited by Patrick J. Michaels of the University of Virginia, with contributions from Dr. Robert Balling, Dr. David Legates, Dr. Robert Davis, and other meteorologists and climatologists.



Each will write about “their work within their area of expertise and examine the factual underpinnings of the claim of apocalyptic global warming and climate trends.”

At the same time that the British are engaged in promoting falsified temperature data, several groups of scientists around the world are engaged in providing accurate data. The satellite temperature record comes from a group of scientists led by John Christy of the Earth System Science Lab at the University of Alabama at Huntsville. Their data come from satellites that use microwave sounding units to measure air columns in the troposphere. These data are not only very accurate, but they have the advantage of global coverage. The British Meteorological Office relies on land-based stations and ocean-going ships. Thus, the British rely on data that cover less than two-thirds of the Earth’s surface and are plagued with problems, such as the urban heat-island effect, and hence are quite inaccurate. According to the satellite data, last year was almost the coldest year on recent record.

### ‘Utter nonsense’

The *New York Times* has claimed that the recent blizzards in the U.S. Northeast should be blamed on global warming, while *Newsweek* ran a cover story titled “Blizzards, Floods, and Hurricanes: Blame Global Warming.” These claims are as absurd as they seem.

Atmospheric scientist Patrick Michaels from the University of Virginia told a Marshall Institute round table discussion recently that these claims were “utter nonsense.” Michaels said that “any suggestion that ocean warming caused the blizzard of ’96 makes no sense. Sea surface temperature over the Western Atlantic has changed very little in the recent decade—except for a profound cooling of the northwestern portion.” Michaels added that “the problem with generating mid-Atlantic snow is, in any case, not a lack of moisture. The problem is getting enough cold air from southeastern Canada into a storm. Yet all projections for an enhanced greenhouse effect reduce the depth of cold air. So blaming the blizzard on the greenhouse effect is 100% wrong.”

Both Michaels and the Marshall Institute have produced an extensive body of work demonstrating that the global warming theory lacks any scientific credibility. In the latest issue of his newsletter, *World Climate Report*, Michaels details how all recent claims by the British Meteorological Office and the United Nations apparatus are not only misleading, but incorrect.

The report, released by the U.N. Intergovernmental Panel on Climate Change on Nov. 29, 1995, claims that there is now evidence to indicate that the activities of man are behind global warming. This report has been roundly denounced by scientists from all over the world. According to these scientists, the methodology used by the IPCC is not rigorous, particularly their use of summaries of data used to compile models that predict the climate. The IPCC report states that they

have detected a “discernible human influence” on climate. Environmental groups are using this report to lobby for draconian cuts in carbon dioxide emissions that would complete the destruction of industrial society.

### Warming debate boils over

One of the critics of the report, Dr. Frits Bottcher, chairman of the Global Institute for the Study of Natural Resources in The Hague, told Reuters that “instead of scientific discussion we have groups of hundreds of scientists and civil servants, and by a majority of votes they decide. That’s not how science should work.” According to Bottcher, computer predictions by the IPCC are loaded to make sure they produce the desired results, and the conclusions are warped by environmental activists.

“I totally disagree with the IPCC conclusions. They put wrong physical equations in their computer, the wrong figures and all kinds of tricks. But they have to defend the case of global warming because they get hundreds of millions of dollars. If they say it [global warming] is not happening, they won’t get their money,” he said. This is a very interesting statement coming from one of the founders of the Club of Rome, the institution that was created to promote these kinds of scientific doomsday stories in order to implement a policy of population reduction. Over the recent period, many Club of Rome members have begun to denounce some of the well-known environmental scares as unfounded.

Dr. Jack Barrett of London’s Imperial College is another critic of the IPCC data, who is saying that conclusions may be based on misunderstandings. According to Barrett, the chronology of any warming of the planet, which he says is probably due to a natural historical cycle, is inconsistent with IPCC theory. He says that most warming this century took place before 1940, but a big increase in carbon dioxide emissions took place after then.

“The IPCC is working with an incomplete understanding of a very complex system, and it is understating the uncertainties in its predictions. The IPCC is almost exclusively dependent on computer modelling and it is unnecessarily influencing governments and industries to take injudicious and expensive actions,” Barrett said.

These breaking developments seem to be the beginning of an offensive in the scientific community against the global warming theory. Up until this point, however, the main public criticisms have been against the empirical data that are used to back the global warming theory, and the use of such data in climate models. The next step is to overturn the axioms behind the climate models themselves, including the mistaken belief that the “radiation budget” of the Earth is defined in terms of “thermodynamics,” i.e., heat and cold. The correct approach includes an overview of the biosphere and the interactions between the Earth and the Sun and the Solar System.

# Union leader speaks out on Ontario public service employees' strike

*Leah Casselman is president of the Ontario Public Service Employees Union in Canada. The 67,000 members of OPSEU went on strike on Feb. 26—the first strike by civil servants in Ontario's history—in protest of the anti-labor, union-busting policies of the government of Progressive Conservative Premier Mike Harris. Harris was elected in June 1995 on a "Common Sense Revolution" platform, modeled after Newt Gingrich's Contract with America. Harris has threatened to lay off up to 27,000 civil servants and to slash benefits for those who remain. This interview was conducted on March 8 by Marianna Wertz for New Federalist newspaper, and is reprinted here by permission.*

**Q:** What are the major goals of the strike?

**Casselman:** The major goal of the strike is to get back some of the rights the employers stripped away from us in legislative change. There were two major changes: The first one was they exempted these workers from a provision called successor rights, which means when the government contracts out or privatizes the work, any other worker in the province can go with their work to the new employer. That won't happen now to government workers. The government exempted itself, so the workers don't automatically get to go, they don't go with their wages, they don't go with their pensions, they don't go with their benefits, they don't go with their union.

The other piece that they stripped away from them was the access to the Pension Benefits Act. Again, where any employer in the province where there's a pension plan makes a decision to contract out or to privatize or close down the operation, they've got to add money to the pension fund, which would pay the benefits for older workers—it's called a partial plan wind-up—so those older workers would be allowed to retire when they normally would have been able to with a full pension, instead of having to wait till 65. The ones not close to retirement would have their pension benefits super-vested.

**Q:** You've had these benefits since when?

**Casselman:** Since cowboys! We've had the pension plan for years. We just got joint trusteeship about a year and a half ago.

**Q:** And these rights were stripped by the Harris government?

**Casselman:** Yes, they made these legislative changes, so they've exempted themselves from these laws as an employer. They tried the pension one in July. We found out about it, took them to court and won, because what they were doing was *illegal*. So in this other piece of legislation, they've actually made it, now, illegal for us to take them to court for doing something that's illegal!

**Q:** They changed the law to make it illegal?

**Casselman:** Yes. To charge them with doing something that's illegal. They are quite heady with their power.

**Q:** So those are your two major goals?

**Casselman:** Yes. We know they're in a major downsizing and we want to make sure that the workers are treated fairly when they leave.

**Q:** Have you challenged the premise of the downsizing, that this is not absolutely necessary?

**Casselman:** Yes, and we'll do more of that, because we know in the budget, when the finance minister brings the budget out in April, he will be announcing a number of those. But we wanted to get the foundation of the collective agreement in place first.

The struggle that we're in, we've got a deal in front of them, which allows them to do their downsizing, but forces them to treat the workers fairly. It ends up being a "win-win" for both sides. But their ideology is blinding them to seeing the deal, because of all the other nonsense we're in. So, putting aside the direction that they're moving in, and the fact that we're opposed to it, we want to get them focussed on their responsibility as an *employer* to bargain a collective agreement. So we'll have that protection and foundation in place when we go after them on the other things.

**Q:** The same kind of thing is happening in the United States.

**Casselman:** Well, I haven't had much time to follow it down there, but it's clearly very similar to what's happening in New Jersey. Gov. Christine Todd Whitman was up here in June, and the communication workers followed her up and we did

some joint picketing with them, when she was around here selling her 30% tax-cut plan. And of course, we've seen the impact of that ahead of time, with the ones who voted for Harris in Ontario. Already the public is saying, "Keep your money, don't cut the services. We don't need the tax cut that bad, thank you very much, if it means gutting everything."

**Q:** How is the public reacting to the strike?

**Casselman:** It's been very interesting, when you get into smaller communities. Toronto is like a world unto its own, so it's hard to judge here. But when you get outside of cities the size of Toronto, which has 2 million people, you really see the communities coming together behind the workers, because they realize that not only do they need the services that they provide, but they also are taxpayers, and local community taxpayers, and they spend money in their communities. So they see much more clearly the direct impact of the public-sector paychecks in their communities, in addition to the service that they get. So it's much easier to judge there.

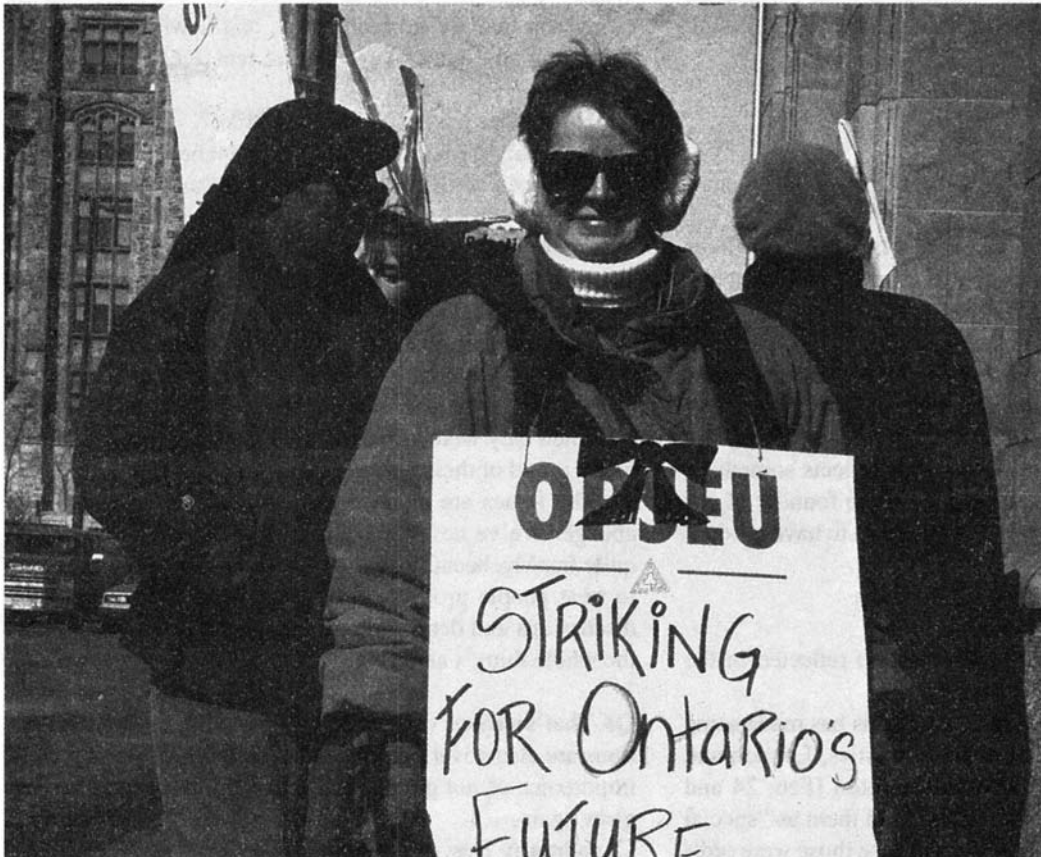
The public support has been really, really good. The ones that are whining the most are businesses that didn't realize they needed the clerks and the computer operators in these ministries to get their deals through. So we made it onto page three of the *Financial Post* up here, because some companies weren't being able to close their multimillion-dollar deals,

because, one of the ministries is called Consumer Commercial Relations, and their computers were down and there were no clerks there to run them anyway, so they couldn't get their deals closed. Housing sales of course, the land registry offices are closed, so they can't register those. Anyone trying to sell a used car, and they have a lot of tickets against it, or a couple of liens is lucky. The dealers are having to take them blind, because there's no way to check! So they're squealing toward the government. We've had a number of independent meat processors—

**Q:** There was a rumor that meat would run out soon in the province, because the inspectors are on strike.

**Casselman:** Right. Where's the beef? The private slaughterhouses can't slaughter, because the meat inspectors are on strike. So they took us to court and lost. The court said, sorry, it's a labor dispute, what do you expect?

So, now, of course, the government's spending a lot of time and taxpayers' money in the courts, trying to get injunctions against us. It took us 18 months to bargain the essential services agreement [specifying which jobs must be filled in the event of a strike], simply because it's the first time it's been done, and because of the magnitude—tens of thousands of job descriptions, of jobs that had to be determined whether or not they were essential. And the government didn't argue



*Ontario Public Service Employees Union on strike, March 11, 1996. This is the first strike by civil servants in Ontario's history, a protest against the threat of huge layoffs by the government of Premier Mike Harris.*

that meat inspectors were essential. So, now, the fact that they couldn't get that off of us, they want to legislate it off of us or get the courts to take it off of us. So if they spent half the time at the bargaining table that they do in the courts, we could have had the collective agreement settled by now.

**Q:** Do you feel the government forced this strike?

**Casselman:** Oh, very much so. We have a premier, to show how silly he is, he actually publicly said that this strike would be good for business. So my comments back to the press were, if Mr. Harris thinks that setting a pattern of labor unrest for the next four years is going to be good for business and corporations in the province, he's got his head screwed on backwards.

**Q:** That's precisely what Newt Gingrich and his cronies said here. They shut down the federal government in pursuit of their insanity. Now their popularity is plummeting.

**Casselman:** Harris fell fast here too. He went from 50% to 33% already in the polls. I think what's happening is people are becoming much more politically aware, because everyone up here was kind of watching this Newt guy. And Harris, I think, patterned himself after that, the Contract with America. In his campaign [he was elected in June 1995], we actually have been told that some Republicans from Newt's camp had been working in the back rooms with Harris.

But what the folks are now watching is what's happened in other jurisdictions, and they've seen that Newt has fizzled.

**Q:** He won't even show up in public.

**Casselman:** Really?

**Q:** Very rarely. He's gone way into the background. Because people saw that he was heartless.

**Casselman:** And it makes you kind of think, you can sell off everything you own to make your next quarter look profitable, but then you've got nothing down the road.

**Q:** What's happened here is that men like Senators Kennedy and Daschle, have come out with a proposal basically saying that without a living wage, your economy is worthless. The living wage drives everything else. This reflects something that has been said by Lyndon LaRouche, the founder of our publication, for years, which is that you have to have productive jobs to have a tax base.

**Casselman:** Yes, it's workers.

**Q:** To what extent is this sort of question reflected in the politics in Ontario now?

**Casselman:** It's interesting, because Harris has made some crucial mistakes. We've shut down two cities, London and Hamilton. At the demonstration in Hamilton [Feb. 24 and 25], we had 120,000 people. He dismissed them as "special interest." That was a major mistake, because those were ordi-

nary people. It wasn't just union folks, it was church groups and social action groups. It really made him look pretty shallow, I think. Very, very arrogant. His special interest group of a thousand people were barricaded behind three SWAT teams and cement blocks, which was at a policy convention to see how they get elected again. But they're not special interests! It was kind of obvious, that he would dismiss so rapidly 120,000 taxpayers and citizens of the province.

So, I think the best thing that he's doing is moving so quickly and so harshly, as opposed to what we had in Alberta with [Premier] Ralph Klein. The resistance is organizing just as quickly against him. Harris has actually pulled together groups of folks which I never thought would be working together at all, like doctors and lawyers and workers and trade unionists and social action groups and churches. They've all got this common struggle now to keep the province from falling apart. It's been startling.

**Q:** There was a report that there will be a meeting of trade union leaders on March 12.

**Casselman:** Yes, to review Hamilton and see what we do next.

**Q:** It was rumored that there might be plans for a general strike. Is that in the offing?

**Casselman:** That will probably be a topic of conversation. When we last met, I said to the other labor leaders, it's my estimation that we'll be on strike, and it will be province-wide, so if you'd just like to join us, feel free!

**Q:** Have other unions joined your strike?

**Casselman:** We had Toronto Hydro out here for three days, but they got a settlement. Ontario Hydro may be out the end of the month. We just got called back to the table today by the mediator. We'll be going back to the table on Sunday [March 10] with the mediator to try to get a collective agreement. So we're really pleased about that. It's a great development.

This group up here is 67,000 people who've never had the right to strike before. On their first strike vote, they voted 66.5% "no" to the employers' offer, and then walked off the job when they were asked to. It's absolutely unheard of. I'm really proud of them.

The issues are simple. They know things are going to change. We've never said that they wouldn't or shouldn't, quite frankly, because everything's changing, but you've got to treat people properly. You need to involve them in the discussions and decisions and treat them fairly. That's what the whole thing's about.

**Q:** That's why we wanted to cover the strike, and our publications are also covering some of the economic issues and the importance of not giving up the fight to make the economy grow again.

**Casselman:** Yes, exactly.

## **Hanging by the rope of austerity**

*Bankers and government bureaucrats are cutting funds for the very projects that could save the economy.*

Something that is very unusual in the German debate on economic priorities, happened on March 11: Horst Koehler, president of the association of the savings and loans banks, attacked Hilmar Kopper, chairman of Deutsche Bank, Germany's largest private bank, for conducting financial policies that ignore the necessity for industrial investment.

In a speech, given in Boppard on the Rhine, Koehler warned that the replacement of traditional loans by new instruments for tradings with bonds, is not only increasing the anonymity between lenders and borrowers, but it is also increasing the trend toward a short-term, speculative orientation of the financial markets.

Koehler charged that such decisions by investors absorb enormous financial resources, while at the same time, long-term, job-creating investments in the physical economy are disappearing. Furthermore, this is occurring at a time when, officially, 4.3 million are jobless (11.2%), and, in reality, 7-8 million (20-23%) are without regular jobs.

Considering that Koehler is a former assistant finance minister, his remarks ought to be seen in the light of current federal finance policy spokesmen such as Jürgen Stark, now "shepa" for international financial affairs. Meeting in Brussels with his colleagues from the European Union (EU) on March 11, Stark provided a perfect example of what Koehler ridiculed as "short-term thinking."

Stark cast himself in opposition to plans of the European Commission (EC) to provide more funding to the

Trans-European Nets (TEN) program for joint all-European projects of infrastructure development. His main argument (fully in line with what his "boss" at the German Finance Ministry, Theodor Waigel, says on this) was that irregardless of any EU financial flexibility, it should not be invested into "costly" projects, but rather be spent to consolidate public sector budget deficits.

The "flexibility" refers to the EC proposal to cut the farm-sector budget by ECU 1 billion (about \$1.5 billion) and transfer the money saved to the TEN program. Stark's argument was that the billion ECU be used to reduce the burden on other parts of the EU budget.

The fact is also noteworthy that the TEN program, originally worked out and proposed in late 1993 by former EC President Jacques Delors, only won the approval of EU governments and finance ministers in December 1994, but has barely budged since. The 14 priority transport and telecommunications projects defined in the TEN program, are only just starting to be acted upon.

The delay has to do with the problem of the notorious slowness of the EU bureaucracies, but also with the fact that the EU governments and central banks flatly rejected the proposal by Delors, in 1993, to create a special credit facility outside the EU budget, but guaranteed by the governments, to fund these TEN projects, which require at least ECU 200 billion in investments.

Instead, the EU governments committed a maximum of 1% of the

annual EU budget for the TEN, on condition that these projects, of great public benefit, be funded by the private banking and industry sector. Thus, governments have "opted out" from funding the type of projects that clearly ought to be, and have always been in the history of economic development, a priority task of the State sector, and have handed the job over to a private sector that is hardly capable, or even willing to finance it—when high interest rates and a shortage of banking credit-lines for industrial projects prevail.

The pretext of the governments of the EU in objecting to the original Delors Plan was to keep their budgets free from any additional burdens. But the real point was that the governments, especially the finance ministers, central banks, and also the big banks like Deutsche Bank, wanted to prevent anything that might interfere with the demands of the financial markets to maintain free access to all monies available. They wanted to prevent any funding mechanism that might absorb money "away" from the markets and into projects. Creating this "mixed approach" monster of TEN funding by primarily private means, met the interests of the money markets.

Now, this is a very short-sighted policy, for the delay of infrastructure modernization and development makes the EU economies less and less competitive for investors that have an interest in the unhindered flow of goods across Europe. According to the European Commission's own estimates, the transport bottlenecks caused by traffic jams and accidents on overcrowded highways, and by a lack of modern, high-speed railway or maglev systems, creates extra costs of about ECU 100 billion per year on the EU economies. With this approach, the EU is hanging itself by the rope of its fiscal austerity dogma.

# Business Briefs

## Finance

### Leuschel smells market crash like in 1987

Huge injections of liquidity have kept the markets booming, but the smell of another 1987-type stock market crash is in the air, Roland Leuschel, of the Banque Bruxelles Lambert, wrote in an op-ed in the German daily *Frankfurter Allgemeine Zeitung* on March 8.

The lowering of interest rates and the ensuing supply of fresh liquidity, Leuschel wrote, have created a boom in which there is potential for the Dow Jones to reach 10,000 points. The German stock market is in an unprecedented boom as well, and this at a time of 6 million jobless. But the question is: For how much longer?

Leuschel revealed that he is writing a book on the crash, which he hopes to finish before the crash occurs. He said he would prefer the crash to hold off until October 1996, but it could come tonight.

One catalyst for a crash could be an economic recovery in Japan, he said. The Bank of Japan would have to raise interest rates significantly, and the cheap and abundant supply of money would come to an abrupt end—to the chagrin of the speculators, who have taken advantage of low Japanese interest rates for “investments” abroad.

## Dope, Inc.

### China reportedly lifts ban on Jardine Matheson

China has lifted its secret ban on Jardine Matheson, and Chinese firms can now do business with the British group, a part of the rotten core of British colonialism in Asia, the Feb. 22 Singapore *Business Times* reported. The ban has been confidential, reportedly set up years ago by China's Trade Ministry.

The lifting of the ban suggests a shift in British-Chinese relations, which have been tense since Hongkong Gov. Chris Patten, who backed Jardine on the “Terminal 9” projects, suddenly started to push democracy in Hongkong. Beijing has pledged to dismantle all of Hongkong's elected councils after it

takes over the British colony in 1997.

A source close to Jardine told the *South China Morning Post* that Beijing's Ministry of Foreign Economic Relations and Trade, at the height of tensions between the company and Beijing, had issued a circular saying that Chinese companies should not do business with the firm. But, the source said, China's top envoy to Hongkong, Zhou Nan, has given direct assurances to Jardine executives that they would not be excluded from Hongkong's port development projects.

## Economic Policy

### Mozambique labor group attacks privatization

Soares Nhaca, the general secretary of Mozambique's trade union federation (OTM), has denounced the government's privatization policy, Radio Maputo reported, according to the Foreign Broadcast Information Service on Feb. 28.

The OTM has reacted with particular anger to the International Monetary Fund's (IMF) interference in wage bargaining. Nhaca remarked that just as the government did not properly define what should be taken under full State control in the 1970s, it has now failed to define what should, and what should not, be privatized, or who should be the new owners. The government, he said, is “selling off everything at a run.” Why this “very great haste in privatizing companies?” he asked. Nhaca said the OTM was trying, through the International Confederation of Free Trade Unions, to pressure the IMF to moderate its insistence on privatization.

## Banking

### British banks out to soak up 'Islamic' funds

London's merchant banks have mounted a campaign to attract funds from the Islamic world by launching a number of investment funds that tie in with Islamic law on finance and money, the *Asian Age* reported on Feb. 22.

Financial products aimed specifically at

Muslims have grown by an annual 10-15%, to \$50-100 billion, according to Adel Ahmad, the head of Muslim financial services at ANZ Grindlays Bank. Robert Flemings Bank has introduced a formula to open up the stock exchange to Muslims who are eager not to overshoot guidelines laid out in Koranic law. It is the first bank to facilitate the uptake of stocks and shares by Muslim investors. Such funds do not allow shares to be held in companies that produce alcoholic drinks or are involved in gambling, for example.

London is the center for Islamic financial transactions, especially for the Gulf States, ahead of New York and Bahrain.

## South Africa

### Thatcherite plan called a 'recipe for disaster'

South Africa's Labor Minister Tito Mboweni, a member of the African National Congress executive committee, said that the ANC believed there were major flaws in “Growth For All,” a strategy document drawn up by the South Africa Foundation, which groups about 60 of the country's largest companies, wire services reported on March 9. The plan, released in February, said that major economic reform would be needed if the government was to meet a target of 6% annual growth.

The report was put together by economists employed by Anglo-American Corp., Old Mutual, and Standard Bank. The South Africa Foundation is dominated by the boards of British corporations that have a presence in South Africa.

The document “runs the risk of pushing our country backwards in a number of respects, and the policy proposals contained therein could be a recipe for disaster, and if they were ever to be adopted, would interrupt government,” Mboweni said. He rejected proposals for brisk privatization of State assets. “They are saying that we should move swiftly to privatization which means that . . . the whole of the government would be limited to zero almost immediately. . . . A brief privatization program sounds almost like a kind of Thatcherite program. . . . We would not be supportive of the overall thrust of this

document. . . . We say this could cause major social dislocation."

The foundation proposes: Government jobs should be cut by 300,000 over 10 years, out of the estimated 1.52 million existing in 1995; corporate taxes should be cut, and the additional 25% tax on declared dividends scrapped; the value-added tax should be raised by a couple of percentage points, "although this would be unpopular"; privatization should be accelerated, starting by selling non-controversial holdings in commercial companies such as Iscor, Sasol, and Alusaf, which is managed by Gencor, which could raise about \$5.2 billion; and create a two-tier labor market, with low-wage, flexible-entry jobs.

## Health

### WHO sounds alarm on infectious diseases

The World Health Organization called for immediate international cooperation to reverse the spread of infectious diseases from eastern Europe and the former Soviet Union, wire services reported on March 7. "What we are seeing today is an incredible reemergence of infectious diseases that we thought we had conquered," said Jo Asvall, regional director of the WHO in Europe. A vaccination program would cost only about \$20 million, but Europe and the world are not waking up to the threat, he said.

Cholera, diphtheria, tuberculosis, and sexually transmitted diseases such as syphilis are all on the increase following the economic and political upheavals after the collapse of communism. "The health care systems were State-funded," and the upheavals "led to a collapse of the preventive services, which were not bad in the Soviet Union," he said. These diseases are now crossing into western Europe.

Diphtheria (a deadly respiratory disease) had been virtually wiped out by the end of the 1980s. But with the collapse of the Soviet Union, it skyrocketed to 45,000 cases in 1994. The WHO had predicted up to 200,000 cases in 1995 (and more than 1,500 people died, and 30 cases were exported to Finland, Norway, Germany, Mongolia, and the United States), but a vaccination program

cut the rate to about 60,000 new cases.

A similar program has slashed rates of polio infection, except in Chechnya, where fighting has hindered vaccination programs. "This means we can do something," Asvall said. But unless the programs continue, the diseases will quickly soar again.

Over 1993-95, Europe had 2,600 cases of cholera, a disease once restricted to the tropics and underdeveloped areas. A small investment in water-improvement programs would stop this, Asvall said.

The biggest threat comes from tuberculosis, which is on the increase around the world. "Tuberculosis in the next 10 years worldwide will infect 300 million people," Asvall said. "Thirty million people will die of TB in the next 10 years—more than from AIDS, malaria, and tropical diseases together."

WHO recommends establishing a network of laboratories to coordinate detection of emerging diseases.

## Insurance

### Lloyd's hires enforcers to get 'names' to pay up

Lloyd's of London, in a bid to recover \$100 million of outstanding debt from 280 Australian and New Zealand "names," prominent people who backed Lloyd's by pledging their assets to fund insurance risks and who now have to carry \$16 billion in losses Lloyd's has incurred in the past few years, has hired "Australia's toughest and most prominent insolvency practitioners," Ferrier Hodgson, to assist in their debt recovery effort, the *Australian* reported on March 7.

The list of "names" in Australia includes former Prime Minister Malcolm Fraser, now head of the aid group Care Australia; former Liberal Party MP Julian Beale; Tony Berg, managing director of BORAL (recently convicted of price fixing); and Alan Goldberg, the Queen's Counsel who cleared Jewish community leaders Mark Leibler and Solomon Lew of wrongdoing in Australia's biggest corporate scandal, the Yannon Affair.

"Names" who do not pay up by the end of July will receive British court writs for debt judgments, "to be enforced in Australian courts."

**FRENCH BANKS** "have by no means resolved their bad-debt problems," a source told *EIR* on March 5. "Today they still have an estimated FF 140 billion [\$28 billion] in bad real estate debt on their books. This is 150% of the total of the banks' combined equity. . . . French banks as a group today are in worse shape than Japanese banks."

**RUSSIA AND INDIA** are planning to sign a \$3.5 billion arms deal, said Stanislav Filin, deputy head of the arms export company Rosvooruzheniye, the *Hindu* reported on Feb. 20. The package will include five major contracts and meet India's weapons systems requirements for the Air Force, Navy, and Army.

**PAKISTAN** signed 24 memoranda of understanding for trade and investment deals worth \$1.6 billion with Indonesia, during Prime Minister Benazir Bhutto's three-day trip to Jakarta, wire services reported on March 8. The deals include \$400 million in investment, and the balance in trade, which totaled \$200 million between the two nations in 1995.

**A BRITISH** consortium headed by Powergen International, has negotiated with the Victoria state government in Australia, through CS First Boston, to buy the Yallourn power station for \$2.4 billion, Australia's *Financial Review* reported March 7.

**SINGAPORE** is the beneficiary of billions of dollars in funds from Taiwan, because of the tension between Beijing and Taipei, the *Business Times* reported on March 4. Estimates are that as much \$10 billion has arrived over the last six months. The banking sector and stock market have been the main recipients.

**GERMANY** has granted a bank loan to Russia, German media reported on March 7. Some \$2.2 billion will be available at the end of March for the "support of the reform process," and \$700 million for "long-term projects that are in the common interest" of the two nations.

## Soros bankrolls global drive for drug legalization

by Jeffrey Steinberg

On Feb. 5, *New York* magazine published a 12-page cover story, headlined “Drugs Are Bad, the Drug War Is Worse,” peddling such drug policy “reforms” as free distribution of hypodermic needles to heroin addicts, and the legalization of some currently illegal drugs, including marijuana. *New York* dubbed the Clinton administration’s anti-drug effort “the no-win war,” and trotted out a collection of well-known legalization advocates to attack efforts by the New York City Police Department to crack down on the city’s latest drug epidemic.

On the same day, *New York Times* columnist Anthony Lewis called for an end to “drug prohibition.” Lewis trumpeted another piece of pro-drug propaganda, a cover story in the Feb. 12 issue of William F. Buckley’s Conservative Revolution journal, *National Review*, headlined “The War on Drugs Is Lost: Kill It, Go for Legalization, Free Up Police, Courts, Reduce Crime.” For weeks leading up to Feb. 12, a small army of well-heeled publicists for the Buckley magazine sent out thousands of advance copies of the “findings” of the *National Review* study, and marshalled every “Friend of Bill Buckley” in the national press corp to boost it. *New York* magazine had also featured the Buckley endorsement of drug legalization in its cover story.

In the introduction, Buckley failed to mention that he has been a leading advocate of drug legalization for decades; that he was a founding member of the National Organization for the Reform of Marijuana Laws (NORML), the Playboy Foundation-bankrolled U.S. dope lobby in the 1970s which was staffed by hippies and counterculture anarchists who also ran *High Times* magazine, the trade journal of the drug-paraphernalia industry; or that the Mont Pelerin Society, for which *National Review* speaks, is perhaps the leading “free trade” agency peddling drug legalization in the world today. In a late-1970s syndicated column, Buckley had thumbed his nose at U.S. law enforcement, boasting about smoking pot on his yacht, just outside U.S. territorial waters.

Earlier, on Jan. 26, the *San Francisco Chronicle* had published a lead editorial





*Drug-legalization advocate William F. Buckley (center) at a Young Americans for Freedom conference in New York City in August 1977. With him is his friend Henry Kissinger (left), and former Secretary of the Treasury William Simon (at the podium).*

proclaiming “New Strategy Needed in Failed War on Drugs”; and the next day, the *Chicago Tribune* had asked in a lead editorial: “The War on Drugs: Worth the Price?”

### Clinton’s anti-drug crusade

These diatribes were provoked, in part, by the fact that President Clinton, in his State of the Union address, had announced the appointment of four-star U.S. Army Gen. Barry McCaffrey, the country’s most decorated living soldier, as the White House drug adviser, and had reiterated his administration’s long-standing policy of “zero tolerance” for anyone peddling drug legalization.

But at the root of the dope-legalization drive is growing hysteria in London and on Wall Street over the looming global financial blowout. The \$800 billion in annual narco-dollars could provide a margin of short-term survival for the doomed system, these speculators naively hope.

Despite Republican Party efforts to portray President Clinton as “soft on drugs,” the administration has, in fact, launched possibly the most ambitious crackdown on the international drug trade of any U.S. administration.

Last October, the President signed a series of Executive Orders and Presidential Decision Directives, marshalling all of the resources of the Executive branch to shut down the 50 biggest drug-money-laundering operations in the world. He declared a state of national emergency over the growing power of international organized crime, and banned U.S. companies from having any dealings with nearly a hundred

firms and individuals identified as fronts for the Cali Cartel.

U.S. intelligence and drug-enforcement personnel collaborated with Colombian police and prosecutors in capturing the top leadership of the Cali Cartel during 1995, despite the best efforts of that country’s narco-government to aid the traffickers. Perhaps the toughest decision made by the Clinton administration—over British and domestic “Bush league” opposition—was the decertification of Colombia.

The Clinton administration’s anti-drug drive has escalated since the confirmation of General McCaffrey as head of the White House Office on National Drug Control Policy (ONDCP). On March 6, five days after President Clinton decertified Colombia for its failure to collaborate with U.S. anti-drug efforts, the President, during a swearing-in ceremony for McCaffrey at the White House, announced that he was beefing up the White House anti-drug office to 150 full-time employees, including 30 active-duty military personnel, and that McCaffrey would be serving both as a full member of his cabinet and as a member of the National Security Council.

The next day, at a rally at Eleanor Roosevelt High School in Greenbelt, Maryland, the President, joined by McCaffrey, Vice President Al Gore, and seven cabinet secretaries, launched a new domestic anti-drug initiative, aimed at curbing drug use and drug-related violence among teenagers. In recent years, marijuana and other illicit drug use among 12-17-year-olds has been steadily rising, and youth violence has been skyrocketing.

## London's Dope, Inc. under fire

London *Sunday Times*'s Washington bureau chief James Adams conceded late last year, that the President's anti-drug actions directly targeted the City of London and its vast network of offshore hot-money centers. Since the Clinton crack-down on drug-money laundering, Adams confessed, London has become the new global center for hot money, with an estimated \$400 billion in drug dollars flowing through the British banks last year alone.

This was not news for the several hundred thousand citizens of the Americas who have read the English and Spanish editions of the book *Dope, Inc.*, by the editors of *EIR*, which pinpointed the British oligarchy and the City of London financial establishment as the board of directors of the world's now nearly trillion-dollar-a-year illegal drug trade. (Work is now in progress on a new, second volume of the drug study, updating the road map of Dope, Inc. in the post-Cold War era.)

Reflecting British growing concern over the Clinton escalation against drug-money launderers, on March 1, the London *Financial Times* backed drug legalization in an editorial, "U.S. Is Wrong on Drugs." After calling for the Clinton administration to recertify Colombia's anti-drug effort, despite the fact that the country's President, Ernesto Samper Pizano, had taken millions of dollars from the Cali Cartel to bankroll his election campaign, the editorial concluded: "What is also needed is a rational public debate on the whole drug issue, up to and including the possible decriminalization of some currently illegal substances."

One could easily get the impression from this media barrage, that there is a growing mood in the United States (despite the Clinton administration's efforts) in favor of dope legalization. But nothing is further from the truth.

## A simple explanation

There is a simple explanation for much of this rash of pro-drug propaganda: George Soros, the billionaire, modern-day pirate, is pouring tens of millions of dollars into the propaganda drive to legalize drugs. Soros's Netherlands Antilles-based Quantum Fund has wreaked havoc, speculating against the national currencies of several European countries, and he has recently set his sights on bankrupting the U.S. federal government and making a killing off of the collapse of U.S. Treasury bonds.

In the past year, Soros has donated over \$10 million to the Drug Policy Foundation (DPF), the leading drug-legalization outfit in the United States; set up his own drug lobby, the Lindesmith Center, and staffed it with several top officials of the DPF, including Dr. Ethan Nadelman; and poured millions of additional funds into a range of other drug "reform" outfits, including Drug Strategies, headed by Malthea Falco, a former Carter administration drug policymaker and NORML founder, who is married to a senior official of the New York Council on Foreign Relations.

Through Soros's largess, the same small band of drug lobbyists which has been operating for decades, has been able

to launch a media blitzkrieg, aimed, in part, at defeating the Clinton administration's escalation of its anti-drug efforts, and at pressing ahead with legalization in other parts of the world, such as western Europe, where the drug lobby has been making serious inroads.

Other examples of Soros's largess include: On Oct. 10-12, 1995, the Association of the Bar of the City of New York's Special Committee on Drugs and the Law staged public hearings on "new approaches to drug policy, including legalization and regulation." The panels were stacked with Soros clones, including Ethan Nadelman and Marianne Apostolides, of his Lindesmith Center; David Condliffe, Arnold Trebach, Dr. Lester Grinspoon, and U.S. District Court Judge Robert Sweet, of the DPF; Malthea Falco, of Drug Strategies; and Mary Cleveland, of Partnership for Responsible Drug Information, another Soros-allied drug legalization front. Soros's Lindesmith Center videotaped the proceedings and is selling copies, according to the DPF's summer 1995 *Drug Policy Letter*.

Last Autumn, DPF director Joseph McNamara, a former police chief of San Jose, California, now on the faculty of the Hoover Institute, a Palo Alto, California-based think-tank dominated by members of the Mont Pelerin Society, hosted a conference of 38 law enforcement officials, who were inundated with propaganda extolling the virtues of legalization. Speakers included former Reagan administration Secretary of State George Shultz, a longtime DPF booster, and Baltimore Mayor Kurt Schmoke, a DPF director who, several years ago, received a \$100,000 cash award from the DPF for his efforts to peddle drug legalization.

The recent flood of Soros-bankrolled pro-drug propaganda is also inundating western Europe and Ibero-America, where a far more ambitious, and potentially successful drive is under way to implement key planks in the drug legalization agenda. Not only does DPF literature extol the virtues of the Dutch, Swiss, and British "experiments" in drug legalization—despite massive evidence that all of these pilot projects have only led to increased drug use and drug-related violence and crime—but the drug legalizers in Europe have jumped on the *National Review* and *New York* magazine cover stories as "proof" that there is a growing mood of opposition to the war on drugs inside the United States.

## Two simple rules of thumb

After nearly 20 years of probing the roots of the pro-drug movement, *EIR* researchers have developed two simple rules of thumb: First, anyone who pushes drug legalization is either a witting agent or, at best, a dupe of the worldwide drug cartel, which we have dubbed "Dope, Inc."

Second, Dope, Inc. is run top-down by the world's most powerful financier families, ultimately led by the House of Windsor and its allied Club of the Isles. Therefore, it should come as no surprise that the roster of drug legalizers includes some of the world's best-known and influential politicians and financiers, including Shultz, former U.S. Attorney Gen-

## Legalizers speak out

**George Shultz**, former U.S. secretary of state, Oct. 7, 1991: "The time has come to make it possible for addicts to buy drugs at some regulated place at a price that approximates cost. . . . We need at least to consider and examine forms of controlled legalization of drugs."

**Jorge Ochoa**, jailed capo of the Medellín Cartel, to Colombian journalists, in February 1995: "It's a world problem. Legalize it the way they did with alcohol." Ochoa said that when he gets out of prison, he will campaign for legalization.

**Milton Friedman**, member of the Mont Pelerin Society, in the May 1972 issue of *Newsweek*: "We cannot end the drug traffic. . . . The individual addict would clearly be better off if drugs were legal." In his 1983 book *Tyranny of the Status Quo*: "The tide is turning away from the doctrine of social responsibility. . . . Legalizing drugs might increase the number of addicts . . . [but] whatever happens to the total number of addicts—and the possible increase of that number—the individual would clearly be far better off if drugs were legal. . . . Our belief that it is desirable to legalize marijuana and all other drugs does not depend on whether marijuana or other drugs are harmful or harmless."

The London *Economist*, June 1989: "It is obvious . . . that drug dealers use banks. . . . The business . . . has become part of the financial system. . . . If you had morals or ethics in this business, you would not be in it."

**William F. Buckley, Jr.**, in a speech to the Bar Association of the City of New York, summer 1995, reprinted in

*National Review*, Feb. 12, 1996: "A conservative should evaluate the practicality of a legal restriction, as for instance in those states whose statute books continue to outlaw sodomy, which interdiction is unenforceable, making the law nothing more than print on paper. I came to the conclusion that the so-called war against drugs was not working, that it would not work absent a change in the structure of the civil rights to which we are accustomed and to which we cling as a valuable part of our patrimony. And that therefore . . . we should look into what effects the war has, a canvass of the casualties consequent on its failure to work. That consideration encouraged me to weigh utilitarian principles: the Benthamite calculus of pain and pleasure introduced by the illegalization of drugs. . . . It is outrageous to live in a society whose laws tolerate sending young people to life in prison because they grew, or distributed, a dozen ounces of marijuana. I would hope that the good offices of your vital profession would mobilize at least to protest such excesses of wartime zeal, the legal equivalent of a My Lai massacre. And perhaps proceed to recommend the legalization of the sale of most drugs, except to minors."

**Elliot Richardson**, former U.S. Attorney General, for the Inter-American Dialogue, April 28, 1988: "We must be willing to face the facts. If the cost of trying to stop drugs outweighs the benefits at some point, it no longer becomes realistic to continue trying."

**Dr. Norman Zinberg**, founder, Drug Policy Foundation: "Look how prosperous Colombia has become based on the drug trade, in contrast to Argentina and Brazil, where no one sees any alternatives. The economic argument is the strongest one favoring legalization."

eral and Inter-American Dialogue member Elliot Richardson, Nobel Prize-winning monetarist Milton Friedman, and the current and former Heads of State of several Ibero-American countries.

One of the most glaring examples of the first of these principles is the case of Colombia's President Ernesto Samper Pizano. *EIR* investigators and allied American and Colombian anti-drug activists have been tracking Samper's career since the late 1970s, when he first surfaced in the United States in league with NORML.

At that time, Samper led an unsuccessful effort to win United Nations non-governmental organization status for an international drug-legalization front, the International Cannabis Alliance for Reform. Efforts by a worldwide movement of anti-drug coalitions, founded by Lyndon LaRouche and others, following the 1978 publication of the first edition of *Dope, Inc., Britain's Opium War Against America*, blocked Samper's efforts, and successfully rolled back a NORML

state-by-state drive to win legalization of marijuana, which had the backing of top officials in the Carter White House. At the time, the 28-year-old Samper arrogantly told one Colombian anti-drug fighter that he would someday be President of Colombia, because he was part of a "long-term project" to turn Colombia into the world's first narco-democracy. Throughout his career, Samper has been nothing more than a bagman and political mouthpiece for Colombia's cocaine cartels and their international patrons.

### Conservative Revolution pushes dope

For 20 years, the semi-official house organ of the secretive Mont Pelerin Society has been Buckley's *National Review*. Within weeks of the radical free market group's semi-annual meetings, *National Review* has historically published the only available public account of the event. Founded by Austrian School ideologue Friedrich von Hayek to revive the Conservative Revolution—under British Crown sponsorship—follow-

ing the defeat of Hitler, the Mont Pelerin Society serves as the de facto ministry of the exchequer for the worldwide underground economy. It is, therefore, not surprising that Mont Pelerin's longtime vice president, Milton Friedman, has been one of the most vocal advocates of unbridled drug legalization.

But the key to the Mont Pelerin Society's role in the worldwide drive to legalize drugs, is to be found in the 1980 keynote speech at its gathering at the Hoover Institute, delivered by Max von Thurn, the scion of the 600-year-old Venetian Thurn and Taxis family. Von Thurn called for the abolition of all distinctions between the above-ground and the underground economies, and demanded the complete integration of the offshore, criminal enterprises into the mainstream of the world economy.

For years, Mont Pelerin Society front-groups, such as the Fairfax, Virginia-based Atlas Institute, the Pacific Research Institute in San Francisco, and the Washington, D.C.-based Cato Institute, have been churning out "objective" studies on why drugs should be legalized.

In the mid-1980s, the Pacific Research Institute hired two of NORML's founders, Harvard University professors Norman Zinberg and Lester Grinspoon, to prepare a study, *Dealing with Drugs: Consequences of Government Control*. In that report, DPF President Arnold Trebach spelled out the legalization strategy: "A small group of drug-law reformers has been gaining strength in the United States and in other countries recently. If they can achieve some political stature as a centrist and moderate force . . . if enough good people . . . come forward soon enough . . . our current war against drugs can be averted and the war itself ended."

During the Bush administration, the dope lobby was riding high—pointing to Bush's miserable (intentionally so) track record in the war on drugs as "proof" that victory was impossible. Clinton's break with Bush's narco-collusion has changed all that—and now the dope lobby is hoping that piles of Soros money will help recoup the setbacks.

## Dope, Inc.'s Soros: Vesco of the 1990s

by Scott Thompson and Jeffrey Steinberg

According to a former business partner of George Soros, back in the late 1960s, when Soros was starting up his offshore investment empire, he turned to one of the Rothschild family's retainers to obtain his start-up capital. It was an ironic and, perhaps, prophetic choice. George Karlweis, Soros's initial benefactor, had, just a year earlier, put up seed funds, courtesy of Rothschild's Banque Privée, to launch the career of an ambitious man from Detroit, Michigan named Robert Vesco.

With Karlweis's backing, capital infusions from Me-

shulim Riklis, a financial front man for Drexel Burnham's Michael Milken, and with legal and financial support from the Anti-Defamation League of B'nai B'rith, Vesco launched a string of takeovers, beginning with the buyout and looting of Investors Overseas Services, a shady, Swiss-based mutual fund that had been used by National Crime Syndicate boss Meyer Lansky to launder proceeds from his illegal drugs and gambling empire. Vesco spent the next 20 years parlaying the \$260 million he looted from IOS into his own global crime syndicate. Vesco became, first, the "American Connection" to the Medellín Cartel's chief of logistics, Carlos Lehder Rivas, and, eventually, Fidel Castro's bag-man for Cuba's drug trafficking, industrial espionage, and narco-terrorist operations throughout the Western Hemisphere.

Vesco was a creature of the 1970s and 1980s, an era when financial speculation was still measured in the tens and hundreds of millions of dollars, and when the deregulation of the world financial system was still in its initial stages.

Historians may well look back on Soros, who, in one 48-hour speculative binge in September 1992, made a \$1 billion net profit by crippling the Italian lira and British pound-sterling, as the Robert Vesco or the Robert Maxwell of the late-1990s. At the peak of their careers, Vesco and Maxwell, the British wartime assassin-turned-speculator, were viewed as pioneers in the late-twentieth-century "growth industry" of financial piracy.

Today, Soros is the king of the financial pirates. But, what Soros is today, Vesco was in 1972, and Maxwell was in 1986. All three are wholly owned by the City of London and the financial establishment associated with the House of Windsor and the Club of the Isles. Contrary to media mythology, they are not "independent" characters, any more than "organized crime" is independent of the major international private banks.

Vesco's career ran aground in a run-down villa in Havana, Cuba, where he now sits under house arrest. The final chapter of the Vesco story is yet to be written.

Maxwell met a sorry end, floating face down in the sea off the coast of Spain, the victim of what only the most naive still view as a suicide. Maxwell, according to some accounts, got caught up in the mad scramble to loot a collapsing Soviet empire, and was murdered by rivals. According to other accounts, Maxwell double-crossed one-too-many intelligence services (he purportedly worked with, or for, British MI-6, the Israeli Mossad, the U.S. Central Intelligence Agency, and the Soviet KGB), and megalomaniacally began to see himself as an "independent," world-class financial power.

### Events may be catching up

Events may be catching up with Soros in a similar fashion. Already, three Italian government probes are under way into his speculation against the Italian currency, the lira. There are unconfirmed reports that several U.S. federal regulatory agencies are looking into his more recent efforts to trigger a first-ever default by the U.S. government on the national debt. If, as some Wall Street sources assert, Soros was attempting

to manipulate conservative Republicans in the U.S. Congress into forcing a federal government bankruptcy, at the same time that he was speculating on a sharp hike in Treasury bond rates, the Hungarian-born investor could be in deep trouble in America as well.

Soros has been banned from the People's Republic of China, and he is one of the most controversial figures in every country in the former Warsaw Pact—all of which he has helped to loot blind, through his patronage of Harvard punk Jeffrey Sachs and other proponents of "shock therapy." Sachs, who is now on Soros's payroll, first caught the speculator's eye when he engineered a "financial miracle" in Bolivia, which left that country in the clutches of the cocaine cartels. Sachs not only shares with Soros a commitment to legalize drugs; he openly calls for "financial liberalization for drug dollars."

Soros's Open Society foundations, which spread about \$500 million a year in tax-exempt largess to so-called cultural projects, have penetrated 24 countries, including every newly independent state of the former Warsaw Pact, South Africa, and Haiti.

The headquarters of Soros's "charitable" activities is in New York City, where the Open Society Institute is located. In September 1993, Soros hired Aryeh Neier as the president of OSI-New York. For a dozen years, Neier had headed the Soros-funded Human Rights Watch, a non-governmental organization and a vehicle for British and United Nations chicanery around the globe, especially where Soros has financial interests.

Since Neier's arrival, Soros's biggest single "charitable" interest has been the legalization of drugs—and this, more than his speculative binges, may prove to be his ultimate downfall.

On July 8, 1994, Soros announced that OSI would provide a three-year, \$10.5 million grant to the Drug Policy Foundation, the quasi-official drug lobby in America. A month earlier, OSI-New York had announced the launching of its own, in-house drug lobby, the Lindesmith Center. The head of Lindesmith since its founding has been Ethan Nadelman, a former Princeton University professor who has dedicated the last decade to the drive to legalize drugs. Nadelman is a founder and board member of the Drug Policy Foundation, so his "move" over to the Soros office is a reflection of Soros's takeover of the DPF, in the drive to win drug legalization globally.

One typical recent Lindesmith study touted the Dutch marijuana policy of legalization and regulated sale, ignoring the fact that, as the result of this policy, the Netherlands has become a mecca for drug users and criminals from all over Europe. Nadelman told a *High Times* magazine interviewer in October 1995, that "the right to possess marijuana for personal use is inviolable any place in the United States. That should be a federally protected right."

Nadelman, like Soros, has friends in "high places" inside the world financial establishment. (Soros, to this day, enjoys

## Frank introduces Gingrich bill to legalize 'pot'

On Nov. 10, 1995, Rep. Barney Frank (D-Mass.) introduced H.R. 2618, which would legalize the medical use of marijuana. The bill is almost identical to one brought onto the floor of the House in 1981 by Newt Gingrich (R-Ga.), a self-described "New Age Conservative." The bill would create an Office for the Supply of Internationally Controlled Drugs within the Department of Health and Human Services, which would be in charge of licensing domestic marijuana production. It would also reclassify marijuana as a Schedule II drug, to be issued under doctors' prescription to "cure" a wide range of illnesses.

The Frank bill was introduced at the same time that the *Journal of the American Medical Association* was issuing the most scientifically authoritative studies ever, showing that marijuana is a dangerous drug that causes severe long-term mental and physiological damage.—*Jeffrey Steinberg*

the backing of the Rothschilds, who maintain two seats on the board of directors of his Netherland Antilles-based Quantum Fund, NV.)

And Nadelman is close to some senior officials at the World Bank. In May 1994, the World Bank brought Nadelman in as an "expert" to brief its staff on the world drug situation. When the Clinton administration balked at Nadelman's presence, the World Bank cancelled the event, rather than cancel Nadelman's appearance. The administration had also objected to the fact that another well-known narco-apologist, then-Colombian Attorney General Gustavo de Greiff, was on the speakers list. De Greiff, now the Colombian ambassador to Mexico, and a suspected Cali Cartel business partner, was a keynote speaker at one of the Drug Policy Foundation conferences bankrolled by Soros.

The other legalization lobby that has recently benefitted from millions of dollars in Soros funds, is Drug Strategies, headed by Malthea Falco, former Assistant Secretary of State for International Narcotics Matters in the Carter administration. Falco maintains that she is not as hard-line an advocate of full drug legalization as the DPF, but she was a founding member of the National Organization for the Reform of Marijuana Laws (NORML), the first big pro-drug lobby in America. Drug Strategies lists Robert Strange McNamara among its directors. McNamara is former president of the World Bank and a member of the Inter-American Dialogue, another private agency that is on record supporting the legalization of drugs throughout the Western Hemisphere.

# Swiss referendum is crucial in fight against drug legalization in Europe

by Karen Steinherz

Over 150,000 Swiss citizens, including educators, parents, teachers, professors, scientists, and engineers, have signed a petition, entitled "Youth Without Drugs," calling for a restrictive drug policy in Switzerland, based on abstinence and fighting the international drug cartels which are currently attempting to integrate themselves into the Swiss banking system. If the petition is accepted by the National Congress of Switzerland during its March 4-22 deliberations, it will then come before the Swiss population, in the form of a national plebiscite, sometime around the beginning of 1997.

The outcome of such a vote would have implications for years to come in the fight in Europe over drug legalization. If the plebiscite were ratified by Swiss voters, it would be a clear victory for the nation of Switzerland, which, along with Holland, has served for 15 years as the experimental model in western Europe for the drug lobby. In Switzerland, heroin is already given out freely to some 800 addicts and in 18 experimental projects, a program which speculator George Soros, who sponsors the pro-drug legalization Drug Policy Foundation, has hopes of expanding throughout Europe.

Conversely, however, were the "Youth Without Drugs" initiative *not* ratified, its defeat would give momentum to the initiatives of the Drug Policy Foundation, which is seeking to legalize drugs through the "back door" in Holland and in Germany.

Furthermore, its defeat would be interpreted as a green light to those international banks which launder drug money via Switzerland, many of which are now under increasing pressure to identify the sources of their liquidity. Defeat of the plebiscite and a victory for the drug lobby would mean that such banks could depend on continuity, security, and legality in Switzerland, for their secret, layered bank accounts. In "Crime and Secrecy: The Use of Offshore Banks and Companies," issued by the U.S. Senate Permanent Investigations Subcommittee in March 1983, after two years of investigations, the committee reported that London is the leading center worldwide for the concealment of dirty-money funds, a charge first made in *EIR's* book *Dope, Inc.* The report also said that two-fifths of all foreign banking activities conducted out of Switzerland are carried out in

conjunction with offshore centers, Switzerland being the center for the practice of "layering secret financial accounts so that beneficial ownership is impossible to determine."

## Bankers come out for drug legalization

While citizens all across Switzerland are mobilizing against the drive to turn their country into a haven for drug addicts, some of the nation's leading financiers are now coming out openly in favor of drug legalization. A petition which supports legalizing drugs for "humanitarian purposes," appeared in Switzerland a few months ago, which was signed by some leading Swiss bankers and corporate officials.

According to a report in the *Bulletin of the European Cities Against Drugs*, which is actively involved in the fight against drug legalization, almost 100 representatives of Swiss businesses have signed this petition, a position paper in which they declare that they are in favor of the controlled distribution of drugs, including methadone and heroin, to "ill people," e.g., those with AIDS, "to seriously addicted people, and to those who have not yet made up their mind to stop using drugs" (emphasis added).

Among the signers are leading representatives of Swiss banking and business firms, including Roland C. Rasi of the Swiss Bank Corp.; Fritz Leutwiler, the former president of the Swiss National Bank; Hannes Goetz, the president of Swissair; and Antonio Riva, the director of Swiss Radio and Television.

The *European Cities Against Drugs* article warns that, under this proposal, the State would have a monopoly on the sale of drugs. "The fact that representatives of the Swiss banking system and other businesses are among the signatories in favor of distribution of drugs is a matter of great concern, especially as the position paper states, in paragraph 11, that *there should be an investigation into the pro's and con's of a controlled drug business connected to private, extensive, geographically dispersed, medically prescribed distribution of drugs to resident 'registered' and also to integrated addicts.*" It calls this "a naive and dangerous idea" (emphases added).

This is not, however, a "naive" initiative on the part of this group in the Swiss banking community; their intent is to

set up a State-controlled monopoly. The “big three” Swiss banks hold \$5.3 trillion in financial derivatives outstanding, making Switzerland the country with the highest level of derivatives per capita in the world. Derivatives are side-bets on underlying financial instruments, and investigators report that huge sums of drug money are laundered weekly through the derivatives market, which helps keep the global speculative financial bubble from bursting. Could this be one reason that Swiss Bank Corp., which is the number-one holder of derivatives in Switzerland, in the amount of \$2,009 trillion, is so eager to sign on to drug law “reform”?

### A strategy for legalizing drugs

On Feb. 23, a so-called “expert commission,” consisting of doctors, politicians, and police officials, recommended a complete revision of the Swiss medical drug code. The commission, which received its mandate in November 1994, cautiously stated that, while it had not come to a final decision, it would probably be a good idea to distribute drugs medically, including heroin, morphine, and methadone, and to *decriminalize* personal possession of drugs.

Commission members also recommended that the ongoing 18 projects in which drugs are distributed, should be continued until the end of 1998, beyond their original 1996 mandate, thus providing a pretext to prolong the discussion of drug legalization in the public domain.

The so-called experts don’t care about suffering drug addicts, or teenagers possibly ruining their lives because they are caught with a marijuana “joint”: The commission’s recommendations would merely be the second step toward legalizing drugs (the first step was getting these projects established), a danger which has not been lost on the adversaries of drug legalization. According to Torgny Peterson, chairman of European Cities Against Drugs, advocates of legalization are trying to find a way around the United Nations Drugs Convention, because it forbids governments from engaging in drug trafficking. Peterson notes that, instead, in Switzerland, for example, the legalizers call it “scientific experiments,” or “harm reduction.” The best-known European document backing “harm reduction” is the Frankfurt Resolution, which was endorsed by the cities of Amsterdam, Rotterdam, Hamburg, and Zurich. Instead of getting rid of the causes of drug addiction, one should manage the risk or the pain, runs the argument.

Dope, Inc.’s interests behind the “soft sell” in Switzerland, are reflected in the argumentation in *Drogenland in Mafiahand* (*Drugland in Mafia Hands*), by Beat Kraushaar and Emilie Lieberherr. In their book about the conflict over Switzerland’s drug policy, the authors discuss the history of the fight against money-laundering from a pessimistic standpoint. Kraushaar, citing German government sources, explains that 60-70% of drug-money turnover is circulated through the banking system. The European Commission wanted stronger regulations against money-laundering, she



Bankers in Europe have begun to call for drug legalization, which will make it possible to bring the billions from the drug trade through the front door of the banking system. Here, the “red light” district in Frankfurt, Germany, which is next door to the banking center.

explains, but behind closed doors, they were watered down at the level of the Ministerial Council. Because it is hopeless to attempt to contain international drug-money laundering, they argue, let’s go ahead and legalize it.

Kraushaar claims that “there will be no stabilization or reduction of drug consumption in the future.”

We have lost control of drug profits, Kraushaar explains, and we have a rising supply of drugs (for which she gives the examples of Central Asia’s marijuana and opium poppy crops). Together with the rising demand, Kraushaar concludes that we have lost the war on drugs. Therefore, let’s go ahead then and take advantage of this money “before it is in mafia hands—that is an estimated 200 billion Swiss francs [roughly \$170 billion] that flows through Switzerland or its foreign affiliates.”

To have authors of books prepare the intellectual argumentation for delivering Switzerland’s banking system into the hands of the dirty-money kings, is a dream come true for drug-money-laundering criminals.

### The ‘reform’ road to legalization

The Swiss expert commission’s call for revision of the drug medical code came two weeks after a major escalation by

the international drug-legalization lobby. William Buckley's reactivation of the campaign for legalization appeared in the Feb. 12 issue of his magazine, *National Review*, under the title, "The War on Drugs Is Lost."

Praising Switzerland's example, Buckley says that "the Swiss have embarked on a national experiment of prescribed heroin to addicts. The two-year plan, begun in Zurich, is designed to determine whether they can reduce drug- and prohibition-related crime, disease, and death by making pharmaceutical heroin legally available to addicts at regulated clinics. The results of the experiment have been sufficiently encouraging that it is being extended to over a dozen Swiss cities. Similar experiments are being initiated by the Dutch and Australians."

Buckley recommends, "You don't need to go for formal legalization to embark on *numerous reforms* that would yield great dividends" (emphasis added).

Such "reforms" have also begun in Europe's drug mecca, Holland. The Dutch Council of Public Health has agreed to experimental distribution of heroin to drug addicts. According to the Dutch daily *Algemeen Dagblad* on May 20, 1995, F. Sturmans, director of the municipal public health service (GGD) in Rotterdam, says that whereas methadone makes people dull and unresponsive, "heroin has a short, but strong effect. . . . One can function better with heroin. . . . and addicts like heroin better." He says that "both methadone and heroin are addictive substances," and concludes that "it is crazy to forbid one and not the other." Rather than calling for the end of so-called "methadone maintenance," which was one of the first foot-in-the-door efforts in the push for drug legalization, he urges that heroin be legalized as well.

Among the widespread public opposition in Europe to such schemes, drug therapy organizations, such as the Hassela Nordic Network, identify this barbarism as the "Swiss Solution," in which some 300,000 Swiss francs, of which SF 180,000 are provided by Swiss medical authorities, are now given out in Switzerland yearly for distribution of heroin to prisoners and in other experiments.

### Medical transition to 'hard' drugs

In a presentation at the Ninth International Conference on Drug Policy Reform in October 1995, Freek Polak, a Dutch psychiatrist and prominent member of the European pro-drug legalization lobby, echoed Buckley: Reforms can *and will* yield "dividends" as great as legalization, he claims. Referring to Holland, he asks:

"Is it wise to embrace medicalization of problematic drug use as a positive development, or should we only accept medicalization as a means in the transition to legalization of hard drugs? Personally I have argued along the last line recently. *It will not be enough to convince politicians of the futility of the international drug conventions. They will have to be forced to support a revision of the drug laws and this probably will be a step-by-step development*" (emphasis added).

According to the *European Cities Against Drugs* bulletin, Polak is a colleague of Kevin Zeese "of the George Soros-sponsored Drug Policy Foundation . . . [and] is a frequent visitor to Europe to help realize the goals of the Netherlands-based foundation."

Zeese, a former leader of the National Organization for the Reform of Marijuana Laws (NORML), has boasted that Soros's \$10.5 million grant to the Drug Policy Foundation, which is the leading advocate for drug legalization in the United States, will greatly expand their work.

### The Dutch mecca for drug users

Amsterdam is a mecca for drug tourists seeking cannabis under Holland's relaxed cannabis laws. The cocaine, hashish, and heroin smuggled into Rotterdam via incoming cargo, only a small percentage of which is uncovered by harbor inspectors, is sold openly out of over 2,000 apartments near the port.

Tourists from as far away as Australia come to Amsterdam's coffee shops to sample Dutch-grown *nederwiet*, purported to be the best-quality marijuana in the world, for a mere \$100 registration fee. Tons of *nederwiet* are shipped to England and France, much to the consternation of English and French border police.

The Dutch Federal Police estimate that hundreds of millions of dollars are made from the sale of Holland's marijuana crop, and the laundered money is reinvested in criminal activities, including prostitution, blackmail, gambling, and murder rackets.

In Venlo alone, since the Schengen Agreement, which opened Europe's internal borders (and is referred to as the "event of the century for drug-dealers"), thousands of German tourists have come to purchase Dutch marijuana, Moroccan hashish, and heroin off the ships in Rotterdam, the world's largest port.

There is some resistance from the German and French governments. On March 7, German Chancellor Helmut Kohl and French President Jacques Chirac held a "drug summit" in The Hague, Netherlands. The theme was to force the Netherlands to impose sharper border controls, and to use more drug-sniffing dogs at Rotterdam's wharf. The influx of drugs from Holland has been an issue with the French since at least 1993.

But Kohl is in a weak position to do anything. Even within his own government, there is an aggressive drive to promote drug legalization through regulatory reform, without even taking the issue to the voters. The German Health Ministry has decided to permit hashish and marijuana to be sold over the counter for medical purposes. In addition, the opposition Social Democratic Party is considering a plan to legalize marijuana in small amounts for personal use. Even some law enforcement officials, such as Cologne Police Chief Jürgen Roters, want to give addicts heroin and cocaine, a position which echoes the Swiss bankers' petition that addicts who have not successfully dealt with their habit should be supplied with drugs.



# Colombia's decertified President is a 20-year project of drug legalizers

by Andrea Olivieri

In the aftermath of the Clinton administration's March 1 decision to decertify the government of Ernesto Samper Pizano for its collusion with the drug cartels, the Colombian President is still clinging desperately to power. Faced with growing demands from business, church, and political leaders for him to step down, Samper is employing outright blackmail and terror tactics. Despite this, the scandal of his Presidential campaign receiving a reported \$6 million in drug money, grows daily. But even this scandal is nothing compared to the full story behind Samper, which is enough to not only oust him from the Presidency, but to jail him, along with his sponsors.

Ernesto Samper Pizano is not your run-of-the-mill corrupt politician who just couldn't say no to the cartels. Rather, he is a 20-year pet project of the international drug lobby, nurtured for the purpose of capturing a government and turning it into a launching pad for the legalization of the drug trade in Ibero-America, the United States, and beyond. Samper has been a narco since at least the late 1970s, and associates of Lyndon LaRouche were the first to say so, starting in 1978, when they published the book *Dope, Inc.*, which identified Samper as Colombia's leading drug-legalization lobbyist; later, in a 1984 special report, *EIR* described Samper as "the Colombian contact man for the dope lobby." In 1979, *EIR* published an interview that Samper had given to a New York journalist, in which he urged a drug-legalization strategy that specifically targeted the United States (see accompanying excerpts). And, in a 1991 *EIR Special Report*, "Bush's Surrender to Dope, Inc.: How U.S. Policy is Destroying Colombia," Samper was described as key to launching the legalization drive in Latin America.

How did *EIR* know back then that Samper was in bed with the cartels? Simple: He ran their campaign for drug legalization.

## Working for 'The Octopus'

When Samper was first boosted into the Presidency of Colombia's National Association of Financial Institutes (ANIF) in 1977, it was already clear that the 25-year-old had been selected for a purpose. His mentor was the former

Colombian President Alfonso López Michelsen, a.k.a. "The Godfather," whose 1974-78 reign paved the way for that country's takeover by the drug cartels, and whose drug-tainted second bid for office in 1982 was managed by Samper.

In 1977, ANIF was the think-tank and lobbying machine of the powerful Grancolombiano financial group, headed by López Michelsen's first cousin, banker Jaime Michelsen Uribe. Grancolombiano, known as "The Octopus" because its tentacles extend into every aspect of national economic life, was the chief beneficiary of the financial "reform" López implemented as President.

That reform not only created a legal laundering mechanism for drug dollars through the Central Bank's so-called "sinister window," but also created the so-called *financieras*, off-shoots of the major banking houses through which a great deal of dirty money flowed. According to a 1982 evaluation by the London-based *Latin America Weekly Report*, those *financieras* provided "a link between the classically conservative Colombian establishment and the underground parallel economy, drawing funds from contraband and drug smuggling. They flourish in an atmosphere of high interest rates, lax controls, and feverish speculation," precisely what López's reforms provided.

No one was surprised when the Grancolombiano Group, under López's benevolent eye, became Colombia's leading financial institution. With that financial—and political—power behind it, ANIF under Samper ran a high-profile campaign, including international tours, symposiums, research projects, and publications, to win the country's elites over to the idea of legalizing drugs. In December 1983, Grancolombiano's dirty financial practices were laid bare by the Belisario Betancur government. Arrest warrants were issued, but Jaime Michelsen and his top henchmen were allowed to flee overseas.

By this time, however, Samper was already well on his way up the political ladder, first as López Michelsen's Presidential campaign manager (1982), then as Bogotá city councilman (1984), then as senator (1986). Samper tested the Presidential waters in 1990, but was swept out to sea by the anti-

drug flood that followed, after the drug cartels assassinated front-running candidate Luis Carlos Galán, their staunch opponent. Samper's predecessor in the Presidency, César Gaviria (1990-94), made him development minister, and later ambassador to Spain; Samper resigned in early 1994 to run for the Presidency on behalf of Dope, Inc.

Back in the 1970s, Samper had privately boasted that his legalization campaign "is what will make me President. I am going to be President, it's already decided." Twenty years later, that project was about to come to fruition.

## Legalization and the cartels

Despite the arguments of today's drug-legalization lobby that decriminalizing the drug trade would put an end to the narcotics cartels, it is a fact that the drug cartels would like *nothing better* than to legalize their trade and win a place on the world's stock exchanges, alongside the other cartels. This was made explicit in 1982 when, as López's campaign manager, Samper had accepted substantial contributions from the drug bosses of the Medellín Cartel, in return for López's pledge to legalize drugs if returned to office. There are numerous instances in which Colombia's drug cartels, or their representatives, have come out explicitly in favor of drug legalization:

- In 1984, after the cartel assassination of the country's leading anti-drug fighter, Justice Minister Rodrigo Lara Bonilla, López Michelsen met clandestinely with Lara's assassins to discuss an amnesty for the narco-bosses and legalization of their trade. A July 1984 editorial in the Medellín newspaper *Orientación Liberal*, run by López Michelsen networks, attempted to motivate such an arrangement with the cartels: "We must ask ourselves if the country can afford the luxury of burying immense sums of money when production is stagnant and unemployment corroding our cities and countryside."

- In October 1989, it was revealed in the media that Joaquín Vallejo Arbeláez, a long-standing member of the Colombian ruling elite, had been serving as a secret interlocutor for the drug chieftains. Vallejo was the spiritual godfather to Pablo Escobar, the late head of the Medellín cocaine cartel. A summary of Vallejo's negotiations with the cartel, with details handwritten by Vallejo himself, included the cartel's proposal to "facilitate" a deal whereby the United States would legalize cocaine consumption and the Colombian government would get the monopoly on export of the drug.

- Strong legalization advocates include leaders of the "formerly" narco-terrorist M-19, which garnered international headlines in November 1985 when one of its commando squads seized and occupied Colombia's Justice Palace, headquarters of the Supreme Court and national legal archives. During that siege, half the Supreme Court magistrates were massacred and the archives, especially the dossiers on petitions to extradite drug lords to the United States for trial, were gutted by fire. It was said at the time that the terrorist action was financed by the drug cartels.

In February 1996, the city council of Pasto called for drug legalization. The mayor of Pasto, "former" M-19 head Antonio Navarro Wolf, co-chaired the 1991 Constituent Assembly which was massively bribed by the drug cartels to constitutionally ban extradition. In the same month, Carlos Alonso Lucio also called for drug legalization. A "former" terrorist and the M-19's sole representative in Congress, Lucio took out expensive full-page advertisements in Colombia's two leading dailies, which called for an end to the war on drugs, and legalization as a "solution" to Colombia's problems. He had just met with the imprisoned heads of the Cali Cartel days earlier.

- Still another ardent legalization advocate is Colombian novelist Gabriel García Márquez, who urges that "all countries agree to global and instantaneous legalization" of drugs. García Márquez, or "Gabo" as he is known, has long been a public relations man for Cuba's Castro regime, which spawned the narco-terrorist São Paulo Forum. But Gabo has also served as public relations man directly for the Colombian drug cartels. In March 1995, he arranged for eight U.S. journalists to visit the imprisoned Ochoa brothers of the Medellín Cartel, who announced that as soon as they got out of jail, they would devote themselves "full time" to campaigning for drug legalization!

- Then, of course, there is Gustavo de Greiff, former Colombian prosecutor general and currently Samper's ambassador to Mexico. De Greiff has campaigned for drug legalization for years, including at least one trip to the United States to address the Drug Policy Foundation, the U.S. legalization lobby. De Greiff not only used his position as prosecutor general in 1994 to sweep under the rug the mounting evidence that the drug cartel financed Samper's Presidential campaign, but De Greiff himself was a business partner with Cali Cartel chieftain Gilberto Rodríguez Orejuela in the early 1980s, in an airline company called Aerolíneas El Dorado Ltd.

One of the tragedies in Colombia today is that many of the political and business elites who are truly horrified by the Cali Cartel takeover of their country, only yesterday endorsed many of the cartel's arguments for drug legalization—in particular the free-trade axioms behind those arguments—which allowed Samper and his cohorts to get a stranglehold over Colombia. Whether the arguments are pseudo-nationalist diatribes against the "consumer nations" of the North, appeals for "social justice" for the oppressed marijuana and coca growers, or obeisance to the "relentless economics" of the market, they are all concoctions of Dope, Inc.

Today, these elites are squirming uncomfortably to find their arguments echoed by the likes of M-19 terrorist Carlos Lucio, but they were blind and deaf for two decades, while the current catastrophe was wrought before their eyes. President Clinton's decertification of the Samper government gives these elites an opportunity to redeem themselves: Confronting the false axioms promoted by the drug legalizers would be a useful first step.

# Samper wanted drugs legalized in 1979

*The following are excerpts from an interview with Ernesto Samper Pizano, then the president of Colombia's National Association of Financial Institutes, in New York in 1979, which a journalist made available to EIR, back then. The full text of the interview is published in the March 4, 1996 issue of the weekly newspaper New Federalist.*

**Q:** Now, in your opinion about the legalization of marijuana and so on, are these the opinions of the association, or your personal opinions?

**Samper:** These are the opinions of my institution. We have a team of investigators, people who are doing research at this moment, and they have completed their task and made their conclusions, and (ours) may be the only social and economic study about the problem of marijuana in Colombia. The main conclusion was that the only way that Colombia can solve the marijuana problem is to legalize it. But, that I propose to be done jointly with the United States, not only by Colombia. I propose legalization, but with the U.S., because we don't think it's a solution only to legalize it in Colombia. . . .

**Q:** Now you propose specifically that marijuana should be legalized, and then the government would tax it, and you would take that tax money under government control and apply it to various needs of the country. . . .

**Samper:** Yes, that's the basic idea. But let me say something. Some people think that we are proposing legalization because we are interested in the money from the marijuana. Even if we did not receive any money from the marijuana . . . we would have made a good investment, because we have a big ethical problem and we have to think about \$200 million a year in the enforcement campaign. . . .

**Q:** . . . You say that this would require a joint effort of both governments to implement this legalization proposal that you have. . . . Are you in contact with people . . . in the United States, who are also proposing this?

**Samper:** Well, I have many invitations from many people to discuss the drug economy and marijuana with them. Many people are only interested in knowing about our thesis; and others have a real interest in legalization. You know NORML [National Organization for the Reform of Marijuana Laws]? . . . They are for legalization. . . .

**Q:** Well, what about people in the government? We cer-

tainly have many Congressmen here who have—well, as I think you know, we have decriminalization. Now, this is not legalization, but it's a certain kind of step. . . .

**Samper:** It's the same thing. . . . Let me explain. It's a problem of balance. Our problem is that we are trying to contain the supply when the demand is not under control. And you have many symptoms here that the marijuana is rising in the street. You have decriminalization in 11 states and you also have 11 states that permit marijuana for medical uses. And that is the rising of demand. Right? . . .

**Q:** You're familiar with the NORML lawsuit against the State Department about the question of paraquat . . . ?

**Samper:** . . . I think that paraquat is the most inhumane drug we could utilize as the solution to the marijuana problem. It is a defoliant and it kills only the small plants, but the big plants assimilate it and survive. Thus, it becomes a question of consumption, because you export the poisoned marijuana. . . .

**Q:** What about the proposal to put a coloring dye in the paraquat so that it can be detected?

**Samper:** I think that it's very difficult to separate the marijuana with paraquat from the marijuana without it. I think that we can't use paraquat.

**Q:** You don't think it should be used? Because the Mexican government did eliminate a great deal of the Mexican marijuana coming into the United States. In fact, it's said that because of the Mexican paraquat spraying, the growing shifted to Colombia. So, why could Colombia not start a paraquat-spraying program? . . .

**Samper:** Well, the first answer is that we are not yet convinced that we shall eliminate marijuana. . . . I think that legalization would be a way, because, in any case, there is still a lot of consumption and the only way to eliminate marijuana is to eliminate consumption. And I don't think consumption is about to be eliminated. That is the first point. . . . But, if you present the issue as a social problem, as a problem which is causing more danger to American society, with the enforcement campaign than with legalization, you can prove to public opinion that you are working on the drug issue in the right way. . . .

You can see, if you look at the way that legalization has been going, that when elections are about to happen, legalization is very bad, but when the election passes, legalization goes up. Right? And I think that here in the United States . . . [there are] people [who] will have influence on the advisers to the White House. This professor who . . . sent his paper [to a seminar sponsored by Samper in Bogotá, in March 1979], Prof. Norman Zinberg: He's a professor at Harvard and he is for the legalization of all drugs, not only marijuana, but also cocaine, LSD, all drugs. And he has a lot of influence with the advisers of the White House. . . .

## Dope lobby pushes legalization debate

by Gretchen Small

On Feb. 16, wire services carried the report that the government of Brazil has initiated a national debate on whether marijuana should be legalized. According to the spokesman for President Fernando Henrique Cardoso, Sergio Amaral, "The President believes that the most important thing, is that the idea be broadly debated in society and Congress, so that public opinion can form its own opinion on this matter, which is complex . . . and so that he himself can form his opinion."

This announcement is a first: A President of one of the world's more important secondary powers, has issued an *official* call, as government policy, for drug legalization to be debated, bestowing legitimacy upon the dope mafia's drive for legalization globally.

Earlier, on Feb. 8, Brazil's First Lady Ruth Cardoso, a rabid New Age sociologist, chose a *television program for young adolescents*, as the forum from which to launch the legalization campaign. Surrounded by dozens of youth, she declared that she is "in favor of decriminalization, but not legalization." Her protestations aside, the only difference between "decriminalization" and "legalization," is semantic, a word-game to help break down resistance to legalizing the drug trade and associated sub-culture.

Statements from the Brazilian Workers Party followed, reminding people that they had already presented a bill to Congress to legalize consumption of certain drugs. The press revealed that the government, too, had already drawn up its own legalization bill, but was waiting for the right moment to introduce it.

President Cardoso is being disingenuous when he says he wants to "form his opinion" about legalization. He has been an executive committee member of the Inter-American Dialogue since its founding in 1982. The Dialogue is one of the leading institutions promoting drug legalization within the Americas.

A collection of prominent bankers, businessmen, politicians, and diplomats from North and South America, the Dialogue was formed by the likes of David Rockefeller, McGeorge Bundy, and British intelligence Canadian hand Ivan Head, in the wake of the 1982 Malvinas War, to ensure that U.S. policy toward Ibero-America followed British dictates.

*EIR* has gone head-to-head against the Dialogue, since the latter's publication, in April 1986, of a manifesto calling for drug legalization to be debated in the Western Hemisphere.

In late 1985, U.S. legalization advocates told *EIR* that the drug lobby would not be able to advance its agenda, until the taboos against public discussion of such immorality were first broken down. Less than six months later, the Dialogue threw its considerable clout behind the legalization drive.

### Opium war revisited

The principal argument put forward in the April 1986 *Report of the Inter-American Dialogue*, echoed British imperial defense of their nineteenth-century Opium Wars: The drug trade is needed for countries to pay their debts. "Waging a war on drugs costs money. More important, it will inevitably result in the loss of . . . foreign exchange that the drug trade provides [which] amounts are substantial for strapped economies carrying large burdens of external debt," they cynically wrote.

The Dialogue repeated the standard mafia line, that the trade is too big to beat. "The war against narcotics in the hemisphere will be long and difficult. . . . The problem will persist for some time to come, and we had best prepare for a long battle," they wrote. Thus, "readiness to explore fresh approaches, including some not now on the political agenda, [are needed]. . . . Because narcotics is a formidable problem, the widest range of alternative approaches must be examined, including selective legalization."

The *Report* acknowledged that legalization would increase drug consumption; by their estimates, drug users would likely more than double in the United States alone.

Since then, the Dialogue has taken the lead in repackaging the mafia's legalization campaign for pragmatic politicians. Releasing the Dialogue's report *The Americas in 1988: A Time for Choices* in April 1988, Elliot Richardson urged that cost-benefit analysis, not morality, dictate drug policy. "If the cost of trying to stop drugs outweighs the benefits at some point, it no longer becomes realistic to continue trying," he said. *A Time for Choices* hammered that "no 'war on drugs' will produce major victories soon," and that "the fight against cocaine can threaten democratic governments as seriously as the trafficking itself." Rather than fight, nations must learn to "cope with narcotics," the report said.

The Dialogue rejoiced when, in June 1993, Dialogue member and millionaire mining baron Gonzalo Sánchez de Losada was elected President of Bolivia, and immediately pushed the legalization agenda. The President-elect told Spain's *Tiempo* magazine after his election: "Prohibition has never achieved anything. . . . It is terrible to say it, but taxes should be placed upon the drug trade." Once in office, however, he bowed to political pressure, and put the legalization issue on the back burner. Brazilian President Cardoso's call has now put the legalization debate center front.



## Without decertification, U.S. would be Samper's accomplice

*The president of the Ibero-American Solidarity Movement (MSIA) of Colombia was interviewed on Feb. 20 in Leesburg, Virginia, by Nora Hamerman. The interview was first published by the Spanish-language edition of EIR, Resumen Ejecutivo, and appears here in a translation by Mrs. Hamerman. Colombia was decertified by the U.S. on March 1.*

**EIR:** What brings you to the United States?

**Londoño:** I head the Ibero-American Solidarity Movement in Colombia and also, as you know, I work with *EIR* magazine. The reason I came to Washington, D.C. is to explain to members of Congress and the U.S. government how important it is to decertify Colombia right now.

**EIR:** What is the issue with "certification"?

**Londoño:** This has to do with a sovereign mechanism of the United States by which means it indicates whether other nations are cooperating with the United States in the anti-drug battle. Last year, the government of the President of Colombia, Ernesto Samper Pizano, did not receive a full certification, but what was called "national security certification" [of the United States]. That means, that Washington did not want to establish that it was collaborating with the Samper government, but it was not prepared to break connections. Yet in the present circumstances, to grant the same thing—a national security certification—would be a victory for Samper.

**EIR:** Which is not desirable?

**Londoño:** No, because what is happening is that there is new proof that makes it clear that this government has been bought off by the drug-trafficking mafia. We ourselves have been warning about this since 1978. I was here at that time talking with congressmen, and since then, ample documentation has been published in *EIR*. Recently this has even been recognized by the U.S. press.

What has happened is the following: Fernando Botero, who was the manager of Samper's election campaign, and then was his defense minister, has stated publicly that, in effect, the Cali [cocaine] Cartel gave money for his campaign, and that Samper knew it. Now, add to this the state-

ments by Santiago Medina, Samper's campaign treasurer, who had already previously decided to cooperate with the prosecution and give information and deliver proof in the same direction, that yes, the drug traffickers had infiltrated the campaign. But besides, on top of this is the information which the United States itself has, which was turned over by Guillermo Palomari, a Chilean who was the Cali Cartel's chief accountant and is now under U.S. protection. So, if the United States were to give Samper's government certification, even if only for national security, this would make it the Samper government's accomplice. And this would send a very clear message not just to Colombia, to those of us who are fighting against drugs, such as Attorney General Alfonso Valdívieso; such as the chief of the National Police, Gen. Rosso José Serrano; such as groups like the one I represent—but it would send a message to other countries, such as Mexico, Peru, Bolivia, Venezuela, where the drug traffickers would think that it is very simple: You just take over the Executive branch and part of a country's Congress, and you can count on the approval of the United States.

**EIR:** How did Mr. Samper ever get to be Colombia's President?

**Londoño:** Well, I have explained also to some persons whom I talked to in Washington, that although Samper is "Made in Colombia," in reality he is also a product of the United States. Samper has been sponsored and financed by the libertarian networks in the United States, and it was with their knowledge that he promoted legalization of drugs since 1978, and since that time he has never stopped doing so. At a private meeting which we had with Samper at that time, in Colombia, Samper stated that he was going to be President of Colombia, that this was a project that was going to launch his political campaign. Later he came to the United States on a speaking tour. For more than six months Samper was with various circles that took him all over the United States. I am speaking of people such as those associated with Milton Friedman's policies, for example—and who, like Friedman, have called for legalization of drugs; of those associated with William Buckley of the *National Review*, who also calls for legalizing drugs.

Now there is also George Soros, the financier who has not only sponsored drug legalization, but who unified the whole movement of legalizers in the United States.

We are also talking about the Inter-American Dialogue, this group of people like Brent Scowcroft and Lawrence Eagleburger, who are tied to ex-Secretary of State Henry Kissinger and ex-President George Bush, who are promoting the idea that Colombia has to be certified, because it should not be isolated. These are the folks that have made Samper into a leading figure.

So, just as we are trying to get Samper out of the Presidency of Colombia, well, people are going to have to help us here in the United States.

**EIR:** What has happened to his opposition? I imagine that Samper has had various opponents.

**Londoño:** The country is becoming polarized. There are lots of folks who have gone out into the streets, students, housewives. We ourselves—the MSIA—have taken part in these mobilizations, but there is an effort to intimidate people through crimes. For example, Alvaro Gómez Hurtado, who had been the Conservative candidate for President, and used to be the ambassador to the United States, was assassinated last year. And he was strongly campaigning for Samper to be gotten out of power.

**EIR:** Samper is from the Liberal Party. Are there also opponents inside that party?

**Londoño:** There is some opposition inside the Liberal Party, although the majority of the Liberal Party has backed Samper, and this has served to keep him in power, because it also controls Congress. Thus, in the last six months, the Accusations Committee in the Chamber of Deputies, which is what formally has to see if there is any basis for a charge, made an investigation and reached the conclusion that there was no merit to the case, and they exonerated him—for the time being. But now, with the new evidence, this process has to be reopened.

But it is not just the case of Alvaro Gómez having been assassinated. For example, Andrés Pastrana, who was Samper's rival in the last Presidential campaign, and who lost the election by a scant margin of 100,000 votes, is in exile here in the United States, because he is under a death threat, and Samper himself let him know that it would be better if he went away. That way, he has fewer opponents.

At the same time, several persons key to the investigation have been assassinated. For example, a few weeks ago, they assassinated Elizabeth Montoya de Sarria, wife of a drug trafficker who is in prison in Colombia. She had been called to testify because there were some tapes, called the "narcocassettes," on which Samper's voice could be heard, along with that of Mrs. Montoya de Sarria. In these "narcocassettes," which circulated a lot in Colombia and abroad, she was making arrangements to channel funds to Samper's

campaign. There was talk of InterBank in Brazil, and of Philip Morris, and it is known that at least \$500,000 from the Philip Morris company went into the Samper campaign.

This Mrs. Montoya de Sarria, who was a very good friend of Samper and a known drug trafficker, was then assassinated. It turns out that, we have just learned, a few days ago, two individuals who were working for this lady's security, were murdered. It has just now been found out that they were connected to her, because at first their bodies were unidentified, and apparently what happened is that they were caught, tortured, and the information was obtained on where the lady was, and then they were killed. Obviously, the testimony by Mrs. Elizabeth Montoya de Sarria would have been devastating for Samper.

We also have the case of the chauffeur of Interior Minister of Horacio Serpa Uribe, who was assassinated last year. It turns out that the chauffeur was a witness to the suitcases in which drug traffickers' money was carried, to be distributed among the Liberal Party's regional campaigns.

So, when we start putting this all together, we see very clearly that although these crimes are unsolved, because their authors are not known, there is a common element, and that is that these crimes are being committed "behind the back" of Samper—just as he has said that supposedly the drug money entered his campaign [i.e., without his knowledge].

Among the latest crimes is the assassination of the son of Gen. Ricardo Emilio Cifuentes, who had just resigned his post. General Cifuentes was the commander of the Second Division of the Army, and he stepped down in protest against the Samper government, saying that he could not take orders from a government he considered unworthy, but that neither did he want to be insubordinate.

If you add to this the intimidation campaign which has gone on against any independent force and against the media, we have a picture of a narco-dictatorship. We are talking about the mafia itself in power. In the specific case of the Ibero-American Solidarity Movement, which I represent, we have constantly been the victims of death threats—one, two, three times a week, by telephone, by fax, by mail, with messages stuck under the door. So it is a very dangerous environment, and my concern is that if the United States fails to understand clearly what the situation is, then we, the best allies which the United States legitimately has in the fight against drugs, will be sacrificed. Because it is also the case that Attorney General Valdívieso, who is doing good work, as well as General Serrano, the chief of police, are also under threat, and the minute the drug traffickers know that it is simply a question of grabbing control of the Executive branch and controlling part of Congress, then the environment is going to be such that they will be able to liquidate these opposing forces.

**EIR:** Could you talk about the reactions you have gotten

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*Although "Made in Colombia," Samper is also a product of the United States. He has been sponsored and financed by the libertarian networks in the United States, and it was with their knowledge that he promoted legalization of drugs in 1978, and since that time he has never stopped doing so.*

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in Washington?

**Londoño:** Well, the subject is a very hot one these days. Apparently no decision has been made, but there has been an effort to send messages, which are confusing at a certain point. For example, some say: "No, it is not necessary to decertify Colombia, because it has already been arranged that Samper will go." This was one explanation that was given. But this is a lie. Somebody ought to find out who was promoting that sort of orientation.

**EIR:** I have read that line in the U.S. press.

**Londoño:** Yes, in reality they are echoing what the Inter-American Dialogue is putting out. Sure, there is not a consistent policy from the Clinton administration, which is what one would hope for. On the one hand, clear voices will be heard, such as Undersecretary of State Robert Gelbard, who is the strongest against drug trafficking, and then all of a sudden, other statements will come out of Undersecretary of State Alexander Watson, or Richard Feinberg, of the National Security Council. For example, the latter two persons are associated with the Inter-American Dialogue grouping; Feinberg was its president. So I hope that the discussions I had in Washington in the last few days will bring a lot more clarity into the administration. Because President Clinton himself could be accused of complicity with the Samper government, including going against the law of the United States itself on the certification issue, one of whose points establishes that corruption has to be combatted. And it turns out that here, in the case of the Samper government, it is the government itself, the head of the Executive branch, which is corrupt, and the United States has plenty of documentation of this.

**EIR:** Is there any historical precedent for the United States decertifying another country, where this has been seen to have generated a positive result, or is this something new in U.S. policy?

**Londoño:** I think it is important to send this message, since there is a lot of hysteria in U.S. political circles and among the electorate. Some of them even told me, "No, this is your sovereign affair, to see how you are going to solve it"; but look at what happened in Haiti, in Panama, in Iraq. So, it is very possible that those who now say, "No, we do not wish to help Colombia," etc., will later be the same ones

who are going to demand a George Bush-style military intervention, which would be a complete disaster. . . .

**EIR:** So this attitude is a bit hypocritical?

**Londoño:** I know that there are countries with which the United States has no relations, practically, but what needs to be understood is that there are two governments in Colombia. In other words, it is not that the people are born, genetically, to produce drugs. This is something which has been imposed on them. It can be proven with facts.

Ernesto Samper Pizano was secretary general of the Presidential campaign of Alfonso López Michelsen in 1982, when López was trying to get reelected, and it turns out that at that time he had already taken money from the cartel. And when López Michelsen was previously President of Colombia, from 1974 to 1978, with an economic policy of balancing the budget, akin to that of your Newt Gingrich, to cut down inflation, to cut back public spending, he opened the door to drug trafficking and the laundering of drug money. And he left behind his "sinister window" at the Bank of the Republic (Colombia's central bank), where you could launder dollars without anyone asking any questions. But the economy, and particularly agriculture, went bankrupt, and at the same time, folks showed up, who offered "parallel" seeds and credits, and then *López was part of making the decisions* for enforcing the economic policy of the International Monetary Fund.

In the case of Colombia we have the deal with the Cali Cartel still in force. And what is this deal? It was the same deal that was arranged with the Medellín Cartel:

First, *no* to the extradition treaty. It so happens that Colombia has an extradition treaty extant with the United States, but the law by which it was going to be implemented was thrown out by Colombia's Supreme Court in 1986, and then by the new Constitution which was drawn up in 1991, in which the extradition treaty was eliminated. But this was after a process of sacrifice and terrible crimes, a process during which hundreds of people were killed, along with policemen who were opposed to handing over the country. So they went so far as to actually change the Constitution, and this was concocted between the drug traffickers and the terrorists, because one-third of the members of the Constituent Assembly were from the M-19 [narco-terrorist band] which had supposedly been amnestied.

So, as I was saying, the first point of the deal—and the Samper government has said it—is that they won't promote an extradition treaty, it's not on the government's agenda.

Second, the drug traffickers enjoy total liberty with respect to their assets and properties: Nobody has touched them, nobody has confiscated this money, and through front men, they continue to enjoy immense power, which serves to blackmail, and to deploy a criminal intelligence and counterintelligence capacity. For example, a little while ago, the Ochoa brothers, the clan linked to Pablo Escobar, several of whom are in jail, celebrated their ownership of a million hectares of the best land in the country. Then, this is the second element that we have, that they enjoy total freedom of their properties.

The third issue is the short sentences which were established, because a penal code was imposed which was fabricated by the drug lords themselves, through their lawyers, a code in which it was established that the maximum punishment for narcotics trafficking—the minimum is four years—could be 24 years. The sentence is doubled if the crime is committed several times, but 24 would be the upper limit. But via plea bargaining, it can be reduced, and it turns out that because of pressure on the prosecutors, this can end up being a sentence of four or five years. Now this is the case for many convicts, such as Juan David Ochoa, who is already about to get out of jail. The same will occur with Víctor Julio Patiño Fόμεque, one of the Cali Cartel members, who was just given a nine-year sentence, but for good behavior he could go free in only six years.

Well, truly this is unjust for Colombia, for those of us who have been fighting. And this is the deal which is in force through the Samper government. That is why we are requesting decertification.

I am aware that decertification has additional implications that will cause some discomfort, but if there is no clear signal, the situation will really be serious.

**EIR:** Could you sketch out a future for Colombia, *after* decertification?

**Londoño:** There is a whole, very interesting process, which is that people have started going out into the streets; first they take a little step and then another and then another. So I am beginning to have confidence; it is necessary to defend our own rights. For nearly two decades we have been under oppression and fear in the country. This is starting to be shaken off, people are raising their voices, and that's why there is a great deal of desperation on Samper's part.

The fact is, that Colombia is a country which could be a powerful nation and could contribute to humanity. Just to point to one instance, we have one of the biggest petroleum deposits, which is Cusiana; but a whole zone of the Andes mountain range has immense oil potential. Now it was always said that because of lack of money, we could not do big infra-

structure projects, and it turns out now that we are going to have a huge dollar income because of this. But now what they have told us is that this money has to be taken away and lent to the foreign banks because it would cause us inflation, a supposed Dutch disease, so say the dogmas of Milton Friedman. So before, it was because we did not have any money, and now our problem is having too much. But for this reason we are not going to build the ports, the airports, the highways, the railroads we need.

But meantime, the British—who, by the way, have been defending Samper—are also taking control of Colombia's coal and oil, and the United States is not even aware of these matters. We have 40% of our trade with the United States, but if this relationship with the British goes ahead from the economic standpoint, because structurally it has existed for some time, within a few years Great Britain is going to be the principal trading partner not just of Colombia, but of many nations of Ibero-America. This is not just a business affair, but has to do with how the British look at the map.

**EIR:** What role could the Armed Forces have in the healthy future of the country, in its development?

**Londoño:** They don't have a legal framework for acting, in terms of the legal code or the Constitution. It is very sad that, for example, more than 13,000 narco-guerrillas have been apprehended and turned over to the authorities, and yet practically none of them are in jail nor even tried, because there is no defined crime. It turns out that now, to assassinate someone, to kidnap someone, are not crimes, but simply a form of political dissidence.

The whole idea of dialogue with the guerrillas, supposedly applying the El Salvador model, and in reality the methodology of the United Nations, is terrible for our countries, because they are undermining every principle of authority; and the military is very demoralized because, for example, all these non-governmental organizations, these NGOs, such as Americas Watch or Amnesty International, have launched a slander campaign with the aim of destroying the military forces, and this has been expressed in various ways in Colombia's case, as well as in other countries.

It is as though, after the fall of the Berlin Wall, according to the outlook of groups like the Inter-American Dialogue, the enemy, which used to be communism, supposedly no longer exists, and so the Army has no more reason to exist. Then they say that we are in a global world in which what will be required are rapid deployment forces, to which a contingent will be contributed to the United Nations and some gendarmes to watch over the tourists, to control the situation.

This is madness, because besides dissolving the nation-state, what is being done is to surrender justice to private interests. And then we have the drug lords' armies, we have narco-guerrillas, armies of common gangsters, and the Army—which is supposed to be the legitimate Army—is not



given any ability, either political or legal, to establish or to reestablish the principle of internal authority.

All the recommendations which have been made—for example, the Inter-American Dialogue talked about the collective defense of democracy. And it turns out that there are two axioms which they are promoting: One is free trade, and the other is democracy, but behind democracy, in fact, what is being imposed is a version of a dictatorship.

Why? Because it is believed that the enemy is the Armed Forces. This is what is being proposed by the United Nations and by some of these NGOs, and they recommend cutting down on the size of the armies, changing their role and turning them into ecologists, dedicating them to other activities. And in reality they are creating more problems.

In the case of Colombia, all the recommendations which these outside groups made, have been accepted. First they said that we needed a civilian defense minister, and this was done. Traditionally, the defense minister had been the highest-ranking military man because we were at war, a war against the guerrillas, and this way the President could be competently advised. Of course, the appointment was up to the President; it was not established that it *had* to be a military man, but just that one supposes that if there is a fire, you call the fireman, because he knows about such things; I am not going to call somebody who has no familiarity with the subject. So it was done, and they also put a civilian in as deputy defense minister, who controls all the related activities. Then we have had a process of privatization of the industries which were associated with the military sector and of some businesses, such as those which managed the retirement funds. Overall, this is going to destroy the very conditions of basic social services for the military. It turns out that the World Bank has set up controls which the Finance Ministry exercises over public spending, so that the military does not exceed its budget. Already, for example, they cannot conduct any secret operations, or even any intelligence gathering of a confidential nature. So there is no capacity for intelligence or counter-intelligence.

The National Planning Department has already replaced, so to speak, the high command and the General Staff in terms of formulating defense policy. And it turns out that we have a group of bureaucrats, most of them educated at Harvard, who establish what has to be done in the country.

And now we have in all the military garrisons a large number of military prisoners. At this time, there are more judicial casualties than combat casualties! I mean, there are more military men with legal proceedings against them than who have fallen in combat. This has destroyed morale.

There was also a reform to destroy the penal code. First with the Constitution of 1991, because this is imbued with a Jacobin, individualist, “human rights” flavor; it is the second longest constitution in the world. We have a list of nearly 100 articles dedicated to rights, but there is not one duty. But then,

the Constitutional Court itself established that, in lieu of the military tribunal, the military code, through which the duty an Armed Forces member is evaluated when there is something to be investigated, this new code says that the civilian courts could and should do that. . . .

**EIR:** The military officer who headed the anti-terrorist war in Medellín, in his book, recounts that he started his career as an engineer, building roads and other infrastructure, and it struck me that this may be an important task for the military in Colombia, for the country’s development.

**Londoño:** Yes, there are zones where virtually the only presence is the military, which although only sporadically, has to not only respond to security problems but also help by building local roads, bridges, and so forth. This is something that has to be salvaged and defended.

It is starting to be clear that the Armed Forces do not exist because there are communists or other threats, but because there are nation-states. In other words, because they are part of the pillars to preserve national sovereignty. Clearly if we are in a one-worldist scheme, where they say there are no nations, then they are going to say, “no, we are not going to need armies.”

But what they are proposing is a world empire.



## LaRouche Campaign Is On the Internet!

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.

## Schiller Institute exposes British plot against Sudan

The British hand pushing the United States to take sanctions against Sudan, was nakedly exposed on March 13, at hearings convened by two subcommittees of the U.S. House Committee on International Relations. The principal speaker, Lady Caroline Cox of Christian Solidarity International (CSI), demanded that the United States take the lead in forcing the fragmentation of Sudan, Africa's largest nation, into several racially and tribally segregated micro-states.

Even before any testimony against Sudan had been presented, Rep. Chris Smith (R-N.J.) badgered U.S. Deputy Assistant Secretary of State for African Affairs William H. Twaddell into pledging that "the United States will continue to lead in pressing for tough sanctions against Sudan." Smith, along with Rep. Frank Wolf (R-Va.), are the official U.S. representatives of CSI.

The Schiller Institute held a demonstration on Capitol Hill against the fraudulent proceedings, and circulated to members of Congress copies of the written testimony by Muriel Mirak Weissbach, excerpted below. The Schiller Institute was founded by Helga Zepp LaRouche, who travelled to Sudan in April 1993, to deliver a keynote address at the International Conference on the Religions. Schiller Institute representatives have conducted seven trips to the Sudan since 1993.

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### Schiller Institute testimony

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March 13, 1996. Submitted to the U.S. House of Representatives Committee on International Relations Subcommittee on Africa and Subcommittee on International Operations and Human Rights.

#### Executive summary

It is documented in this testimony by the Schiller Institute, that the leading witnesses against Sudan:

1. are engaged in witting fraud on the Congress;
2. that they are acting as agents of a foreign power, intent on imposing on the United States, a policy of willful destruction of a nation and its people;
3. that they have been and are interfering into the internal affairs of a sovereign nation;
4. that the policy they promote, of sanctions against Sudan combined with military, political, and logistical support for insurgent rebels against a sovereign government, aims at dividing that nation; and finally,
5. that said policy, if implemented, would unleash genocidal war across the entire region of eastern Africa. . . .

#### 1. Witting fraud

Witnesses Baroness Caroline Cox, John Eibner, Gaspar Biro, et al., have fabricated testimony during several trips to Sudan, many of them undertaken in violation of international norms, i.e., without proper visas. Reports issued by the above have typically been compiled on the basis of third- or fourth-hand information, from the milieu of political forces hostile to the Sudanese government. These are, typically, persons from refugee and displaced persons camps in southern Sudan, or neighboring (hostile) countries. Although allegations have been put forward, of torture by "Islamic government forces" of "southern Sudanese Christians and animists," including crucifixion, no documented proof or evidence has ever been brought before an international body, to substantiate such grave claims.

Although it is a norm of international law, that the burden of proof lies on the shoulders of the accusers, in the case of the campaign against Sudan, this has not been observed. Hearsay, rumors, fourth-hand "reports," and perjured testimony have been the substance offered. As John Eibner recently said, in reference to the current trip to Washington of the Christian Solidarity International, "There is a lot going

on behind the scenes. . . . *The slavery issue is important to motivate action.*"

## 2. Agents of a foreign power

The Christian Solidarity International (CSI), described by Baroness Cox as an "inter-denominational Christian human rights organization which tries to help victims of repression, regardless of their color, creed, or nationality," is in reality a vehicle of the intelligence services of Great Britain. It is nominally headquartered in Switzerland, and is run by Baroness Caroline Cox and Lord Avebury (Eric Lubbock). Lady Cox is Deputy Speaker of the British House of Lords, and Lord Avebury is the chairman of the British Parliament's All Party Parliamentary Committee on Human Rights.

Lady Cox is also a trained psychologist in psychological warfare, who began her career as a Tavistock Institute-trained expert on nursing education. Tavistock is British Intelligence's psychological warfare division, which was at the center of British Army psychological warfare operations in World War II. Among her studies was one on the reactions of the average member of society, to an environment of suffering and death. . . .

## 3. Interference in internal affairs

Prior to their Jan. 19-25, 1995 trip to Sudan, the CSI had organized five visits to the country, four of which had involved *illegal entry* into the regions controlled by rebel forces in the south.

Baroness Cox organized a conference of the Sudanese opposition groups, in Asmara, Eritrea, in June 1995, which issued a resolution calling for extending the war in southern Sudan to the whole country, and overthrowing the Khartoum government by force.

Baroness Cox organized another meeting of the Sudanese opposition from Nov. 29-Dec. 1, 1995, sponsored by the CSI, and held in the British *House of Lords!* The conference endorsed the resolution of Asmara, that is, it endorsed the call for the violent overthrow of a sovereign government.

## 4. Plot to divide the nation

It was John Eibner of the CSI, who first issued in print, the scenario for splitting up Sudan. In an article in the *Wall Street Journal* in 1992, he called for dividing Sudan up into five micro-states. Mr. Eibner promoted this perspective at the above-cited Asmara conference, to "give the initiative a Sudanese face," he said.

The CSI has actively supported, not only political opposition groups inside Sudan and abroad, but also the military forces of the rebel groups, whose explicit aim is to divide the south from the rest of the nation. The House of Lords conference resolution's text (point 6) reads: "In the struggle for the overthrow of the NIF [National Islamic Front] regime and the struggle for the restoration of democracy and rule of law, *the opposition forces need unity and solidarity.* The Conference resolves that the unity of all the political groups

opposed to the fundamentalist National Islamic Front (NIF) regime is of paramount importance and *measures should be taken to promote this unity.*" . . .

The military supplying of the SPLA [rebel Sudanese People's Liberation Army] through Uganda and Ethiopia has been a consistent refrain in the British press. If their claim of direct U.S. military involvement is not true, it at the very least represents an intent of British Intelligence. Will the British maneuver to send American soldiers to fight their dirty, colonial war?

## 5. Threat of genocidal war

The stated aim of the CSI delegation, is to lure the United States government into support for sanctions against Sudan. The sanctions are to be voted up through the United Nations Security Council, at its upcoming session at the end of March. The initial resolution voted up Jan. 31, 1996, against Sudan, was put through a session chaired by Great Britain, and on the initiative of the British, through Ethiopia, whose representative had been coached by London to present a complaint.

The CSI strategy is to impose an oil and weapons embargo on Sudan, in order to prevent the central government from continuing its defense of national unity, against insurgents in the south.

Simultaneously, the CSI is actively supporting the rebel forces, and urging political forces, as well as regional powers (Ethiopia, Eritrea, Egypt, Uganda), to enter the conflict, to extend the war to the north. . . .

If the United Nations were to impose on Sudan the embargo which the CSI demands, the result would be immediate economic dislocation, chaos, and war in the entire region. Disrupting trade with the nine nations Sudan shares land borders with, as well as with Saudi Arabia across the Red Sea, would cause misery for all populations involved, particularly those living in the border areas who are dependent on such trade.

An oil and weapons embargo would aim at crippling Khartoum's defense of its national territory. Continuing weapons supplies into the rebel forces in the south, would increase, to fuel the "war against the government" which the CSI has been promoting. . . .

In consideration of the above, the Schiller Institute deplores the war-mongering actions of the CSI, and the false testimony which that agency of a foreign government, is presenting here.

The Schiller Institute urges the honorable members of the United States Congress to examine the credentials, the documented basis, and the political motivation of those providing testimony against Sudan.

Let it not be said, that the members of the Congress did not know, what the dangers of the proposed sanctions policy were. Once such a genocidal dynamic of chaos and war were set into motion, as the tragic cases of Rwanda and Burundi have made too clear, there is no way to stop it. Millions of lives of Africans are at stake.

# Freemasonic intrigue and the British 'party of treason' in France

by Mark Burdman

A news item in the French weekly *L'Événement du Jeudi* in early February, provided a rare insight into how the British monarchy corrupts some of the leading institutions in France. It seems that some unusual eruptions have been occurring at the highest echelons of Freemasonry in France, including the resignation of two top officials, reportedly under pressure from British freemasonic circles.

The article also revealed one of the vehicles through which the British and their collaborators in France have promoted a pro-Serbian policy in former Yugoslavia. At the same time, it provided an enticing lead into some of the factors that may have been involved in the disgraceful and unprecedented ruling by France's Constitutional Council, to deny "matching funds" to the campaign of Presidential candidate Jacques Cheminade, an associate of Lyndon LaRouche, in 1995.

*L'Événement du Jeudi* journalist Pascal Krop reported that the National French Grand Lodge (GLNF), one of the key branches of French Freemasonry, is so closely linked to the powerful United Grand Lodge of England, that "it suffered for a long time, in France, from the reputation of being nothing but the creature of 'Perfidious Albion.'" The magazine reported that the number-two and -three in the GLNF hierarchy, French Senate Vice President Etienne Dailly and Prince Alexander of Yugoslavia, had resigned from their posts. Alexander, so the account went, resigned under pressure from his British friends, declaring: "My privileged relations with officials of the United Grand Lodge of England, have exposed me to their critical remarks and to their severe judgment concerning the state of our order."

The scandals center, particularly, around members of the GLNF's "Lodge of Silence." All those named in the article as involved in scandals, including Judge Maréchal and Didier Schuller, are close associates of former Interior Minister Charles Pasqua. It was the corrupt activities of these individuals, that provoked the downfall of Pasqua prior to the 1995 Presidential elections, and also helped undermine the Presidential ambitions of then-Prime Minister Edouard Balladur.

The appearance of the *L'Événement du Jeudi* story brought swift reactions from Freemasonry's spokesmen. The

head of the United Grand Lodge of England is the Duke of Kent, a cousin of Royal Consort Prince Philip. When contacted by *EIR*, the Duke of Kent's spokesman, Cmdr. Michael Higham, already had the Krop piece on his desk. He insisted that there had been no British interference whatsoever into the affairs of the GLNF, and that the matter was strictly an internal affair of the French lodge. When the GLNF was contacted, a spokeswoman angrily attacked the story as "a lie and an amalgam," but fully confirmed that something was amiss inside the Grand Lodge's structure. While insisting that Prince Alexander still held his position, she sneered that Dailly had not resigned, but had been "dismissed," for reasons she refused to specify. She avowed that relations with the United Grand Lodge in London were "more than friendly, that is, fraternal." She then terminated the discussion.

## Dailly and the stench of Mitterrand

This is more than just a matter of "freemasonic intrigue" as such. French politics is, admittedly, tainted by the significant percentage of prominent personalities who mediate their relation to public life through freemasonic bonds, whether as members of the GLNF, the Grand Orient, the Grand Loge de France (GLF), or other "rites." That, in itself, is a complicated question, which has been the subject of several books. But the case here, has immediate relevance to a number of sensitive issues. Whatever Dailly did or didn't do, the very fact that he would have reached such a high position in the GLNF, and that he achieves notoriety amidst an aura of corruption and scandal, tells a lot about how French institutions are perverted by the British, utilizing assets within the French elites who evidently have less loyalty to their own country, than they do to the British Crown.

Dailly is also a leading member of the UDF party, headed by former French President Valéry Giscard d'Estaing. He has long-standing connections to murky British interests. In 1981, Dailly was brought onto the board of directors of Générale Occidentale, the holding company for the financial empire of Anglo-French wheeler-dealer Sir James Goldsmith. Over the past years, Goldsmith has emerged as one of the more sinister manipulators of political events, not only in Britain and

France, but also in the United States, Poland, and other countries.

In 1995, Dailly was appointed a member of France's Constitutional Council, a body of nine individuals that has extraordinary powers. The Constitutional Council was originally established by President Charles de Gaulle, who was concerned with strengthening the institutions of French *national sovereignty*, and thought of the council as a means of ensuring the integrity of the institutions of the French State. It is the highest court in the nation, but there is no recourse to appeal its decisions. In recent years, the council has taken on an ominous character. Former Culture Minister Jack Lang has likened it to the "black chamber of Louis XV," where the 18th-century king plotted dirty operations against his enemies.

Dailly came into the Constitutional Council at about the same time as its current president, former French Foreign Minister Roland Dumas. Dumas's appointment to this powerful position is itself an extraordinary event in recent French political-juridical history. He was appointed by the late President François Mitterrand, in one of Mitterrand's last acts as President. This was a favor, by Mitterrand, to his closest friend and political ally of several decades.

Dumas, like Mitterrand, is an Anglophile and close acquaintance of the George Bush crowd, a relationship that became closer during the Persian Gulf war. In autumn 1995, both Mitterrand and Dumas made pilgrimages to the United States to meet with Bush and others. Mitterrand, near death, travelled to Colorado Springs in October, "out of friendship with George Bush," as he put it. He attended an Oct. 8-9 conference, together with Bush, former British Prime Minister Margaret Thatcher, former Soviet President Mikhail Gorbachov, and others, while Dumas went to Houston, Texas, in November, for a strategy conference sponsored by Bush's secretary of state and close buddy James Baker III.

Coincidence or not, it was in this period, on Oct. 11, 1995, that the Constitutional Council headed by Dumas made a decision, of a type *never before made in France*, to deny Jacques Cheminade "matching funds," putting forward obscure technical arguments to justify this decision.

### **The GLNF and the 'Venetian Party'**

Dailly's high-level position in the GLNF helps us put a "British signature" on such operations. As noted, the GLNF is known as the "Anglo-Saxon" branch of French Freemasonry. It is recognized by the United Grand Lodge of England as its "fraternal" freemasonic branch in France, the only one representing the "Scottish Rite" of Freemasonry in France.

The GLNF was formally launched, in its present form, in 1913, on the eve of World War I, largely through the efforts of Britain's Lord Amphill. Around the turn of the century, Amphill had been acting British viceroy in India, a powerful position in the British Empire. In 1913, in his capacity as United Grand Lodge grand master, he called for the activation

of a freemasonry of the Scottish Rite in France. The GLNF, launched in 1910 by Edouard de Ribaucourt, decided in 1913, in response to Amphill's appeal, to associate with the British rather than with a competing Swiss freemasonic branch.

In arranging this link, Amphill utilized the services of a lodge of French citizens based in Britain, the Entente Cordiale Lodge. The Entente Cordiale was the strategic accord reached between Britain and France in the years preceding World War I, and is synonymous with the notion of a French strategic capitulation to its historical British adversary. The Entente Cordiale Lodge existed before the Entente Cordiale as such was concretized, and was obviously a crucial channel for bringing about that pre-World War I strategic link.

When the GLNF was reestablished after World War II, British operations run through it became so notorious, that the son of de Ribaucourt quit the GLNF in 1959, angrily claiming that it had become a front for the British Secret Intelligence Service (SIS).

Over the years, one crucial liaison between the Duke of Kent and the GLNF has been Britain's Cadogan clan. Family scion Lord Cadogan represented the Duke of Kent in at least one investiture of a GLNF grand master in the post-World War II period. The Cadogans are at the core in Britain of what is known as the "Venetian Party." Their rise as a family is integrally tied up in wars against France. The first Lord Cadogan was a close ally of Winston Churchill's ancestor, the Duke of Marlborough, serving as Marlborough's intelligence officer in a number of military campaigns against the French in the early 18th century. In the next century, family links were close to the first Duke of Wellington, a key figure in the wars against Napoleon. The Cadogans' role as the British monarchy's liaison to the GLNF, tells much about the GLNF's function as the "party of British perfidy" inside France.

Sir Alexander Cadogan was one of the most important British diplomats in this century. He was, in 1914, British chargé d'affaires in Vienna, when the Archduke Ferdinand was assassinated. In 1938-46, he was the permanent undersecretary in the Foreign Office, with oversight over MI-6. According to the late U.S. historian John Costello, Sir Alexander Cadogan was a key handler of Sir Anthony Blunt, the official historian of the queen's paintings and a member of the Kim Philby-centered cell of British "triple agents," in dealings with the Soviet Union. According to historian Lord Hugh Thomas, Cadogan was "the most important official in Britain" in 1945-46. He was the author of the original version of the Atlantic Charter, and became Britain's first delegate to the United Nations. Neoimperialist historian John Charmley has identified Cadogan's key role, as an opponent of the anti-colonial foreign policy of U.S. President Franklin D. Roosevelt, in 1944-45.

### **Prince Alexander: the Greater Serbia card**

All of this has much to do with the Anglo-French axis in

favor of a Greater Serbia, which flourished particularly during the Mitterrand years. Prince Alexander of Yugoslavia, the GLNF's number-three, is of the Karageorgevic royal line. Living today in exile in France, Prince Alexander is a central figure in a support network for Greater Serbian geopolitical ambitions.

Should the British and certain French interests choose to activate a "monarchy card" for Serbia, to replace the current gangster clique in Belgrade, the Paris-based Alexander will play a key role. The formal claimant is the London-based Crown Prince Alexander, the grandson of King Alexander of Yugoslavia, who was assassinated in 1934, and son of Yugoslavia's last king, Peter. But the crown prince, despite his connections to the British Crown and to corrupted pro-British circles in Washington, blew his chances for ascending to the throne, when he was outflanked by Serbian strongman Slobodan Milosevic in power intrigues in late 1991.

The Paris-based Alexander is referred to by the Duke of Kent as "His Royal Highness." Balkans experts believe that the British and relevant French interests now prefer to play their "Serbia monarchy card" through him, rather than through the washed-up crown prince in London. The Paris-based Alexander's "claim" is that his father, Prince Paul, served as the prince-regent of Yugoslavia when the king was assassinated in 1934. Paul ruled until 1941. While overthrown by the British after making a deal with Hitler, and then interned by the British, Paul later became a raving Anglophile. He married into the Russian noble Demidov family, a fact of some relevance to Alexander's recent activities.

The clan of this Paris-based Alexander is very active in promoting the Greater Serbia cause. His relative, Tomislav, has highest-level connections among Russian right-wing nationalists of the "Third Rome," imperialist variety, and to corresponding factions in the Russian Orthodox Church. Since at least the early 1990s, Tomislav has been involved in efforts to revive a "Serbo-Russian Society." On Aug. 12, 1991, the London *Guardian* reported that, in a visit to Moscow, Tomislav had won Russian backing for the restoration of the monarchy in Belgrade. Soon before that, Tomislav's wife, the Sussex, U.K.-born Princess Lynda, had returned from Belgrade, where her royal party was cheered by crowds in the streets. Alexander's sister, Elizabeth, who lives in New York, is also a big organizer for Greater Serbian causes.

Alexander's wife is Maria Pia de Savoy, the eldest daughter of the late King Umberto II of Savoy, the claimant to the Italian throne. Alexander's brother-in-law is Robert Zellinger de Balkany, a leading figure in the French branch of the 1001 Nature Trust, the fundraising arm of Prince Philip's World Wide Fund for Nature.

When it is kept in mind that Roland Dumas, while serving as Mitterrand's foreign minister, was an outspoken defender of the Serbian cause, the dimensions of what is involved in *L'Événement du Jeudi's* freemasonic intrigue begin to become clear.

## Prince Philip fiddles, while monarchy bums

by Scott Thompson

His Royal Highness Prince Philip, Duke of Edinburgh, visited the United States March 12-15, traveling to New York, Washington, D.C., and Palm Beach, Florida. According to an aide, this is Prince Philip's "swan song" as president of the World Wide Fund for Nature. He is scheduled to retire in June, to concentrate upon his Alliance of Religion and Conservation (ARC), which is seeking to transform nine major religions into worship of the Earth Mother goddess, Gaia.

But while the Royal Consort cavorted in the United States, all was not well with the House of Windsor.

Prince Philip's trip was an opportunity to pick up loot for his Duke of Edinburgh Award International Foundation (DEAIF), for "youth leadership." He spent more than two days in New York City raising money for DEAIF, at private breakfasts, a lunch at Sotheby's auction house, a reception at the New York Yacht Club, and private meetings with the officials of Lehman Brothers.

On March 14, he traveled to Washington, D.C., where he raised funds for the DEAIF's American counterpart, the Congressional Award Foundation. He lunched at the hilltop mansion of Arianna Huffington, the "copper-plated" airhead who runs a salon for Conservative Revolutionaries. Entry to the luncheon for 16 people cost \$20-75,000. That evening, after a reception at the British ambassador's residence, Philip pocketed more loot from a \$500-and-up-per-plate dinner at the Corcoran Gallery. Honorary co-chairmen of the dinner were the leaders of the House and Senate. Honorary chairmen included 30 ambassadors to the United States and 200 congressmen.

### Call to abolish the monarchy

Meanwhile, British Labour Party leader Anthony Wedgwood Benn informed *EIR* that he had reintroduced into the British Parliament a bill for abolition of the monarchy and the transformation of Britain into a constitutional republic. Benn said that he does not expect the bill to pass this time around, although a majority of British powerbrokers now favor some sort of reform, but that it will do so with the succession crisis upon the death of Queen Elizabeth II. The bill is an indication of the biggest brawl in centuries over the future of the British monarchy—just as Lyndon LaRouche predicted over a year

ago in *EIR's Special Report* "The Coming Fall of the House of Windsor."

Among the key provisions of the bill are these:

- It would "establish a democratic, federal, and secular Commonwealth of England, Scotland, and Wales dedicated to the welfare of all its citizens."

- It would "provide for a Constitution and for Constitutional amendment," and there would be a "Charter of Rights." "Before its introduction, the new Constitution would have to be put to the electors in a national referendum, and a choice of the electoral system to be adopted would be included in that referendum."

- "The Constitutional status of the Crown and the House of Lords would end, and the Privy Council would be abolished. Members of the Royal Family would enjoy all the rights of citizenship, including the right to stand for Parliament, and would receive pensions and accommodation."

- The bill would "establish a Commonwealth Parliament consisting of the House of Commons and the House of the People" (an elected, upper chamber).

- The bill would "establish the office of President, and a Council of State, and prescribe the powers of each."

- The bill would "set up national Parliaments for England, Scotland, and Wales."

- It would "disestablish the Church of England . . . and provide for equality under law of all religions and beliefs."

- "There would be a High Court, and provision for the confirmation of Judges and the election of Magistrates."

- "British jurisdiction over Northern Ireland would be terminated," and it would be free to reunite with Ireland.

- The bill would "amend the law relating to official information," and there would be provision "for an annual report to Parliament by the Security Services."

## Other forces at play

Apart from those like Benn, who have staked out a maximum position calling for a written constitution and abolition of the monarchy, there are many factions of so-called "republicans" in Britain, including those secretly backed by the Club of the Isles—the European-wide grouping of monarchs and other aristocrats. For example, Stephen Haseler's right-wing "Republican Society" is in part a gambit of the Rothschild family.

Tony Benn identified several such "New Republicans" in a June 9, 1992 article in the *Guardian*, and in conversation with *EIR*. Benn believes that almost the entirety of the City of London financial center favors limiting the power of the monarchy, because it has come to be an impediment to closer alliance with the European Union, from which profits stand to be made.

Benn has considerable standing in the Labour Party. He has been elected to 16 terms in the House of Commons, and has served both as Labour Party chairman and as a cabinet minister in every Labour government. He was disqualified

from Parliament in 1960, upon the death of his father, Lord Stansgate, which elevated him to the House of Lords, and it took him three years to successfully fight the peerage law and renounce his title, to take his position in the House of Commons once again.

## Tony Blair kicks over the anthill

On the other hand, Labour Party Leader Tony Blair has no desire at this time to challenge the monarchy. His primary goal is to unseat the Conservatives in the upcoming elections. In his John Smith Memorial Lecture in London on Feb. 7, Blair called for an end to the hereditary principle of voting in the House of Lords, which, according to Benn, brought into question the hereditary legitimacy of the monarchy, without Blair's intending to do so. Said Blair:

"Are we going to continue, alone of all the democracies, to continue to have laws passed by an Upper Chamber, a majority of whose members are there by birth, not merit, perhaps because 300 years ago their ancestor was the mistress of a monarch? . . .

"Perhaps the oddest and least defensible part of the British Constitution is the power wielded by hereditary peers in the House of Lords. Today the Conservative Party have placed their colors firmly on the territory of no change here either—though I believe some of the more enlightened Conservatives, even those in the Lords, will disagree.

"The case for reform is simple and obvious. It is in principle wrong and absurd that people should wield power on the basis of birth, not merit or election. What is more, there are over 300 official Tory hereditary peers, 12 Labour and 24 Liberal Democrat. . . .

"At the moment, the House of Lords is an unelected body, but it is both unelected and with membership predominantly based on birth, not merit.

"Whatever the final balance between election and merit, it is impossible to justify doing nothing about a manifest constitutional unfairness, namely, membership of the legislature on the basis of birth. Surely we should first make the House of Lords a genuine body of the distinguished and meritorious—with a better, more open and independent means of establishing membership—and then debate how we incorporate democratic accountability."

As Benn points out, this is far from a call for an elected upper house, but it "kicked over the anthill."

Another major development was reported by the *New York Times* on March 9. For centuries, it has been taboo for the British royal family to be discussed in Parliament. However, on March 5, Speaker of the House of Commons Betty Boothroyd said that there was nothing to prevent a full debate about the abolition of the monarchy, if the government and opposition chose to have one.

It is unlikely, however, that Prime Minister John Major would agree, and Tony Blair is also unlikely to support such a debate at this time.



## Armenian leader tours U.S., condemns IMF genocide

*Mr. Karen Vardanian, a member of the Presidium of the Union for Constitutional Rights (Armenia), was interviewed on March 2 by Marianna Wertz. The interview was given in Russian and translated by Anna Kaczor Wei.*

**EIR:** You came to the United States to attend the Schiller Institute's semi-annual conference [see *EIR*, March 1, pp. 20-39, 66-68], and to hold meetings with Armenian community leaders here. Can you tell us your thoughts about the conference, and about the meetings you held?

**Vardanian:** I have come here on the invitation of the Schiller Institute to participate in the conference in Virginia. After the conference, I had the opportunity to meet members of the Armenian diaspora in the United States. A number of meetings were organized in Washington, Los Angeles, Boston, and New York.

The conference was very interesting, especially the part devoted to the question of economic development in the world today, and the possibility to change the world situation.

Armenia is one of the countries that are under the destructive influence of the IMF [International Monetary Fund] and the World Bank. That is why it is very important for us to understand the mechanisms used for this destruction. Precisely this made the conference interesting for us, as well as the strategic point of view, and the clarification of the situation, on the part of Mr. LaRouche.

A second aspect of the conference was also interesting, that devoted to the question of culture, in particular, Classical drama and poetry. Then there was a third part, which contained a lot of interesting material connected to the development of technology, the productive sector, and the process of world history.

This kind of conference, in my view, gives participants, and those who study the conference proceedings, a wider perspective on events occurring in the contemporary world.

Concerning my meetings with the Armenian community, I would note the following. The Armenian community here is quite well organized, and always asks American Presidential candidates about issues which interest and concern Armenia. Basically, till recently, those questions touched on such sub-

jects as the genocide [of 1915], and the Karabakh movement [the movement to reunite Karabakh, a province defined as part of Azerbaijan under Soviet rule, with the rest of Armenia—ed.]. Today, in the opinion of our organization, those questions should be posed in a more principled and rigorous form, and they should be supplemented by questions about what must be done to stop the economic destruction of Armenia.

During our meetings, the point was made that the Armenian community should ask American Presidential candidates tougher questions about Karabakh, which means not asking about independence for Nagorno-Karabakh as a sovereign republic, but rather about the recognition of Armenia, united with Nagorno-Karabakh, as a sovereign State by the rest of the world, including by the United States. We think that this will make it possible to stop the war between Armenia and Azerbaijan, and will bring peace to this region. That, in turn, will liberate it from outside control, which comes chiefly from Great Britain, the United States, and Russia.

A second question, which has not been raised before, but is very important today, is related to stopping the detrimental influence of British and American political forces in Armenia. This influence is exercised with the help of the IMF and international banks, which are ruining the Armenian economy.

It is very important for us that the Armenian diaspora demand of American Presidential candidates, with all solemnity and due respect for principles, the termination of this policy toward Armenia. We say clearly: Yes, we need credits, but we need investment credits; credits for the productive sector of the economy, rather than the kind of credits given by the IMF and the World Bank today, which are basically political in nature, and aim to eradicate the economic and political structures of the country.

It must be said, that in all parts of the Armenian community in the United States, the organizations with which I met, such as the Armenian Revolutionary Federation (Dashnak) and the Armenian religious organizations, all responded with understanding to the questions I posed. We discussed a lot about how those questions should be dealt with in real life.



The most difficult matter is to make the population understand that it is necessary to stop the injurious influence of the IMF and the World Bank on the Armenian economy. Simple people do not understand why anybody would refuse to take credits, if somebody gives them. We say clearly, "No," to those credits which bring destruction, and this fact should be made clear to the average member of the Armenian community in the United States, to every American, and, I think, to every person in the world. It must be understood, that credits which bring with them the destruction of the economy are the most lethal weapon, more lethal than nuclear weapons.

I think that a certain process has started in the Armenian community, and this question will be discussed more and more. Unfortunately, concentration on this question will grow as the Armenian economy is more and more destroyed. But, ultimately, this will have to be stopped. I think that the Armenian people, together with the Armenian community in the United States, and all over the world, will be able to resist this destructive influence.

**EIR:** Lyndon LaRouche's book *So, You Wish to Learn All About Economics?* has been published in Armenian. What has been the response?

**Vardanian:** The book was published by our organization in Armenia. Our newspaper mentions the book constantly. In every issue, it is mentioned that this book has been published, and those who want to read it can contact our newspaper. The book is sold in bookstores in Armenia, and many people learned about it through our newspaper. They directly contact the editors.

The composition of people who contact our newspaper about the book is very interesting. They are mainly students and people with an economic or technical education. They are worried about the present state of the economy in Armenia. After reading the book, many people contact us at the newspaper and at our party with a request for more material, for more explanation of the Schiller Institute's point of view. They ask about international economic affairs, and about reconstruction, not only of normal economic relationships, but also of culture and history in general.

I think that the influence of the book on Armenian readers will continue. It is very important that many people be familiar with alternatives to the economic views existing in the world today.

**EIR:** What is the current situation in Armenia politically? Your party headquarters were shut down in December 1994, and your paper, *Iravunk*, closed. What has happened since then?

**Vardanian:** The situation in Armenia corresponds to the situation in the region, in the Transcaucasus and the Middle East. We are experiencing the destructive influence of outside forces on Armenia.

# LYNDON LAROUCHE

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On the one hand, British and American forces are destabilizing and destroying the economy of Armenia in order to clear the way, to create a situation of permanent demolition in the Transcaucasus, and clear the way through the Transcaucasus to Russia.

On the other hand, we see certain Russian forces acting in the same direction, which leads to the destruction of the Armenian economy and political structures, in order to create permanent war and destruction in the Transcaucasus, so as to have an open path, through Turkey, to the Mediterranean Sea. In effect, those two major forces have the same goals in the Transcaucasus, so there are poor prospects for an end to the war in the Transcaucasus, an end to this destructive situation in the Transcaucasus.

The political and economic situations in Armenia have stabilized, but in the worst possible sense. Privatization under the control of the IMF and the World Bank continues. This privatization is in fact the pillaging of wealth, which was created over many years; the pillaging and destruction of the economy, the major industries for which Armenia was always famous, and which produced 60-70% of GDP in 1989, but today produce only about 10-20% of GDP.

The political situation is conditioned by the fact that, under dictates from outside forces, the Armenian government and the President have been trying to destroy political

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*We need credits for the productive sector of the economy, rather than the kind of credits given by the IMF and the World Bank today, which are political in nature, and aim to eradicate the economic and political structures of the country.*

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forces, and they have largely succeeded. Many major parties, with long traditions, have been practically annihilated in Armenia. This includes the Armenian Revolutionary Federation (Dashnak), the Liberal Democratic Party, and so forth. These are traditional parties, which have been in existence for 70 to 100 years, which have been disorganized by the government, which continues to disorganize the work of other political forces, as well.

We are supposed to have Presidential elections in Armenia, and it seems that this disorganization of political organizations has the purpose of clearing the way for President [Levon] Ter-Petrosian to have a second term in office.

On the other side, the economic destruction has led to the demoralization of the population, and, today, part of the population resorts to selling their votes during elections, which already happened during last year's elections to the Armenian National Assembly. Evidently, the same thing will happen this year in the Presidential elections.

Everybody knows that countries which are under the control of the IMF and the World Bank receive money for the development of so-called democratic structures. This money is basically used to buy votes, to bribe the electorate, in order to receive the necessary votes during elections, although the State does not hesitate to use more criminal methods, such as intimidation, blackmail, etc.

Our party's central office was closed at the end of 1994. It was situated in the same building as the central headquarters of the Armenian Revolutionary Federation. But for a month, we put great pressure on the government, and it was forced to open our office. That allowed us to continue publishing the newspaper *Iravunk*, which is a leading newspaper of the opposition in Armenia today.

It should be said, concerning the present state of the political structures in Armenia, that all power is concentrated in the hands of the five main government-mafia structures. They are, first, the ruling party, and the members of the government structures—this is the first mafia structure. The second is the mafia structure of the defense minister. Third is the mafia structure of the prime minister, who is an IMF man, with a pure mafia structure of the IMF type. The fourth is the mafia structure of the minister of internal affairs. And finally, there is the mafia structure of the old communist economic structures headed by the President's brother.

After the destruction of the opposition forces, all political

fighters boil down to a struggle for power among these mafia structures.

It must be said, that the position of those forces which are under the control of the IMF and the World Bank is very strong, and becomes stronger every day. Power is concentrated in the President's hands. The new parliament is an assembly of people who became deputies thanks to vote-buying. For them, a seat in the parliament is just a way of getting immunity. Actually, such a situation is welcomed by the government, because the opposition is poorly represented in parliament, and everybody who observes the work of the National Assembly, understands that it is an artificial structure, which has nothing to do with a democratic parliament.

We, in Armenia, continue the fight for a change in the situation, for unification with Karabakh and recognition of the unification of Karabakh with Armenia, and for continuation of the integration process of Karabakh and Armenia. We have also proposed to all political forces in Armenia that preliminary elections be held among candidates from the opposition parties, in order to find a single candidate, under the condition that the candidates who lose in those primaries, will not run for parliament.

The development of the situation will depend on the results of Presidential elections in the United States, and in Russia. Those two major events will define the political situation in Armenia, I think, from the end of spring till the end of this year, as well as next year.

**EIR:** The Schiller Institute has initiated an ecumenical effort to save the children of Bosnia. Mrs. Helga Zepp LaRouche, the founder of the institute, discussed this at the Schiller Institute conference. What are your thoughts about the IMF-World Bank policy in your part of the world, and what can be done to counter it?

**Vardanian:** I have described earlier how the IMF and World Bank work in our part of the world. Concerning privatization and tax policy, they control a few important elements. Firstly, they control the Armenian Central Bank, since they give it credits, which constitute about 70% of Armenia's budget. The President appointed an auditing firm, which will supervise the Central Bank of Armenia. This is the well-known firm Peat Marwick, known for its connections with the World Bank and the IMF. So, they give money

to themselves, they check themselves, and it is obvious what happens to this money. Armenia does not have an independent central bank.

Secondly, all laws concerning the economy are dictated by the World Bank and the IMF.

Thirdly, the whole process of privatization, all information about enterprises and factories which are being privatized in this entire process, is conducted under the full control of the IMF and under its direct pressure.

What are the results of the destruction of the economy? Between 800,000 and 900,000 people emigrated during the last seven to eight years, out of a population of only 3.5 million inhabitants—about one-fourth of the population. So, this is the result of the activities of the World Bank and the IMF in Armenia.

**EIR:** In January 1994, when associates of yours visited the United States, Vladimir Zhirinovskiy had just been elected to the Russian parliament. Today, Russia is preparing for Presidential elections. What do you see happening in those elections?

**Vardanian:** I have already said that Russian Presidential elections will be very important. It is quite telling, that the present government did practically nothing to try to prevent either the communists or Zhirinovskiy from running for the Duma.

This fact is worth considering before the upcoming Presidential elections. It may be, that we are dealing with a change of power resulting from an agreement.

For what purpose may this change of power be necessary? First, just about everything that could be destroyed in Russia, has been destroyed. That is, Russia has been pushed back 10, 20, or even 30 years, its position in the world has gone back 40-50 years, and today it does not represent the power which it was just 10 years ago. The West, the British and American forces, have, so to speak, reached their goal, although that has led to a very serious aggravation of the world situation. Now, the world faces the threat of a great war. But that does not interest them, of course.

In this sense, it may be, that today the West, happy with the results of the destruction in Russia, will decide not to prevent communists from coming back to power, and communists will be held responsible for the present situation, since it is always the case that those who happen to be in power at the moment are blamed.

On the other hand, the present government and the strongest opposition, i.e., the communists, are genealogically the same forces. The present government is that part of the Communist Party, and that part of the intelligentsia, connected to the special forces of the Communist Party and the KGB, which carried out "perestroika." Today they are in power. The opposition constitutes the other part of those political forces, who had power till 1989.

So, genealogically they are the same; also, as far as

ideology is concerned. It is necessary to help those forces in Russia, which have a patriotic direction. Those forces are among the communists, sometimes they are in Zhirinovskiy's party, and in other parties. Independent of the fact to what party they belong, one should help and stay in touch with those people, who aim at rebuilding the Russian economy and reestablishing the political structures of Russia, and a stable Russia.

Apparently, nobody will be able to prevent [Communist Party leader Gennadi] Zyuganov's victory in the Russian Presidential elections. I have the impression, that the West has already agreed that Zyuganov will become President. The Western press writes about it, and the meeting in Davos [the World Economic Forum in Davos, Switzerland on Feb. 1-6; see *EIR*, Feb. 23, p. 4] showed this. The change of power in Russia will take place without bloodshed, I am convinced, very quietly. After this, it may happen that the West will inspire conflicts between Russia and its neighbors, and will provoke the communists to get involved in those conflicts. That is, the policy of internal destruction will be supplemented by external destruction.

Having this in mind, it is difficult to hope that during the coming two to three years, the economic and political situation in Russia will change significantly for the population.

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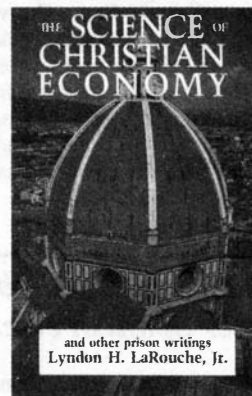
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# International Intelligence

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## **Thatcher, Bush protect Kuwaiti royal porn**

A scandal erupted in Britain, on the eve of a two-day conference, in London March 11-12 organized by the Kuwaiti government. The conference, on "human rights" themes such as "the outstanding issue of missing Kuwaitis still held in Iraq," included as invited speakers Baroness Margaret Thatcher, her pet ex-President of the United States, George Bush, former Russian Foreign Secretary Andrei Kozyrev, British Foreign Secretary Malcolm Rifkind, and others.

But just as this illustrious gathering was arriving in London, the *Guardian* revealed a story of a British-born pilot, Sulaiman al-Adsani, who was tortured by the Kuwaiti authorities. Why? In August 1990, al-Adsani had joined the anti-Iraq resistance in Kuwait. A fellow "resistance fighter" gave him a pornographic video, showing a member of the Kuwaiti royal family and nephew of the Kuwaiti Emir. The video had been obtained when the Emir's palace was looted. Then, when the Iraqis were forced out of Kuwait, the Kuwaiti royal family and government authorities, ever concerned for freedom and justice, began rounding up all copies of what the *Guardian* called "the lurid films."

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## **Heightened instability after Spanish elections**

The March 3 general elections in Spain have heightened political instability on the southern flank of NATO, adding to the upheavals in Italy and Turkey. José María Aznar's insurgent People's Party got only 1.4% more than the former ruling party, the PSOE Socialists, failing to reach the absolute majority. This result sent the Spanish stock market into a nosedive.

PP chairman Aznar is now forced to seek support from regionalist parties such as Jordi Pujols Catalan Convergencia I Union (which got 16 seats), the Basque PNV, and the Canarian Coalition, in order to be elec-

ted prime minister starting in April. Were Aznar to fail to get a majority, within two months new elections would have to be called, and Spain would be left without a functioning government until early autumn.

The leading Spanish daily *ABC* reacted to the political turmoil in the aftermath of the election by writing: "Markets, industrial associations and financial experts call for a PP/CIU pact, so that Spain can continue on its way to fulfilling the Maastricht convergence criteria."

Indeed, the PP electoral platform made clear that Aznar is determined to impose a draconian Thatcher-style austerity program upon Spain's already ailing industry. "We will make Spain fit for the European Monetary Union. . . . Nothing and nobody will prevent the PP to pursue its European aims with all their consequences," was his electoral slogan, meaning deregulation of the economy, an iron austerity discipline, and the dramatic slashing of State spending, to be supervised by a new court of accounts. A plan of privatization would be directed at strategic sectors such as aerospace (Casa and Indra), defense (Santa Barbara and Bazan), and infrastructure, where Aznar's party seeks to privatize the rail system, airlines, and ports, as well as energy and water.

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## **Ecuador demands more territory from Peru**

Ecuador is demanding Peru yield territory, as the condition for settling their border dispute, Peru's *Expreso* daily reported March 7. As Peruvian media duly noted, no Peruvian government could, at this time, hand over territory, without being overthrown. The proposal is a recipe for renewed conflict—sooner, rather than later.

According to *Si* magazine of March 4, the architect of the Ecuadorian decision to push this demand, now, is U.S. State Department eminence grise, Luigi Einaudi. State Department officials had informed *EIR* in late 1995, that Einaudi's sole formal assignment is the Peru-Ecuador conflict. Accord-

ing to *Si*'s report, Einaudi has now put together a package to "settle" the conflict, which U.S. Secretary of State Warren Christopher presented to the Brazilian, Chilean, and Argentinian governments during his recent trip to Ibero-America. Peruvian government sources confirm *Si*'s report, that the Einaudi package carried by Christopher, requires that Peru yield territory.

The formal announcement of Ecuador's demand was made during a meeting in Brasilia, Brazil, on March 6, of representatives of both nations, together with representatives of the four "Guarantor" nations (U.S., Brazil, Argentina, and Chile) of the 1947 Rio Protocol which settled the last major war between Peru and Ecuador. Peru argued in Brasilia, that all that remains to be settled for a permanent resolution of the conflict, is that accurate demarcation of the border in two disputed areas, be done. Ecuador, asserting that part of the border agreement terms specified by the Rio Protocol cannot be executed, argues that Ecuador seeks "free and sovereign access to the Marañon-Amazonas" rivers, well within Peruvian territory.

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## **Helga Zepp LaRouche on German regional TV**

On Saturday night, March 9, Helga Zepp LaRouche appeared on the regional TV channel SWF 3, in Rhineland-Palatinate, one of several German states where the movement she leads is running candidates in the March 23 elections. The broadcast was in the context of the "Parties Before the Elections" series, where all parties present their programs.

Speaking as the head of the electoral slate of Civil Rights Movement-Solidarity (German acronym: BüSo), she said: "Since the beginning of the year, the Bonn politicians have gone out of their way: massive cuts in the social field, in pensions and wages. This brutal austerity policy, which is meant to cover up the mistakes of the past years, will cost human lives.

"The election campaign in the U.S.

proves, that there is another way. Presidential candidate Lyndon LaRouche, who just reached significant percentages in the primaries, and other leading Democrats like Senators Kennedy and Daschle, and Congressman Gephardt have taken up the fight against Conservative Revolutionary Gingrich, and are addressing the economic problems in terms which allow a solution: public investments into productive full employment, in infrastructure, housing, and other areas of the common welfare.

"It is not the social expenditures which empty the coffers, but high unemployment!

"The debate in the United States, which will determine our fate as well, must have consequences for us, too. Let us struggle here, too, to defend the life and economic security of our population!"

## **British pull strings of Chechen, Hamas terrorism**

The potential for "Chechen terrorism" must be seen as linked to the outbreak of "Islamic terrorism" of the Hamas variety, and British operations are critical to both, a senior Russian strategist, with years-long experience working on the Caucasus and Middle East, said on March 6.

He said: "We will probably see Chechen terrorism soon, but don't see this as simply 'Chechen terrorism,' since it is very much linked to, and connected with, Islamic terrorism. The links work very much through the old Afghan mujaheddin, with Saudi money, and with old American arms, originally meant for the Afghan mujaheddin, but which now come into Chechnya, through Azerbaijan. It is difficult to patrol the mountainous areas through which these weapons come." He concurred with *EIR's* assessment of the importance, in this context, of the British military training program in Azerbaijan headed by Lord Erskine.

Asked later on about Hamas, and the potential for British secret service manipulation and/or direction of such terrorism through traditional British operations in Jordan, he said, "British influence in the Jorda-

nian Arab Legions is strong, going back to the days when Glubb Pasha set up the Arab Legions. We have been watching this very closely, because there are Chechen and Circassian people in Jordan, who are extremely powerful, and very important for the fighting against Russia in the Caucasus."

## **'Third Force' movement campaigns in Russia**

The daily *Sevodnya* reported Feb. 28 on the creation of a left-centrist block in Russia, called "Third Force." Its organizers include Gen. Alexandr Lebed, former Duma Economic Policy Committee Chairman Sergei Glazyev, and others formerly active with them in the Congress of Russian Communities (KRO) (but not Yuri Skokov), as well as the film-maker and Member of the Duma Stanislav Govorukhin, ousted Vice President Gen. Aleksandr Rutskoy, and Oleg Rumyantsev, who headed the Constitutional Committee of the Russian Supreme Soviet when Boris Yeltsin abolished it in 1993. In an NTV interview, Rumyantsev said the goal of the Third Force was to promote "civil society" and to oppose "nomenklatura habits and nomenklatura thinking."

In his own interview to NTV, on March 4, and in other statements, Communist Party of the Russian Federation leader Gennadi Zyuganov said he was ready to invite "Lebed, Govorukhin, and others" into a coalition around his candidacy in the June Presidential elections. Otherwise, speculation is that the Third Force would nominate Lebed or the eye surgeon-turned-politician Svyatoslav Fyodorov for President.

Former Vice Premier Vladimir Shumeiko, meanwhile, claimed at the founding meeting of the new Movement for Public Support of President Boris Yeltsin, that it is the real third force in Russian society, insofar as radical liberals like ex-Prime Minister Yegor Gaidar are against it. The new organization is comprised of elements of Prime Minister Chernomyrdin's Our Home Is Russia, and Shumeiko's Reform-New Course.

**MAASTRICHT** "is the Treaty of Versailles without (preceding) war." This statement, which originates with Francois Olivier, chief editor of the French daily *Le Figaro*, is becoming a frequently quoted battle cry among opponents in Germany of the European Monetary Union scheme.

**OBASANJO**, the former Nigerian President who has been under arrest for a year now, will receive this year's Human Rights Award of the Friedrich Ebert Foundation, a German Social Democratic think tank, at a ceremony May 6.

**ED BROADBENT**, a supporter of the Zapatista uprising in Mexico and longtime Socialist International figure, has quit his position as head of Canada's \$5,000,000 International Centre for Human Rights and Democratic Development, to accept a one-year fellowship in Britain.

**CATHOLIC** churches and Christian communities were the targets of four bomb/grenade attacks on the southern Philippines' island of Mindanao over the March 9-11 weekend. The Moro National Liberation Front denied involvement, suggesting the Afghansi-linked Abu Sayyaf may be the culprit.

**ITALY'S RADICAL** Party, best known for its advocacy of full drug legalization, was the main sponsor of a planned demonstration for Tibet in Brussels on March 10, known as "Uprising Day," and the anniversary of the day the Dalai Lama fled Tibet for India in 1959.

**PRINCESS DIANA** of Britain, on her recent trip to Pakistan, snubbed an invitation by Premier Benazir Bhutto to stay at the governor's mansion in Lahore, *Asian Age* reported Feb. 20. Instead she was the guest of British financier Jimmy Goldsmith's daughter Jemima and her cricket star husband, Imran Khan, who is about to start a career in politics in Pakistan.

## Britain's 'new Empire' strategy invades Asia

by Michael O. Billington

Over the past year, the British have launched a highly publicized campaign to reestablish, openly rather than covertly, the policies of the Empire, utilizing the existing structure of the British Commonwealth of Nations. This campaign was dramatically advanced through the organizing for an "Asia Europe Meeting" (ASEM), a conference of 25 European and Asian nations which took place in Bangkok, Thailand on March 1-2. ASEM was designed and executed by the British, in large part through the auspices of "former" colony Singapore, and their favorite comprador in Asia, Singapore's senior statesman Lee Kuan Yew, with assistance from the Entente Cordiale faction in France, typified by former prime minister and Trilateral Commission leader Raymond Barre, and others who have significantly influenced President Jacques Chirac. The conference, attended by the Heads of State or leading representatives from the 15 members of the European Union, the 7 members of the Association of Southeast Asian Nations (ASEAN), joined by Japan, China, and South Korea, was promoted as a vehicle for dialogue and collaboration between Europe and Asia. However, as this *EIR* report will demonstrate, those who designed and directed the conference were guided by the goal of furthering London's new "Empire" strategy in Asia. Four objectives can be identified:

1) The establishment of an institution through which European economic relations with Asia (and ultimately *all* economic relations with Asia) will be directed, from London, utilizing London's dominance of the world financial markets, especially through Hongkong and Singapore. This effort has the included purpose of *preventing* the real physical development of the Eurasian land-mass, envisioned in the plans for a "land-bridge" of high-speed rail lines and development corridors connecting Europe to the Pacific, a concept strongly supported by leading political circles within China, Korea,

Germany, and other nations.

2) To drive a wedge between the United States and Asia, targeting in particular the efforts of President Clinton to replace the Bush-Thatcher foreign policy, which was characterized by the "globalization" of low-technology process-industries and the spreading of the Western financial speculative bubble, with a policy of exporting technology and heavy industry into the developing sector nations.

3) The creation of a new, synthetic "Asian nationalism," using the methods perfected by Lord Palmerston in the 19th century, by creating local and regional ideologies as a means of division and control over the Empire. Lee Kuan Yew has played a special role in this particularly nasty bit of cultural warfare.

4) To further the cause of transforming all of East and Southeast Asia into an extension of the Hongkong model of deregulated money laundering (called "free market economics"). An included purpose here is to maintain control of the Golden Triangle drug flow.

### The 'new Empire' strategy

The ASEM conference was first proposed in autumn 1994, by Singapore Prime Minister Goh Chok Tong, but incorporated the ideas of an earlier, July 1994 European Union proposal, "Towards a New Asian Strategy," nominally to give higher priority to Asia. However, the goals defined were Europe and Asia—without Eurasia. The EU proposed to bring Asia more and more "into management of international affairs," and economic relations, defined as "trade and investment," with the emphasis on the private sector. The World Economic Forum, based in Davos, Switzerland and a creature of the monetarist Raymond Barre, also promoted ASEM.

In March 1995, the Foreign Office's primary think-tank,

the Royal Institute of International Affairs (Chatham House), sponsored another conference on "Britain in the World" (see *EIR*, March 31, 1995), in which leading British establishment figures (including Sir Henry Kissinger) decried the onrushing collapse of the nations of continental Europe, and proclaimed that England must return to its roots in "globalism," utilizing the experience of the Empire, and the structure of that Empire as preserved in the Commonwealth. The British press has been filled with such drivel ever since. The *Sunday Times* editorialized on Dec. 31: "Our global balance sheet . . . invites the political community to lift its eyes and respond to the lure of the high seas, as our forebears did. . . . The fastest-growing part of its trade and investment is with the tiger economies, of Southeast Asia and the Pacific Rim. . . . There has seldom been a better time to rekindle this country's historic interests. . . . Parts of Whitehall [the British government] need to stop believing the world is Euro-centric and to readjust their focus. There is still time—just."

Chatham House also released a report called "Economic Opportunities for Britain and the Commonwealth," by the Australian-based Katherine West (Australia is to play a crucial role in the renewed Empire in Asia). West wrote that "globalism is Britain's natural and logical style, and the world as a whole, including the Commonwealth, is Britain's natural economic territory." She favorably quoted the economics editor of the *Sunday Telegraph*, Bill Jamieson, praising the "experience of empire and the dynamics of an informal financial empire that maintained its vibrancy long after the formal empire went into decline." All the voices in this imperial chorus sing of the East and Southeast Asian nations as Britain's special sphere of interest.

A news analysis praising ASEM, printed in the *Asian Times* of Jan. 22, by François Godement of the French Institute for International Relations (a spokesman for the French faction advocating a new "Entente Cordiale" with the British), was entitled "Europe Building a Bridge to Asia." The term "bridge" is often used in this context, but, in fact, the British designers and controllers of the conference have spared no efforts to sabotage the building of an actual, physical land-bridge between Europe and Asia. As envisioned by *EIR* founder Lyndon LaRouche, the land-bridge would consist of multiple rail connections between China and Europe, creating development corridors, extending outward from a revitalized industrial heartland of Germany and France, which LaRouche called the "Productive Triangle." The Productive Triangle, as well as the land-bridge, require both international cooperation and extensive government investment from the nations involved. The British have deployed to prevent such government involvement, through both financial and geopolitical warfare against the nations of continental Europe and Asia. Like their colonial forefathers, the British today consider such development to be a deadly threat to their power and influence, which rests on the *containment* of national development, through the control of the institutions of international

trade and finance.

Europe, on its side, is destroying its industrial capacity, the highest concentration of productivity and productive power in the world. Since the wrecking of the great potential of the 1989-90 peaceful revolutions and the reunification of Germany, by the British-led operation to impose shock therapy on Russia and eastern Europe, the nations of western Europe have succumbed to monetarism and fiscal austerity. This operation was enforced by Margaret Thatcher and George Bush's geopolitical wars in the Persian Gulf and in the Balkans, with the included purpose of provoking division and confrontation in Europe, especially between Russia and Germany. In this situation, the recently deceased, British-allied French President François Mitterrand engineered the passage of the Maastricht Treaty in 1991, which is the chief instrument for creating economic chaos in Europe today.

Similarly, in China, the British, with some success, have encouraged Beijing to direct investment credit, both foreign and domestic, into the Hongkong-style coastal development zones, rather than the desperately needed national infrastructure, while various and sundry British intelligence operations are promoting ethnic revolts in the border areas, civil war over Taiwan, and splitting off southern China from the north. Gerald Segal, of London's International Institute for Strategic Studies (IISS), and director of Britain's Pacific Asia Program, has been so outspoken in his advocacy of splitting up the Chinese nation that he has been declared *persona non grata*.

Nonetheless, Britain is still concerned that the collaboration between China and Germany on the land-bridge could bring in Russia, France, and others to that perspective.

Also, a recent agreement for the German construction of a power plant in Shandong Province, originally arranged during Chancellor Helmut Kohl's visit to China last year, has provoked the ire of the British. Kohl agreed to extend German export credits despite the Chinese refusal to provide official government guarantees. The Hongkong-based *Far Eastern Economic Review*, a voice for British colonial policy, reported that the Western powers and Japan had "informally agreed not to supply concessional funds for Chinese infrastructure projects without such guarantees. . . . The Germans broke ranks. That greatly irritated the other export control agencies which had been trying to shape a common front." It is precisely such "breaking of rank" which the British hope will be prevented in the future through new institutions established through ASEM and subsequent dialogue.

### An old tradition

The effort to keep China (and Asia generally) weak and divided is, of course, nothing new to the British, and their most recent efforts will be informed by their history. In the period leading into World War II, the British established a Consortium of Western nations, directed by the Morgan interests of London and New York, to regulate credit into China, which succeeded in *preventing* any new loans to China from

the member nations for 17 years (Germany broke that unofficial blockade as well). During and after the war, Churchill used various means to undermine Franklin Roosevelt's commitment to building a strong China and a strong Asia. Roosevelt stated unequivocally that America did not enter World War II in order to preserve the wretched 18th-century British colonial methods. With FDR's death, however, Churchill succeeded in retaking the colonies, and turning Asia into a continent of continuous warfare for another 30 years.

Twice before in modern history there have been international efforts to overcome such oligarchical policy, by building an alliance of East and West to the purpose of developing the entire Eurasian land-mass. In the late 17th century, Gottfried Wilhelm Leibniz, in collaboration with the Jesuit missionaries in China, proposed a "Grand Design" linking Europe with the highly developed culture and economy of China, such that, as he explained it, "as the most cultivated and distant peoples stretch out their arms to each other, those in-between may gradually be brought to a better way of life." He published a journal of philosophical, theological, and historical

works sent from China by the Jesuits. He proposed to the Russian czar and other European governments that the ancient silk routes be reopened, and that educational centers in Europe establish relations with those in China.

This potential for a Confucian-Christian alliance was sabotaged early in the 18th century through intrigue, both within and without the Catholic Church, by agencies of the Venetian oligarchy. Venice had established its power in Europe through an alliance with Genghis Khan, profiting from a "free market" for their trade among the nations of both Europe and Asia left in ruins by the ravaging Mongol hordes. By the early 18th century, the Venetian oligarchy, whose "Venetian Party" assets had recently consolidated power in England, recognized the threat which the "Grand Design" of Leibniz, uniting the nation-states of Europe and Asia, represented to continued oligarchical power. Through methods of cultural warfare, the Venetian enemies of the Renaissance succeeded in turning the Vatican against the Jesuit mission in China, resulting in the destruction of both scientific and cultural relations between Europe and China. When the British opium peddlers and war-

## 'The message of Venice'

What is not being sufficiently addressed, in problems of international relations, and particularly European-Asian relations, is "the cultural dimension," one of the European promoters of ASEM noted last autumn. At the behest of the European Commission, the Giorgio Cini Foundation, the most important institution shaping cultural and strategic thought in Venice, moved to fill the void.

Its founder, Count Cini, decisively undermined Italy's industrial development. Early in this century, in cooperation with Thomas Edison, Italian scientists had established Europe's first electricity plant in Milan. But Cini joined the Italian branch of Edison's company, and, over time, sabotaged the infrastructure projects planned to modernize Italian industry. He used his profits to set up his foundation on the island of San Giorgio in Venice.

The foundation invited over 100 "esteemed experts," to attend the Europe-Asia Forum, "On Culture, Values and Technology, Towards Mutual Understanding," on Jan. 18-19. Manuel Marin, vice president of the European Commission, told the forum: "No city is better placed than Marco Polo's hometown, to serve as a background for this renaissance, this new impetus in relations between Europe and Asia. . . ."

Europe first saw Asia, he said, through the eyes of travellers, "or through the ill-informed prism of our En-

lightenment philosophers." Then came the colonial period. Now, Europe and Asia look at each other, as "equals." Marin emphasized, "'All is in all and vice versa,' we are saying more and more in Europe, taking our cue from the Asian model . . . to build on the sustained strength of our trade, to foster our social and intellectual commerce."

Discussion included such topics as "Understanding Asian Values," and "A Geopolitical Approach to Unity and Diversity in Asia." The summaries' language gushed: "Mutual benefit and new synergies in a win/win situation must be the main principles underlying these exchanges of technology. . . . For business, what is at stake are relations between global business and local politics. . . . Beyond trade and investment issues geopolitical concerns have to be recognized much more clearly. . . . The differences are mainly cultural, hence in ways of doing things."

Most revealing is the summary of "Religions in Relation to Progress." The values of the European Golden Renaissance were buried deep. Instead, "The main conclusion is that religion does not stand in the way of progress, provided that progress is rooted in moral and spiritual values and does not violate these standards," the participants noted. "Progress is defined as the capacity of a society to learn continuously from inside and from outside. Even if the name of religion is sometimes used for the sake of extremist violence or for impeding social reforms, religions have contributed to the strengthening of tolerance, social cohesion, humanitarian concerns, the creative accommodation of plurality, family values, and environmental care."—*Mary Burdman*



ships arrived in the next century, the isolated Chinese were technologically unprepared to resist.

By the beginning of the 20th century, a new Chinese nationalism had emerged in China behind the person of Dr. Sun Yat-sen. Sun had been educated in Hawaii by networks of the “National Party” in the United States, those who carried on the traditions of Benjamin Franklin, Alexander Hamilton, Abraham Lincoln, and the virulently anti-British economists and theorists of the American republican tradition. Sun recognized that China’s plight was only one aspect—although a particularly ugly one—of the devastation wrought upon the entire world by the continuing existence of the British Empire. In the middle of the First World War, Sun wrote *The International Development of China*, in which he argued that, unless the colonial order were overturned, and the Western nations united around a concerted policy for the development of China and the rest of the world then occupied by colonial powers, the alternative would be genocide against the people of color, and a second world war. It was precisely to prevent Sun Yat-sen’s *International Development of China*, that the British in 1920 formed the Consortium mentioned above—to keep the Americans in line on a policy of containment of China.

This is the legacy guiding today’s Empire builders.

### **The modern-day offensive**

In January 1995, two months before the Chatham House conference on “Britain in the World,” British Chancellor of the Exchequer Kenneth Clarke toured Malaysia, Thailand, and Vietnam. His message was that Asia was becoming the center of the world economy, and that, although Britain was not among the leading industrial powers, it was the leader in the “service industries,” especially in finance. Based on the expertise and experience of the City of London and colonial Hongkong, Clarke was most graciously offering Britain’s assistance in setting up the financial operations necessary for the coming transformation in Asia. The ASEAN nations have, in fact, been falling all over each other, especially in the past year, trying to “win” the honor of becoming the “new Hongkong” after the return of that British colony to China next year, by deregulating their banking institutions, rapidly eliminating the laws and regulations protecting their economies, and opening up their financial systems to myriad forms of speculation. Virtually every one of these economies is now facing a Mexico-style disaster, as enormous debt and speculative bubbles are festering on top of woefully underdeveloped infrastructure.

Simultaneously, the British began a “charm offensive” toward the Chinese, repairing the strained relations of the past several years created by the antics of Hongkong Governor Chris Patten, who had decided that, due to England’s great love of democracy, he would impose a few democratic reforms on the colonial dictatorship run by the Hongkong banks before turning things over to Beijing in 1997. Chinese Foreign

Minister Qian Qichen travelled to London last summer, and British Foreign Minister Malcolm Rifkind went to Beijing in January, and both simply pretended that Governor Patten doesn’t exist.

Throughout this exchange, British assets in the United States, centered around the Conservative Revolution fanatics in the Congress, carried out a series of provocations against China (concerning Taiwan, Tibet, weapons sales, trade, and human rights), introducing a debate about the need to contain China in the manner of the Cold War containment of the Soviet Union, and thus creating an apparent crisis between China and the United States. Although President Clinton has generally succeeded in sustaining a stable relationship, the highly publicized conflict created an international environment in which the British were able to assert themselves as the “more reasonable and understanding” foreign power with the Chinese and other Asian nations. As discussed below, Commonwealth leaders Lee Kuan Yew, Malaysia’s Mahathir Mohamad (a friend of former British Prime Minister Margaret Thatcher), and Australia’s Paul Keating played the crucial roles in this effort to provoke anti-U.S. (but pro-British) sentiment.

The most amazing aspect of the preparation for the ASEM conference took place in London during the last week of January. The entire financial leadership of Thailand was flown to London for a full week of indoctrination by the practitioners of the new Empire strategy. In the delegation were: the Thai finance minister, the Bank of Thailand governor, the Fiscal Policy Office’s director general, the Securities and Exchange Commission head, and the president of the Bangkok Stock Exchange. Besides meeting with Chancellor of the Exchequer Clarke, their itinerary included meetings with the full array of the current representatives of the banking institutions which have historically run British colonial policy, including SBC Warburg, Morgan Grenfell, Lloyd’s, and the Hongkong drug banks themselves, Standard Chartered and the Hongkong and Shanghai Banking Corp.

When the Thai delegation returned home, it was announced that a draft declaration for the ASEM conference had been prepared by the Thais! The document pledged to strengthen the free trade policies of the World Trade Organization, further reduce protective tariffs, and pursue “sustainable development,” an environmentalist neologism used to justify the elimination of virtually any large-scale infrastructural development. Omitted was any discussion of measures to deal with the emerging financial explosion, either in Europe or in Asia.

The final resolution at the ASEM conference mandated subsequent meetings for foreign and economic ministers to further the free trade agenda, while a new “Asia-Europe Business Forum” and an “Asia-Europe Foundation” were established. The next ASEM meeting will be held in Britain in 1998.

The South Koreans did succeed in bringing to the table a

## Lee: 'The best bloody Englishman east of Suez'

Singapore has shared with Hongkong the distinction of being an island run by British intelligence. Although Singapore became nominally independent in the 1960s, Lee Kuan Yew continued to serve as, in effect, the British Governor General, overseeing the offshore banking haven and protecting the drug-money laundering.

With the death of Mao Zedong, Lee began a collaboration with the reform faction in the Chinese leadership, centered around Deng Xiaoping and Zhao Ziyang, while his economic czar, Goh Keng Swee, went to Beijing as an adviser. At about the same time, Lee converted overnight to Confucianism, although grossly misinformed about the true character of Confucianism, which had previously been neither part of his education nor part of his political worldview. He began discussing the potential of a "Greater China," an Asianized update of Max Weber's *Protestant Ethic and the Spirit of Capitalism*. Just as Weber had argued that Protestantism turned Western man into a profit-

oriented, Darwinian beast of prey, which supposedly caused the development of modern industrial capitalism, so Confucian ethics were declared by Lee to be at the root of the economic miracle of Japan and the "Little Tigers" of Taiwan, South Korea, Hongkong, and Singapore. Lee made no distinction between the State-directed, American System methods which guided the development of Japan, Taiwan, and South Korea, and the British, "Dope, Inc." source of the free-trade economies in Hongkong and Singapore. This confusion has had a dramatic impact on the course of the reform in China, since Deng Xiaoping and Zhao Ziyang modeled much of the reform on Lee Kuan Yew's Singapore, which Zhao referred to as "the eyes and mouth for China's stomach."

Lee embraces a bestial concept of man which is coherent with that of the Legalists of ancient China: "Certain basics about human nature do not change. . . . You are just an evil man, prone to do evil things, and you have to be stopped from doing them. Westerners have abandoned an ethical basis for society, believing that all problems are solvable by a good government, which we in the East never believed possible." Such a view, that the Chinese have always believed that strict punishment and reward, rather than "good government," is the primary basis for a moral society, or that man is essentially evil rather than essen-

proposal for an Asia-wide rail network to interface the Eurasian land-bridge, which will be pursued by a committee.

### New 'balance of power': containing the U.S.

Pervading the diplomatic reports and media coverage of ASEM has been an overt declaration of intent to contain the influence of the United States in Asia. A cute formula, worthy of British geopoliticians, was invented, declaring that the world has become "triangular," with Europe, Asia, and the United States representing the three primary vertices of world trade, and that this triangle must be subject to a "balance of power." Accordingly, the United States is portrayed as too influential in Asia, due to its domination of the Asian Pacific Economic Cooperation (APEC) forum, while the Europeans had been lax in their relations with Asia. In this manner, the establishment of a European-Asian dialogue at ASEM is construed as a "step toward establishing Europe as a strategic counterweight to the U.S.'s often overweening presence in the region," as editorially expressed by a newly established voice for the Empire, the *Asia Times*.

An examination of the U.S. policy changes over the past few years reveals a different story, however. APEC was set up in 1989 primarily through the efforts of Australia, the Commonwealth's primary asset in Asia, in close collaboration with the Bush administration, to create the semblance

of dialogue between Asian nations and the United States, Canada, and Australia, while the free trade policies of Margaret Thatcher and her lap dog George Bush were imposed, under the aegis of "supranational consensus." APEC encouraged the "globalization" of the West's low-skill process industries, which poured into the tax-free trade zones across Asia, exploiting the cheap labor, while the speculative disease from the hyperinflated financial markets in the West infected the increasingly deregulated Asian economies.

However, President Clinton initiated a dramatic change in U.S. foreign policy. In the summer of 1994, Commerce Secretary Ron Brown declared a new "National Export Strategy," which pledged government support for the fostering of advanced technological and heavy industrial exports into the developing sector, targeting 10 "Big Emerging Markets." These included China, Korea, and Indonesia. The policy explicitly called for an end to the "sourcing" of low-technology industries in the Third World (which simply used cheap labor to produce goods subsequently exported back into the United States), in favor of investments in major infrastructure and heavy industry, helping the most productive sectors of the U.S. economy while promoting real development in the underdeveloped nations. Commerce Secretary Brown announced that Clinton had "junked a 12-year tradition of *laissez-faire* government."

tially good, is to totally deny the very existence of Confucius and Mencius in Chinese history.

Lee Kuan Yew is a virulent eugenicist who believes that tropical races are genetically inferior to those from the temperate zones, which says much about his attitude concerning the racial differences between the Chinese and the Malays in his native land.

In a 1994 *Foreign Affairs* interview, Lee explicitly endorses the racist and fascist policies which were to be published later in the year by Charles Murray and the late Richard Herrnstein in *The Bell Curve*. He explained that the American Indians came from the same stock as the East Asians, but were cut off by the separation of the Bering Straits. "But if you start testing them," says Lee, "you find that they are different, most particularly in their neurological development and their cultural values. Now if you gloss over these kinds of issues because it is politically incorrect to study them, then you have laid a land mine for yourself. This is what leads to the disappointments with social policies, embarked upon in America with great enthusiasm and expectations, but which yield such meager results. There isn't a willingness to see things in their stark reality." It becomes clear why the 1960s British foreign secretary told Lee he was "the best bloody Englishman east of the Suez."—*Michael O. Billington*

Also, in March 1994, the Coordinating Committee for Multilateral Export Controls (Cocom) system was scrapped, with the blessing of the Clinton administration. Cocom had been used to prevent the export of essential technologies to various nations under the guise of "dual use," whereby virtually any civilian technology could be demonstrated to have a potential military application, whether machine tools, computers, or fertilizers. Cocom's demise ended a wide range of senseless restrictions on development. Not surprisingly, *Far Eastern Economic Review* (owned by Dow Jones) has engaged in a crude slander campaign against U.S. Defense Secretary William Perry and other U.S. officials over supposed corruption in connection with high-technology exports to China, with the stated objective of reviving Cocom in its old form.

Although the Clinton administration has not been consistent in the application of the new National Export Strategy, the imperial free traders considered the policy to be one of several signs that Clinton would not follow the Royal Decrees emanating from London, as had his predecessor, George Bush. APEC was destined to be less effective in disciplining its member-nations to accept the free trade manna of deregulation, privatization, lower tariffs, and open markets. At the November 1995 APEC meeting in Osaka, which Clinton decided not to attend (primarily due to the budget battle with

the Conservative Revolutionists), the pro-development, anti-free trade impulses among the Asian nations tended to dominate the discussions. The international banking set had hoped that firm target dates would be set for reducing tariffs and implementing related concessions to free trade, but the declarations which emerged from the Osaka meeting were all modified by an agreement that such measures were "voluntary," according to the needs of each nation.

### Palmerston and the 'Asian way'

To counter the perceived threat from the Clinton Presidency of a renewed American "FDR" tendency, the British have adopted classical colonial strategic methods, made infamous by Lord Palmerston in the 19th century, by sponsoring a "radical" identity for a new "Asian nationalism," carefully structured to be anti-American, but pro-free-trade and pro-British. Their anointed leader is Lee Kuan Yew, whose life has been dedicated to overseeing Singapore as a British banking enclave, a sister State to the drug-money haven of colonial Hongkong. Like Hongkong, the island of Singapore is small enough that the profits from financial flows, including from the Golden Triangle drug business, are adequate to create the appearance of prosperity without any agriculture or heavy industry. Lee has become the darling of the fascist economists promoting Newt Gingrich's murder spree against the U.S. population, and similar austerity in Europe.

Lee Kuan Yew, educated at Cambridge and admitted to the English bar in 1950, led Singapore through the process of achieving nominal independence from the British in the 1960s. He subsequently, in the 1980s, adopted a persona as a "Confucian" (based on an outrageously distorted view of Confucianism, as the accompanying box explains) as part of an effort to create an "Asian identity," custom-made for the Empire. Lee and his associates openly modelled their Singapore on Venice, which had allowed free rein for international banking and financial speculation, while retaining dictatorial control over the population.

Lee has been joined in this new Asian ideology project by his neighbor and Commonwealth ally, Malaysia's Mahathir Mohamad. Mahathir has built a reputation of himself as the radical among the Asian leaders, by standing up against often hypocritical Western demands in regard to human rights, environmentalism, etc. In 1994, Mahathir co-authored a book with the raving Japanese nationalist Shintaro Ishihara, called *The Asia That Can Say No*, which virulently defends British-style free trade and speculation, but under "Asian" control, and with the yen replacing the dollar as Asia's reserve currency. The copyright for the English edition states: "Sale of this edition is authorized only in Asia, but is strictly prohibited in . . . other countries throughout the world." Ishihara blames the demise of the West on monotheism (which doesn't seem to concern arch-Muslim Mahathir), while both of them virtually deny the existence of the Renaissance or the scientific revolution in Europe, accrediting the West's superior strength over

the past two centuries solely to the plunder and exploitation of colonialism during the 19th century.

Mahathir's record as prime minister of Malaysia since 1981 has been accompanied by a series of financial debacles, offsetting, in part, progress in building infrastructure, in such areas as transportation, energy, and potable water, and increasingly pouring profits from national development into the coffers of British speculators. Attempts to corner the world tin and rubber markets, through speculation in futures contracts on the London Metals Exchange, resulted in major losses to the Malay economy. When the State-owned Bank Bumiputra backed speculators in Hongkong real estate in the early 1980s, the 1982 collapse of that bubble blew another hole in the Malay coffers. Then, the central bank, Bank Negara, lost an estimated \$2-5 billion in betting against George Soros on currency futures. Along with the rest of ASEAN, Malaysia is opening up its economy to the "casino mondiale" of derivatives trading, while leading the way in building actual casinos and tourist resorts in the Philippines and even in impoverished Cambodia (again, without any apparent concern for the contradiction with the Islamic condemnation of gambling).

Mahathir has long proposed the creation of an East Asia Economic Caucus (EAEC), to serve as an "Asian only" institution. In contrast to APEC, which he viewed as being dominated by the United States, Canada, and Australia. Opposition from the United States, and U.S. pressure on Japan, was blamed for hindering the founding of such an institution. When the British launched their new Commonwealth project, the EAEC, which includes the ASEAN nations together with China, Japan, and South Korea, precisely fit the bill as the structure required to facilitate Commonwealth goals. Britain's IISS Asia hand Gerald Segal brags, in the *Asia Times*: "It has gone virtually unremarked that ASEM brings together the EU with the countries that constitute the Malaysian notion of an East Asian Economic Caucus. . . . In effect, Asians have Europeans [i.e., the British] to thank for having created an East Asian region."

Mahathir, in fact, explicitly intervened to prevent the inclusion in ASEM of India, Pakistan, Russia, and other Eurasian nations, whose presence was absolutely crucial for any real development planning for the Eurasian land-mass. Mahathir's lame excuse to reporters was: "If it becomes too big and confusing, there will be many conflicting interests and we cannot have a real dialogue."

The absence from ASEM of Britain's primary Commonwealth outpost in Asia, Australia, was, however, only apparent. In fact, Prime Minister Paul Keating (who was overwhelmingly defeated in the March 2 elections) made a high-profile visit to Malaysia and Singapore in January, patching up past differences with Mahathir and singing the praises of Lee Kuan Yew's new Asian nationalism. Keating made clear, in his "Singapore Lecture," that he wanted Australia to be accepted as an Asian nation, but only on strictly "Asian"

terms. He established a "New Partnership" with Singapore, and advocated a new "regionalism" as opposed to the "outmoded global structures," such as the United Nations. Regionalism, he said, "offers the capacity to generate new ideas, to subsume old enmities, and provide new ways of doing things. I believe it can let the light in, in a way that global structures are too large or unwieldy."

It is not accidental that during the same week that Keating was carrying out his Southeast Asia mission for the Commonwealth, British intelligence launched an hysterical diatribe against the co-thinkers of Lyndon LaRouche and *EIR* in Australia, the Citizens Electoral Councils (CEC). A series of front-page slanders against LaRouche and the CEC in *The Age*, controlled by British intelligence's Conrad Black, whose Hollinger Corp. press empire has also led the international campaign to slander and threaten President Clinton, were followed by equally slanderous television broadcasts, and calls for a federal investigation of the CEC from Isi and Mark Leibler, the Australian spokesmen for the Anti-Defamation League and organized crime's Bronfman interests.

Nor is it coincidental that last December, the new Asian-wide English-language newspaper *Asia Times*, was launched from Bangkok. Published and financed by media and real estate mogul Sondhi Limthongkul of Thailand's Manager Group, with a planned \$60 million investment, the *Asia Times* (known in some circles as the *Asia Hot Money Times*) is printed in Bangkok, Hongkong, and Singapore, and has quickly established itself as the voice of the new British Empire strategy in Asia. Even Hongkong's *Far Eastern Economic Review*, which is certainly familiar with the hot money flowing through the British banking arteries, in its Nov. 9 issue, questioned the source of funding behind the *Asia Times*: "Business analysts know very little about the funding of these ventures, but many wonder how long Sondhi can spin out the resources with such a diversity of projects."

## The 'Asian way' in Europe

The new Empire strategists have also promoted an "Asian Way" craze across Europe, with the purpose of reinforcing the acceptance of austerity conditions. The disastrous measures demanded by the Maastricht Treaty "convergence criteria" have already undermined the industrial reconstruction policies which were essential for the potential integration of Europe after the fall of the Soviet bloc. The recent mass labor mobilizations in France against this austerity, like the groundswell in the United States repudiating the murderous policies of the Newt Gingrich crew in the Congress, demonstrate that such measures can be defeated.

However, the leadership in Europe has shown little understanding of the crisis facing them. After an apparent gesture toward rejecting the British free trade dogma and speculation, which he termed "the AIDS of the world economy," in a speech at the June 1995 Group of Seven summit in Halifax, French President Chirac has now embraced a new Entente

## Reality shatters Chirac's Asian dreams

French President Jacques Chirac has recently been deeply embarrassed by his own effusive optimism about the world economic situation, and the "great future" that awaits France in Asia. Chirac, who had warned, at the Group of Seven Heads of State summit in June 1995, of the danger of world "financial AIDS," has since publicly backtracked, and put his foot into his mouth in the process. On French national TV on Feb. 22, shortly before his trip to Singapore and to the ASEM summit, Chirac stated: "I hear much talk about economic difficulties. I do not want to fall into science fiction in the economic field . . . but my conviction is, that the world is today on the verge of an important growth upswing. . . . The world market today, especially in the new countries, such as those of Asia and Latin America . . . is a market where demand—solvent demand which can pay—is exploding. During the next 10 years, this will create considerable demand on the international level. Do not forget that already one Frenchman out of five works for exports. I believe in a growth which will take off, and will be durable, at any rate, over a cycle of 20-30 years."

Chirac is particularly attached to Singapore's Lee Kuan Yew, whom he meets several times a year, and was Chirac's first prominent foreign guest after his election. French press describe Chirac as a "fervent admirer of the Singapore economic model," and report that ASEM was conceived during a visit of Singapore Prime Minister Goh Chok Tong to Paris in 1994.

But Chirac got an explosion of a different type. The week of Feb. 26, the French press reported the disastrous condition of the French banking system. The International Bank Credit Analysis announced that French banks, with 3.9% profits versus equity, are only marginally better off

than Japanese banks, and are far below the British banks' ratio of 20.4%. Bad real estate investments have hit the French banks hard, and, of a total debt of 350 billion French francs, FF 200 billion are estimated to be bad. A "surgical" reorganization of French banks is expected. Crédit Lyonnais already lost FF 12.1 billion in 1994, Paribas just announced a FF 4 billion loss, and Indosuez, BNP, and Crédit Foncionner, "an institution of the republic," are equally shaky.

On Feb. 25, the widely circulated *Journal du Dimanche* was led to wonder why Chirac believes that "a time of full employment will return." "Does he have information that the majority of economists don't know about?" Apparently, it is his dreams of Asia that inspire him, *Journal du Dimanche* noted. "I have a love affair with Asia," Chirac declared, in his Singapore speech on March 1. Asia, he said, "with the vitality of its cultures and civilizations and its economic triumphs," must participate fully in the establishment of "the new world equilibrium of the 21st century."

Chirac went on to proclaim Lee Kuan Yew, "a friend and one of the greatest statesmen of our times . . . a man of vision, a man of firm and creative action, who in less than two generations has shaped a modern and prosperous State. A man of wisdom whose lucid analyses and understanding of the future, continue to be a source of inspiration for decision-makers the world over."

Reality shattered Chirac's musings, when France's bank disaster hit the headlines as he was speaking. His not too courageous response was, "It is a cause for despair," and he complained about the banking system's "inability to assume its responsibilities," in supporting small and medium-sized businesses. The system's problems stemmed from "the fact that it has been badly managed," he added, helpfully.

French bankers were outraged. One said, "It is as if John Major went to Paris and said that all English banks were useless. I have never heard Clinton, Kohl, or Major make that kind of an attack on one of their own industries while on a visit abroad." —Christine Bierre and Mary Burdman

Cordiale with the British (see box). This much-heralded "Asian Way" is definitely not the kind of dirigist economic system which, under the postwar direction of "American System" advocate Gen. Douglas MacArthur, created the modern economies of Japan, South Korea, and Taiwan. Rather, it is an artificial creation which fantasizes that deregulation, free trade, and the East and Southeast Asian bubble economies will somehow save them from the impending collapse.

Meanwhile, European Union Trade Secretary Sir Leon Brittan, a leading spokesman in Asia for the British strategy

of Empire, is demanding that the European nations slash their remaining protective barriers, out of "fairness" to the Asians, who are being coerced to do the same. European workers, and even farmers, are being thrust further into competition with the cheap labor of China and Southeast Asia, as unemployment grows, standards of living plummet, and the economies of both eastern and western Europe continue to unravel.

One would hope that the Asians, as well as the Europeans, would have enough of an historical memory to see through yet another British imperial offensive.

## LaRouche campaign sparks fight on national policy

by Mel Klenetsky

On Super Tuesday, March 12, the Presidential primary results for Democrat Lyndon LaRouche continued to show a significant pattern of results. Returns from Louisiana and Oklahoma topped the 11.1% that LaRouche received in the Colorado primary on March 5. These results, taken together with his 34.5% in North Dakota on Feb. 27 and his Delaware primary return of 9.6% on Feb. 24, indicate a solid double-digit base of support for LaRouche in the Democratic Party.

Despite the virtual media blackout of LaRouche's Presidential bid and the slanders of the LaRouche campaign by certain circles in the Democratic National Committee (DNC), these results demonstrate that LaRouche is a political force that must be reckoned with.

In a campaign swing through Texas, and in interviews with the weekly radio program "EIR Talks," LaRouche has identified a growing rift in the Democratic Party, between those who want to look like a second Republican Party, downplaying the significance of the failures of the economy to provide for working Americans, on the one side, and those who want to feature these issues as the rallying cry for the Democratic Party in the 1996 elections.

"In 1994, the Republican Party did not win the Congressional elections," LaRouche said. "The Democratic Party threw it. We have today, unfortunately, in the DNC, people who are trying to throw the Congressional elections, at least, if not the Presidential election, in the same way that the Democratic National Committee, and others, threw the Democratic Party chances in 1994." LaRouche singled out the DNC campaign organization, especially its co-chairman Don Fowler, and the group around Clinton reelection campaign head Harold Ickes, for a disastrous Presidential and Congressional campaign strategy. This Fowler-Ickes strategy has also targeted LaRouche's campaign.

"There's a lot of resistance to that, of course," LaRouche noted, "among leading Democrats, such as Senator Kennedy, Representative Gephardt, and others; and from me. But that's a factor, nonetheless, and Democratic leaders in various states, have, in many cases, been totally uncooperative, as a matter of fact, rather negative. They treat me as worse than a Republican. And also, of course, there's been a virtual news blackout, with some marginal exceptions, of the campaign, again, ordered from the top."

### 'A political earthquake'

"Now, if you consider the 10-12% in these cases, and against the background of the Colorado primary and the 34.5% in the North Dakota primary before that," LaRouche said, "what's in progress is, very clearly, a major political earthquake in the United States at this time. And I'm in the center of it."

The October 1995 African-American Million Man March, the upcoming Hispanic Million Man March, the mobilization by senior citizens against the cuts in Social Security and Medicare proposed by Newt Gingrich's Conservative Revolution fanatics, and the defeat of Lane Kirkland's hand-picked candidate, Thomas Donahue, for head of the AFL-CIO by John Sweeney, are all rumblings of this earthquake. Sweeney has indicated that he will re-politicize the AFL-CIO, and will target for defeat next November, every Congressional seat held by a Conservative Revolution fanatic.

LaRouche, unlike all other candidates, has presented the economic collapse, and a program for job creation and economic revitalization, which has ignited a fire, both within the population and within the Democratic Party.

LaRouche received 12.65% in Louisiana and 11.69% in Oklahoma. In Louisiana, LaRouche received over 15% in 14

parishes, and more than 20% in the parishes (counties) of LaSalle, Richland, and West Carroll. The Mississippi totals have still not been reported. Earlier, LaRouche took 15-30% of the vote in nine Colorado counties. In the Denver and Colorado Springs areas, LaRouche got 11.6% in Jefferson County and 14.9% in El Paso County, respectively. In Maryland, where LaRouche came in with 4.4% of the vote overall, LaRouche had 7.6-10.6% in six counties.

In North Dakota, LaRouche won 17 out of 53 counties. He received 83% in one county, and garnered more than 50% of the vote in eight more. In Delaware, LaRouche polled 11% and 13.6% in two of the four counties in the state.

LaRouche has already amassed more than 118,000 votes, with the Mississippi results still not tabulated. In the 1988 primaries, LaRouche received 77,000 votes in total. In most primaries that year, he came in with under 0.5% of the vote, the exception being the 2.4% that he got in Arkansas. In 1992, running from prison, LaRouche gathered 135,000 votes in the primaries, a number that he will clearly exceed with his 1996 effort. That year, LaRouche scored 21% in the North Dakota primary, and in most other cases came in with 1-2% of the vote. The same press blackout prevailed in 1988 and 1992, with the exception of media slanders. Thus, the more than 10- to 20-fold increases in votes in 1996 in many of these primaries, compared to the 1988 and 1992 results, indicates a breakthrough for the LaRouche campaign.

## The message

LaRouche has addressed the issues that concern voters, in two nationally televised broadcasts and in campaign tours throughout New England, Delaware, Mississippi, Louisiana, Texas, Illinois, and Virginia. LaRouche said, "The real international debate at every level, including the administration, is the debate over whether we can say . . . that the international monetary and financial system at present is at the verge of a general disintegration. . . . The issue is: Should it be said?"

"If we don't address that issue," he continued, "nothing else is going to work. You can talk all you want about the issues of jobs, and economy, and budget-balancing and so forth, *it doesn't mean a hill of beans!* unless you address the fact that the entire monetary and financial system globally, the IMF system, including our Federal Reserve System, is on the edge of disintegration. . . . That a process of disintegration is under way. . . . That's the issue."

In his third national television address, scheduled for April 18 on CBS network at 9:30 p.m., Eastern Time, LaRouche will discuss foreign policy and the crucial task of reviving President Franklin Roosevelt's anti-British-monarchy U.S. foreign policy, for overcoming the danger to the United States from the worldwide monetary collapse now in progress. In his earlier broadcasts on Jan. 27 and March 2, LaRouche respectively addressed the worldwide monetary-financial collapse, and reviving the U.S. policy of national economic security.

LaRouche sees his March 2 national television spot and the Colorado results as a turning point in the effort to make the economy the main issue in the November elections. Denver newspaper accounts of LaRouche's Colorado results indicated that the Democratic Party was taken by surprise at LaRouche's support.

In "EIR Talks" on Feb. 29, LaRouche also discussed the importance of his speech to The Woodlands, Texas Chamber of Commerce in initiating this fight within the Democratic Party. "More recently, in a general ferment which I've done much to stir up through my candidacy, broadcasts, and activities, Senator Kennedy has spoken about the 'Quiet Depression,' the stagnant economy. We have a report which is generated by Senator Daschle and his associates, one I don't completely agree with, but nonetheless, the direction is very valuable, very useful. We have the work which is being done by people associated with the House Minority Leader, Gephardt. Very useful."

At the end of February, *Newsweek* columnist Robert Samuelson bemoaned the fact that the issue of job insecurity had gripped the campaigns. Samuelson said that government couldn't relieve job insecurity, nor could it outlaw economic insecurity. "But the wailing about job loss is now deafening," he complained, citing statements by Labor Secretary Robert Reich, Sen. Edward Kennedy (D-Mass.), Pat Buchanan, and President Clinton. Samuelson and the press were hoping the economic issue would disappear.

On March 7, Sen. Byron Dorgan (D-N.D.) introduced a bill in Congress called the "American Jobs Act." Dorgan attacked the ills of post-industrialism, and warned against the British disease of long, slow economic decline. Britain, at the turn of the century, decided that it didn't matter whether manufacturing existed, he said.

After the New Hampshire primary, Kennedy credited Buchanan with putting jobs in the spotlight, and said that the President has focused on the issue of jobs and wages, putting Clinton and Kennedy on the same wavelength. To Samuelson's dismay, the genie is out of the bottle.

"There's a heavy fight going on in Washington right now," LaRouche said, "in which I'm implicitly at the center, even when I'm not there, because my name is often discussed. . . . We have a fight going on in the Democratic Party, in which I'm emphasizing the economic issues."

LaRouche's message is clear: "Get out there, build up the voter registration of the Democratic Party, support the Congressional candidates, and let's have a clean sweep in terms of the Democratic campaign for 1996, based on the economic issues which are typified by 'Dump Newt,' that is, get rid of Newt Gingrich and what he represents—which represents, at best, even in 1994, actually only about 25% of the eligible voters." This, indeed, is also the fight in the Democratic Party, between Fowler, Ickes, and Panetta, on one side, and Kennedy, Daschle, Gephardt, and LaRouche, on the other.

# Muster up the courage to solve our problems

*Lyndon LaRouche, in his capacity as Contributing Editor of EIR, was the guest speaker at the Downtown Rotary Club in Monroe, Louisiana on March 7. About 150 people were present, including leaders of the community from business, politics, education, church, and media.*

*LaRouche was introduced by Rotary Club member Fred Huenefeld: "Our guest speaker today is considered one of the world's leading physical economists of the American System of economics, that our founders put together in this great republic. This gentleman is the man who gave science and technology to Ronald Reagan on the Strategic Defense Initiative. He's the founder and editor of the Executive Intelligence Review.*

*The following are excerpts from LaRouche's remarks. Subheads have been added.*

The first thing one learns, I think, in the course of life, is that when you face a terrible problem, you must not approach it with the emotion of fear. You cannot approach it with wishful thinking; that can lead to destruction. You've got to have an element of truth, with which to combat fear, not just wishful thinking.

Those of us who are of my generation, or perhaps a tad older, have a very special role to play in this nation at this time, because we remember the 1920s; some of us remember it very well. We remember the 1930s, the Great Depression; we remember the war, the buildup of the economy out of a depression, to build the sinews of war, to conduct the war. We remember the explosion of optimism at the conclusion of that war. We remember such things as the Kennedy announcement of the manned landing on the Moon, which filled us with optimism.

And we may recall, in that connection, that Chase Econometrics, in delivering a report in 1976, indicated that this country received an additional 14¢ in income for every penny spent by the government on the space research and development program.

### Qualified optimism

We look back also from that standpoint of experience in knowing what we can do, in facing adversity, in dealing with the problems which confront us, and otherwise might make us fearful now. And those of us who have that experience, therefore have the special role of communicating what our

experience was, recalling our emotions, our experience: the 1920s, the ensuing Depression, coming out of the Depression in a very frightening war; the sense of confidence at the end of the war; and the rebirth of that confidence around things like the space program, where everybody then seemed, as far as I could see, optimistic, when Kennedy says we can reach the Moon with a manned landing in this decade, man's first step outside of the planet Earth, and we can do it. This filled us with pride; and then, when the manned landing finally occurred within the decade, most Americans were very proud, very enthusiastic.

This is not wishful optimism, it's qualified optimism.

We have to recall that, and share that, with the two younger generations today, those of the baby-boom generation, and those who are sometimes called, affectionately or otherwise, Generation X, who don't know this, who didn't have this experience.

### What we lost, and how we lost it

Over the past 30 years, we've gone downhill, physically, in physical economy. We made a shift in policy, away from our tradition of emphasis in investment in scientific and technological progress, an emphasis on improvement. If someone was suffering, we said, "Well, you can improve yourself. Get an education, seize an opportunity, improve yourself. Find people in the community who will help you find opportunities. If you prove yourself, you'll make it."

It was an optimistic nation. Then, it changed.

The assassination of a President, the assassination later of his brother, the assassination of Martin Luther King, the dismal prospect of this long war in Indochina—these things are among the leading things that changed us. We became a pessimistic nation. We were seized by pessimism. We no longer believed in the results of investing in scientific and technological progress for the betterment of the condition of mankind, for increasing the productive powers of labor, for creating beauty where ugliness existed, turning wasteland into rich land, these sorts of things.

Over the past 30 years, we've lost much of it. In physical terms, as I calculate the market basket of consumption and production, for most Americans, the physical standard of living in their families is about half of what it was 25 years ago, comparing the late 1960s market basket with that of today.

We are in a terrible crisis. As I go up and down this country, I find communities which were once prosperous or relatively prosperous communities—just coming, for example, last week from the Texarkana area, hanging by its teeth to its former prosperity, the same struggle that goes on here, in most parts of the country. The economy is collapsing. These problems need to be addressed.

There is a growing disparity, a very dangerous disparity, between the very wealthy and the very poor, or even moderately poor, in this country. The incomes of the top 10% of the income bracket are expanding rapidly, but mostly through



speculative enterprises, not through building industries, not through making great scientific achievements, but pure financial speculation. Whereas the lower 60% of the income brackets of the population are falling into destitution, welfare. We have a very dangerous social situation shaping up in the United States, a very explosive potential, which those of us who are patriots recognize must be remedied.

We cannot allow communities to collapse, we cannot allow the tax revenue base to collapse, as it has, not so much on the federal level, but there too, but on the state and local level. There's not the income to meet the responsibilities of government, in education, in medical care; we don't have it. We must rebuild our tax revenue base, which means we must create more employment, we must create more industries, we must induce some form of protection for those industries, we must find a reliable supply of credit to get to people who are worthy of credit, for building these industries. . . .

And there's a worse problem I'll tell you about. . . .

This monetary and financial system, which we might call the IMF system, a composite of all the central banks and Federal Reserve Bank and the financial institutions attached to them around the world, they're all bankrupt, as a totality. The Japanese system could go, it's on the edge. The Japan economy might survive the collapse of the Japanese financial system, but the Japanese financial system is ready to blow. The French financial system is in the process of blowing. Don't even talk about what was formerly the Soviet bloc.

### Tackling the serious problems

The situation in Africa is beyond destitution. Actually, the life expectancy rates in Central Africa have dropped from about 50 years of age for an adult person down to between 30 and 40. Disease is rampant, spreading throughout Eurasia and Africa, and is coming here.

The situation below our borders is extremely desperate, worsening rapidly; not as bad as Africa, but worsening. These are very dangerous times.

But if we think back to World War II and the Depression, those of us who are old enough to share those memories with younger people, we say, "Don't worry, we tackled problems like this before, and we can do it again."

And I would suggest that people like Rotarians, who are influential in their communities, who are in a sense part of the spark plug machinery of the community, who understand it, who can influence it, can spread that optimism, so that our people are less fearful. Our greatest problem, as Roosevelt said, sometimes the greatest danger is fear itself. And people are afraid to face reality, because fear makes it too frightening to them, too painful to them. Whereas if you can approach a problem with justified optimism, you can look it square in the eye, and look back in experience to find a precedent for solving a problem of this type. Remember how we did it, and say we can do it again.

For example: Remember 1939, 1940. Some of you can

remember that. And those who can't, ask somebody who can. Remember we were still in a Depression; we had a slight up-bump in 1937, in 1938 we slipped back in the Depression, and along came 1939, and the war in Europe broke out. Now we'd known that war was coming, I personally knew it, Roosevelt certainly did know it, from 1936 on. And plans were made by Roosevelt, and others, to deal with the mobilization of the United States for that war. But in the middle of the 1930s, people weren't ready to accept such a mobilization; therefore, it didn't occur, it wasn't feasible in their judgment. But the plans were made.

In 1939-40, the United States government, together with sections of the private sector which had planned this conversion for mass production, began to do what Roosevelt said: "We're going to build 50,000 aircraft a year." And people said that was impossible. Within three years, we had vastly exceeded that quota.

We started in 1939-40, with getting a small amount of credit out to farmers, we tightened up in performance on agriculture with the parity system, which got things moving there. Rural electrification was already beginning to help in transforming agriculture, getting technology out there.

We took people who had businesses which were on the verge of bankruptcy, or even in bankruptcy, and got them mobilized to begin to produce something which might help the general mobilization effort. Some of these businesses

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failed, they couldn't succeed. We took people who had lost skills, or people who had never had them because of the Depression. We put them to work. Within three years, we had built the most powerful industrial machine on this planet, under circumstances in which 17 million of us were serving in the military.

We did it. We can do it again. Once we understand that, then the grave problems which confront us will no longer frighten us. We will no longer be afraid to look these problems in the eye, and think about searching for the solutions. We can force these items onto the agenda, in terms of public discussion. We can force Washington and our political institutions to begin to pay attention to these issues which are not being presently being addressed. So that as the crisis comes down upon us, instead of running from it, into a realm of virtual reality, playing some computer game or video game in virtual reality with a headset over your head and gloves on your hands, we can come back into reality, away from a flight from reality, and find the kinds of programs that address the greatest financial crisis of the 20th century. . . .

We'll deal with it, because we have to; not that we like it, but because we have to. The disparity in income in the United States, a great social crisis—we'll deal with it, because we have to. Communities are dying, we'll rebuild them, because we have to. And we'll enjoy it, and we'll come to take pride in that, as we took pride in what we accomplished from 1939 through the war.

### **'We are still the most powerful nation'**

Another thing we have to consider: We, despite the wretched condition we are in, are still the most powerful nation in the world. I deal with this, across the desk, with most parts of the world, every day. We have contacts and friends and reporters and so forth in every part of the world. We know people of a high level, we know their problems.

This nation is still the leading nation in the world. Without our effective leadership, this world is in great trouble. We cannot forget the world outside the United States, as some people would like to have us do. We have seen before in this century that the problems that develop in the outside world tend to come here, in the form of world wars, or diseases, or what not. Therefore, we have to pay attention to the world around us. We cannot fix the world by ourselves, but our initiative, as the leading nation of the world, can bring nations together which are frightened, which need leadership. And together, as a team, such nations can make the necessary changes in this world.

So that when we have completed our run, each of us in our turn, we can face death with a smile, knowing that in our time, by drinking of the cup as it was passed to us, we did what we should do. We played the necessary part which was given to us to play. And whatever the toil, whatever the struggle, whatever the difficulty, we can undertake the task, because it is the thing in which we can take pride in our time.

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## Farrakhan Tour

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# Atonement principle applied to world

by Dennis Speed

In recent weeks, the visit of the Nation of Islam's religious leader, Minister Louis Farrakhan, to more than 18 countries in Africa, the Middle East, and Asia, has precipitated actions designed to result in his incarceration and perhaps even assassination. While the entire U.S. press reported a story—later denied—by the Libyan Press Agency, that Minister Farrakhan had been offered \$1 billion by Col. Muammar Qaddafi to "intervene" in the U.S. Presidential election, and also contended that Farrakhan had characterized the United States as the "Great Satan" at a rally in Teheran—a charge directly denied by Farrakhan in his Feb. 24 Saviors Day speech—*EIR* here presents an analysis of the intent and purpose of the World Friendship Tour, by Dr. Abdul Alim Muhammad, national spokesman of the Nation of Islam.

Dr. Muhammad was an eyewitness to many of the meetings and discussions that occurred during the tour. His account is, sadly, not one that Congress will hear. Although Rep. Peter King (R-N.Y.), a core supporter of the Anti-Defamation League (ADL), has claimed to wish to "get to the bottom of what happened between Farrakhan and the dictators" on the tour, King has decided to hold hearings in Congress on March 19 *without the testimony of Minister Farrakhan or anyone who accompanied him on his tour*. Farrakhan requested in his first public address upon his return from his trip, at a gathering of more than 15,000 supporters, that he be "brought before the Congress" to give this testimony.

The interview which follows raises serious questions which, even if one disagrees with the Nation of Islam, are well worth investigating. These include the media vilification of Nigeria's Abacha regime, the sanctions imposed against Iraq, and the intriguing question of a possible rejection—if not renunciation—of violence as a means of revolution by Colonel Qaddafi.

Is it possible that Minister Farrakhan, as a religious leader, has successfully introduced the concept of atonement into the international debate on the future direction of the post-Cold War world? If so, this might prove a welcome antidote to the genocidal policy-doctrine, associated with Bernard Lewis, Zbigniew Brzezinski, and Samuel Huntington, of the "Arc of Crisis," "Islamic Fundamentalism Card," and "Clash of Civilizations"—the "brew" by which the witches of London, such as Baronesses Chalker and Cox of the House of Lords,

seek to poison the nations of Africa, and Islamic nations more generally, with the help of their indigenous or imported dupes, stooges, and agents of influence. Perhaps this is the true reason for the concern of Representative King and the ADL: to stage the lynching of another African-American leader who has dared to question an American foreign policy dictated from London. Malcolm X was so eliminated, by intelligence agencies and corrupt factions of government, when he attempted the same.

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## Interview: Dr. Abdul Alim Muhammad

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**EIR:** You are aware of how the U.S. press reported the visit of the Minister Farrakhan to, particularly, Libya and Iran, and the overall characterization of the trip as one of “cavorting with dictators.” You were one of the people on the trip. How did you see it?

**Muhammad:** Let’s take one point at a time. The issue of “cavorting with dictators” is kind of a confusing characterization. For example, we met with 17 or 18 Heads of State, but we did not meet with the Emir of Kuwait, we did not meet with the King of Saudi Arabia, and these are specifically unelected political leaders of countries. When in fact, some of those who are called dictators . . . in fact, there is some electoral process by which they assume office. As far as I know, the government of Iran is elected. In fact, they just had new elections within the last week. Even in Iraq, there is a political process which is more or less democratic, and Saddam Hussein actually won election. Now, there are people who would criticize their one-party system, or aspects of it, and maybe those are legitimate criticisms, but the language of “cavorting with dictators” is just used more for propaganda purposes than for accuracy.

We traveled far and wide. We were open to meeting with anyone in the African continent, or in the Islamic world, who was open to meeting with us. Minister Farrakhan did not turn down anyone who wanted to meet with him, who wanted to receive his delegation. And some of those people apparently are political enemies of the ruling circles of the U.S. and England, but others of those are apparently on good terms with the ruling circles. I feel it is only an exercise of our



human rights to assume that we have a right to travel freely and to meet with whom we choose. And nobody has a right to give us an approved list or disapproved list, and dictate to us whom we should meet with.

As a matter of fact, just in keeping with the spirit of the Million Man March, it was articulated over and over again, in the prelude to, during, and after the march, by Dr. Ben Chavis, that no longer would we allow those outside of our community to dictate whom we can associate with; in this case, we see an exact match between the domestic policy and foreign policy. They want to choose whom we can meet with within the borders of the United States. Now, they extend that principle outside the borders of the United States. It’s illegitimate inside the borders; it’s illegitimate outside the borders.

There were several leaders of countries with whom we did not meet, simply because we didn’t have the time, and we had to get back to the United States in time for Saviors Day. So, I expect that there will be future trips abroad, to meet with those whom we did not have time to meet with before. Some of those that we did not meet as of yet, probably some of those would be disapproved of by the ruling elite. But, so be it. We are looking for universal friendship, respect, and recognition from the human family of the planet Earth. That was the spirit of the Million Man March, and that was the spirit of Minister Farrakhan’s World Friendship Tour.

**EIR:** Did you find that certain situations, for example the Nigeria situation, were much different than they had been portrayed by the U.S. press?

**Muhammad:** That is absolutely the case. What was so notable in the case of Nigeria, is the pride that Nigerians have in their country. They are very patriotic, they are very, in that sense, nationalistic. No Nigerian that we talked to, from President Abacha on down, thought that there were no problems in Nigeria. Everybody admits that there are problems, that there has been corruption, that several things have gone wrong in the 35 years of Nigerian independence, but they are all patriots, and they are pulling for Nigeria. There are 250 ethnic groups, there are more than 400 different languages, there are several religions that are part of the fabric of Nigerian society, and we were in touch with all of that diversity.

But across the board, the underlying thread was Nigerian patriotism, the sense of Nigeria as a nation destined to play a role, not only in African politics, but on the world stage as well. This issue of patriotism was something you never even find a hint of in what is reported in the press.

The other thing that was quite shocking, was the characterization of General Abacha as a brutal dictator in the western press. In our three different meetings in three different settings, we didn’t find him to be that kind of disagreeable person at all. He is very personable, very humble, very self-effacing, very religious, and even pious, very low-key. And he does not rule by decree, but through a council of ministers. He is

very serious about the constitutional convention that he called for, upon assuming power. It should also be noted that he did not assume power on his own, but he was requested by a broad political spectrum of several political parties, and other groupings within Nigerian society, to assume power, and that included Moshood Abiola, who some claim was denied the Presidency of Nigeria. But Chief Abiola *himself* called publicly for General Abacha to take power. And the reason was, just about everyone that we talked to agreed, that the single person in Nigeria who has the personal integrity, and admiration, and respect across the board, who has the ability within his person to represent the Nigerian nation and people, and hold it together during a period of crisis, is Sani Abacha.

One brother who is a member of the constitutional convention, Chief Abia, formerly a history professor at the University of California, compared General Abacha favorably to General Washington, that he is so respected by everyone, and thus is the consensus choice to assume power during this transition to democracy. So certainly, that idea of who Abacha is, and the role that he plays in Nigerian society, is not conveyed accurately by the western media.

**EIR:** What possible role do you think that the rejection of International Monetary Fund policy by both Nigeria and Sudan plays in the negative assessment of their regimes by agencies in the press?

**Muhammad:** Well, I'm probably not qualified to really give you an answer on that particular point. I do know that President Abacha himself raised this in conversation at the dinner table, that he cited that one of the reasons that he and Nigeria were under attack, was because for the last three years, they have not borrowed any money from the IMF-World Bank system. And, that in fact, they are being almost *begged* to take out loans. His point was, that Nigeria is *not* a poor country, it is a rich country, and all that they needed to do was properly develop and manage their resources, and they have all they need to finance their development as a nation.

**EIR:** What do you think about the role of sanctions used against countries like Iraq, sanctions which are also now being contemplated by some against Nigeria?

**Muhammad:** I think we need to understand that sanctions equal genocide. We should reject the use of international sanctions, whether it's through the United Nations, or through other entities, as a tool of political change. I think that what we saw in Iraq was horrifying. We saw a people, a nation, that is literally being starved to death, that is being forced to live on 1,100 calories a day through a food-rationing program that does not include any source of protein. We were shown figures from the ministry of health, and by the way, the minister of health (Asyeed Ramadan), who happens to be a Kurd, indicated that 565,000 children had died as a result of sanctions imposed after the war. We saw some of those dying children at the Saddam Hussein Hospital for Children in

Baghdad. And walking through that hospital, I remarked to Minister Farrakhan that this was not so much a hospital as a death camp. Because, any time you have a hospital with no food, no medicine, very little equipment, very little staff, where literally nothing can be done to alleviate the suffering of those who are seeking help, then, that's not a hospital any longer, the people are merely spending time until they die. We saw infants who were just bags of bones. We saw swollen bellies, we saw sunken eyes, we saw listlessness, we saw depressed immune systems, we saw many children suffering from leukemia, caused by the use of nuclear weapons, low-yield nuclear weapons, which were used during the Gulf war, which I don't think was reported; to my knowledge, the use of such weapons was not reported. But now, five years after the war, there are thousands upon thousands of children, and some adults, suffering the effect of exposure to radiation.

So, sanctions equal genocide. I think that the U.N. should immediately lift those sanctions, and use legitimate political means, and diplomacy, to effect the kinds of postwar changes in Iraq that might be necessary. But I think those that called for the imposition of sanctions should be charged with the crimes that have resulted in the deaths of millions of people in Iraq.

**EIR:** What is your view of the upcoming March 19 hearing intended to discuss Minister Farrakhan's trip, called by Representative King?

**Muhammad:** Although the way that the hearings have been proposed to be held might be laughable, under current political and economic circumstances in the U.S. they have to be regarded as dangerous. Because, here we have a blatant attempt to lynch a man who has the unparalleled popular support of not only his own people by the millions, but millions of others besides that, who has demonstrated support all over the world. But when you have the likes of Peter "The Lyin'" King conducting hearings without a pretense of due process, without even a pretense of fairness, without even a pretense of seeking truth, much less the fruits of truth, which is justice, then, we are living in dangerous times.

He has stated in writing that he is calling for an investigation of Minister Farrakhan's travels in order to see whether there has been a violation of current U.S. law. But he goes on to say, that even if there is no violation of law, that there should be some laws *specifically passed*, to punish Minister Farrakhan, and he is openly calling for *prison time* for these travels that, of course, he does not agree with. Whether or not they are legal or not seems to be, in his mind, beside the point.

I am hoping that all of those, who understand the fundamental historic importance of the Million Man March and the World Friendship Tour, will do something, before, during, and after the March 19 hearings, to lend their support to Minister Farrakhan, and demand that these kinds of illegitimate, mobster hearings are not allowed, and that taxpayer money should not be expended on any such witch-hunt. If there is a

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*There should be encouragement of Farrakhan's efforts. Because, if he can convert others to this peaceful way of atonement, then we can scale back the level of violence and warfare and conflict that right now characterizes much of what is happening on the African continent.*

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legitimate desire to learn the facts of Minister Farrakhan's travel, then let there be a legitimate hearing in which he is invited to participate and to give testimony so that we all might be edified to hear what he has to say. But to hold the hearings that are proposed, about Minister Farrakhan and his travels, and then not to include Minister Farrakhan or any in his party that traveled with him, is ludicrous.

**EIR:** Could you give some examples of the applications of the principle of atonement in the Friendship Tour?

**Muhammad:** Yes, we should not lose sight of the very large implications of atonement and reconciliation as it is applied to international relations. For example, today, President Clinton and others have convened a conference in Egypt to discuss the issue of what they call terrorism, and we're all familiar with their lists of terrorists, which includes Col. Muammar Qaddafi, the leader of the Libyan revolution. But if we look at the history of the relationship between Minister Farrakhan and Colonel Qaddafi, we see some interesting outcomes in the area of atonement and reconciliation.

About ten years ago, Colonel Qaddafi was trying to convince Minister Farrakhan that the NOI [Nation of Islam] should receive some kind of military training, and wage armed revolution against America. And, of course, Minister Farrakhan explained at that time that this is not our way, that the Nation of Islam has always been unarmed, and has always been completely non-violent in its approach to solving the social problems that we encounter here in the United States. And from the report that I got, Mr. Qaddafi was a little puzzled by Minister Farrakhan's refusal to even consider an armed approach. Now, here we are, ten years later, in the aftermath of the Million Man March. According to Minister Farrakhan, Colonel Qaddafi was the very first person on the international scene to call him after the march, and to congratulate him on his great success. And when we met with Mr. Qaddafi, in his tent, in Libya on the World Friendship Tour, he very humbly, very seriously, admitted, that, and I quote, "Minister Farrakhan, your way is superior to my way."

And so, what we actually had the pleasure to witness, is a man who has waged violent revolution in the world, supported, what are called terrorist organizations . . . admitting that the non-violent approach, of the Nation of Islam, of Minister Farrakhan, is superior to the armed way. I think you could call that a conversion. I think you could call that sig-

nificant fruit of the doctrine of atonement and reconciliation. It seems to me that there should be rejoicing in Washington, D.C. and other capitals of the world, and there should be encouragement of Farrakhan's efforts. Because, if he can convert others to this peaceful way of atonement, then we can scale back the level of violence and warfare and conflict that right now characterizes much of what is happening on the African continent. We are driving now for a World Day of Atonement, participated in by billions of people across the face of this Earth. The meaning of Minister Farrakhan's World Friendship Tour, is just that, that we are ushering in an era of peace on earth and good will toward all men.

**EIR:** Any comment on recent developments in the Middle East?

**Muhammad:** I would say that certainly the teachings of atonement and reconciliation need to be heard all throughout the Middle East, but especially in Israel. So we are calling on all those inside Israel, and those who are supporters of Israel, to really hear the inner meaning, the real meaning, if you will, of atonement, and let us apply that principle across the board. Whether one is Jewish, or one is Muslim, or one is Christian, this is what we need to do. To do the opposite number, just ensures that we have an escalating cycle of violence, that will never lead to peace, that will never lead to development, that will only continue the suffering of millions upon millions of people. And the only ones who benefit from this continued conflict are those who sell the arms, who sell the drugs, and who make their financial killing in the speculative markets of the world; and who, for reasons of their own, do not want to see peace coming. How could you justify the billions of dollars that come from the U.S. and other countries to Israel if peace actually broke out and became established there? And so, we need to understand very clearly that those opponents of Minister Farrakhan inside the U.S. and throughout the world, are literally the opponents of peace.

**EIR:** I take it from what you just said, that the Minister's earlier call for a dialogue with Jewish organizations and individuals of good will still stands?

**Muhammad:** Yes, and just to put a time frame on that: His first call for a dialogue with responsible representatives of Jewish leadership was issued Feb. 25, 1984. It's been more than 12 years that his call has gone unheeded. It's still open.

### **D**organ attacks 'British disease'

Sen. Byron Dorgan (D-N.D.) moved the debate on jobs and the economy to a higher level, in a speech on the Senate floor in support of "The American Jobs Act," a bill he introduced on March 7. He focused his remarks on the need for working people to have decent jobs with decent wages so that they can raise their families.

He attacked the loophole in the tax code that pays corporations for moving their manufacturing operations overseas to cheap-labor markets, and gave statistics as to how many American jobs have been moved, and to which overseas markets. His bill is designed to close that loophole.

Dorgan attacked certain economic notions that have become popular in recent years. "This country does not exist by consumption alone," he said. "Economic health in this country is described by what we produce—manufacture, production. The genesis and source of wealth in this country is what this country produces. Those who believe America will remain a long-term economic world power without a strong, vibrant manufacturing economy have not studied the British disease of long, slow economic decline at the turn of the century, when they decided it did not matter where manufacturing existed." He pointed out that what American families are able to provide for themselves is determined by the opportunity to get decent jobs.

Dorgan attacked the so-called professional economists, who provide the measure of economic activity. "I guess I should make clear with truth in labeling that I taught economics in college for a couple of years, part time," he began. "I was able to overcome that and go on and do other things in life." He said that economists who describe "how wonderfully

healthy America's economy is," are describing "how much we are consuming; a fair amount, incidentally, with debt, debt-assisted consumption, as opposed to manufacturing assisted by good investment."

Dorgan said that the central issue is "what moves our economy ahead and what provides economic strength and vitality for American families," and that needs to be debated or "we are always going to be on the end of a disconnection from the average American working family." He warned his fellow senators that, "if we do not decide that jobs matter, and that our tax code actually encourages people to move their jobs overseas, if we do not decide that desperately needs changes, we do not deserve to belong in this chamber."

### **A**rcher offers his strange 'four freedoms'

House Ways and Means Committee Chairman Bill Archer (R-Tex.), a leading light of the "Conservative Revolution" and political crony of George Bush, in a speech to the Association of AdvancedLife Underwriters on March 6, laid out what he called an "agenda for America's next century," on issues related to his committee. He said this centers around four issues:

- Freedom from "an invasive and complicated tax code that threatens our ability to grow, create jobs, prosper and be economically successful," which includes "complete and total freedom from the IRS for individual taxpayers." Archer called for the replacement of the current income tax system with a national consumption tax.

- Freedom to "trade with our world partners so that we benefit workers, consumers, and business alike," in

other words, full implementation and expansion of predatory free trade agreements.

- Freedom "to be uplifted from the chains of poverty that have trapped generation after generation." Later in his remarks, he blamed poverty on the social welfare system because it encourages out-of-wedlock births. "The fastest route to poverty is to have a child you can't support," he said.

- Freedom "from the anxieties that face families as they lose their health insurance as they face life's turning points and move from job to job." Here, Archer endorsed all of the Conservative Revolution schemes for health care, such as medical savings accounts and cutting Medicare, without ever mentioning the effects these measures would have on the quality and quantity of care delivered.

He said that his committee's agenda is "built on the belief that America's strength derives from the freedom of the individual, not from the size of government. . . . Our job is to create a government that gives Americans from all walks of life the best opportunities to do the most for themselves and for their fellow citizens."

### **C**uban Liberty and Democracy Act passes

Both Houses of Congress passed the controversial Cuban Liberty and Democracy Act conference report by overwhelming majorities, in the wake of the shutdown by Cuban MiGs of two civilian aircraft flown by the Cuban exile group Brothers to the Rescue on Feb. 24. The Senate vote on March 5 was 74-22, and the House vote on March 6 was 336-86. President Clinton signed the bill into law.

The bill will strengthen the U.S. embargo against Cuba and U.S. oppo-

sition to Cuban participation in international financial institutions, and requires that the United States provide support to Cuban opposition groups. The provision which generated most of the opposition, however, was for the "protection of property rights of U.S. nationals," which establishes "a private right of action by which U.S. citizens can protect their interest in property confiscated by the Castro government." Sen. Paul Coverdell (R-Ga.) said that this provision was necessary because "it puts would-be investors on notice that, if they enrich themselves with stolen property, they will be held liable to the legitimate U.S. owners."

Rep. Tom Campbell (R-Calif.) warned that the bill would "extend for the first time the right for a private citizen to bring the crushing weight of the American civil system . . . to bear upon a private party of another country." He said that this "extraterritoriality" will "alienate, instead of bring together, our allies."

No mention was made about the role of drugs on both "sides" of the Cuba issue, either Fidel Castro's role in the pro-drug São Paulo Forum, or the co-optation of Cuban exile groups by the drug-running networks associated with George Bush.

## **O**beys slams think-tanks for economic decline

Rep. David Obey (D-Wisc.) continued the Democratic Party drive to make declining wages and living standards the issue in the 1996 election campaign, by naming the names of the Conservative Revolution think-tanks that, up till now, only *EIR* has identified as behind the paradigm shift of the last 25 years in economic thinking. His speech on March 11 was sponsored by

the Center for National Policy.

Obey said that the collapse of wages and the massive redistribution of wealth into fewer and fewer hands "was driven by public policy that fundamentally transformed and unbalanced America's labor markets. It created huge incentives on Wall Street to pressure American corporations to break the social contract between corporations and their workers. Those policies were driven by the very economic elite that most benefitted from them, and public opinion was manipulated into accepting the inevitability of it all."

Obey pointed to the effects of this policy, which destroyed the ability of skilled labor to protect wages, benefits, and jobs. "All of this was not simply an accident of history," he said. "It happened because government was negligent in recognizing what was happening to American families. A major reason for that negligence was a result of long-term efforts and sizable investments of a tiny group of wealthy American families and many large corporations," which pour huge amounts of money into a network (what Obey calls "Washington, Inc. Think") of conservative think-tanks.

Obey named the Sara Mellon Scaife Foundation, the Smith Richardson Foundation, the John M. Olin Foundation, and the Bradley Foundation for their role in this process. Obey also singled out the role of Joseph Coors, Richard Mellon Scaife, and Edward Noble, and their foundations, in concert with right-wing activist Paul Weyrich, to create the Heritage Foundation. "Heritage was not designed to pursue independent study, but rather to have maximum impact on government decision-making and to market *laissez-faire* ideology."

The impact, Obey said, "has been nothing less than the reshaping of

American economic policy—from one that was based on the belief that the needs of working families were as important as the needs of raw markets, to one based on the belief that the *only* thing that mattered was the market forces."

## **H**ouse panel hears 'Tax Limitation Amendment'

On March 6, the House Judiciary Subcommittee on the Constitution held hearings on the "Tax Limitation Amendment," to require a two-thirds vote of both Houses of Congress to pass a tax increase. Joe Barton (R-Tex.), the House sponsor of the amendment, said that the Balanced Budget Amendment, which failed by one vote in the Senate last year, with its three-fifths vote requirement to increase the public debt, "will make the Tax Limitation Amendment more important than ever. We [Republican backers] strongly believe it must be harder to raise taxes than it is to add to the deficit. This can only be done by passing the Tax Limitation Amendment."

David Skaggs (R-Colo.), the only witness among five members of Congress to testify against the proposal, warned that "the logical corollary of super-majority rule is minority control." He pointed out that the framers of the Constitution specifically rejected super-majority voting requirements for issues of "regular legislative business central to the ongoing operation and management of the Federal government, such as taxes and revenues." Skaggs added that the problems inherent in such a requirement are shown by the fact that House Republicans have already waived their own House rule requiring a three-fifths vote for a tax increase four times.

# National News

## N.J. Dem urges Clinton: Address economic future

Gordon McInnes, Democratic state senator from Morris County, N.J., in a March 10 op-ed in the *Newark Star-Ledger*, warns that this is no time for President Clinton to be "arranging the seating chart for a Second Inaugural." Despite the disarray among Republicans, McInnes points out that "overconfidence and too much cleverness" from Clinton's "campaign technologists" may undermine his campaign. "There is still an argument and a campaign to be won."

Clinton "should respond to the sense of economic insecurity and income deterioration that Buchanan has tapped into," McInnes declares, adding that "Democrats should stake out the territory that reconnects our party with the aspirations of working and middle class Americans. . . . Even if Clinton has announced the end of big government, he can still lead the effort to maintain and expand federal investments in our economic future. . . . He needs to ensure that the nation has a highway, rail, air, and water transportation network that is efficient and contemporary. Clinton must remind us of the enormous benefits that have flowed from the nation's great research universities and medical centers, both of which are threatened by Republican proposed budget cuts."

Furthermore, McInnes urges, "Clinton should declare the Republican Revolution dead and name the killers—American voters. The 'Contract on America' was built on the lie that the enemy of economic opportunity, civility, and social morality was the national government. Citizens weighed in with a powerful 'no thanks.'"

## Spannaus demands rivals condemn Va. frameups

Nancy Spannaus, candidate for the Virginia Democratic Party nomination for U.S. Senate, issued a call March 6, for her opponents

to show their moral qualifications for office, by condemning the imprisonment of five LaRouche associates still being held as political prisoners in Virginia. The five—Michael Billington, Anita Gallagher, Paul Gallagher, Laurence Hecht, and Donald Phau—were jailed as a result of raw political corruption, under the Attorney Generalship of the now-eclipsed Mary Sue Terry.

"There is no question but that the overall witch-hunt against the LaRouche movement was run by a permanent bureaucracy in the Department of Justice, in alliance with private forces like the ADL [Anti-Defamation League], at the behest of political circles linked to George Bush, Henry Kissinger, and their British mentors. The federal prosecutors knew that LaRouche and his co-defendants were innocent of the charges—a fact for which the evidence sits in Richmond, never having been heard by the courts. Nor is it deniable that the policies of [Republican Gov.] George Allen on corrections, are cut from the same cloth as the Nazi policies of Newt Gingrich and his advisers William Barr and Henry Hudson, and thus are a major impediment to their release from prison."

Spannaus emphasized, however, that "the Republicans did not send LaRouche's associates to prison in Virginia. That crime was committed by leading members of the Democratic Party, and the moral stain for such actions remains on the Virginia Democratic Party, until it begins to take action against this atrocity."

Reviewing the basic facts of the case, Spannaus declared that Virginia Attorney General Terry launched a prosecution "which even the FBI noted to be 'politically motivated.' At Terry's behest, arrests were made for a crime which had never before existed—the classification of political loans as 'securities.' . . . Yet, although the State Corporation Counsel did not rule the loans were securities until after the arrests, the Commonwealth proceeded to charge the LaRouche associates with knowingly conspiring to commit a crime, before it was declared a crime!

"To secure the convictions, the Commonwealth relied upon avowed enemies of LaRouche in the ADL and Cult Awareness Network, which worked through the press,

and even contacted the Roanoke judge who handled all but one of the trials. As a result, these defendants were denied fair trials and received sentences of from 25 to 77 years."

Spannaus concluded, "This situation must now change, and leadership must be exerted by those who aspire to national office. So, I call on my fellow candidates for Senate: Join me in fighting for the exoneration of LaRouche, and the freedom for these five political prisoners. Such a fight for justice is a moral qualification for office."

## Michigan jury acquits 'Dr. Death' of murder

After ten days of brainwashing, a Michigan jury—reflecting the U.S. population's tolerance of explicit Nazi extermination policies toward the sick, old, and disabled—acquitted Jack "Dr. Death" Kevorkian of violating a Michigan law against so-called "assisted suicide."

This latest case heard against the euthanasist and serial-killer charged him for his role in the deaths of Merian Frederick, 72, on Oct. 22, 1993; and Ali Khalili, 61, on Nov. 22, 1993. Both victims were found in Kevorkian's apartment. The deaths were declared homicides, not suicides, because they resulted from acts by someone other than the victims. The term "assisted suicide" is a legal nonentity.

At the time, a Michigan "law" made it a felony, punishable by four years of imprisonment, for anyone to provide the physical means for a suicide, or to participate in causing a suicide. During the recent trial, Kevorkian's attorney Geoffrey Fieger and Circuit Court Judge Jessica Cooper both focussed attention on a loophole in the law. The immoral statute exempted those who caused the victim's death, if their intent was only to relieve pain. "Dr. Death" claimed he only wanted to "relieve his patients' pain," not kill them, by gassing his "patients" with poisonous carbon monoxide!

During testimony on March 4, Kevorkian compared his role to that of an executioner. "When an executioner pulls the



switch on the electric chair, is his wish to kill a human being," Kevorkian asked, "or to fulfill his duty to implement justice and uphold the law? What's his aim?"

## N.Y. Times touts casinos to replace manufacturing

The March 9 *New York Times*, in the same issue concluding its seven-part series on the "downsizing of America," hailed the conversion of once-proud manufacturing towns into gambling dens. The *Times* feasted on the case of Joliet, Illinois, where tax revenues, once generated by local industry, are now reduced to the flow from riverboat casinos.

The *Times* toasted Joliet's City Manager John Mezera for guiding its recent "revitalization" based on gambling revenues. "It's our time right now," says Mezera, while acknowledging that good times will last only as long as gamblers keep flooding the town. Joliet's four riverboat casinos, running two-hour cruises for 22 hours a day, attract a *daily* average of 17,757 gamblers, betting a total of \$1.1 million. Since the floating crap games began in June 1992, the city has received one-quarter of the 20% the state takes from betting revenues.

According to the *Times*, casino corporations are now the biggest employers in Joliet and Will Counties, paying \$100 million yearly in wages to 4,000 workers. Total tax revenues to Joliet, based upon riverboat gambling, is projected to reach \$90 million this year, accounting for 20% of all revenues. Despite some objections from local officials, who prefer modern factories to "gaming," Joliet's director of community and economic development believes that "you've got to deal with reality and take what you can get. . . . When entertainment came along, it was perfect. We were looking for something that would change the image of Joliet. And it did."

The *Times* conceded that the scheme to reduce the economy to a roll of the dice has its critics. Even a University of Illinois economics professor, Earl Grinols, has concluded from two studies of the state's gam-

bling enterprises that "the net gain is virtually zero. There is a job lost or a job not created for every job you see in the casinos. There's very little economic growth going on in riverboat areas. . . . But city councils get euphoric over the taxes they're collecting."

## Falling productivity is nation's 'basic problem'

Addressing the 34th annual Goddard Memorial Symposium of the American Astronautical Society on March 6, University of Maryland President William E. Kirwan challenged some current assumptions about declining federal support for scientific research and development. "Why is this happening to us?" Kirwan asked the audience attending the meeting outside of Washington, D.C.

"A common response," he said, "is that it is the Conservative Revolution in the federal government that is forcing a reduction in the size of government and, in particular, a decline in federal support for research. I don't believe this assessment is entirely accurate. What we are now experiencing has been building for a longer period of time, and is rooted in an unsettling fact about the economic underpinnings of American society."

Instead, Dr. Kirwan claimed, "Our basic problem lies in the steady decline of our nation's per-capita productivity. Throughout the 1950s and '60s, the per-capita productivity increased on average 3% annually. During the 1970s it fell to 2%. This past decade it dropped to 1%. . . . The effects of the decline in per-capita productivity since the 1960s have been masked, until recently, by the near doubling of the proportion of women in the workforce; and by turning the U.S. from the world's greatest creditor to its greatest debtor nation."

Dr. Kirwan added that, "without significant change in our level of per-capita productivity, there simply will not be the funds available to support the levels of federal expenditures we have become accustomed to, including the current level of federal appropriations for research."

## Briefly

**NEWT GINGRICH** claims that the 171-point drop in the Dow Jones index on March 8 shows that the economy "is very fragile," and needs another dose of his ruinous federal budget cuts. The House Speaker told reporters in Georgia March 9, "We really need to get lower taxes and a balanced budget for lower interest rates, just in order to avoid a recession."

**LABOR SECRETARY** Robert Reich, following an address to the Pennsylvania AFL-CIO Convention March 7, declared, "Corporation executives, whether they know it or not, have a public trust. If companies are not generating benefits for society, but instead are imposing enormous social costs, then governments and societies have every reason to change the rules, laws, and tax incentives for corporations."

**PHYLLIS SCHLAFLY**, former doyenne of conservative Republicanism, wrote off free trade in a *Washington Times* op-ed March 9. It "does not improve our quality of life in America but lowers it." She denounced "the incessant and orchestrated demand that America compete in a global economy with hundreds of millions of unemployed and underemployed people around the world who are willing to work for 25¢ an hour. That's what 'free trade' means, and there's nothing fair about it."

**THE COALITION** to Defend America said March 8, that its new Citizens Advisory Panel on Missile Defense will be headed by a "legendary figure in pop culture, two-time Grammy award winning guitarist in superstar rock bands Steely Dan and the Doobie Brothers, Jeff 'Skunk' Baxter."

**THE FEDERAL** Aviation Administration has sent letters to 33,225 licensed airplane pilots in southern Florida, warning them that a "cease and desist" order was signed March 1, increasing the penalties that will be imposed on any pilots violating Cuban air space.

## Editorial

### *The magic of the marketplace*

While it is true that stock market speculators certainly do have something to worry about, as indicated by the increasing volatility of international stock indices, most commentary on the subject is worse than useless. It has about the same validity and interest as a serious discussion about why a lady who was purportedly sawed in half before the audience's very eyes, is now able to stand up and walk from the stage unassisted.

The so-called truths being peddled about why the stock market took a tumble on Friday, March 8, are just so much flim-flam and illusion. And the idea that the economy is in, or is on the verge of, a recovery, is a vicious lie. Whether or not the Federal Reserve raises or lowers the interest rates, in response to various so-called economic indicators, we are teetering on the brink of an economic collapse of astronomical proportions.

There is no economic recovery now nor in the foreseeable future, unless first the enormity of the present disaster is understood, and the measures—spelled out by Lyndon LaRouche—necessary to reverse the situation, are taken. Key in this is the creation of a new international monetary system, which would be predicated upon admitting the bankruptcy of the present banking system. In the United States, this would mean putting the Federal Reserve System into receivership.

Every week, more people lose their jobs, and every week the American population goes further into debt, in a futile effort to maintain a rapidly diminishing standard of living. In real dollar terms, the minimum wage fell 16% in the decade of the 1980s, and it is still falling. On the other hand, as the Federal Reserve reported in a 1992 survey, the top 1% of Americans have seen their incomes increase by 42%. Such a disparity has always been a characteristic of the British Empire, but not of the American System. Noteworthy is the exception in 1929, when the top 1% financial elite in the United States held 44% of the wealth (measured in terms of monetary value.)

There has been a concerted effort to prevent a

financial crash by manipulating the money supply and interest rates, and by parasitizing what remains of the physical economy. This is a process which is occurring all over the world—most brutally in the former Soviet Union, but also in such previously thriving economies as Germany, the United States, and Japan. Inevitably, this will lead to a devastating financial crash.

The craziness in what happened on March 8, was not, as some have claimed, that “good news” about the economy sparked a panic on Wall Street and other markets, because it implied that there would be a tightening of monetary policy; the craziness was that people could imagine that there *was any good news* about the United States economy, contained in the kind of statistics which were released.

The LaRouche campaign is now winning double-digit vote totals in primary elections throughout the United States. LaRouche, unlike any of the other candidates, is confronting American voters with the truth. Unless they wake up and recognize the enormity of the present crisis, they and their children, and their children's children, will be doomed. There is no “good news” about the economy; the good news is that more and more American voters are not only listening to Lyndon H. LaRouche, but are giving him their votes as well.

Recently the U.S. House of Representatives Democratic Policy Committee issued a very useful report attacking “the downsizing of the American dream.” It is a polemical attack upon the fascist policies of Newt Gingrich's neo-Conservatives. The report is a resounding attack upon the growing discrepancy between the conditions of life of the mass of Americans, and that of the financial elite.

Missing from the report are the measures which must be taken to transform the situation. It is important to debunk the magic of the marketplace—the lie of the British free trade doctrine—but it is also necessary that the steps outlined by LaRouche be taken, in order to transform the situation before it is too late.

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Wednesdays—5:30 p.m.
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Thursdays—6:30 p.m.

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- YORKTOWN—Ch. 34  
Thursdays—3 p.m.

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- HOUSTON—PAC  
Mondays—10 p.m.  
Fridays—12 Noon

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- ARLINGTON—ACT Ch. 33  
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Wednesdays—12 Noon
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Comcast—Ch. 6  
Tuesdays—5 p.m.
- FAIRFAX—FCAC Ch. 10  
Tuesdays—12 Noon  
Thurs.—7 pm; Sat.—10 am
- MANASSAS—Jones Ch. 64  
Saturdays—12 Noon
- RICHMOND—Conti Ch. 38  
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- ROANOKE—Cox Ch. 9  
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- YORKTOWN—Conti Ch. 38  
Mondays—4 p.m.

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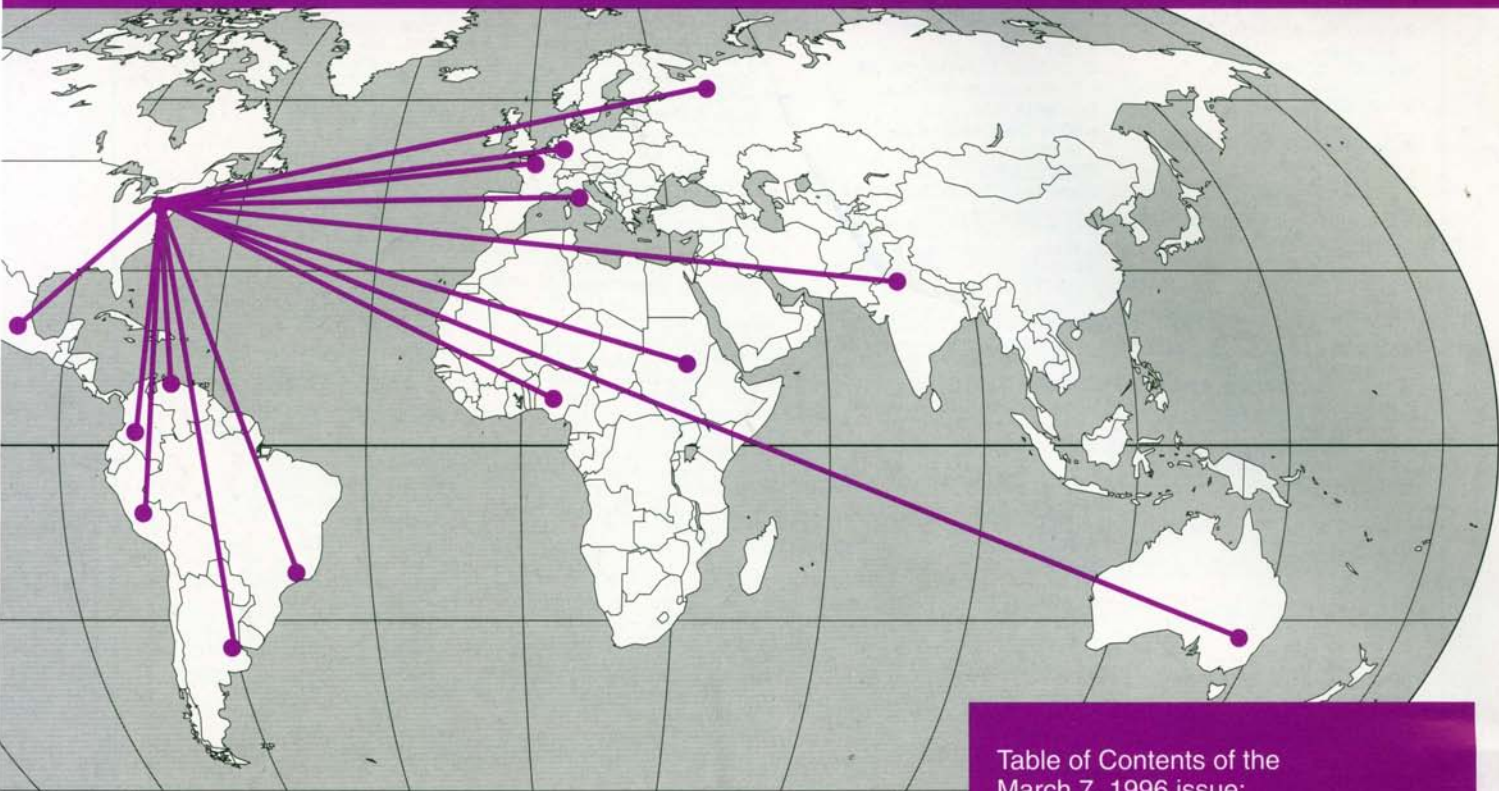
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Table of Contents of the  
March 7, 1996 issue:

- LaRouche wins 11.1% in Colorado
- Project terrorism on Indian subcontinent
- Hamas-Likud collaboration charged
- Colombia's Samper turns to Britain
- Soros now faces charges in Milan
- East German economic crisis to worsen
- Palme anniversary coverage still targets LaRouche