

EIR

Executive Intelligence Review

April 5, 1996 • Vol. 23 No. 15

\$10.00

LaRouche wins 7% of California vote
Foreign policy to defeat the British Empire
ADL escalates against Farrakhan, Clinton

**'Mad Cow' disease plunges
Great Britain into crisis**



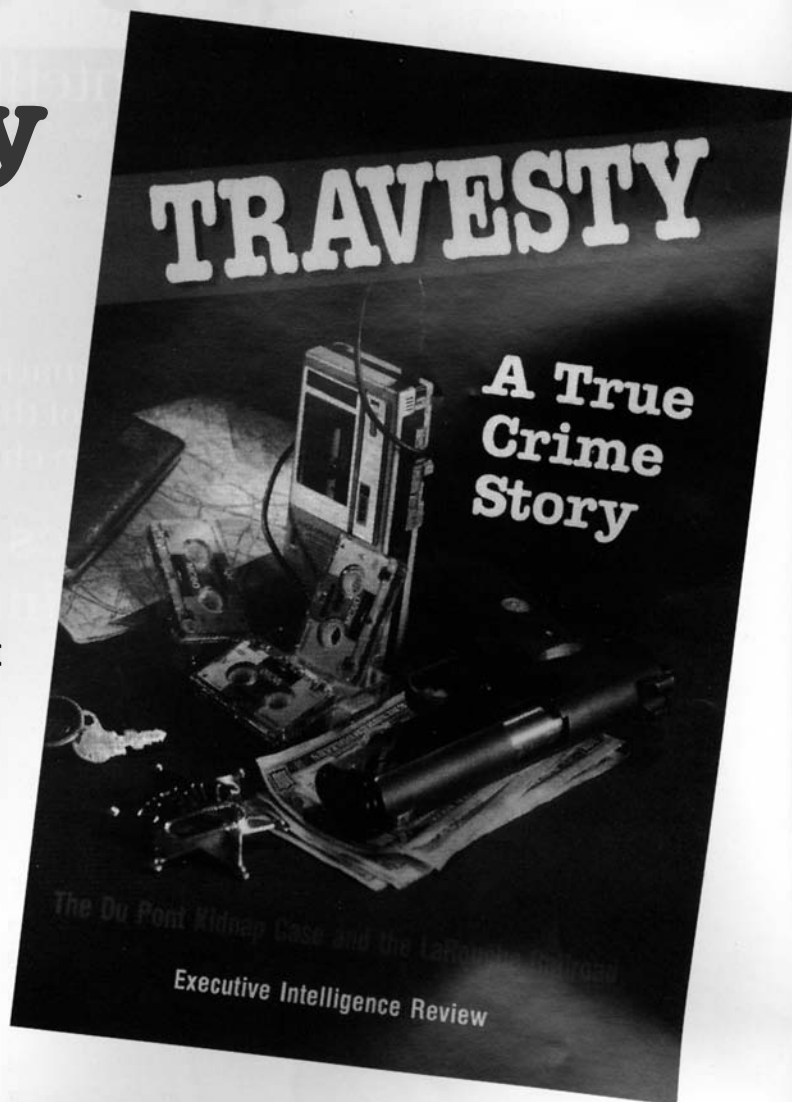
TRAVESTY!

A True Crime Story

The full, unexpurgated story of the du Pont kidnap case!

Read, in their own words:

- How the kidnapers—members of the criminal Cult Awareness Network—plotted to seduce, kidnap, drug, and, if necessary, kill du Pont heir Lewis du Pont Smith, to stop his association with political leader Lyndon LaRouche; then went scot-free in the same judicial system that condemned LaRouche to life in prison.
- How Ollie North's Vietnam tentmate, a Loudoun County, Va. deputy sheriff, was at the center of a near-miss assassination of LaRouche by sharpshooters during a 400-man paramilitary raid.



Send checks or money orders to:

Ben Franklin Booksellers, Inc.

107 South King St. Leesburg, VA 22075

phone 1-800-453-4108 (toll free) or 1-703-777-3661

\$8.00

Shipping and handling charges: Add \$4 for the first book and \$.50 for each additional book. Virginia residents add 4.5% sales tax. We accept MasterCard, Visa, American Express, and Discover.

EIR

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editorial Board: *Melvin Klenetsky, Antony Papert, Gerald Rose, Dennis Small, Edward Spannaus, Nancy Spannaus, Jeffrey Steinberg, Webster Tarpley, Carol White, Christopher White*

Senior Editor: *Nora Hamerman*

Associate Editor: *Susan Welsh*

Managing Editors: *John Sigerson, Ronald Kokinda*

Science and Technology: *Carol White*

Special Projects: *Mark Burdman*

Book Editor: *Katherine Notley*

Advertising Director: *Marsha Freeman*

Circulation Manager: *Stanley Ezrol*

INTELLIGENCE DIRECTORS:

Agriculture: *Marcia Merry*

Asia and Africa: *Linda de Hoyos*

Counterintelligence: *Jeffrey Steinberg, Paul Goldstein*

Economics: *Christopher White*

European Economics: *William Engdahl*

Ibero-America: *Robyn Quijano, Dennis Small*

Law: *Edward Spannaus*

Russia and Eastern Europe:

Rachel Douglas, Konstantin George

United States: *Kathleen Klenetsky*

INTERNATIONAL BUREAUS:

Bogotá: *José Restrepo*

Bonn: *George Gregory, Rainer Apel*

Buenos Aires: *Gerardo Terán*

Caracas: *David Ramonet*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Mexico City: *Hugo López Ochoa*

Milan: *Leonardo Servadio*

New Delhi: *Susan Maitra*

Paris: *Christine Bierre*

Rio de Janeiro: *Silvia Palacios*

Stockholm: *Michael Ericson*

Washington, D.C.: *William Jones*

Wiesbaden: *Göran Haglund*

EIR (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 317 Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451.

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, D-65013 Wiesbaden, Otto von Guericke Ring 3, D-65205 Wiesbaden, Federal Republic of Germany Tel: (6122) 9160. Executive Directors: Anno Hellenbroich, Michael Liebig

In Denmark: EIR, Post Box 2613, 2100 Copenhagen ØE, Tel. 35-43 60 40

In Mexico: EIR, Río Tiber No. 87, 5o piso. Colonia Cuauhtémoc. México, DF, CP 06500. Tel: 208-3016 y 533-26-43.

Japan subscription sales: O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 3208-7821.

Copyright © 1996 EIR News Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Second-class postage paid at Washington D.C., and at an additional mailing offices.

Domestic subscriptions: 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10.

Postmaster: Send all address changes to EIR, P.O. Box 17390, Washington, D.C. 20041-0390.

From the Associate Editor

Some among *EIR*'s readers, particularly newer subscribers, are puzzled by our insistence on the evil role of the British oligarchy. "I know Britain was America's enemy in 1776, but times have changed," they say. "And anyway, the queen has no power; she is only a figurehead."

Well, hold on to your hat. In this issue, we look at a whole array of British operations worldwide; over the next several weeks, we will publish a series of *Special Reports* to give much more extensive documentation and historical depth on this matter.

The conceptual overview is eloquently provided by Lyndon LaRouche's Presidential campaign speech in Los Angeles (see *Feature*). He describes the fight between British Prime Minister Churchill and President Roosevelt, during World War II, and how the British have maneuvered since the war to grab control of the political processes, and strategic raw materials, of nations. The themes of this speech will be the subject of LaRouche's April 18 national television broadcast, on CBS-TV at 9:30 p.m. Eastern time.

Elsewhere in this issue, you will find reports on: how Britain's flea-market economics, under former Prime Minister Margaret Thatcher, created the epidemic of "Mad Cow" disease; the fact that international terrorism is headquartered in London; the existence of a cell of dirty-tricksters allied to British intelligence: the Republicans Abroad-Oxford University; the deployment of British Minister of Overseas Development Baroness Lynda Chalker, to try to shape the Africa policy of the Clinton administration; and an interview with Msgr. Franjo Komarica, the bishop of Banja Luka, Bosnia, in which he addresses the role of the British in sparking conflicts between Croats and Bosnians.

In next week's *EIR*, we plan a *Special Report* titled "British Monarchy Rapes Central Asia—Again." This will be an extensive dossier on 100 years of British destabilization, from Turkey to Afghanistan. Next will be a report on British perfidy in the Balkans, followed by a study of the monarchy's power and the British Commonwealth today: the modern face of the British Empire.

See *National* for coverage of recent victories for LaRouche's Presidential campaign, which is now at a real takeoff point.

Susan Welsh

EIR Contents

Interviews

44 Bishop Franjo Komarica

Monsignor Komarica, the Catholic bishop of Banja Luka, became famous because he refused to abandon his city when it was occupied four years ago by Greater Serbians.

Photo credits: Cover, page 55, EIRNS/Stuart Lewis. Page 10, *Nouvelle Solidarité*/Raynald Rouleau. Page 14, DaD/Bundesbildstelle. Page 21, EIRNS/Ian Levit. Pages 22, 23, National Archives. Page 24, EIRNS. Page 61, EIRNS/Tony Hadley. Page 65, EIRNS/William Jones. Page 65 (inset), Overseas Development Administration.

Departments

17 Report from Rio

"Real Plan" destroyed Brazil's banks.

51 Panama Report

Noriega is denied a new trial.

72 Editorial

"Mad Cow" disease in Pennsylvania.

Economics



Former British Prime Minister Margaret Thatcher, the "nasty nanny" of 10 Downing Street, whose deregulation policies allowed the spread of "Mad Cow" disease.

4 'Mad Cow' disease plunges Great Britain into crisis

When Britain's health minister announced the possibility of a link between the deadly disease bovine spongiform encephalopathy, and humans, all hell broke loose, as nations acted in their own interest, banning British beef imports. The British epidemic is the result of Margaret Thatcher's deregulation of the animal feed industry.

6 GM strike exposes incompetent use of 'just in time' inventory control

9 Bouchard implements IMF agenda in Quebec

11 Emergency measures can deal with the global financial collapse

Michael Liebig of the Schiller Institute speaks at a conference in Slovakia.

16 Currency Rates

18 Business Briefs

Feature

20 Foreign policy to defeat the British Empire

An address by Lyndon LaRouche, a candidate for the Democratic Presidential nomination, to an audience in Los Angeles on March 16. "Everybody gets things backwards," he declared. "They think it's the people who have to deal with the politicians. No; the politicians have to deal with the people. Some fail; most of them do: because they don't change the people."

International

34 London accused of harboring global terror apparatus

The Israelis are preparing a dossier showing that London is the financial and logistical hub for Hezbollah, Islamic Jihad, and Hamas. A German newspaper reports that the Kurdish Communist Party runs its propaganda operations from Britain. Others are beginning to realize, what *EIR* has been saying all along.

36 British gnash their teeth, as Sudan conducts first democratic elections

38 Oxford University cell promotes treasonous British policy in GOP

41 Sentencing of Shubeilat sharpens conflict with Jordan's establishment

43 Bishop of Banja Luka speaks out after four years of 'Greater Serbia' terror

48 Colombia: To fight drugs, beat narco-terrorism

Documentation: From the Colombian Army's weekly magazine *En Guardia* and from the editorial of the Colombian Catholic Church weekly *El Catolicismo*.

52 International Intelligence

National

54 ADL uses Farrakhan hearing to target President Clinton

Documentation: From remarks by Minister Louis Farrakhan as he received the "1995 Newsmaker of the Year" award from the National Newspaper Publishers Association.

58 LaRouche receives 162,000 votes in California Democratic primary

60 LaRouche campaign spearheads defeat of Nazi health care cuts in Pennsylvania

62 Support grows for campaign to exonerate Lyndon LaRouche

64 What's wrong with U.S. Africa policy?

Cherchez la femme: Lady Lynda Chalker.

66 The United Nations, the British, and the court-martial of Michael New

68 Congressional Closeup

70 National News

‘Mad Cow’ disease plunges Great Britain into crisis

by Marcia Merry Baker

During the decade that Margaret Thatcher was prime minister of Great Britain, from 1979 to 1990, a series of “free market” decisions deregulated government control of the processing of animal feed, and thereby allowed the spread of bovine spongiform encephalopathy (BSE), known as “Mad Cow” disease.

The precise etiology of BSE, and why it first showed up in England (first officially recorded case in 1985), is not known, and may never be known for certain. What is certain, is that the Thatcher government, in the face of this threat, did not take the necessary public health measures to protect food and feed supplies. In fact, the Agriculture and Health Ministry policies of deregulation and privatization, implemented during the Thatcher years and continued under Prime Minister John Major, served to spread BSE to epidemic proportions.

BSE is a degenerative disease of the brain and spinal neurological tissues, fatal to the cow. It appears to have a years-long incubation period, and the transmitting pathogen is thought to be an animal protein particle, or prion (neither a bacterium nor a virus). A stricken animal becomes jittery, and eventually unable to walk. Similar encephalitic veterinary diseases include sheep scrapie, well established in Britain and elsewhere; and encephalopathy of Rocky Mountain elk, and transmissible mink encephalopathy, both in North America.

As of the beginning of 1996, there had been over 168,000 reported cases of BSE-infected cows in Britain, including in the Channel Islands, since 1985. Concerns over BSE have come to include the possibility of its transmission to humans (as well as to other animal species). At present, there are 12 specific cases of human spinal and brain degeneration in Britain, under study for a possible pathogen link to BSE.

The usual human version of brain and spinal tissue degeneration is a very rare condition called Creutzfeldt-Jakob dis-

ease (CJD). Perhaps only one person in a million, and usually an elderly person, dies from CJD in a year. However, the 12 CJD-like cases in Britain now under study, all involve younger people, and show other significant differences from classical CJD. (Ten of the 12 persons afflicted are now dead.)

It was the announcement to Parliament by Health Minister Stephen Dorrell on March 20, that the BSE link to humans was being investigated, which was the occasion for a fierce, international reaction to years of Thatcherite negligence and prevarication over BSE.

Nations take defensive action

In the days following the Dorrell speech to Parliament, dozens of nations took unilateral actions in the interests of the safety of their food supplies, and of their farm sectors.

On March 21, France announced the banning of British beef. On March 22, other European Union (EU) members, including Germany, Portugal, and Denmark, did likewise, as did South Korea, New Zealand, and many other nations.

These initiatives mark a sharp break with the pattern of nations acquiescing to the “one world government” agencies claiming the right to dictate policies to nations on food and other vital issues. The new World Trade Organization (WTO), and similar supranational regional “free trade” blocs, have all condoned Britain’s inaction on BSE.

On March 21, the European Union Commission in Brussels denounced France’s ban on British beef as illegal under EU treaty rules. However, on March 22, confronted with the overwhelming solidarity of dozens of nations banning British beef, the EU Commission reversed itself, and announced the opinion that when a nation is taking precautionary action against a perceived immediate threat, its unilateral government action is not violating EU practice.

In 1990, the opposite happened, and the EU faced down national governments. On May 30, 1990, France banned all imports of British beef; on June 1, West Germany did the same; and on June 6, Italy followed suit. But on June 7, the EU Commission in Brussels promised to tighten measures to curb BSE, including banning the use of bovine offal in cattle feed, and France, West Germany, Italy, and other nations rescinded their bans on imports of British beef.

But British laissez-faire health measures continued, and today's "Mad Cow" disease threat now poses the necessity of rejecting the EU's usurpation of the rights of national sovereignty.

The Geneva-based World Trade Organization is looking especially bad. Despite the obvious threat of BSE in several nations' cattle herds and beef supplies, when the WTO started up last year, it negotiated the International Bovine Meat Agreement, to replace its predecessor (the Arrangement Regarding Bovine Meat, in force from January 1980 to Dec. 31, 1994), with no attention to BSE at all. The WTO instead stressed demands for "greater liberalization" of the international meat and livestock market, and "progressive dismantling of obstacles and restrictions to world trade to the benefit of consumers, producers, importers, and exporters," according to the WTO's publication "The International Markets for Meat: 1994-1995." Now, most nations have banned British beef; so much for the WTO.

Thatcher's deregulation

Any international effort truly dedicated to improving food and health, would have assisted veterinarians, microbiologists, and public health experts in typing and dealing with the patterns and pathogens involved in BSE. These are some of the relevant features of the disease:

- Pathogens similar to BSE are transmissible through ingestion of animal proteins, in particular brains and neurological tissue. This is so with sheep scrapie, and with transmissible mink encephalopathy (TME), a disease that plagues U.S. mink farms, because minks are carnivores, and must be fed meat; the meat has to be pathogen-free in order to prevent TME. In New Guinea, people practicing cannibalism acquired Oravske kuru, a CJD-like disease of dementia. Therefore, on no account should suspect animal protein be recycled into livestock feed.

- Pathogens similar to BSE are stable in soil, potentially for many years. Therefore, sufficient quantities of corrosive chemicals, such as quicklime, need to be added to the buried carcasses of infected animals. Burial sites should be kept "off limits."

- To be on the safe side, entire herds, not merely the single infected cow, should be culled.

Under Thatcherism, none of these precautionary measures was respected.

Four months after taking office in 1979, the Thatcher government decided to loosen regulations on allowing animal

wastes to be processed into animal feed, despite strong warnings against this.

In 1978 and 1979, scientific reports had called for tightening hygienic regulations on recycling rendered dead animal byproducts into animal feed—among other things, because of the threat posed by sheep infected with scrapie, the BSE-type disease that had long been rampant in Britain.

A Royal Commission on Environmental Pollution specifically warned that because of the presence of scrapie, processing sheep byproducts into cattle feed would carry the "risk of transmitting disease-bearing pathogens to stock and thence to humans." The commission drafted proposals for tight licensing conditions for processing animal proteins.

These proposals were dismissed by the Thatcher government, which insisted on deregulation of the feed industry. Officials said the government might offer guidelines, but the industry could practice "self-regulation."

The disaster was in the making as of 1981, at least, when the processing procedures for animal wastes were drastically changed to cut costs. Cooking temperatures were reduced, as was the amount of time the wastes were cooked. Also, chemical solvents used to clean the processing equipment were no longer considered necessary. So the scrapie agent, and any other pathogens present, were no longer deactivated. They were transmitted, via animal feed, to cattle.

In 1985, the first "Mad Cow" case was officially reported in Britain. In November 1986, the first diagnosis of BSE was made. In June 1988, Britain made BSE a notifiable disease, and in 1989, Britain banned human consumption of cattle brains and certain other organs. But the feed practices remained lax, and only the individual stricken animals, not the herds, were eliminated.

In the 1980s, there were British exports of tainted animal feed, as well as infected cattle; BSE cases showed up in Switzerland, France, Germany, Oman, Ireland, and other locations.

In 1990, BSE was made a notifiable disease in the European Union. The EU Commission banned imports to the continent of British live cattle over a certain age. And, under pressure from member governments, the EU claimed that it would tighten up other regulations. But while Thatcher left office in 1990, her legacy continued to spread BSE, as deregulation persisted.

Instead of this review you are now reading of how disease results from mad policies and pathogens—which can be repaired by emergency measures in the national interest—what you are hearing from the media's "talking heads," such as Lester Brown of Worldwatch Institute, is that BSE may be the "inevitable" Chernobyl of the world food system. Brown is on the prowl for catastrophes, in order to rationalize his claim that the Earth is overpopulated. The Worldwatch Institute is a Washington, D.C.-based operation, created in 1974 by private—mostly British—strategic commodities interests, to promote just such Malthusian hysteria.

GM strike exposes incompetent use of 'just in time' inventory control

by Anthony K. Wikrent

The two-week strike by United Auto Workers Local 696 in Dayton, Ohio, which shut most of General Motors' parts and assembly plants in mid-March, is a reflection of a phase-shift in a rapidly emerging political fight over the fate of the U.S. industrial economy. The immediate issue is whether companies should be allowed to flee from their own workforces in search of cheaper labor costs elsewhere. The underlying issue is how to steer companies back to a position of increasing net economic gain for the entire society, rather than just the vary narrow group of company shareholders. To successfully do this, the axiomatic belief structure of American professional business management will have to be discarded, because it is fatally flawed by a predisposition to an oligarchical view of labor.

The issue in the General Motors (GM) strike was "outsourcing," the practice of a company buying parts and components from an outside vendor, rather than producing them itself. The GM strike was initiated after GM management violated "Appendix L" of the 1993 United Auto Workers (UAW) national contract with GM, which requires GM to give the union 150 days written notice of a contemplated outsourcing. The union then has 90 days to develop a proposal, using GM cost and production data, for keeping the work within GM. If GM deems the union proposal not competitive, GM is free to go to an outside firm for the work. After the strike, GM officials acknowledged that they failed to notify the union of their plans to outsource anti-skid braking systems from the German firm Robert Bosch GmbH in South Carolina, where the non-union workforce labor cost is about one-third that of GM's \$45-an-hour labor cost.

In an interview on March 20, Lyndon LaRouche noted that the striking GM auto workers were "forcing the issue which is otherwise raised by Sens. Jeff Bingaman [D-N.M.] and Thomas Daschle [D-S.D.] in their report. The U.S. corporation has moved away from its former role of being dedicated to making profit by providing a service to the United States, that is, to contribute to the public good, into providing riches *at the expense of* the public good." (The Bingaman-Daschle report referred to is *Scrambling to Pay*

the Bills: Building Allies for America's Working Families. For an analysis, see *EIR*, March 29, p. 18.)

U.S. corporations are now acting, LaRouche emphasized, "at the expense of American labor, at the expense of the American consumer, the American economy, and so forth, to the advantage of a small group of foreign as well as domestic speculators, centered on Wall Street. The so-called 'Michael Milken morality,' which has taken over since about 1982 . . . has taken over American corporate ownership, and our public morality, and our law."

LaRouche is referring to the rentier-financier mentality that has come to dominate U.S. management practices, since the British takeover of the major U.S. railroads, and the cartelization of U.S. industry by Anglo-American banker J.P. Morgan in the 1880s to 1890s. This oligarchical rentier-financier mentality stands in stark contrast to competent industrial management, and especially to the "Harmony of Interests" outlook behind the development of the modern U.S. economy, as discussed and implemented by such people as Henry Carey, William Kelley, and Thomas Edison (see *EIR*, Feb. 9, pp. 22-57).

The British faction

Indeed, it was a "British faction" on the GM board of directors which provoked the strike in Dayton. Following the 1993 national negotiations between the UAW and Chrysler, Ford, and GM, the GM directors established a special committee, and charged it with developing a strategy for reducing GM's "labor cost structure." Members of that special committee include Sir Dennis Weatherstone, the British chairman of J.P. Morgan and Co.; Thomas H. Wyman, chairman of S.G. Warburg and Co., the U.S. branch of the largest British investment bank, S.G. Warburg and Co. Ltd.; Paul O'Neill, chairman of the Aluminum Co. of America, which has at least two British knights on its board; and John Smale, the retired chairman of Proctor and Gamble, who is also a director of J.P. Morgan and Co.

The irony of the GM strike, is that GM's management had adopted certain management practices which could magnify the advantages of a Harmony of Interests approach to

industrial manufacturing, but which, when applied in a rentier-financier approach, actually increased the vulnerability of GM to labor strife. The perfect example of this is GM's use of "Just In Time Inventory" (JITI) control, in which a part or component is brought to the assembly plant just minutes or hours before it is installed into a vehicle on the assembly line. The intent is to save money by greatly reducing the carrying cost of inventory, for example, by not having to build warehouses to store a few weeks or few months worth of parts or components.

But this is not what JITI was originally intended to be, as brought to its highest point of development by Toyota Motor Co. manufacturing engineer Taichi Ohno. In the Toyota Production System developed by Ohno in the 1950s and 1960s, JITI was not intended to be a cost-saving measure in and of itself, but rather a means by which to immediately identify errors or malfunctions in the entire process of producing a vehicle, whether it be assembling parts and components into the final vehicle, or producing those parts and components, *and to efficiently apply the creative mental powers of Toyota's labor force to solving the problem posed by those errors or malfunctions.* U.S. managers, with an oligarchical contempt for the value of human problem-solving capabilities, completely ignored the intent of Ohno's JITI; rather, in their obsession with cost accounting, they seized upon JITI as a means to reduce the costs of carrying inventory.

JITI, as applied in the United States, is largely a corruption of one small part of what is actually a quite competent system of managing industrial production. In order to truly understand the incompetence of U.S. managers, it is necessary to explain how Ohno developed the Toyota Production System.

Postwar conditions in Japan

Ohno's system was developed as an adaptation to the limitations of the devastated Japanese economy immediately following World War II. On the one hand, the market for new automobiles in Japan was extremely limited, making production runs of hundreds of thousands, let alone millions, of the same vehicle, impossible. The economies of scale that could be achieved with mass production in the United States, simply could not be replicated in Japan at the time. For Ohno, the immediate problem to be solved was the changing of dies, the patterns that give form to a sheet of steel in a stamping press. The typical body of a car or truck, since the days of Ford's Model T, are made of about 300 stamped metal parts that are welded together. Since it typically took a full day for specialists to set up a die correctly, so that the metal being stamped didn't wrinkle, or worst of all, melt in the die, U.S. auto manufacturers found that they could save thousands and even millions of dollars by dedicating a set of presses and dies to one part, and stamping that one part for months, or even

years, without changing dies.

Toyota could not afford the hundreds of presses needed to mimic the U.S. approach; it could afford only a few presses, meaning that one press would have to make many different parts. This meant changing dies frequently, which would result in unconscionable delays, and unacceptable cost per piece stamped. According to the 1989 Massachusetts Institute of Technology book *The Machine that Changed the World*, Ohno's "idea was to develop simple die-change techniques and to change dies frequently—every two to three hours versus two to three months—using rollers to move dies in and out of position and simple adjustment mechanisms. Because the new techniques were easy to master and production workers were idle during the die changes, Ohno hit on the idea of letting the production workers perform the die changes as well. . . . By the late 1950s, he had reduced the time required to change dies from a day to an astonishing three minutes and eliminated the need for die-change specialists."

A surprising finding

Ohno soon realized something quite difficult to believe: It was costing Toyota less per part to make small batches of stampings, than to run off huge batches. "There were two reasons for this phenomenon," the MIT study explains. "Making small batches eliminated the carrying cost of the huge inventories of finished parts that mass-production systems required. Even more important, making only a few parts before assembling them into a car caused stamping mistakes to show up almost instantly." Being forced to immediately remedy the source of defective parts also reduced tremendously the number of finished vehicles that needed to be repaired in the "re-work" area at the end of the assembly line.

"The consequences of this latter discovery [the improved overall quality of the completely assembled vehicle] were enormous. It made those in the stamping shop much more concerned about quality, and it eliminated the waste of large numbers of defective parts—which had to be repaired at great expense, or even discarded—that were discovered only long after manufacture. But to make this system work at all—a system that ideally produced two hours or less of inventory—Ohno needed both an extremely skilled and a highly motivated workforce.

"If workers failed to anticipate problems before they occurred and didn't take the initiative to devise solutions, the work of the whole factory could easily come to a halt. Holding back knowledge and effort—repeatedly noted by industrial sociologists as a salient feature of all mass-production systems—would swiftly lead to disaster in Ohno's factory."

Thus, as Ohno devised it, Just In Time Inventory is not the means for reducing the carrying costs of inventory, but is the means for forcing into existence a process of production that calls forth the problem-solving capacities of the people involved in that process. Indeed, Toyota begins its 1992 book-

let on the Toyota Production System by stating, "The key to maximizing quality and productivity lies in tapping the innate judgment and creativity of employees in the workplace."

Toyota uses a Japanese word for this continually evolving process of improving the process of production: *kaizen*. Ohno's JITI is intended to force *kaizen*. Contrary to the way JITI has been presented in the United States, the MIT study states, "This simple idea was enormously difficult to implement in practice because it eliminated practically all inventories and meant that when one small part of the vast production system failed, the whole system came to a stop. In Ohno's view, this was precisely the power of his idea—it removed all safety nets and focused every member of the vast production process on anticipating problems before they became serious enough to stop everything."

Thus, JITI was transformed by Ohno from an effect, into a cause. Originally, JITI was the effect of having to devise a means to produce small quantities of a large number of different parts on just a few stamping machines. As Ohno realized the unforeseen benefits of solving this problem, he began to develop a system of production in which JITI became the means to call forth creativity on the part of Ohno's workers. This is a cause far different than what most U.S. managers intend when they implement JITI.

Radical difference in approaches

The difference lies in the fact that Ohno's and Toyota's approach to industrial manufacturing is radically different from the typical U.S. approach. In its 1992 booklet, Toyota states: "Traditional approaches to cost management provide for adding cost and profit to derive the selling price. Cost and a minimum profit margin are the constants in this equation, and the selling price is the variable. Under such 'cost-plus' approaches, manufacturers seek to maintain profit margins by raising their selling prices to cover increases in costs. . . .

"At Toyota, we use a 'cost-reduction' approach. Market conditions determine a reasonable selling price, which becomes the constant in our equation; cost and the profit margin are the variables. We take responsibility for controlling costs internally. By keeping those costs below the reasonable selling price, we secure a profit. . . . That is why Toyota has devised its production system to highlight waste wherever it occurs and to illuminate ways to eliminate it. The preoccupation with arranging production processes in a continuous flow is a good example. That preoccupation reflects an almost obsessive determination to avoid producing more of any item at any stage than is absolutely necessary."

This last may sound no different than the typical U.S. manager's obsession with hammering down costs, but Toyota's meaning is entirely lost if you forget that the system is designed to call forth human creativity. That GM attempted to face down the UAW to uphold the company's right to outsource production, demonstrates that GM's management has no idea of what the proper role of JITI is. If they recog-

nized that JITI is a means for ensuring the application of the creativity of its workers to the continual improvement of GM's process of production, GM would be trying to *reduce* outsourcing, rather than increase it, in order to maximize the application of its workers' creativity to the parts used in GM vehicles.

In fact, Toyota reports that its suppliers have found that implementing the Toyota Production System leads to a bettering of the relationship between management and employees. "That is mainly because," Toyota observes in its 1992 booklet, "the system provides for an expanded role for employees in designing and managing their own work. It brings together employees and management in the joint pursuit of improvements in productivity, quality, and working conditions."

GM's venture with Toyota

Ironically, GM management failed to grasp these lessons while studying at the very feet of Toyota, beginning more than ten years ago. In early 1983, Toyota agreed to invest \$100 million to establish a joint venture with GM at a GM assembly plant which had been closed a few years before in Fremont, California. The venture was called New United Motor Manufacturing Inc., or NUMMI. The Japanese insisted that they alone would plan and equip the facility, supply the design for the vehicle to be built, and train the workers. Toyota had also wanted to solely select the workers, but GM insisted on rehiring the workers laid off a few years ago when the Fremont facility was closed, even though these workers were among the worst GM employees, with absentee rates of over 20%, and a non-ending series of labor disputes.

The results of the joint venture with Toyota, with NUMMI workers becoming the most productive in GM, shocked GM's managers. In her 1989 book, *Rude Awakening: The Rise, Fall, and Struggle for Recovery of General Motors*, Wall Street analyst Maryann Keller writes: "For those who believed that the Japanese industrial edge rested solely in technological prowess, the NUMMI experiment was a real revelation. The Toyota secret was, finally, no secret at all, and it was as old as history: Treat both white- and blue-collar workers with respect, encourage them to think independently, allow them to make decisions, and make them feel connected to an important effort. . . . Going to work for NUMMI was a shock to the system of GM employees, who were accustomed to stifling bureaucracy and an emphasis on high-tech solutions over worker initiative."

Keller cites a GM executive named Bera who was posted to NUMMI, who said, "I went through a personality change out there." But he found, upon leaving NUMMI and returning to GM, that GM had no plan for implementing the lessons learned at NUMMI, because of a fundamental misconception of what the Toyota Production System was all about. According to Keller, GM management believed that "the answer [learned at NUMMI] would be technology, rather than people-oriented. It would have been so much easier if Bera and

his fellow team members had returned to describe new equipment or production techniques. But, in fact, what the NUMMI team learned concerned a change in management philosophy, and company executives were no doubt reluctant to pursue this direction, for it touched the heart of what was culturally wrong with GM.”

Had NUMMI not hired the former GM workers, GM’s management might have been able to claim that the success of NUMMI, and especially the excellent relationship between employees and managers and NUMMI, was the result of replacing the former GM problem workers. But since the former workers were hired, GM’s managers cannot delude themselves on this point. Yet, the recent strike in Dayton shows that GM management has been unable to learn the lessons of the NUMMI experience. The problem, in no small degree, is that GM managers are unable to even conceive of what NUMMI is actually all about, because of the oligarchical rentier-financier contempt for human labor that has come to dominate U.S. business management thinking. This outlook is based on fundamental assumptions about human nature, and the character of human beings, which predispose U.S. business managers to see their employees as troublesome burdens, rather than as their company’s greatest assets.

The chasm between these two management cultures we have discussed here, is captured by the following statistics from the MIT study: An industrial worker at a Japanese auto manufacturer in Japan submits an average of 61.4 suggestions per year. By contrast, U.S. workers at U.S. auto manufacturers submit 0.4 suggestions per year. Under Japanese management, the number of suggestions submitted by U.S. workers (working at Japanese transplants in North America) shoots up a statistically significant 250%, to 1.4 suggestions annually.

The efficacy of Ohno’s and Toyota’s approach is very evident today: The U.S. automakers, and Wall Street’s analysts of the auto industry, profess themselves terrified at the likely prospect that Toyota and a few other Japanese automakers will still be able to produce and distribute vehicles in the U.S. market for a profit, even if the yen-to-dollar exchange rate remains near 100 yen. Significantly, it is very rarely mentioned that Japanese auto workers are now paid more than U.S. auto workers. The London *Financial Times* reported on March 16, 1995, that the German automotive industry trade association found that the employment cost of U.S. auto workers in 1994 was 39.55 deutschemarks per hour, 13% less than the DM 45.47 per hour for Japanese auto workers. That reversed the cost relationship of the two countries in 1991, when U.S. auto workers cost DM 35.05 per hour, slightly more than the DM 33.87 per hour cost for Japanese auto workers.

That U.S. industrial managers would implement JITI primarily as a means of reducing the carrying cost of inventory, merely reflects the cultural bias of U.S. management to elevate financial considerations above all others. On a deeper level, it reflects their bias toward an oligarchical view of human labor.

Bouchard implements IMF agenda in Quebec

by Raynald Rouleau

The author is a correspondent for the French newspaper Nouvelle Solidarité.

For three days, on March 18-20, the “elites” of the Canadian province of Quebec met in an attempt to come to a consensus about what to do about Quebec’s financial difficulties. This was an extraordinary conference, in the sense that the leaders from the top Canadian financial institutions, industries, labor unions, community groups, clergy, students, etc., all gathered to “work together” to formulate a plan of action. The conference was called by the Parti Québécois’ new chief, Lucien Bouchard, who recently took office as premier of Quebec.

Pressure seems to have come down from the world’s financial elites, that if Quebec does not “straighten out” its finances, Standard and Poors and Moody’s rating agencies would downgrade its financial paper—which in turn would cost Quebec millions of dollars more to borrow on the international market. This pressure seems to be strong enough that the idea of a new referendum on whether Quebec will secede from Canada, has now been pushed back to somewhere after the next provincial election, which could be as far as two or three years away. On the other hand, Bouchard could declare an election tomorrow morning if he wanted to, but he has said it certainly wouldn’t be this year.

Bouchard could have gone the way of French President Jacques Chirac, or of Ontario Prime Minister Mike Harris, and taken an axe to the government budget. But, in both of those cases, the population has risen to a point of near uncontrollability. The government of Quebec now has a debt of Can \$75 billion (U.S. \$52 billion), the equivalent of each person carrying Can \$10,169 in debt. For every dollar spent, 14¢ goes directly for interest payments. Unemployment is more than 11%. Drastic budget cuts in Quebec on the scale of what Chirac or Harris have imposed, would be a little more tricky, because of the question of “independence.” Historical precedents show that if tight social control is not kept, there is the possibility that real independence-minded leaders could emerge, and turn the population against the British Empire.

So Bouchard seems to have been brought in, in part to “smooth” the implementation of these drastic budget cuts. According to sources, the idea of a “consensus conference”



Lucien Bouchard, leader of the Parti Québécois, who was brought in to impose vicious austerity in Quebec.

existed even before the resignation of Jacques Parizeau as party leader last November. Some even say that Parizeau was forced out, precisely because his popularity was so low that he would not have been able to bring about “the required consensus,” especially after having lost the independence referendum.

Government not in ‘good faith’

So, as the story goes, Bouchard, who is known to be close to the circles of one-world government guru Maurice Strong, was “elected” chief of the Parti Québécois, to implement the agenda of world institutions such as the International Monetary Fund (IMF). In his first public speech upon assuming office, he put forward the idea that government finances will have to be straightened out, and immediately called for a “socio-economic summit.”

The conference, which took place in Quebec City, was called the “Conference on the Social and Economic Future of Quebec.” The CEOs of the Bank of Montreal, Royal Bank of Canada, Bombardier, Alcan Aluminum, Imasco, and Quebecor, and several other businessmen, met with other leaders of society: government ministers, politicians, labor unions, students, small businessmen, senior citizens, clergy—every section of society was represented. The sad part was that most of the participants were there in good faith. They were made to believe that they were really there to find solutions, when,

in fact, from the start, the only real item on their agenda was vicious budget cuts. Most of the solutions that participants put forward, unfortunately, were nothing but ways of redividing the already shrinking economic pie: reduction of work days, sharing overtime, early retirement, increases in specialized education, reduction of government regulations, increasing private enterprise, and so forth—hardly anything new.

There were, however, some serious proposals that went in the right direction, such as the building of great infrastructure projects to put people back to work in well-paying, productive jobs. From the labor sector there was mention of the Windsor-Quebec TGV high-speed rail project, the building of more hydroelectric dams, and an electric car project. But these proposals are not likely to see the light of day, for two reasons.

First, the financial institutions have no interest in long-term industrial infrastructure development. They much prefer investment in the information super-highway, fast money flows, and speculation.

Second, and more important, these “solutions” do not take into consideration the global world picture: the fact that the entire world monetary system is about to collapse. It is hopelessly bankrupt, and throwing money in that black hole is an absolute waste. Nothing short of a total bankruptcy reorganization of the world financial system could work at this point. That is what the conference should have focused on.

Another year in which to hang

Bouchard’s official plan was to bring the budget deficit to zero in two years. But the consensus reached at the conference extended the “zero deficit target” to the year 2000. The goals agreed upon are to reduce the deficit from Can \$3.2 billion to Can \$2.2 billion in the first year, then to Can \$1.2 billion, and then to zero. As if this were not enough, there was also some kind of agreement for a balanced budget law “to ensure that the next government would continue that progress,” according to Bouchard. There were three working groups that were set up to sort out the specifics of the consensus. Then, in October, there will be another summit, “the decision conference,” at which another consensus would be reached, but this time on the details. In short, the extra year could be compared to the situation of a death-row inmate who has won the right to smoke one more cigarette.

Bouchard said at the end of the conference that he will be meeting with the financial agencies to present them with the consensus he has obtained.

In the opening of the spring session of the National Assembly on March 26, Bouchard sounded like Newt Gingrich, threatening that no one would escape the cuts: “To those who say, ‘not in my backyard,’ I respond, there will be something in everybody’s backyard. . . . All government departments will see their budget restricted this year. . . . The countdown is on.”

Emergency measures can deal with the global financial collapse

by Michael Liebig

Two leading members of the Wiesbaden-based German Schiller Institute, Michael Liebig and Hartmut Cramer, were invited in late January to lead a private seminar and informal discussions with representatives of Slovakia's political and scientific elite in the nation's capital of Bratislava. The invitation was extended by the head of the Slovakian Schiller Foundation, Dr. Jozef Miklůsko, who is also the former vice-prime minister in the first post-communist government of Czechoslovakia.

The following speech by Michael Liebig, prepared for presentation in Bratislava and dated Jan. 19, is titled, "Lecture on the Disintegration of the International Financial System, and Emergency Measures for Dealing with It."

The essential character of the present condition of the global financial system is expressed in the so-called "LaRouche typical collapse function" graph [see p. 24]. Since the 1970s, the global financial system has been characterized by the exponential growth of financial aggregates, while the physical-economic base of the world economy has been stagnating and declining, when measured in terms of the basket of physical production and vital infrastructure services per household. Since the 1970s, we have witnessed an ever-widening "scissors gap" between financial aggregates and the physical-economic production potential.

Of course, this dynamic is not the "natural" result of revolutionary changes in computer-communications technologies leading to an allegedly "new type" of "economy." The so-called "post-industrial" or "information age" or "service" economy is a utopia, a "virtual reality" incompatible with the real lawfulness underlying humanity's economic evolution. The "post-industrial" economy is, in reality, a "financial bubble economy." The ever-widening decoupling of finance and production, is the result of a deliberate, "elite-made" policy shift away from the promotion of physical economic development in industry and infrastructure. During the late 1980s to mid-1990s, we have reached, in the global financial system, a condition where the "scissors" have reached a point of maximum extension. The always fragile "peaceful co-existence" of entrepreneurship in industry, farming, and *Mittelstand*

[small and medium-sized industry] based on scientific-technological progress and State-directed infrastructure buildup on the one side, and purely financial dynamics on the other side, has fallen apart. Financial oligarchies, centered in London, have gained hegemony over "industrial capitalism" and governments promoting economic development.

In the spring of 1992, the economist Lyndon LaRouche coined the term "financial mudslide." This means that, instead of a one-time "big crash," in shorter and shorter intervals, larger and larger chunks of financial aggregates "break off" of the accumulating financial structures. In 1993, LaRouche stated that derivatives were the main driving force of both the ballooning financial bubble—and the ensuing mudslide. He compared derivatives speculation to a "cancer," whose parasitical growth "eats up" more and more of the physical-economic substance of the host, until this "real economic body" ultimately "dies," and, along with it, so does the "cancer."

The etiology of the life-threatening disease

What are derivatives? Well, "derivatives" is the modern, fashionable word for financial speculation, representing the "new type" of financial speculation. Derivatives are futures, options, swaps, and other exotic instruments with which one "bets" on oscillations of currency and interest rates, stocks, bonds, and indices of stocks and bonds. Derivatives are "synthetic" financial instruments, because they are not based on production or transactions of goods. Derivatives are the result of a major shift of the strategic thrust in the West's dominant economic, financial, and monetary policies since the early 1970s:

1. National financial markets were subjected to "deregulation" and "liberalization";
2. "Floating" currency exchange rates were introduced, replacing the fixed gold-reserve-based monetary system of the postwar period;
3. Financial markets were "globalized" through 24-hour electronic data links, which radically changed the character of the basic policy axioms of banking, beginning in the United States and then extending into Europe and Japan;
4. The International Monetary Fund's (IMF) monetarist,

“neo-liberal” [i.e., free trade] axioms were made internationally hegemonic in the form of the IMF’s “structural adjustments” and “conditionalities” policies. On this we shall have more to say in a moment.

These four factors have led inevitably to ever-larger volatility in currency and interest rates, in stock and bond markets internationally. This global financial volatility is, metaphorically speaking, the “oxygen” which derivatives speculation requires “to breathe.” Apologetically, the vast majority of bankers, the financial media, and government officials have peddled the assertion that derivatives are an “economically useful, responsible hedging against market volatility.” One may note here that even the most prudent form of hedging means exchanging one risk with another risk, but were hedging the true purpose of derivatives, the daily global volume of derivatives transactions could not exceed \$100 billion at most, which is the daily volume of world trade and “regular” international financial transactions. However, the global, daily derivatives turnover was actually \$1,500 billion by late 1994!

Unlike more “traditional” forms of speculation, derivatives represent a radical decoupling from any physical economic base, as they are themselves “based” on other financial instruments. It has become possible to speculate with derivatives, using electronic data devices, “around the clock and around the globe,” from Asia to Europe and on to New York and Chicago. Thus derivatives are the result of financial market volatility, and are simultaneously the key catalyst or “motor” of increasingly wider oscillations on the financial markets. This vicious circle needs to be understood. As to the astronomic volume of derivatives transactions—some \$1,500 billion per day globally—it is being asserted that this refers to the underlying, “notional” sums, while only the net transaction margins (“netting”) ought to be considered. The net margins are usually well below 5% of the notional value, but still vastly surpass the capital base of any, even the very biggest banks internationally. In addition, so-called “decompilers” and “demultipliers” are being used to “scale down” the frightening dimensions of the volume of derivatives contracts. Derivatives are mostly treated “off balance sheet,” and thus left to “in-house” risk-control and accounting procedures.

How the collapse is manifest

In June 1994, LaRouche published an essay, titled “The Coming Disintegration of Financial Markets” [*EIR*, June 24, 1994], in which he pointed to the fact that the financial mudslide had acquired a new quality: The disintegration process has turned into an irreversible, terminal systemic crisis. The “systemic nature” of the financial disintegration results from the fact that the dynamic of parasitical growth of speculative aggregates has reached the equivalent of a “shock front,” in terms of physics. Such shock fronts occur, for example, in the “transsonic” regime—the transition from sub- to supersonic speed—in aerodynamics. Another example is the “firestorm

effect” in mass bombardments of cities. LaRouche elaborated this concept in a May 1995 lecture at Hamburg University’s economics faculty at the invitation of Professor Nöllig, the long-time head of Norddeutsche Landesbank and member of the Bundesbank’s Central Bank Advisory Committee.

Let’s now take a short look at the disintegration of the global financial system during the past 15 months:

- the collapse during 1994 on the world’s bond markets, which wiped out an estimated \$3,000 billion in notional value;
- the \$20 billion bankruptcy of Orange County, California, as a result of derivatives speculation;
- the \$50 billion “rescue package” by the IMF, Bank for International Settlements, and the U.S. government for the collapsing “emerging market” Mexico;
- the de facto bankruptcy of Europe’s largest bank, *Crédit Lyonnais*, bailed out by the French government with some FF 60 billion [roughly \$12 billion];
- the bankruptcy of *Barings Bank*, a central pillar of the City of London;
- the de facto insolvency of London’s *S.G. Warburg*, since taken over by *Schweizer Bankverein*, and that of *Lloyd’s* in London;
- the unprecedented, permanent, and wild currency speculation since early 1995. The oscillations of the dollar rate, repeatedly going up or down 6-8¢ within a 24- to 48-hour period, are unprecedented in financial history;
- in June 1995, the latent financial crisis in Japan erupted into the open. Japanese authorities had to admit some \$500 billion of non-performing, bad loans held by Japan’s major banks. Reliable experts estimate the real figure for such fictitious debt stands at some \$1,200 billion;
- in the United States, especially, a wave of mergers and takeovers of major banks prevented a series of bankruptcies.

The manifold crises in different segments of the financial system, as just listed, can no longer be adequately explained just by concrete, localized situations or abnormalities. The specific causalities of concrete crisis eruptions can only be explained in the context of systemic change. The overall condition of the system is in a phase change. The individual crises are only symptoms of the systemic crisis. Thus, the above-mentioned series of recent financial breakdowns are not an arbitrary accumulation of isolated crises of different, specific origins. What is really important, is not the individual causality of the specific crisis episodes, but the causality for the series of crises. To put it metaphorically, do we see an accumulation of single trees or do we realize that there is a forest.

Stop-gap measures

You may object that all of these financial disasters have not yet produced the total breakdown of the global financial system. Yes, an all-paralyzing, systemic collapse has not yet occurred. Much of the answer can be found at the June 1995 Halifax G-7 [Group of Seven industrialized nations] “world economic summit.” Then, the West’s governments, central

banks—and the private financial oligarchies behind them—decided, that the world’s financial system “could not withstand another Barings disaster.” Were another Barings-style default to occur, a reverse-leverage chain reaction reaching dimensions of systemic collapse would loom. But, do not try to find such a statement in the Halifax G-7 communiqué, which in almost lyrical terms claimed that all was fine. Careful observers noted, however, that in the context of the Halifax summit, President Bill Clinton had said, that the present financial system carried “the seeds of potential disintegration” within it. Leading Japanese government and business representatives had made similar statements. And the newly elected French President Jacques Chirac had even spoken of speculation as “financial AIDS” afflicting the global financial system.

So, since mid-1995, G-7 central banks have quietly begun to pump monetary liquidity into the private banking system, through lowering interest rates, special discount facilities, and other technical means. This reflationary central bank policy has been most visible in Japan, where the discount rate has been lowered to an unheard-of 0.5%, allowing private banks to borrow fresh liquidity at almost no cost. In Europe and the United States, this reflationary policy has been less visible, but you surely will have noted the steady decline of interest rates there since mid-1995. The expansion of monetary liquidity has not yet transpired into rising inflation figures in Europe and the the United States. This is not surprising, because price inflation for physical goods is in fact declining due to slackened demand, low-wage goods imports from Asia and eastern Europe, and productivity gains in domestic G-7 production. The financial oligarchy is also trying to contain the inflationary impact of the present monetary reflation by pushing governments and parliaments to go for harsh fiscal austerity. Expansion of monetary liquidity is to be counterbalanced by shrinking state expenditures for social infrastructure and reductions in state debt levels. These massive austerity programs are presently run under the label of “balancing the budget” and “downsizing government” in the United States. And, if you look at the so-called “Maastricht convergency criteria,” you will recognize the same austerity approach within the European Union.

However, there is a massive inflation in financial asset prices in the G-7 countries: Since mid-1995, stock and bond markets have surged by up to 30%! The Dow Jones is presently above 5,000, the [Frankfurt] DAX is reaching 2,400, the Nikkei is above 20,000. The inflated financial markets reflect the inflow of fresh liquidity into the banking systems since summer 1996, while industrial output and employment decline. This ongoing “boom” in financial markets signifies the exact opposite of what it might appear to be. The “boom” is simply the symptomatic expression of monetary reflation—designed “to buy time” in postponing the financial collapse process. However, the financial asset price inflation is, in reality, accelerating the disintegration process.

Super-wealthy flee into hard assets

The core sections of the financial oligarchy—centered mainly in London—have been moving out of “paper values,” and have gone into precious metals, strategic minerals, food commodities, and other extra-secure “hard” investments. These ultra-rich family funds leave stocks, bonds, derivatives, and other paper titles to the mass of credulous, mostly small investors who have liquidated their traditional savings and put their money into mutual funds and similar speculative and risky instruments. The steady rise of the price of gold, presently being kept only just below the \$400-per-ounce level, reflects the lack of trust and the profound, underlying *Angst* over the future of the financial system. Gold prices would already have skyrocketed, were they not being artificially kept down through massive sales of gold stocks by central banks.

LaRouche’s central diagnosis is: The global financial and monetary system is de facto bankrupt. In its present phase, the disintegration of the system is moving toward a condition of general, paralyzing breakdown, the prognosis on the exact timing is difficult, beyond stating that it will occur in the near- to medium-term. To situate such a breakdown condition in an historical perspective, LaRouche has repeatedly pointed to the 1922-23 and 1931-32 financial crises in Weimar Germany. A combination of both crises can be seen as an approximation of what we must expect in the near- to medium-term future. LaRouche states, that the present financial system cannot be “repaired” any longer; instead, there must be a bankruptcy reorganization. It is no longer possible to “stabilize” the financial system over any significant time frame by means of so-called “crisis management” policies. Even a policy of administratively containing and cutting-out “speculative excesses,” while otherwise sticking to existing economic and financial policy axioms, will prove futile. In essence, the system reorganization corresponds, on the level of the national economy and in a multilateral economic-financial framework, to the reorganization of an over-indebted, insolvent industrial enterprise whose qualified labor force and technical equipment is still productive and which thus has the potential to survive.

The key to a successful reorganization

The first decisive question concerning system reorganization is: Will it occur before a paralyzing financial breakdown, or will it happen *post festum*? This is fundamentally a question of the political will of the governments concerned. And, that means, first of all, the American government. The second question that LaRouche raises, is, what are the most important emergency measures, which need to be implemented first and foremost by the State in a system reorganization? The fundamental issue before us, therefore, is, *what will life be like after the inevitable financial breakdown?* What emergency measures will have to be adopted to ensure that the financial breakdown will not bury the real economy underneath it?



French President Charles de Gaulle (left) and German Chancellor Konrad Adenauer, in Bonn in 1961. Their dirigist economic policies created strong industrial economies after World War II, and are anathema to the International Monetary Fund today.

How can productive assets be protected? What needs to be done to prevent and reverse uncontrolled production breakdowns and a further escalation of mass unemployment?

It should be clear, that there exists no magical formula, no “post-collapse reorganization kit,” no illustrated “user’s manual.” But, there are basic principles that need to be followed:

1. Sorting out fictitious capital. Obviously, speculative, fictitious financial paper must be written off by governmental action, if it has not already been wiped out beforehand by the market collapse. Financial paper of an unclear nature must be frozen. State debt must be frozen, so as not to impede the continuation of basic State functions.

2. Financial paper backed by productive, physical economic assets *must be protected*. The financial resources of pension funds, health insurance, and other vital social services or educational institutions *must be protected*. The citizens’ “regular” savings must be protected. Private banking functioning with regard to these real economic and social areas must be preserved.

3. By way of exercising national financial sovereignty, the State must issue low-interest credit which is to be exclusively directed toward re-activating and expanding industrial, *Mittelstand*, and agricultural production and infrastructure on the technological level of the “Third Industrial Revolution.” To that end, the private banking system, with its account management and customer expertise, is to be used.

4. The State provides low-interest credit for large-scale, high-technology infrastructure projects on a national and multilateral scale. These projects will be the key catalyst for overall economic reconstruction and regeneration.

5. A new, stable fixed-exchange-rate, gold-backed world

monetary system must be established by governments. When needed, national currencies must be reorganized on the model of General de Gaulle’s 1958 currency reform in France.

I want to demonstrate now that the basic principles of emergency policies in an economic-financial crisis in the West are, while obviously different, not fundamentally different from the policy principles that need to be applied for economic reconstruction and development in formerly communist transition economies.

Dying IMF: sucking the blood from the living

What have the IMF’s neo-liberal, monetarist “reforms” concretely meant in central-eastern Europe since the collapse of communism in 1989-91? There obviously are significant differences between the various ex-communist countries. But, in essence, the so-called IMF “reforms” feature the following policy points:

- priority is given to servicing foreign debt;
- “fiscal stability” is to be achieved through radical budget cuts for allegedly “excessive” social expenditures, state payments for public infrastructure, and for allegedly non-improvable, non-competitive industries;
- price liberalization, which collapsed the standard of living of the population without generating funds for industrial modernization and expanding production;
- elimination of the population’s “excess” purchasing power through radical currency devaluation wiping out the most of their savings;
- lifting capital controls and introducing currency convertibility leading to further devaluation, capital flight, and speculation;
- liberalizing foreign trade, and eliminating protectionist

tariffs, which wiped out not-yet-modernized and thus non-competitive national industries;

- rapid privatizing of State assets in industry and services, which primarily benefitted the old communist nomenclatura, mafia structures, and often dubious “foreign investors.”

The IMF’s policies are not market, but “free market,” monetarist policies. The “enemy image” for the IMF is any *dirigistic* market economy, typified in the postwar period by Konrad Adenauer’s Germany and Charles de Gaulle’s France, or Franklin Delano Roosevelt’s America. “Statist” economic policies in the tradition of Jean-Baptiste Colbert, Alexander Hamilton, Friedrich List, or, today, Lyndon LaRouche, are an anathema for the IMF. The IMF’s policies ideologically proclaim a financial and monetary “equilibrium” as the economy’s supreme aim. Behind the formulae of monetary-financial equilibrium and “fiscal discipline” lies a very different reality: Not only is the underlying physical-economic reality being abstractly negated, i.e., totally disregarded, by neo-liberal IMF policies, but the productive activity of the physical-economic base of society is actually being suffocated.

In fact, only under conditions in which physical-economic output and productivity levels are both rising:

- can monetary stability be achieved, since inflation always indicates the gap between monetary and financial aggregates and available physical-economic wealth;
- can the state budget be consolidated through rising tax revenues based on increasing industrial (*Mittelstand* and agricultural) output and increasing average incomes;
- can the foreign debt be serviced and reduced, while domestic savings and foreign trade with manufactured goods simultaneously rise;
- can capital controls and trade tariffs be slowly reduced as the international competitiveness based on labor skills and technology improves.

Lautenbach’s memorandum

In conclusion, I think it is useful to put LaRouche’s approach for post-crisis economic reconstruction, featuring prominently State credit exclusively for productive investment in infrastructure and advanced technologies, in a historical perspective. Only in 1991 was the protocol of a Sept. 16-17, 1931 conference held by the German central bank, the Reichsbank, published for the first time, when two German academic economists did so. That 1931 conference had been held in secrecy, and its proceedings had remained unpublished for 60 years. The conference, sponsored by the then-influential Friedrich List Society, was chaired by Reichsbank President Dr. Hans Luther. Its participants included around 40 government officials, bankers, and economists. Among the economists were Walter Eucken and William Röpke, the man who would become the leading theoretician of Germany’s “social market economy” during the 1950s. The concep-

tual basis for the secretive conference was a memorandum written by Dr. Wilhelm Lautenbach, a senior official at the German Economics Ministry, who later would be removed from his post by the Nazi regime and would live until 1947.

Lautenbach’s memorandum, over which there were two days of intense discussion, had the title, “Options for an Economic Recovery through Investment and Credit Expansion.” In it, Lautenbach writes: “The natural way for overcoming an economic and financial emergency is not economic contraction, but the expansion of economic activity.” Lautenbach differentiates between two types of emergencies. One is derived out of what he called extraordinary “production tasks” like the war economy, the conversion from war- to peacetime economy, or reconstruction programs following great natural disasters. The other category of emergencies were those in which the financial system breaks down, and the real economy sinks into depression, with mass unemployment and large-scale production standstills. Under economic emergency conditions, there would be a general understanding that, “we should and we wish to produce more. The market, however, the only regulator in a capitalist economy, obviously gives us no directive at all.” The reactivation of the “significant unused production potential” is “the central and most pressing task of economic policy.” The State must generate a “new economic demand.” But, and this is a fundamental condition, this demand must represent a genuine “economic capital investment.” It must be productive, not consumptive! This is the fundamental difference between Lautenbach—and also LaRouche today—on the one hand, and Lord Keynes and his still-numerous neo-Keynesian followers on the other, the latter of whom have no sense of physical-economic productivity and the role of scientific-technological progress. Thus, the overriding necessity for the State is to act in a manner that “public or State-supported [infrastructure] projects and investment programs are realized.” These programs “must result in additional real economic value” being created. Lautenbach thought mostly of public investment programs into transportation infrastructure such as roads, highways, and railway construction, as well as their modernization.

How to finance the needed infrastructure

Naturally, says Lautenbach, the fundamental question is, how to finance these productive investments which expand the nation’s real economic wealth? That question has to take into account that “long-term capital is neither available on the foreign nor on the domestic capital markets,” the latter, because the domestic saving rate is too low. Moreover, the State coffers are empty, because the tax revenue is too low. These are precisely the constraints upon reconstruction today in the transition economies. The great danger is that “in times of the deepest depression perfectly reasonable, necessary public works are being cancelled,” for lack of financial resources. So, how can these State investment programs be

financed? Lautenbach soberly notes that “liquidity, first of all, is a technical-organizational question. The private banks can be made liquid when they have the necessary backup with the central bank.” The “actual credit issuance by the central bank,” necessary to facilitate a “credit expansion with the private banks,” can be rather limited. Lautenbach proposes that the central bank provide the private banks with a *rediscount guarantee* for that category of credit that is, exclusively, to be used for defined “economically reasonable and necessary infrastructure investment programs.” Thus, the central bank’s new credit generation to facilitate the financing of infrastructure programs by the private banks is just a margin of the total credit volume necessary for these projects.

The credit financing through central bank-discountable and renewable letters of credit for such investment programs has both immediate and indirect effects in activating the economy: to immediately expand production through the productive utilization of idle workers, machinery, and raw materials. With the improvement of the financial condition of firms involved in the projects, the financial condition of their banks improves as well. Thus, the demand for capital goods rises and wage payments for newly employed workers lead to an expansion of the demand for consumer goods. Lautenbach says that the “trigger effect of the primary [State] credit expansion” for infrastructure projects has an “effect to stimulate production as a whole.” This, in turn, will lead to an increase of the State’s tax revenue, which allows the State to, in turn, make payments to the central bank for the long-term consolidation of the original credit emission.

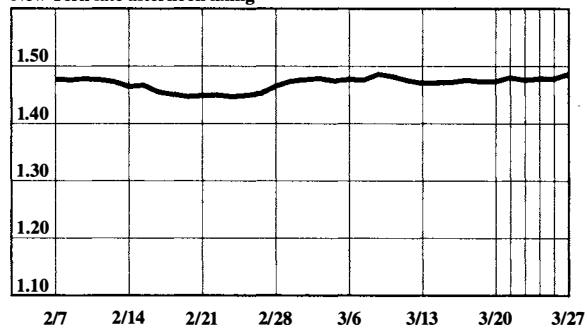
The improvement of infrastructure and an upgrade of the technological quality in industrial production leads to a rise in physical output and of the average productivity of the economy as a whole. Thus, the economy can be stimulated without creating inflation. Lautenbach categorically denies that credit-financed infrastructure and technology projects would lead to inflation. He says such projects are not consumptive; rather, they represent “in a material sense, genuine economic capital formation.” But, says Lautenbach, he would not oppose, as a re-insurance against inflationary anxieties, that the wage level be reduced by a certain degree, if the “economic saving thus achieved” would be exclusively used for the creation of new productive workplaces. “That saving and the productive use of what is saved” must be combined. “Positive action, the making available of credits for investment, are in every respect primary. . . . Do we refrain from adopting such a policy, we will inevitably suffer further economic collapse and the ultimate and total ruin of state finances and the economy as a whole.”

What Lautenbach said 65 years ago holds true today, and is being said by LaRouche in nearly the same words: “Today, we can still decide that through the employment of this [State] credit policy for productive purposes, both our economy and our public finances can be brought back to stability and growth.”

Currency Rates

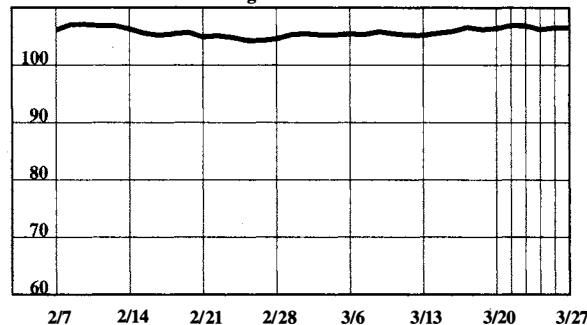
The dollar in deutschemarks

New York late afternoon fixing



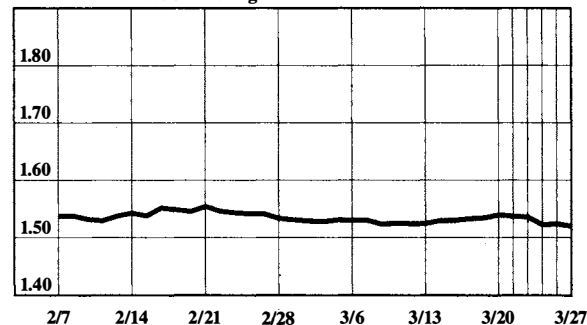
The dollar in yen

New York late afternoon fixing



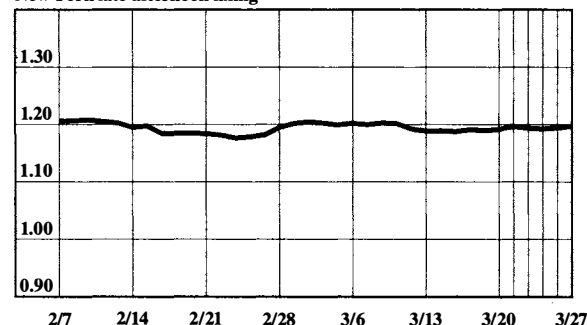
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



'Real Plan' destroyed Brazil's banks

The nation's banking crisis has put Banco do Brasil, the biggest bank in Ibero-America, on the chopping block.

Fernando Henrique Cardoso's government has dedicated itself, almost exclusively over past months, to trying to prevent an explosion of the greatest banking crisis in the history of the country. On March 21, the government succeeded in its most desperate effort to date on this score, when, by doling out huge political and economic favors, it got the Senate to cancel a special committee, the CPI, which it had voted to set up to investigate the Central Bank's handling of criminal actions by leading private banks, starting with the bankrupt Banco Nacional and Banco Economico.

But the government shot down more than the CPI in the process. Its self-promoted image as too honest to be corrupted, went down the tubes with its open buying of the vote, while a clear message was delivered to the country, that "monetary stability" rests upon a national banking system so rotted out that no investigation could be allowed.

No sooner had the government celebrated its pyrrhic victory, than another bombshell hit the financial markets: the news that the largest bank in the country, Banco do Brasil, had lost \$4.5 billion in fiscal year 1995. During 1995, the liquid assets of the bank fell from \$9.5 billion to \$3.5 billion, a loss equivalent to the size of the next-largest banking institution in the country, the private bank Bradesco. Losses continued in 1996, at a rate of \$500 million a month, and the bank's board projected a \$6 billion loss for the first six months of 1996: A clear path to bankruptcy.

Faced with this situation, the gov-

ernment injected \$8 billion into the bank to keep it afloat, at a cost of an increase of the public internal debt on the order of \$6 billion. The pension fund of the bank employees, the PREVI, was forced to contribute another \$1.2 billion. Despite the government's intervention, the value of the bank's stock on the Rio and São Paulo markets fell over 30% in two days, a drop without precedent.

What really is bankrupt, however, is the government's stabilization plan. The "Real Plan" transferred a gigantic speculative bubble of international money into domestic debt, at very high interest rates, which has now led to the barely disguised insolvency of the national banking system. The Banco do Brasil is a victim, like the rest of the banking system, of increased interest rates, which threw the physical economy into generalized bankruptcy, from which only those sectors engaged in purely speculative activities escaped. Bad debts held by the bank in 1995 reached \$18 billion.

Likewise, the agricultural crisis resulting from a policy of keeping prices of primary products below their cost of production, hit Banco do Brasil, the primary farm lending bank in the country. Despite the largest grain harvest ever (over 80 million tons), farming suffered a net \$10 billion loss in 1995, a large part of which was passed on to the bank by arrears on its farm loans.

On top of that, as revealed by journalist José Casado recently in *O Estado de São Paulo*, the government has been using Banco do Brasil to quietly keep afloat various private banks facing severe liquidity prob-

lems. "It is known that 27 financial institutions are being sustained, daily, by a special fund, and the Banco do Brasil, through loans on the interbank market," allows the banks to balance their books monthly without appearing "as habitual frequenters at the rediscount loan window [at the Central Bank], where there is a risk of exposure to the public's natural curiosity," he wrote.

Although the Banco do Brasil's problems stem from the government's economic stupidities, they are being used as an opportunity to destroy the largest public financial institution in Ibero-America. The Banco do Brasil was founded in 1808; it served as the country's Central Bank until 1965; and it has financed the country's greatest achievements of economic development. Until 1987, the bank had a so-called "movement" account, which permitted it to rapidly inject credits into development areas monitored by its network of more than 3,000 agencies across the country. In a country the size of a continent, with poorly developed and underpopulated expanses, the bank has been a major factor in maintaining national cohesion.

The current government does not hide its intention to transform the already stripped-down Banco do Brasil into a private institution, an idea promoted by the London *Financial Times* on March 21. In the name of "competitiveness," the government proposes to close more branches, and fire more employees.

Yet it is precisely Banco do Brasil, a bank formed on the concept of a national bank, which Brazil urgently requires to act with dispatch, in the face of the imminent collapse of its national financial system, to reactivate a national credit system, freed from the speculative flows of international capital, and protected from the global financial collapse.

Business Briefs

Labor

Mont Pelerin 'success' relies on child labor

Child labor is still widespread, and growing, in many parts of Ibero-America, according to a report issued by the United Nations Economic Commission for Latin America, wire services reported on March 13. Especially noteworthy is the dependence on child labor in Chile, the Mont Pelerin Society's leading free-market "success story" on the continent.

Child labor in Chile reportedly rose to 6.2% of the 13- to 17-year-olds in 1992, up from 3.8% in 1987. More current figures are unavailable, but this rise, according to the U.N. Children's Fund director for the region, suggests that Chilean children are taking jobs adults are unable to fill, such as in the low-paid fruit industry where "nimble fingers" make them well suited to picking and packaging.

In Brazil, the number of children working rose to 32% in 1992, up from 31% in 1979, while in Honduras the figure was 22% in 1992. In Argentina, described as a "bright spot" in the report, child labor (22% in 1980) was still 14% in 1992.

Some 16 to 18 million children in the region are believed to be working, but this figure could be much higher, the report said, because "in many cases minors' work is not reported for legal reasons, and the statistics do not include children under the age of 12."

China

Commercial bank backs State-owned firms

The Industrial and Commercial Bank of China, a leading supplier of working capital to industrial and commercial firms, will continue to support State-owned enterprises this year, *China Daily* reported on March 8. The bank has drawn up a 13-point document on supporting the reform of State-owned firms, which are the backbone of the national economy.

According to the document, the bank's

offices should establish groups composed of senior bank officials, to support the reform of State-owned enterprises. It urged the groups to strengthen their coordination with local governments, and to participate in the drafting and implementation of corporate reform plans. The document is considered a step toward enhancing the bank's financial support of State-owned enterprises, according to a bank official.

In a related report, about half of the enterprises selected nationwide as pilot projects for modernization have finished transforming their corporate management, according to *China Business Times*. Statistics indicate that 607 of the 1,290 pilot-project enterprises have established boards of directors, boards of supervisors, and hold general meetings, a radical departure from the previous management system's reliance on factory directors and party organization.

Poland

Gdansk shipyard faces bankruptcy

While German shipyard workers are told that they may be unemployed because of Polish shipyards, the Gdansk shipyard, partially owned by employees and partially belonging to the State Treasury, is facing bankruptcy because of \$6 million in debts to Gdansk Power Enterprise and \$8 million to the Bank Handlowy in Warsaw, according to Warsaw television reports and Polish sources.

The shipyard board promised to carry out radical changes, including reducing the workforce from 9,000 to 5,000, in hopes of getting an agreement from the government to start a program of "restructuring." However, judging by government statements, it is more likely that the shipyard will be declared bankrupt and sold for a song to a "strategic investor," most likely a Norwegian firm.

Prime Minister Wlodzimierz Cimoszewicz, from the SLD, the post-communist party, had the audacity to say that "for a dozen or so years, the yard was treated as a place for playing politics," referring, obviously, to strikes in the 1980s, and that that is the reason for today's problems. Finance Minister Grzegorz Kolodko, who has be-

come more of a free market fanatic after trips to Geneva and London, said that "market forces decide the existence of plants or their bankruptcy in a market economy. This is why Gdansk shipyard cannot count on the government's financial help."

According to a source close to Solidarity '80, the shipyard in Szczecin may also soon face bankruptcy, despite good production and sales (although often at the expense of safety rules), because, as a result of disadvantageous tax and credit laws, its debts are growing faster than income by a margin of 30%.

France

Chevènement scores Bank of France 'reform'

Jean-Pierre Chevènement, the Socialist defense minister who resigned in protest against the Gulf war against Iraq, attacked the 1993 "reform" giving greater independence to the Bank of France, on RTL radio on March 17.

"This is dramatic. Since the beginning, I fought against" greater independence for the bank, he said. Now, "I hear every day some parliamentarians, including from the majority [conservatives], regretting, bitterly, their vote in favor of the independence of the Bank of France, which gives power, no longer to the government, but to the governor, M. Trichet." Because of this, he complained, economic policy has been too focused on monetary policy, which "makes us dependent on financial markets."

Asked if the government could intervene with the central bank as German Chancellor Helmut Kohl did with the Bundesbank, imposing parity on the West German and East German marks during unification, he replied: "What you said is the proof of the power of nations. . . . When a major national interest orders it, politics retakes all its rights. And today, the major fact in France, is the existence of 4 to 5 million unemployed." He added, "With the next financial crash, which will surely come, the government would do well to reconsider the hasty reform which was carried out in 1993."

Health

Tuberculosis a 'threat to all,' says PAHO

Dr. David Brandling-Bennet, deputy director of the Pan-American Health Organization (PAHO), warned that there is no room for complacency in the fight against tuberculosis because it "affects the world's most vulnerable groups, including women and children, as well as the wealthiest communities far from the traditional hotbeds of disease," at a press conference in Washington, D.C. on March 22. Noting that the World Health Organization had declared TB a Global Health Emergency in 1993, he said that it was a "tragedy that three years later the emergency continues," especially because there are effective methods of treatment and prevention.

The PAHO estimates that TB killed more than 75,000 people in the Western Hemisphere in 1995, and that 425,000 people became ill with the disease. The AIDS epidemic has made the problem more alarming, Dr. Bennet said, and will cause TB rates to climb. He noted that, compounding the problem, is the breakdown of public health infrastructure, drug shortages, and poor treatment, which result in the fact that less than 70% of the diagnosed cases are being cured. The rest continue to spread TB, including deadly drug-resistant forms, he said.

Sir John Croft, the Edinburgh, U.K.-based pioneer in the treatment of TB, warned that "there are probably more tuberculosis cases in the world today, than there have ever been before," in the March 20 *International Herald Tribune*.

Corporate Affairs

Computer chip firms begin wave of layoffs

The first layoffs have been announced in the computer chip manufacturing industry, the March 20 *Wall Street Journal* reported. The announcement deals a blow to the "Third Wave," "information age" notion that such technologies could obviate the need for manufacturing, heavy industry, and agriculture.

The industry had been growing over 20% annually for the past five years or more, creating investor euphoria as stock prices in the companies soared to levels 10 or 20 times what they were in the late 1980s. Now, the industry's book-to-bill ratio fell under 1.0 in January and February, meaning that more chips are being shipped, than there are new orders for them. This is the first time the industry's backlog has begun to shrink in more than five years.

In this situation, Cirrus Logic, Inc. announced it is laying off 13% of its 3,500 workers. Wall Street is nervously watching other chip making companies, such as Intel Corp., for similar moves. Stock prices of these companies have been plummeting since October and November 1995. Cirrus Logic's share price is down 54% from where it was in early November, Intel's is down about one-third, and Micron Technology has plummeted from \$94.75 in November, to around \$35 now.

Industry

Tenneco, Rockwell to abandon production lines

Two major U.S. industrial firms are abandoning production lines critical for national economic security. Tenneco, Inc. plans to spin off its Newport News Shipbuilding unit as a separate business, the March 22 *Wall Street Journal* reported. The firm has been downsizing in recent years, because of a declining U.S. Navy budget for new ships. It has the largest shipbuilding facilities on the Atlantic coast, and has built most of the Navy's aircraft carriers.

Rockwell International Corp. is looking to abandon the aerospace business, the March 20 *Wall Street Journal* reported. Rockwell has reportedly retained Morgan Stanley and Co. to help search for a buyer for its aerospace and defense electronics operations. Rockwell builds the U.S. space shuttle, the U.S. Air Force B-1 bomber, Rocketdyne engines for Atlas and Delta launch vehicles, the AGM-130 standoff air-to-air missile, a host of military electronic systems, laser and directed-energy weapons systems, and major components for Boeing 737, 747, and 777 airliners.

LITHUANIAN Health Minister Antanas Vinkus said on March 21 that measures would be taken to reduce health care spending, because his ministry has received less than half of the funds it expected thus far from the State budget, Radio Lithuania reported. Expensive operations such as heart transplants will be stopped, and efforts made to reduce the length of hospital stays.

TAIWAN has placed half of its \$90 billion in reserves in the United States, the daily *World Journal* reported on March 21. The data come from studies by the Economic and Development Council, a cabinet body, to evaluate the impact of tensions over Taiwan's security, and possible reactions by the U.S. Congress.

THREE JAPANESE banks announced March 21 they will take huge losses in the fiscal year ending March 31, after writing down chunks of bad loans, largely to Japan's bankrupt *juden* mortgage banks. The three are Sanwa Bank Ltd. (\$2.5 billion), the Industrial Bank of Japan Ltd. (\$1.5 billion), and the Long-Term Credit Bank of Japan (\$900 million).

FRENCH trade unions are mobilizing against the privatization of France Telecom, the State-controlled telecommunications company, which, according to the decision of Prime Minister Alain Juppé, will go into effect on Jan. 1, 1998.

CONOCO will team up with Taiwan's State-run Chinese Petroleum Corp. to explore for oil and gas in the Taiwan Strait, despite recent tensions, wire services reported on March 18. It will invest at least \$65 million in the venture.

AUSTRIAN former Finance Minister Ferdinand Lacina warned against a "devil's cycle" of worsening economic and social conditions if fiscal austerity is intensified in an attempt to meet the "Maastricht II criteria," the Vienna daily *Die Presse* reported on March 18.

Foreign policy to defeat the British Empire

by Lyndon H. LaRouche

Lyndon LaRouche, a candidate for the Democratic Presidential nomination, gave the following campaign address on the essence of U.S. foreign policy, to a Los Angeles audience on March 16. The California primary was held on March 26.

Tonight, what I'm going to do, is to do what I usually do—is cause trouble. We're trying to do it on a national scale.

As you know, I've been travelling up and down the country, parts of it, at least, making trouble. And, I've dealt with three particular themes, which I intended to deal with as national prime-time television broadcasts, knowing that we would have an initial opportunity for three prime time network broadcasts. And, I've decided to devote one theme to each of these. And, since these were the right themes, I've been using those as the topics of events which I've had in various parts of the country.

So, tonight, I shall turn to the same theme which I addressed in Chicago—different than I did in Chicago, because you always vary, don't you?—but the same essential content. That is: U.S. foreign policy, presented as it *should* have been presented. But, you never heard it this way before: from the standpoint of a crisis.

Now, the first thing we have to address, in dealing with the American people, which is what we're dealing with in an election campaign, [is that] we're not dealing with the politicians; we're dealing with the population. We're not dealing with the politicians; we're dealing with the *American people*.

That's what the problem is, you see. Everybody gets things backwards. They think it's the people who have to deal with the politicians. No; the politicians have to deal with the people. Some fail; most of them do: because they don't change the people.

But, what are the American people? We represent, as adults, today, three principal generations.

First, there are those of my generation, which is essentially the generation of



Lyndon LaRouche, campaigning in California on March 17, receives a warm welcome at the Los Angeles First Presbyterian Church, including the performance in Korean of Beethoven's "Ode to Joy," by full chorus and orchestra.

World War II veterans and their families. Some a tad older than I am; but that's us. We lived through the experience of the 1920s. We compare that, in our recollections today, with our experience of the United States of the 1930s, of the Great Depression. We experienced the mobilization for World War II. We saw this national economy transformed from a depressed junkheap, within about three years' time, into the greatest industrial power the world had ever seen, under conditions in which we had up to 17 million people in uniform, in military services.

We saw the postwar period, which was a let-down. We also experienced a revival—a brief revival of our optimism—during the Kennedy administration, which was a return, for many of us, to the quality of leadership that we remembered from Franklin Delano Roosevelt, in the period between 1936 and 1945. About the beginning of 1945.

Then, in the middle of the sixties, there was a change. The change was symbolized, beginning 1962, by the Cuban Missile Crisis, a great psychological shock which all of us of our generation *recall clearly* as a change. The assassination of a President, John F. Kennedy, and the *cover-up* of that assassination, as so perceived by a majority of American citizens at that time. We lived through the assassination of Malcolm X, and the more profound impact, in March of 1968 [April 4, 1968—ed.], of the assassination of Martin Luther King. In June, less than three months—or, approximately three months after the assassination of Martin, the assassination here in Los Angeles, of Bobby Kennedy. All of these

cases: cover-ups.

We were demoralized, in large degree. I wasn't particularly demoralized, because it made me angry.

But then comes along another generation, the generation of the *children* of our generation of World War II veterans. These were children who largely graduated from secondary school to university, somewhere between '64 and 1970. These are the "baby-boomers."

Then, there's a third generation, the children of the baby-boomers, most of whom were born after 1966: Generation X. These are the three adult generations in the United States today. These are the people who vote. The power in our country has generally passed from people of our generation—my generation—into the hands of the baby-boomer generation, as epitomized by the incumbent President, President Clinton.

We can see, those of us of my generation, see a very significant difference in world-outlook between our outlook, and that of President Clinton's generation. And, those of us who are wise, do not criticize Clinton for what *he* does as Clinton, but criticize him, as we do Al Gore and others, as being of the wrong generation, our children's generation.

And, when we see somebody in Generation X showing up for hockey practice wearing skis, and insisting the other children are unfair, we recognize that that, too, is a problem. We have people who believe that everyone has a right to their own opinion, especially if they don't know what they're talking about. That's modern education, isn't it, right?

So, that's the general problem we have to deal with.

Now, we have another problem to deal with, which also can only be addressed when we think in terms of these three generations of today's adults. And that is, that we face the most fearful global, as well as national, crisis in the Twentieth Century.

Now, the reaction of people generally, when faced with a crisis, is *to run*; to hide; or to exercise the privilege of psychological denial. To say, "No, it can't be true. That could never happen. They won't let it happen," etc., etc. Therefore, unless people have optimism, they are not capable generally of facing difficult problems. They will have a mid-life crisis instead.

A mid-life crisis is a man who's getting weak in the legs, and can't chase girls any more. That's his crisis. We never had one in my generation. The baby-boomer generation invented this thing, the mid-life crisis. Or their psychiatrists invented it.

Therefore, we of my generation have a twofold responsibility here.

First of all, we can supply the optimism, which will give the other generations the courage to face the problem before us. Remember the words of Franklin Roosevelt, in reference to the last crisis: "We have nothing to fear so much as fear itself." If a commander of military forces cannot overcome the *fear* in his own troops, he'll probably fail. If the leaders of a nation cannot overcome the *fears* in their own population—not to eliminate them. You cannot eliminate fear, and

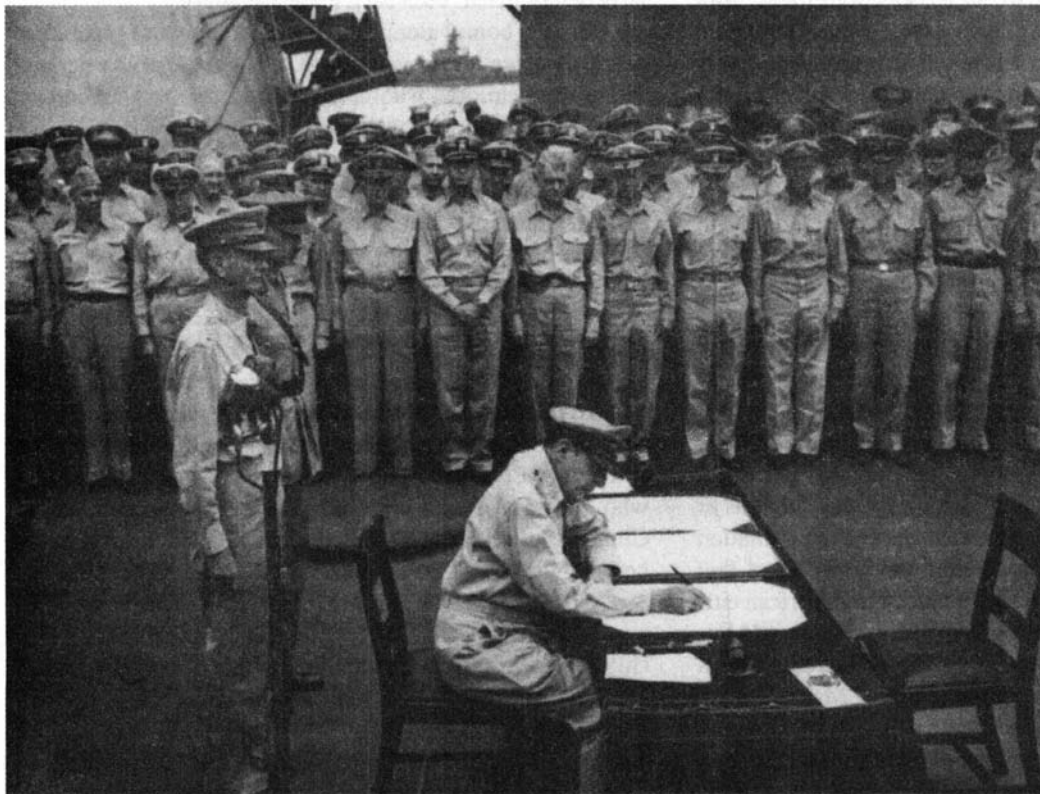
you shouldn't eliminate fear when it's justified; but, you, rather, mobilize people to deal with fear realistically. Not to let it control them; but to use fear like pain, as a symptom that something is wrong. So, fear is useful if it tells you that something is wrong, and you'd better fix it. It's bad when it deprives you of the capacity for action. And, *the best way to avoid fear, is to act*. You don't have to run from it then. You move against it. Move against that which frightens you, and it doesn't frighten you much any more.

So therefore, optimism is necessary. Because you can't have *false* optimism (you can't have wishful thinking; that won't solve anything), you must have *well-founded optimism*. It must be truthful.

Lessons from the Roosevelt era

Now, you say, "Where in the United States can we find people who can tell other people, not to be afraid, in the sense that Roosevelt said (President Roosevelt), 'we have nothing so much to fear, as fear itself'?"

Well, that's *my* generation. *We* have that knowledge. We went through an ugly depression. We went through a war. We transformed an economic junkheap over the period from 1939-40 into 1943, into the greatest industrial power machine on this planet. We were broken down. We had lost skills. We were poor. Many of us were crippled. You should have seen what I saw when I was in the training cadre down in Texas, with the recruits coming into these platoons that I was sup-



Supreme Allied Commander Gen. Douglas MacArthur signs the document of Japan's surrender, Sept. 2, 1945. "People of President Clinton's generation," says LaRouche, "do not understand the experience of the United States in this century. Because, they did not live through, as children and adults, the 1920s, 1930s, 1940s, and 1950s. We understand, if we reflect upon our experience. We have reason for optimism."

posed to be involved in training. From all parts of the country: We had people who were largely broken people, broken by the depression and by other conditions that existed in the country. And, whether in military service or in the economy, *this half-broken people got up off the ground, under leadership, and built a mighty nation* which had the power to shape, or to misshape the postwar world.

And, the ingredient was—what? Leadership, and understanding ourselves and our tradition.

So, people who came into adulthood from about 1966 on, don't understand this. They didn't have this experience. Maybe a few here and there can, but you know, talking about the generation at large, *they don't understand it. People of President Clinton's generation do not understand the experience of the United States in this century.* Because, they did not live through, as children and adults, the 1920s, 1930s, 1940s, and 1950s. *We understand, if we reflect upon our experience. We have reason for optimism.*

We have, also, a *negative* reason for optimism. When I was serving overseas, I saw what the British do to people in colonies. It's even worse than what we do to African-Americans in the United States. And, we *hated* it; I hated it. And, I perceived what I knew then, but I didn't know the President was saying the same thing, or thinking the same thing.

As we were coming to the end of a war, we had to be sure that we didn't have another problem of the same type in the future. We couldn't just walk away from winning a war, and

forget the world. We could be hit again. We had to think about the world; and, as long as the kind of conditions existed in the world, which the British Empire imposed upon Indians and others, the world wasn't safe. It could explode again.

Now, most of the people with whom I served overseas in that area, had a similar opinion—until *after* they got back, out of uniform. I didn't know the President had that opinion; he did. The President told Winston Churchill repeatedly: "The United States is not going to fight another war to save the British Empire. British Eighteenth-Century economic methods are gone, you're going to move out of the way, and the people of the so-called colonial countries are going to have the right to make use of *American* economic methods, as opposed to British economic methods."

Two things happened. First of all, Roosevelt died, and that worried me; because, I had a perception of Truman as a little man who couldn't handle the job; and he would be a plaything of other people. And he was. Harry Truman was a plaything of Winston Churchill and his friends, through his controllers, which was largely Harriman.

Harry Truman imposed upon the United States a return to an approximation of the 1930s depression, totally unnecessarily, under British guidance and orders. Harry Truman did *not* free the colonies of Britain, France, and the Netherlands. They were turned back to their colonial masters. We did *nothing* to help the developing countries, generally.

Roosevelt's program for South and Central America was



Victory celebrations in Norfolk, Virginia. "We had people who were largely broken people, broken by the depression and by other conditions that existed in the country. And, whether in military service or in the economy, this half-broken people got up off the ground, under leadership, and built a mighty nation which had the power to shape, or to misshape the postwar world."



An early 1970s demonstration against the Vietnam War, by the Youth Against War and Fascism, one of the many radical, anti-war sectlets created for the baby-boomers, by think-tanks such as McGeorge Bundy's Ford Foundation.

abrogated. We went back to being a partner and a patsy of the British Empire. Americans returning, who had no competent national leadership, as they'd had under Roosevelt, who had not shown cowardice in warfare, showed cowardice in face of the threat of a new depression. And, the people with whom I'd served overseas, during the war, when I returned: "Don't say anything or associate with anyone who will get you into trouble, or jeopardize your economic security."

So, my generation, in large part, trained their children to cowardice. And typical was the capitulation to a phenomenon which became known as McCarthyism. We trained our children not to stand up and say what they believed. We taught them to lie.

Now, Americans have lied for a long time, you know. You learned that as a child. I learned it when I was five years old: that your parents lied most of the time. Your siblings, and your friends at school lied most of the time.

You don't believe it? Remember what happened? You're talking about things in the family. Then, company comes. Everybody lies.

So we extended the principle of lying—called "company manners"—into our general life. We internalized it. We became cowards, and we trained our children to be cowards.

The 'baby boomer's' era

Then, our children were hit, as the baby-boomer generation, with what we faced in the middle of the 1960s: the missile crisis. Just think of the *terror*, those moments of that week or so of terror, of sheer terror that infested every household in America. "*It might actually happen!* The missiles are ready!

They're about to be launched, the fingers are on the proverbial button."

The night that President Kennedy made the speech—remember the speech? Some of you who are old enough to remember that speech that Kennedy made, the Cuban Missile Crisis speech? Remember the meltdown that occurred as the Soviet vessels were steaming toward Cuba? Remember the photographs, or the camera shots of the vessels turning around and going back from Cuba? Remember that week?

Then remember, approximately a year later—just over a year later, the President was shot. There was a cover-up. And most Americans *understood* it was a cover-up. They believe it to this day; and they're right.

Then, other things happened. Kennedy had promised that we were not going to become engaged in a colonial war in Southeast Asia, and gave an order to that effect with a Presidential Directive. Robert "Very Strange" McNamara—his middle name is "Strange," by the way; sometimes nature works in mysterious ways, to tell us something—stood up, and announced that U.S. troops would be withdrawn from the Indochina Theater by the middle of the decade.

Then, Kennedy's shot. What happened? Well, within a year, we all understood clearly, that the McGeorge Bundy who had set the actual cover-up of the Kennedy assassination into motion from inside the White House, that Bundy had induced Johnson to reverse the Kennedy decision, and to put his full force into the war in Indochina; which wasn't really a war, it was a bloody, diplomatic game. That happened to us. It happened to our children.

Then, our baby-boomer children were told they were go-

ing to be drafted to go into this war. And they got nightly showings on the television screen of the gory horror show of people being blown to pieces, in Indochina.

They said, "I'm next."

Then, McGeorge Bundy, having succeeded in getting Johnson into the war, left the service of the government, and went over to head the Ford Foundation, from which, to my personal knowledge, he funded the organization of the anti-war movement.

That happened to the baby-boomer generation. LSD was planted, 10 million doses, here on university campuses in California and elsewhere, by David Rockefeller's friends, working together with organized crime and the Mellon family. And, our leading figures, the most influential people in the teaching of sociology in our American universities, and anthropology, were behind that operation, the planning of it and directing of it. And, so forth and so on.

Then, Martin Luther King was shot; and that was covered up. And Bobby Kennedy was shot; and that was covered up. *And I was there; some of you were there. I saw what happened to the minds of my generation's children, in the middle of the 1960s.*

Our educational system began to be destroyed, everything began to be destroyed, as we went from a nation whose success had been based on that of modern European civilization, of universal education, designed not to produce qualified technocrats who work, but citizens; people who knew history. People who, as citizens, could judge the processes of government, who could vote intelligently, who could participate intelligently in political processes. They took that away: What do you get; do you get history in schools today? *No.* You get "Current Events" and Ritalin. That was destroyed.

No longer were we a nation committed to investing in improvement of the conditions of life through scientific and technological progress. We went into a post-industrial, utopian ideology. You couldn't get much money, but you could get sex free on any sidewalk—the rock-drug-sex counterculture. If you don't enjoy it, take a little dope, and you will.

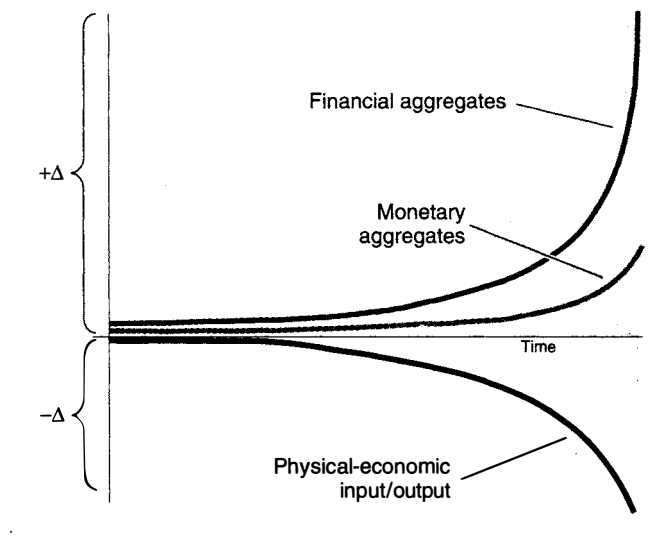
Then, in the beginning of the 1970s, we destroyed the monetary system on which stability in world trade depended. So we've gone down, down, and down. Now, 30 years, approximately, after 1966, we now face the worst crisis globally, as well as in the United States, of the Twentieth Century. It is not something that is "about to happen"; it is something that is *already happening*.

For example, take the Triple-Curve function [Figure 1], as I've described it. Three considerations to bear in mind, about the nature of the general monetary and economic situation, in the world today. Start with the United States. Let's look at the physical side of the economy first.

Now, between 1956 and 1966, ten years for which we have good data (because data collection was improved in that period): Of the total foreign-exchange turnover each year in the United States, approximately 75%, more or less consis-

FIGURE 1

A typical collapse function



tently, from year to year, was involved in merchandise trade. That is, imports and exports of merchandise.

After the change in policy of the middle of the 1960s, by 1976, that percentile had fallen to 23%. This meant that the emission of money, the circulation of money in the economy, was being *disconnected* from the process of investment in production and trade. We saw it happen.

By 1982, after Carter and Volcker, that percentile had dropped to 5%: From 75%, to 5%, in 16 years. By 1992, it had fallen to 2% ; today, it's approximately *one-half of 1%*.

Now, that's foreign exchange.

Look, then, at domestic figures. You get similar results. Different figures, but similar results. At the end of the war, 65% of the labor force in the United States, was employed in producing useful physical goods. Today, it's about 20%. You're paying for the difference—it's called inflation, physical inflation.

If we look at the market basket of consumption—take consumption in several categories.

Take consumption as economic infrastructure, transportation. Transportation means the *efficient and economical movement of freight, in terms of ton-miles*. What happened to our rail system? The lowest non-water-borne method of mass transportation and the most efficient, if properly maintained, for long distances. What happened to it? Trains are crashing because they're being looted, by the Frank Lorenzos of the railroad business. The safety provisions are being destroyed.

What happened to our inland waterway system? The cheapest and most efficient way of moving low-cost bulk freight in the internal economy? What about your water supplies? What about the sewage systems? What about the water security of the state of California and the adjoining states?

That's part of your market basket.

What about power? How much power have you got? How many blackouts do you get in the summertime? How many brownouts? What would happen if you tried to put more industries in, to put more people back to work? We don't have the power.

What about the educational system? Look at your children. Look at your grandchildren. Look at their children.

What about the public health system? What about collapsing hospitals? What about turning physicians from human beings into instruments of a computer? The physician puts something into a computer which it calls "symptoms." The computer tells the physician what the physician may diagnose, and tells him exactly how much he may spend, what he can do and what he *can't* do. And, then, after that's over, throws the patient on the street. And he might go to jail if he violates any of these rules. We're in a culture of death.

Now think of other things besides this infrastructure. Think of household consumption; not in terms of the so-called "intangibles," but in terms of tangibles. Think of the physical objects which are required to sustain life. Housing is such, clothing, food, and so forth. Let's look at the market basket that the average American had in the last half of the 1960s, and let's compare it with that of today. Let's compare that with what we produce, of these objects.

We find, that the average American, today, has an income per capita, which is about *half* of that of 25 years ago. How do we survive? Well, instead of having one bread-winner in a family, one good provider, it takes about two and a half to do the same job; and not as well. To have the standard of income of, say, a 40-year-old typical industrial worker, construction worker—whatever, back in the late 1960s. You'd have to have an income today of about \$75,000-80,000 a year, just to buy the same things, to have the same security.

So, we've gone down, continuously down, and it's getting worse. Watch the industry. It's collapsed. There was one there—what happened to it? What happened to the airline? What happened to this business? What happened to this employer? I travel up and down the country and I find ghost towns where there used to be thriving communities. I find agricultural area communities. They used to have farmers? Well, the farmers, you know, they're a dying breed. You used to find the small industry, or a branch of some factory was there, it would employ some of the people from that area. You had the implement dealer who sold to the farmer. The tractor dealer, the automobile dealer. All of these things were there. You had a tax base from agriculture and from manufacturing, in these towns. They weren't over-wealthy, but people survived. They enjoyed living their life there. What happened to that? These are ghost towns, or almost, around the country.

Whole industrial areas are virtually ghost towns; whole tracts of cities where people used to be employed, are now warehouses, wastelands, or fancy Wheaties boxes with Hollywood exteriors and nothing inside. They'll blow down in a

30-mile wind. Junk. That's what's happened to us.

Then, look at our industries. We've lost them! We no longer have national economic security in the things we require to sustain us. What did we do? We shut down our industries on the basis that we were going to get cheaper goods from other countries, because of cheaper labor. *With what* are we going to earn the money to buy those goods? This happened to us; and so forth and so on.

Tax-revenue base has collapsed, on the federal, state, and local level. And somebody says we have a budget crisis; we don't. We have a mental crisis, of failing to see that *the changes we made in policy philosophy, were wrong.*

The present crisis

All right, what have we got?

What we have, is that even though the physical product is collapsing, per capita, the money in circulation has been increasing, as I indicated, in foreign exchange areas: up! Now when money in circulation increases, and the goods produced go down, per capita, what happens? It's called inflation. How is the inflation reflected? It's reflected in debt: government debt, private corporate debt, discounted corporate debt, and so forth. So, we have a high rate of debt growing relative to a shrinking amount of production.

But the debt must be paid for, the debt service must be paid, out of the proceeds, ultimately, of real goods, real production, real services. So therefore, we have a crisis.

But that's not all. Through the benefit of that great genius, George Bush, whom mad dogs abhor as insane—"Keep that guy away from me, he's nuts," says one mad dog to the other—George, in 1982, after Volcker had bankrupted the savings and loan industry and much of the savings bank industry as well, put up a procedure through the Senate, in his capacity as Vice President of the United States, called the Garn-St Germain bill. And, new lines of business were opened up to savings and loan associations, which were already, in fact, bankrupt as an industry. Because the cost of their acquiring money, *far exceeded* the income they got from loans.

So, therefore, to maintain their capital, they had to go bankrupt. So they were put into bankruptcy by Jimmy Carter and Paul Volcker. But, that wasn't good enough for George Bush; he really had to rub it in, with the Garn-St Germain bill. We had junk bonds, we had hostile acquisitions, etc., etc. By 1987-1988, the savings and loan industry had been wiped out, courtesy of George Bush and his friends.

We no longer had the mechanisms by which local savings were steered into local investments to help build up communities, which were what the savings and loan and savings bank industry was. This was the vehicle by which local communities would generate some internal capital to match with outside capital and build up the community. Some of you had the experience of dealing with that, and remember it.

Well, 1987, we had the Great October Crash: 500 points in one day on the New York Stock Exchange. So, the junk

bond business was about ended; because the savings and loan industry had been ruined. Other sources had been looted. So they went to a new kind of speculation, called derivatives. The RJ Reynolds/Nabisco acquisition was the end of the junk bond growth. It scraped the bottom of the barrel on junk bond capacity.

Now, derivatives: Derivatives are—what? Derivatives are side bets. They're not even good Las Vegas bets. They're side bets. You bet on an index: "I bet that guy's gonna shoot craps seven times in a row. I'll bet on that." That's what they are. Options, futures, all the same thing. They're side bets. Now, the turnover of side bets on the international markets, is about \$3.5 trillion a day. More; but that's what's reported. Most of that, about half of that, is done through London. So therefore, you've got, now, financial obligations being generated at a turnover rate of about *one quadrillion dollars a year internationally*.

These are charges against monetary circulation, which is being pumped up to maintain the growth of this bubble in derivatives. Increased monetary circulation generates increased debt, which means the federal government, to try to pay its share into sustaining the bubble, now comes back and says, "We have to cut pensions and other things," in the name of balancing the budget." When the only factor un-balancing the budget, is the size of the debt.

Now, obviously, this system cannot continue. Any system which is based on a hyperbolic bubble growth of financial obligations, which is sucking, like Dracula by night, on monetary circulation, which is sucking all day long on people, on real income, the real economy, which must pay for everything in the final analysis: Obviously, the entire system is bankrupt, including the world system. And, the United States component of the world system.

That is to say, that *the international monetary and financial system is bankrupt!* Hopelessly bankrupt. Nothing can be done or should be done to try to save it. It's gone. What you should do, as in any hopelessly bankrupt firm, is you should have the relevant governments put it into bankruptcy, into receivership and bankruptcy reorganization, to prevent social chaos; to ensure stability.

That means that the Federal Reserve System and its attached financial institutions *must be put into financial receivership. Now.* Because if we *don't* do that, what can happen? This thing will go. It's a bomb, which somebody's kicking around in the kitchen. We don't know which kick is going to set it off, but we know the thing is ready to go off. So therefore, we've got to get rid of the bomb as soon as possible.

How is it going to go off? Why is it a bomb? Because when you pop a bubble, like popping an overstretched balloon, what happens? It doesn't gradually deflate, does it? It tears itself apart. An international financial bubble, pricked by what is called reverse leverage, will explode in a chain-reaction, which is like an explosion, except it explodes inwards. It's an *im-plosion*.

The result of such a thing is, you don't have firms going into bankruptcy. You have them simply going altogether out of business. You had a bank, you had some savings over there. Well that bank doesn't exist any more. It's not bankrupt, it's *gone!* It's gone. Zero cents on the dollar; it's gone! Its paper is no longer negotiable.

You have a nation and a central bank which issues a currency. Nobody knows what the value of that currency is, because no one knows what's going to be traded in it, tomorrow. You're sitting there with paper, with assets, countries, governments, as well as individuals. Nothing functions. Chaos. And if you *don't* correct that chaos, then physical chaos—Hell on earth—will emerge.

So, that's the challenge facing the President of the United States: the task on which everything else depends, without which everything else is a complete waste of talk. The central issue facing the President of the United States, is to put the Federal Reserve System into bankruptcy reorganization, and to do so *promptly*, as a preemptive move—because, it's already bankrupt, before the explosion comes. And, at the same time, to revert to the Constitution, to create a new issue of currency as credit, to get the U.S. economy going, and create a national banking system to deliver that credit through banks which we may actually, artificially, sustain. Functioning to get the economy moving, through large-scale public works projects which are needed—not make-work, but needed projects.

Like the water systems, the rail systems, things like that. Power systems. Put people to work. Get private contractors stimulated by doing their jobs, making their bids for these projects. Get some credit out for other things that are needed. Supply cheap credit at between 1 and 2% to states and municipalities, to fix up the things they should fix up, whatever's worthwhile. The way we did back between 1939 and 1943, to get this economy moving under conditions of warfare. We can do it again.

And, this brings us to foreign policy. That's the easy part. The President of the United States has the emergency powers needed for him to, on any bright day, put the Federal Reserve System into receivership. These powers were granted to the President under emergency powers acts put through the Congress, legislated during the 1970s. There are other implicit powers and responsibilities the President has.

The President, on the same day, simply has to send an order down to the Congress, telling the Congress to get out of each other's beds, or whatever, get down to the Senate, get down to the House, and pass some legislation, legislation—authorizing legislation for issue of a new denomination of currency, U.S. currency notes of the type that were issued by Lincoln, for example, during the 1860s. These notes are used for credit. They are a medium of exchange, used to stimulate the U.S. economy.

They're not inflationary, because they will be loaned *only for things which are useful*, which create increased physical

value, or are necessary. So they're not going to cause inflation.

The trick in managing money, is to make sure that your production is going faster than your monetary circulation. So as long as you keep the two things tied together, you're all right. Then, to create a national banking facility, a national banking act, based on the model of what Alexander Hamilton did under George Washington's administration, to create the U.S. Bank of the United States; what was done to create the Second Bank of the United States; what was done by Lincoln, to get this nation through the 1860s. Do it again! That's what our Constitution provides, that's the precedent; do it!

The United Kingdom is not a nation, it's a plantation, occupied by about 5,000 people, three to five thousand people, who are among the wealthiest, and dirtiest, and meanest people on this planet, who form an oligarchy, who have a couple of horse-faced relics there called a monarchy, who act as the "capo di capi" for that mob of gangsters, the British Empire.

Or, get the Congress—or have the Congress do something else. But don't let 'em get out of there, until they get those two acts out of there. We need them. That will solve our problem, or will find the basic feasible solution for our problem.

Foreign policy today

But, what about the world? And that is the issue of foreign policy: What are we going to do about the world? We can't ignore it. Pat Buchanan can ignore it, but the world won't ignore him. You've got to deal with the world; which means the President of the United States, must call together representatives of a number of powers, to enact, in various parts of the world, similar measures to those he's enacting in the United States. He must scrap existing trade agreements and tariff agreements, and set up a new series of agreements which are based on protectionism for both the U.S. recovery, and allowing other nations to do the same thing.

So, therefore, we bring back regulation of airlines, public transportation, things like that. You won't have to go to a gambling casino to find out what the price of an airline ticket is between here and Pasadena, or something—which is pretty much the way it is now. Get back to a regulated system of public transportation, things of that sort. Put up protective

tariffs; not exorbitant tariffs, but protective tariffs, which allow our farmers and our manufacturers to engage successfully in investing in businesses. That simple.

Other countries should have the same right. We should agree with them on tariff and trade agreements which serve that purpose to our mutual advantage, our mutual national economic security. That's the basic issue. They have to do the same thing with their central banks that we have to do with the Federal Reserve System. We have to enter into agreements with them on trade and tariffs, and on re-establishing a system of relatively fixed parities of currency, so we can foster long-term international trade and investment. Get the world economy moving again.

This involves the key problem. We are now at foreign policy. That's emergency action, foreign policy. We're going to have a problem in getting this done.

Let's go through the primary and secondary tiers of powers on this planet. First, the United States. We are the most powerful nation on the planet, the most powerful nation-state. Therefore, we have to take leadership once again, on behalf of the world as a whole, in our own fundamental interest.

You don't want to live in a neighborhood where everybody's shooting each other, do you? Therefore, we as a nation do not wish to live in a world where everybody's shooting at everybody. It'll come here. Therefore, we have a responsibility for seeing to it that the members of the neighborhood can get together and get this mess straightened out.

What are the powers we deal with? Well, first of all, the largest power we have to deal with, is called the British Empire.

Don't let anybody tell you it's the United Kingdom. The United Kingdom is not a nation, it's a plantation, occupied by about 5,000 people, three to five thousand people, who are among the wealthiest, and dirtiest, and meanest people on this planet, who form an oligarchy, who have a couple of horse-faced relics there called a monarchy, who act as the *capo di capi*, or whatever, you know, for that bunch of—that mob of gangsters, the British Empire.

That's your Rio Tinto Zinc, or Royal Dutch Shell; British Petroleum, etc., etc. These interests. The Anglo-Dutch world oligarchy.

Now, this—the British side of this oligarchy alone—and there's a paper produced by Chatham House, the Chatham House which is the British foreign policy think-tank, where policy is formulated; this paper describes accurately the fact that the British Commonwealth was always an empire. The British Empire was never dissolved. It was simply—they called it a "commonwealth" for a while. And now they're saying they're going to have it back—the empire.

Now that empire, which the British effectively control, except for a few dissident nations that don't like it, that empire represents about one-fifth of the world's land area; it represents about 30% of the world's population. It controls 48-50% of the world's financial turnover, including the \$3.5 trillion a

day derivatives turnover. It controls the majority of the world's international trade in what are called strategic metals, such as the metals that are required for most industry. It controls the majority of the international trade in petroleum.

It controls, through its ownership of Cargill—U.S. firms such as Cargill, Archer Daniels Midland (that's the firm that owns Bob Dole; the principal stockholder in Bob Dole, is Archer Daniels Midland. And that is a problem that Bob Dole is going to have to face in his election campaign. If somebody brings up how much did he pay for that condominium that he got a piece of in Florida, provided at bonus prices by Archer Daniels Midland). And, the Iowa Beef Packers: Armand Hammer, the man who owned Al Gore's father, and had a piece of Al Gore.

These interests, British interests, the Anglo-Dutch-Swiss, Cargill et al., complex, control the majority of the international food trade, in a time of grave food crisis worldwide. Famine conditions. So this is no—tough shakes.

It controls the majority of the Republican Party leadership in the United States. George Bush—this mad dog George Bush—is a property of the Harriman family. The Harriman family has been, since the late Nineteenth Century, significant in the United States, because E.H. Harriman, the father of Averell Harriman, served as a nominee for the Union Pacific stockholding interests of the Prince of Wales, later King Edward VII of England. So, the Harriman family is actually a *front* for the British monarchy, its financial interests.

George Bush's father, Prescott, the man who signed the check that put Hitler into power in Germany in 1933, was the chief executive officer for Harriman. The British gave the orders to put Hitler into power. The reason they wanted Hitler into power, was because they wanted to have a war between Russia and Germany, which would obliterate most of Europe. That was their policy. Therefore, they needed something in Germany to make that war happen. Hitler was put into power, like you put a bomb under a neighbor's house. Not to survive, but to blow up the neighbor's house. And Hitler was put in, and supported by the British, and by certain Americans, through 1938, until they had built him up to the point that he was ready to be used to launch war. Then, they turned against him—ha, ha, ha.

Now, not only were these guys acting on orders from Britain, in putting Hitler into power—Prescott Bush and Harriman—but, they were *active supporters* of the racial purification policies of Adolf Hitler. They were members of the International Eugenics Association—which is the ideological organization behind the Nazi race doctrines, which is continued by the Harriman family to the present day. They were practicing these racist doctrines and genetic doctrines in the United States. The center for that in the United States today, is Harvard University education Department: *The Bell Curve*. So, they control that.

Now, the Harrimans not only control George Bush, they also control Bob Strauss, on the Democratic Party side. So,

you have Gingrich Democrats and Bush Democrats, as well as Harriman Republicans. They're the same thing. That's the reason that the Democratic National Committee *threw—deliberately, intentionally threw*—the 1994 Congressional elections.

In France, outside of Britain: The present ruling circle, Paris-centered ruling circle, the so-called political elite of France, as distinct from the people in the provinces, are totally corrupt, and they're totally British-controlled. That's the secret of Bosnia. The British and the French, Mitterrand in particular, President Mitterrand, organized the war in Bosnia, through their Serbian assets. They were the controllers of the United Nations, together with George Bush and the British, who kept the war going, who kept the genocide going; who directed the United Nations role in *causing* the genocide, orchestrating the genocide, protecting it.

In Germany, about half the elected officials and key officials of each party, each leading party, is British-controlled. Italy, Spain; Spain—the two parties, the Conservative Party, which just won a partial victory in Spain, and Felipe González's Socialist Party, are *both* British-controlled.

So, the British Empire, with its influence in Mexico, in Venezuela, in Colombia—the drug-pushers are British-backed in there. The Canadians, of course, are part of the British Empire. The Queen runs that place; she's the head of State. The Parliament is a relative joke, compared to the State apparatus of Canada. Don't talk about elections to the Canadian Parliament, that's a minor issue. The real thing is who controls the State apparatus, which the Parliament does not control. The Queen of England controls the Canadian State.

Argentina: British-controlled today. Half of the forces in Brazil: British-controlled. Chile: predominantly British-controlled.

So the British Empire is a very serious proposition.

Now, there are some other powers on this planet. There are the Russians. Now, the Russians have never had a nation-state. *Never*. They went directly from empire—from Tatar domination as satrapies, to an empire, to communism, without passing "Go" or collecting \$200. They have now been put into bankruptcy, because the British, supported by George Bush, in 1989, said, "Well, the Russians are down on the ground. Now we're going to make sure that none of the nations of the former Soviet empire *ever rise again*. We are going to *destroy* them, by reform." A mass-murderous reform. And that's happening in every country.

The communists are coming back to power in each of these countries of eastern Europe, because of these reform policies. People who supported the United States, or were friends of the United States, in each of these countries, are now suffering, because of the policies of the United States. And are being discredited, in all of these countries, because they supported free trade and so-called democracy, which is not democracy. The right to blabber on the street corner is not real democracy, if you can't do anything about it. If you elect

people to parliament, and somebody comes along with artillery and breaks up the parliament, what kind of democracy do you have?!

If every parliament, or the so-called Duma in Russia, lives under the threat of another artillery barrage like that that happened in October 1993, what kind of government, self-government do you have? It's a dictatorship, buddy! Just a different form. Though many Russians would like to have something different.

It's a dictatorship directed largely from London, with support from the British-loving crowd in power in the United States; and Chernomyrdin and Yeltsin are top representatives of this power, of foreign power. *They are compradors*, just like the agents of colonialism in any country in Africa formerly.

So Russia has never had nation-state status. But they represent the *potential* of a nation-state, which more and more people in the place would like to have, and they represent power; despite their broken condition. So you have to deal with them as a *primary-tier world-power*.

Mainland China is also a world-power, a first-tier world power. And there are no other first-tier world powers on the surface of this planet. The United States, the British Empire, Russia, and China. *There are no other major powers on this planet.*

You have secondary powers. India, which is much less of a power than China. Second-tier, because it's part of the British Empire, and the British have choke-holds all over the internal processes of India, including the Pakistan arrangement, the Kashmir issue, all kinds of issue. The British have a choke-hold on India—even though many people in India would like to have a country. But they have never really achieved the status of nation-state, because it's a two-tier society.

China has that problem, it's a two-tier society. Twenty percent of the population on top, 80% in the peasant caste underneath. You have two nations: the top nation and the bottom nation. The bottom nation is 80%. It's a problem.

In India, you have a similar mentality, an Oriental mentality, which keeps people, a lot of the people, the poorest people, in the lower category, as distinct from the people in the upper and middle categories. That's a problem. And that's one of the things the British use to try to control India.

You have countries—Western Europe as a group. Western continental Europe, as a group, has potentiality. They no longer have the potentiality of first-tier, independent nation-states. They've lost that. They've thrown it away, deliberately. The Brussels agreement, Maastricht, all these things. They've *thrown away* their national sovereignty. They're now, collectively, a second-rate power.

Africa: Africa's a third-rate country. They've been almost totally destroyed. They're in genocide—directed by the British Empire, with supporters in this country, who support some of these measures, against Nigeria, against Sudan. Supporting Museveni, the Butcher of Rwanda, from Uganda, who's a British agent.

Central and South America: Well, that's an area of secondary power, potentially, with United States support.

That's the world. So the United States has to take *this* international situation, of first- and second-tier powers, and put together, as a leader in the process, put together an agreement on establishing a new monetary system, a new trade system, a new international credit system, in order to make us safe.

Now, this requires some understanding, doesn't it? It's not so easy to do. You're not going to talk about fairy-story soap-opera operations, about how you get these funny people together, and you have a negotiating session, a therapy group or T-group, or sensitivity group, and they all come to an insight into each other's marital problems, and they sign this international political monetary agreement. It's not going to happen.

You have to understand something about humanity, and that's why virtually all diplomats and all people who discuss foreign policy, are idiots, in the sense, that, as long as—

They ought to be allowed to say the silly things they want to say, and to say them as pompously as they please; but, they *shouldn't* be allowed to *do anything* about this stuff. Because, they're only going to make the world a mess.

Let's look at this conflict between the United States and the British Empire, which—as anyone who was educated in my generation knew, there were a couple of wars we had with the British, over this issue.

We didn't have a war with the British because of this reason or that reason. We had wars with the British, as for independence, because we had a fundamental, philosophical difference with the British on the moral question: the British Empire, the British monarchy.

We believed—we were followers, as our Declaration of Independence says, as our Constitution says—we believed in a nation-state based on citizens. We believed in natural law, we believed in fostering what Leibniz defined as “the happiness of the people.” We believed in providing security for the general welfare, freedom for our people and our posterity—those who come after us.

We were a future-oriented society, who believed in the *betterment* of the condition of mankind, and we judged our self-interest to be *that which was in the best interest of our posterity*, those who come after us, the yet-unborn. That's our difference with the British. We went to war against the British to secure that kind of self-government.

When we were overseas during World War II, that was the aspiration of most nations of this planet: to have for themselves what we in the United States, had won for *ourselves*. Nothing different. They wanted American methods, they wanted machine-tools, they wanted economy, they wanted development. They wanted to improve. They wished universal education, the rights of self-government—these things which we considered normal. And at that time, they looked to us as their friend, because they believed the United States was an *anti-imperial*, *anti-colonialist* power, and a great

power, which could intervene *on their side*, to tilt the balance to their advantage. We were the most loved and admired nation on this planet; and also envied.

The fundamental issues involved

What's the quarrel? Let's go back to empires. What is the British Empire now, and how does it compare with empires of the past? What's the issue here? What's the policy question?

The British Empire consists, like the Roman Empire or the Persian Empire before the Roman Empire, or the Babylonian Empire before it became known as the Persian Empire, of a small oligarchy gathered around some kind of an imperial monarchy, ruling over a number of subject peoples. Among the subject peoples, one of the people was chosen as the chosen people, the dominant nationality. This changed from time to time, even though the empires continued.

For example, as I said, just to indicate it, the Babylonian Empire was replaced by the Achaemenid Empire, called—known to us properly as the Persian Empire. The Persian Empire was a continuation of the Babylonian Empire, not a break with it. What happened is the priesthood, the magi, who controlled the Babylonian Empire from the inside, decided that Nebuchadnezzar and so forth were no good. They had to be fired, like the House of Windsor today. So they searched around to find a replacement part for the non-functioning Babylonians. They tried the Medes, that didn't work. So they brought in the Achaemenids, a group from Persia, whom they'd cultivated and trained. And the Achaemenids took over and expanded the Persian Empire, which is an expansion, a continuation of the Babylonian Empire. The principles were the same, the principles of government and society were the same: a master race dominating a collection of various kinds of dependencies, some called satrapies, the large ones, and other dependencies.

That was the model for the Roman Empire. That was the model for the Byzantine Empire. That was the model for the Russian Empire, for the Austro-Hungarian Empire, the Ottoman Empire, the British Empire, the Spanish Empire: groups of subject peoples living in satrapies, colonies, and so forth, under the domination of a leading power, all of which was controlled by a ruling oligarchy of, either, a feudal land-owning or a financial-aristocratic type, with a bureaucracy running the whole show, and a monarchy—a replaceable monarchy—used at the top as sort of the chief gangster, to keep the other gangsters in line. Just like the British monarchy.

The Ottoman dynasty was a continuation of the Byzantine dynasty. When the Byzantine Empire collapsed, the people inside the Byzantine Empire, brought the Osman dynasty to power, and the Byzantine Empire, which had never been completely Christian anyway, became predominantly Islamic. It was a change in dynasty; nothing else had changed.

The British Empire is a continuation of that, not so much as a feudal form of aristocracy, a feudal form of oligarchy, but, rather, as a financier aristocracy form of government. But

LYNDON LAROUCHE ON TELEVISION

CBS-TV 9:30 p.m. Eastern/Pacific
Thursday 8:30 p.m. Central/Mountain
April 18 (call your CBS affiliate to
verify local broadcast time)

Lyndon H. LaRouche, Jr., candidate for the Democratic Party's Presidential nomination, will address the nation in a half-hour broadcast on the issues of foreign policy.

Call **1-800-532-4550** (toll-free)

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

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

it's still an oligarchy.

Now the difference is this. The difference is *knowing the nature of man*.

What is a human being? Is a human being a zoo animal, with certain instincts and impulses which must be allowed to continue these peculiarities, or is a human being, what the Genesis 1, especially 26-30, describes him: as a creature unique, in the respect that it's made in the image of God, and given dominion over the universe, in that interest.

Is every human being that? Well, he is, of course. We can prove it. It's not a matter of theology, it's not a matter of arbitrary doctrine. It's a matter of *fact*. Because, if man were a beast—as Prince Philip insists he is. Prince Philip insists that man is a higher form of ape, and nothing different. As a matter of fact, a commission in Britain just said that human beings are higher apes. It's official now. You all—your opportunities have been monkeyed around with in that respect.)

Now, if man were a higher ape, at no time in the past 2 million years did the conditions exist on this planet, for more than 3 million individuals of such a population, even the most gifted. Well, we had—by the middle of the Fourteenth Century, we had over 300,000,000 on this planet. We have today over 5.2 billion people. We're only supposed to have three million; average adult life, oh, probably 18-20 years at best. Infant mortality: enormous. That's what we're supposed to have. We're supposed to be scratching around like that, pick-

ing up nuts, grabbing things that float on the beach, eating carrion, whatever. That's what we're supposed to be.

No! We're something different. How? Because we are capable of doing something which is typified by fundamental scientific and technological progress. We're capable of making axiomatic or revolutionary discoveries of principle, which can be transmitted as acts of discovery from one person to the next, from one generation to the next. These changes, these discoveries of principle, *increase* the human race's power over nature. As a result of that, our potential population in-

It is the right of every person to die with a smile on their face, saying that "I have lived, and, as the New Testament prescribes, this life, this life which is embodied with creative reason, to assimilate the knowledge from the past by re-enacting it, to transmit it to the future, is a talent. The beginning and end of my life, my mortal life, is a talent which I must return, enriched, above what was given to me.

creases; our life-expectancy increases. Our health increases, health conditions. Demographic characteristics of population increase. You have time for more *development* of human beings.

For example, if the life expectancy is, modally, 35 to 45 years, who can be educated for 20, 25 years? What child? Who's going to support the child in that kind of education? Only if you have a demography which has a life expectancy of 80 or so years, can you have a population which can *enjoy* modern civilization. Because, without universal education, which takes someone up through the age of university level today, you *don't* have parity in knowledge. You don't have the adequate development of the human individual. You need to produce enough. You need to have that kind of life expectancy, that kind of population density, to have what we have achieved in the best condition today. That's man.

And every human being on this planet, when born, you can look into their eyes and you can see that potentiality for great discovery, either as original discovery, or to re-enact, in their own mental processes, as students or otherwise, the original act of discovery. People who don't learn, but who *know*.

Because, when you have *discovered* something, you haven't learned it, you *know* it. When you haven't discovered it, and you're taking it on the basis of official gossip, you have

only learned it. When you're taught it by instruction, and by repetition, and reinforcement, you don't *know* anything. Like most of our poor Generation X people today: They don't know *anything*. They have been *instructed*. They have been told to memorize, to accept; to learn to accept under penalties of pain and pleasure. They don't know anything. They're told they *shouldn't* know anything. They're told that everybody should have their own opinion, especially on subjects of which they know nothing! Which is what you get most in the streets today.

So, the security of man is not a question of cutting a business deal. The security of the United States is not a question of cutting a business deal, or of setting up a "sensitivity group" among nations to come to some kind of crazy agreement like the Dayton Accord. *That's* not our purpose.

The basis of foreign policy is to recognize two things. First of all, that it is *impossible* to have modern society, except through the institution of the sovereign nation-state. It is the sovereign nation-state which enables us to do the things we've done, to raise the human population level from 300 million in the Fourteenth Century, to over 5 billion today.

With existing technology, or with technology which existed 25 years ago, we could sustain comfortably, on this planet, 25 billion people, each living at a standard of living comparable to what we enjoyed, in the latter part of the 1960s. And we could do much better than that. That's only the beginning. It's the nation-state that brings us to do it.

For example, the space project. The Kennedy space program, according to Chase Econometrics, returned to the United States \$14 for every dollar spent by the federal government on the space program. This was not done by private investment. This was not done by privateers. This was done by the government, which mobilized large-scale projects in the same way we mobilized for the war, or we mobilized to build great infrastructure and so forth, to get the economy moving. And, on the basis of that kind of stimulation, the entire private sector *flourished*. And that's the way you do it. Without the nation-state, you can't do that.

Now, without the nation-state, *you* cannot participate in government. You have no right to participate in government. If there's no government that you control, how can you participate in it? To participate, you must use the medium of language. To have important ideas, you must have a *literate* form of language. If you cannot communicate with a literate form of language, common language, how can you share the discussion of ideas with other citizens, or with the government itself? How can you have law, if you don't have comprehension?

Therefore, the nation-state, we have learned, as a sovereign entity, is the highest form of political organization which can be tolerated on this planet.

What's the problem there? Well, in the State Department, a leading number of people there (as does George Bush or Henry Kissinger), believes that with the fall of communism, and in the aftermath of "Desert Storm," led by *Sir* Colin Powell, a good British servant, that the United Nations is now

the world government.

Why is what is being done by the IMF and World Bank in the Middle East or in the Balkans—why is that tolerated? The argument is, in the foreign ministries of the world, including our own State Department, that *the* United Nations is *the* world government. That the United States is merely a satrapy of an empire called the United Nations Security Council world government, a world government which the British, through their empire, largely control.

Now, of course, any State Department official who believes that, must be considered either insane or treasonous. Because our Constitution prescribes that our government, our sovereign nation, our sovereign national personality, is the highest form of political institution to be tolerated on this planet; and that every other people have a right to the same kind of institution for themselves. And that relations among sovereign nation-states, must be the basis for relations among peoples on this planet, relations of law.

And what is the purpose of that? The purpose of the nation-state is to establish what is decreed by Genesis 1:26-30: that man, the individual person, is made in the image of God, to exert dominion over this planet. It is our concern, therefore, that a civilization fit for mankind, is one in which *every* individual is given the opportunity to realize that sacred potentiality. And, that the good that the individual does, as inventions, artistic discoveries, or otherwise, or merely transmit through their children and others as teachers or parents—that that good *shall be protected* to the benefit of present and future generations.

It is the right of every person to die with a smile on their face, saying that “I have lived, and, as the New Testament prescribes, this life, this life which is embodied with creative reason, to assimilate the knowledge from the past by re-enacting it, to transmit it to the future, is a *talent*. The beginning and end of my life, my mortal life, is a talent which I must return, enriched, above what was given to me. And, if I have enriched that talent, if I have given back to mankind at least as much as I received, in terms of this talent, and perhaps a bit more, then I can go to my grave with a smile on my face. Because *my life was necessary*; and, I have lived a life which satisfies the requirement of Genesis 1:26-30. I have walked, as a creative person, in the image of God. I have exerted dominion, and helped the human species in its assigned duty of exerting dominion over this planet.”

That's the purpose of foreign policy: to bring about a state on this planet of sovereign nation-states, in which such persons can become such individuals, such citizens of their nation-state; can participate in their government, their self-government, through the medium of a literate form of common language and common understanding. That we can have a system of law *based on reason*, not arbitrary authority. Where everything has to be proven; where truthfulness has to be determined. Not popular opinion, but *truth*, which is the only protection the individual has against the hazards of an adverse popular opinion. *Truth*. And, to bring about a condition on

this planet, where humanity is organized in such nation-states, and each nation-state is *protected* in its right to pursue this course and objective.

Now, what can we say, in summation of what I've said so far?

We are presented with a crisis in which all of humanity could sink rapidly into a new dark age, into barbarism. That is a likely prospect, if nothing is done in the direction which I've indicated.

The collapse of a monetary system without a replacement, in a world dominated by the United Nations as world government, in turn dominated by the Anglo-Dutch oligarchy, would mean that the human population, within 50 years, would collapse to about 300 million at most, from 5.2 billion; that life-expectancy would collapse to adult modalities of between 30 and 40 years at best; that most people on this planet would degenerate into Yahoos—illiterate, babbling people, with greater resemblance to the ape than to man—unless we do this.

This crisis *compels us* to question the assumptions which have prevented us from doing that before this time. We now have to do what we should have done in order to survive. We have to bring the world, through the responsibility placed in our hands, because we've been given power—We have to help to bring this world into that condition which is required.

Therefore, we must not look at this as simply a crisis or a calamity, but a calamity we've brought on ourselves, a calamity which *obliges us* to do what we should have done; a calamity which gives us the *opportunity*, at last, to do what we should have done long before.

And above all things that we must do, we must learn from this. We must learn that the opinion of Genesis 1:26-30, that man is made in the image of God, that *every person* is created in the image of God. And, the implications of that is not some arbitrary bit of religious scripture. *That is truth, demonstrable, provable truth*. The entire history and pre-history of the existence of mankind attests to that. That is truth. Anything contrary to that, is false.

Therefore, we must destroy in ourselves any axiomatic assumption, any belief that there exists any race among man except the human race. We must destroy any assumption that man is anything but this creature made in the image of God, which has this talent, which has this responsibility. And, we must create institutions and protect institutions which allow every newborn baby to have access to become that kind of person, and to live as that kind of person. A society which *protects* the good contributed by its dead, its former members, to the benefit of present and future generations.

That's what the game is all about. Politics as taught in the political science texts, and so forth, is nonsense! Real politics is this. Real politics is the struggle for truth, the struggle to find and preserve institutions of self-government of mankind, by which we may bring forth on this planet, a durable arrangement consistent with this nature of the human individual. *That's* real foreign policy.

London accused of harboring global terror apparatus

by Jeffrey Steinberg

In the summer of 1995, France's newly elected President Jacques Chirac got into a brief tussle with the British government over the fact that French security services, combatting a rash of bombings and assassinations linked to Algerian Muslim terrorists, unearthed evidence that the true command center of the campaign of "blind terrorism" hitting every major city in France, was located in London. For a period of time, it appeared that Chirac was prepared to break the Anglo-French entente that had been so dominant a factor in French politics during the era of his predecessor, François Mitterrand. Ultimately, Chirac backed down, and, not surprisingly, the terror war against France ended.

Next, the Egyptian government got into the act. Following the aborted "assassination attempt" against President Hosni Mubarak last year, allegedly by a team of Sudan-based Egyptian Muslim radicals, Egyptian police uncovered evidence pointing to London as the hub of irregular warfare, directed at bringing down the Cairo regime and shattering the Middle East peace process. Briefly, the Egyptian government, too, attempted to pressure the British, to no avail, to crack down on the "guerrillas in their midst."

In the days following the Mideast "peacemakers summit" in Sharm el-Sheikh, Egypt, in mid-March of this year, which was attended by Heads of State or senior ministers from 28 nations, including Persian Gulf states that had never before sat down at a bargaining table with Israeli government officials, Israel joined the ranks of national governments that have come to the conclusion that London is the world capital of irregular warfare.

As *EIR* reported last week, the Israeli government has informed British Prime Minister John Major that a dossier will be presented to British officials, documenting London's role as the financial and logistical hub of what nominally

passes for Middle East-based Islamic extremist guerrilla groups, such as Hezbollah, Islamic Jihad, and the military wing of Hamas. Previous Israeli efforts to get the Major government to shut down the Islamic terrorist propaganda machine, safehoused in London, got nowhere.

Kurdish terror in Germany

On March 25, the German weekly magazine *Focus* revealed that the Kurdish Communist Party (PKK) runs a satellite TV station in London, through which propaganda is disseminated, and marching orders are sent out to Kurdish radicals across continental Europe. The PKK's MED-TV is licensed by the British government.

The PKK has been waging a terror war in eastern Turkey, as well as in Germany, where an estimated 400,000 Kurdish refugees live. On March 16, the PKK staged coordinated riots in the German city of Dortmund, and along the German border with the Netherlands and Belgium. Some 8,000 PKK rioters battled police, in the most serious civil disorders in recent German history. Over 150 German riot police were injured, 22 seriously.

The role of the London-based PKK satellite radio and television network, in coordinating these riots, is now under investigation by German security services.

German investigators would do well to look at the PKK's links to an important, London-based narco-terror umbrella group, the Revolutionary Internationalist Movement (RIM), which, for several years, was based out of the Russell House, headquarters of the late Lord Bertrand Russell's so-called peace foundation, a high-level front for British intelligence. Among the leading organizations within RIM are the Peruvian narco-terrorist Shining Path and the Turkish Communist Party, Marxist-Leninist (TKP-ML). The TKP-ML and the

Armenian Secret Army for the Liberation of Armenia (ASALA) are virtually indistinguishable from the PKK. The three groups share training, logistics, and often carry out joint operations.

EIR called the shots

None of these specific revelations about London's role as the world capital of terrorism should come as a surprise. In autumn 1995, *EIR* published a three-part series of reports, detailing the new international terrorism run through the "mujahideen" legions of narco-mercenaries, who honed their terror skills during the 1979-89 Afghanistan war.

In his introduction to that series, Lyndon LaRouche warned: "A new wave of international terrorism is stalking the world. It is led by a horde of mujahideen mercenaries: human flotsam, like the 1920s 'rootless' veterans of World War I, cast upon the world in the wake of 1980s Afghan war. This is the worst terrorism yet; it is much worse than that of the 1970s. It is coordinated from the capital of a former U.S. ally, London; worse yet, it was created with the complicity of former U.S. Vice President (and, later, President) George Bush. It threatens you, and your family; perhaps directly, perhaps indirectly. We must mobilize to fight it, and defeat it."

The *EIR* studies made clear that the role of London as the world headquarters of irregular warfare flows from the oligarchical policies of the House of Windsor and its Club of the Isles. The ability to deploy a global array of ethnic separatist gangs and narco-terrorists, is central to British geopolitics.

The real question that remains to be answered is: When will the governments of the world openly name the British Crown and its intelligence apparatus as the root of all global irregular warfare today, and take the appropriate measures against the British?

Recently, one of London's leading journalists, James Adams of the *Sunday Times*, admitted that London is now the world's biggest safe haven for narco-dollars, since the Clinton administration's crackdown on drug-money laundering. By Adams's estimate, \$400 billion a year in narco-revenues now flows through the big City of London financial houses. Since dope money is today the principal source of financing of the worldwide "afghansi" terrorist machine, the role of London becomes doubly significant.

Indicative of the problem in taking this monster head-on, is the Clinton administration's hesitation to boldly identify the British as the architects of global terror—despite the fact that President Clinton has been more effective than any American President since Franklin Roosevelt in breaking with the Anglo-American special relationship, and in combatting British perfidy around the globe. Indeed, the President has been personally targeted by British-directed irregular warfare assets on a score of occasions since his inauguration, and the entire Whitewater "scandal" has been a Made-in-London, black-propaganda affair, run through the Hollinger Corp., the *American Spectator*, and other British conduits.

What's more, two of the major acts of irregular warfare against the United States in recent years, have been linked to the London-sponsored irregular warfare apparatus. The Feb. 28, 1993 World Trade Center bombing was carried out by veterans of the Afghan war, who became part of what LaRouche described as the mujahideen "mercenary hordes."

And, leads are now emerging, that may link the April 19, 1995 Oklahoma City bombing to British-based neo-Nazis and skinheads. As *EIR* reported, the men accused of the Oklahoma bombing, Timothy McVeigh and Terry Nichols, were incapable of carrying out the attack on their own. McVeigh defense attorney Steven Jones has successfully petitioned the court for permission to take depositions of at least four British-based radicals, who are suspected of links to the Oklahoma bomb-plot. Lord William Rees-Mogg, the senior British propagandist, had been implicated before the fact in the Oklahoma tragedy, through his role in shaping the political environment in which the bombing occurred (see *EIR*, June 2, 1995).

Despite this growing pile of evidence of British control and coordination over global terrorism, at a March 25 State Department briefing, press spokesman Nick Burns balked at the idea of naming Britain as a State sponsoring terrorism, in response to a question from *EIR* correspondent Bill Jones. From the official transcript:

Mr. Jones: "Nick, with regard to Hamas, the Israeli government has expressed concern to the British that there has been a considerable amount of financing; to a large extent Hamas has found a safe haven in Great Britain. This is not the first indication of that. The PKK also is operating quite freely because of the nature of British legislation. And the Israelis want them to crack down on this. Has this been also of concern to the United States, and has it been a subject of discussions in the bilateral meetings with Prime Minister Major and the President at Sharm el-Sheikh?"

Mr. Burns: "I would not single out the United Kingdom in determining how we can foreclose terrorist options for Hamas in the future. I wouldn't single out the United Kingdom. I would single out Iran. Iran directly supports Hamas and directly funds Hamas. We know that. And that's undeniable. I'd single out other states in the region which can do more—which can do much more to choke off support for Hamas. I wouldn't single out the United Kingdom for this treatment. . . . I simply don't know if this particular subject has been raised diplomatically by the United States with the United Kingdom. But, again, I would argue very strongly that singling out the United Kingdom would be most curious right now."

While there is little doubt about Iran's role in fostering irregular warfare, LaRouche has pointed out that Iran is an instrument, but not the ultimate control point, over international narco-terrorism. He likened it to the Punch and Judy puppet shows, where the puppets on the stage have their strings pulled from behind the scenes. It makes no sense to hit the puppets and ignore the puppet-masters.

British gnash their teeth, as Sudan conducts first democratic elections

by Muriel Mirak Weissbach

Sudan is a country that has become the target of an intensive international campaign, led by the British, aimed at imposing United Nations sanctions to strangle it into submission, even at the cost of igniting regional war. Among the multitude of lies retailed by British intelligence and its outlets, like the Christian Solidarity International of Baroness Caroline Cox, is that the current government is a "military dictatorship." Cox and her cohorts have alleged that the Khartoum government of Gen. Omar Al-Bashir, who took power in a military coup in 1989, harbors terrorists, and is guilty of genocide against parts of the population. In mid-March, Baroness Cox barged into the U.S. Congress, to testify at hearings, that the Sudanese government also engages in slavery.

Nowhere in the ravings of Baroness Cox has there been mention of a fact of immense significance: that the government in question was holding general elections to start the transition to democratic rule, which General Bashir promised he would do, upon taking power. The elections took place March 7-17, and the results were announced on March 22. Two hundred and seventy-five persons were elected to the Parliament, to serve alongside 175 who had been chosen by indirect election through the country's congressional system, in January. In addition, for the first time in Sudanese history, the President was elected by direct, popular vote. General Al-Bashir received a comfortable 75.7% majority.

The mere fact that the elections took place, is in itself a considerable achievement, considering the political as well as logistical obstacles placed in the way. Although the legislation regarding the elections specified that any Sudanese above the age of 40, of sound mind and body, and without a criminal record, could apply for candidacy to the highest office of the land, the leading opposition figure, Sadiq Al-Mahdi, of the Umma party, refused to place his name in the competition. Al-Mahdi, who apparently was not sure of a victory in case he ran, speculated on the possibility that his abstention and call for general boycott, would render the elections futile. Among the 40 candidates for President, other than General Al-Bashir, were four or five nationally known figures, including a former security chief in the government which Sadiq Al-Mahdi led.

A logistical challenge

Logistically, the elections presented an enormous challenge. As Sudan's leading intellectual figure, Dr. Hassan Al-Turabi, explained to *EIR*, the registration of eligible voters involved a massive effort. In previous elections, under the multi-party system that existed before 1989, candidates were responsible for drafting lists of voters, in a procedure which was obviously flawed, as tribal leaders would inflate the numbers of their voters, etc. In the current situation, election officials carried out the first national registration drive, over months, and succeeded in registering 8,110,650 voters. By comparison, during the last parliamentary elections in 1986, there were 5,851,168 registered voters.

Conducting the vote presented further problems. Given the high rates of illiteracy, Dr. Al-Turabi explained, symbols were chosen by lot to identify candidates on the ballot. The symbol which General Al-Bashir received was the electric fan. Since, in many areas of the country, such a device is unknown, many voters would have problems identifying this candidate. As a result, A. Moneim Z. Nahas, the head of the general elections authority, announced that the election officials have decided in the future to use photographs and names of the candidates.

Another problem was created by the physical and social characteristics of the country. Sudan, the largest country in Africa, with 1 million square miles, has a population of 26 million. Many are nomads, constantly on the move, in search of fresh water for their herds. To make it possible for these citizens to register and then to vote, the election apparatus had to go to them. Thus squads consisting of three police, one security person, and two election officials were deployed out in high trucks, the only vehicles capable of traversing certain desert areas, in search of voters.

Despite the opposition's call for a boycott especially of the Presidential race, the turnout was high by any standards. In 1986, during parliamentary elections under a multi-party system, 3,949,937 of the 5,851,168 registered voters actually cast their vote. This time, of the 8,110,650 registered voters, 5,525,082 went to the polls. In 1986, the votes cast for the two parties which are today the pillars of the opposition,

the Umma and the Unionists, totalled 2,853,355 votes. In comparison, the votes cast for General Al-Bashir were 4,181,748—75.7% of the votes cast, representing 52% of all registered voters.

As for the parliamentary elections, ten persons who had served as ministers in the pre-election government, were elected. Four of them, the ministers of finance and of agriculture, the first vice president, and the minister of presidential affairs, ran unopposed, whereas the others, ministers of transport, social planning, information, internal affairs, foreign affairs, and justice, defeated other candidates. Two state ministers who ran, were not reelected.

Several opposition figures who ran for parliament, won, among them Dr. Majoul Khalif; Al Hadi Bushra, former national security adviser during Al-Mahdi's government; and Abdul Faddah Hadjudj and Ali Mohammed Al Hassan, both prominent businessmen.

Foreign observers confirm results

Among the few press references to the election before the fact, the London *Economist* and *Financial Times* had stated in February, that the elections would be a "farce," unworthy of any attention. The British also intervened directly to sabotage the elections. The Sudanese election authorities had extended invitations to all international bodies, to send delegations to monitor the vote. Among these bodies, was the European Parliament, which routinely organizes such missions. This time, a British member of the EP succeeded in preventing the body from forming a delegation. Nonetheless, other groups did send monitors to Sudan: the Organization of African Unity (OAU), the U.N. Development Program (UNDP), the Organization of Islamic Conference (OIC), the Arab League, the Schiller Institute, the South African deputy chief of justice, the Italian Parliament, and others. Over 90 press were present.

The most important report issued by any of the monitors came from the OAU, which had a team there from March 4 until the completion of the vote. As noted in its Official Statement issued on March 20, the OAU mission "traveled extensively throughout the country" observing procedures in "Khartoum, Omdurman and surrounding constituencies; Juba; Terekeka; Malakal; El-Fashir and surrounding areas including . . . localities in the Gezira state and Port Sudan in the Red Sea State. In total the team visited six states and more than 60 polling stations."

The OAU observers met with candidates and voters, as well as members of the government. Furthermore, as the statement specifies, "Noting that the opposition parties decided not to take part in the elections, the mission also met with influential leaders opposed to the electoral process, like Mr. Sadiq Al-Mahdi, the leader of the banned Umma party." They also met "representatives of the international community" based there, or visiting for the elections.

The OAU mission "arrived in the country after the regis-

tration of candidates had been completed." The mission took note of complaints of some candidates regarding the "registration process and the short time that was available to them for campaigns. Another difficulty noted was that no elections took place in the areas (11 constituencies out of 275) where civil war continues."

That said, the OAU gives the following evaluation: "The election in the Sudan was clearly much more than just another routine opportunity for a people to exercise its democratic right to elect its representatives. This election is a historic occasion, the first direct Presidential election in Sudan, and the first time the voters in the newly demarcated states have the opportunity to select their representatives to the new National Assembly.

"As a first, the election process experienced various technical difficulties. In spite of the shortcomings, those Sudanese who decided to vote had an opportunity to exercise their vote. With the experience gained in this election, the difficulties can be easily rectified in the future, and the OAU would submit a report to the government of Sudan with its observations in this regard. The election was marked by the absence of any violence in those areas where elections took place."

The OAU in its statement stresses that the mission was "able to move freely wherever it wished. The government facilitated the OAU mission in every way possible and the mission would like to thank those who assisted the OAU for their highly professional conduct and willingness to help the mission with its numerous requests."

In a separate statement, the Arab League declared the elections to be a "significant constitutional move forward." Even the British and American diplomats on the scene were forced, according to reports, to acknowledge that the elections had been fair and honest.

CNN: lies and slander

CNN, true to its record of lies and distortion, reported on the evaluations given by the delegates from the U.K., among them several persons of Pakistani origin. Two of the group told CNN, that they thought, despite obvious logistical difficulties, that the elections had been free and fair. CNN broadcast a clip from the interview, followed by the anchorman's remark, that while it was clear, that the Pakistani-born delegates would express solidarity because of their Muslim religion, the Englishman "must have been paid by the Sudanese government" to say what he said.

Particularly if considered in the regional context, the elections constitute a decisive victory. Contrary to the Egyptian elections late last year, before which most of the Muslim Brotherhood candidates were jailed, and not one opposition figure was elected, the Sudanese race was open to all. Unlike the Algerian Presidential elections, which featured four candidates hand-picked by the President, and excluded the main opposition force, the Sudanese elections had opposition figures take part and win.

Oxford University cell promotes treasonous British policy in GOP

by Our Special Correspondent

As it becomes ever more likely that Sen. Bob Dole (Kan.) will become the Republican Party candidate for U.S. President, the British establishment is going to great lengths to control the policy direction of a possible future Republican administration. The British would hardly be averse to having a British-captive Bob Dole replacing President Bill Clinton, whose phasing-out of the U.S.-British "special relationship" has drawn the ire of the British oligarchy. The British would also be concerned to ensure that Dole's patriotic, World War II veteran instincts do not come to the fore. They recall, with horror, how he ruthlessly faced down British government ministers, both directly in London and in meetings on Capitol Hill, over the subject of Bosnia, in 1993-95. They want to make sure that such "mishaps" don't occur again.

One of the more insidious, but little-known channels of direct British influence into senior Republican Party circles, the which requires urgent investigation by patriots in the United States, is an outfit based in Oxford, England, called Republicans Abroad-Oxford University. That may seem an innocent name, suggesting a group of more or less average Americans who happen to live and study in Britain. The reality is quite otherwise. The directors of the group are seasoned, wildly anglophile U.S. State Department professionals; Americans in the intelligence or strategic community who have worked for British intelligence fronts; or, in the case of one Executive Committee member, a British national. Almost all members of the 11-person Executive Committee have operational experience in sensitive conflict zones, such as the Transcaucasus, the Balkans, and the Horn of Africa.

The innocent-sounding name provides a cover for infiltrating British policy into highest-level Republican Party circles. Republicans Abroad-Oxford puts out "Foreign Policy Series" papers. In one such document, in which there is support for strengthening the British-U.S. "special relationship" in opposition to the Germany-oriented direction of President Clinton, there is a call for the United States to increasingly rely on "British imperial experiences" in making policy. Others of the recent papers have included appeals for the United States to adopt a "geopolitical strategy" in the Transcaucasus and Central Asia, based on the early-20th-century ideas of top Empire strategic theoretician Sir Halford Mackinder; and praise for the "realism" of (Sir) Henry Kissinger, as the basis for a GOP foreign policy for the coming years.

Republicans Abroad-Oxford Chairman Jay Jakub is now

a doctoral candidate at St. John's College, Oxford, where he is writing on "intelligence and European security." He was a Foreign Service Officer at the U.S. State Department (1987-94), where he earned four awards for exceptional performance, related to his work on the Gulf war, the Romanian revolution, Central Asia, and the Transcaucasus. He has also had experience in Turkey, Greece, Cyprus, Central Europe, and the Balkans. Jakub was formerly president of the Oxford University Strategic Studies Center, Oxford's oldest international affairs organization.

Another Jakub, Eleni, is a Senior Europe Analyst at the British intelligence-front "Control Risks Group" of London, which is involved in "political and security risk assessment." Formerly, she was also Foreign Service Officer at the U.S. State Department, where she earned awards for exceptional performance for her work on the Horn of Africa, Central Asia, and the Transcaucasus.

The deputy chairman of Republicans Abroad-Oxford is John Hillen. He was appointed Defense Policy Analyst at the Heritage Foundation in Washington, D.C. in October 1995. He is now a doctoral candidate at St. Antony's College, Oxford.

One executive vice-chairman, Laura Le Cornu, a doctoral candidate at Wolfson College, Oxford, is an expert on Azerbaijan, Turkey, and neighboring regions. From 1991 to 1994, she was an accredited correspondent, based in Baku, for, among others, the London *Economist*, the *Financial Times*, and the *Royal United Services Institute Journal*, journal of the British government's official think-tank. Earlier, she was a Reuters and Associated Press correspondent in Turkey.

Geopolitics of the 21st century

One other noteworthy member of the Executive Committee, Dr. Geoffrey Sloan, is not even American, but a British national. He is deputy head of the Strategic Studies and International Affairs Department at Britannia Royal Naval College, in Dartmouth, U.K., where he teaches courses on "geopolitics and intelligence." In 1994-95, he was the British Ministry of Defense Fellow at St. Antony's College, Oxford.

One well-informed maverick British strategist told *EIR*, that the Britannia Royal Naval College is a central place where a new and dangerous geopolitical strategy is being concocted, under the cover of "elite academic studies."

In January 1996, Sloan wrote a paper for Republicans

Abroad-Oxford, entitled "United States Foreign Policy in the 21st Century: A Geopolitical View." In this paper, he complains that "what has been missing from the Clinton administration, has been a geopolitical worldview for the 21st century."

What is his proposed new policy direction? Sloan writes: "The idea of a 'discriminate regionalism' based on the ideas of one of the founding fathers of geopolitical theory, Sir Halford Mackinder, offers a way forward to the future Republican Party." It was Mackinder, Sloan stresses, "who accurately described the constituent elements of politics." He then quotes from two works of Mackinder, *The Physical Basis of Political Geography*, and *Democratic Ideals and Reality*, written in 1890 and 1919, respectively.

This should, now, form the basis for U.S. foreign policy, in his view. After all, "in the past, the United States had, from its inception, policymakers and strategists who had an ability to make a shrewd geopolitical assessment with respect to America's security and the Eurasian balance of power." He praises, in this regard, statements by Thomas Adams in 1799, and the later "geopolitical grand strategy of containment" of the State Department's George Kennan, in the post-World War II period.

As for the future, according to Sloan: "The most important region which will emerge from a geopolitical perspective will be the Central Asian and Transcaucasian republics. . . . Geopolitically, the independence and ethnic composition of these states has made it less likely Russia will ever find it feasible to reestablish its political control, and that various linkages between the region and its southern neighbors will develop, with as yet unforeseen consequences."

The 21st century will have its own "geographical perspective," different from that of this century. "A geopolitical perspective will be the most subtle and erudite way a future Republican administration can meet this challenge."

Sloan has recently written a book entitled *Geopolitics in United States Strategic Policy: 1890-1987*.

Learning from the British Empire

The most shameless statement of the group's devotion to British imperial values, comes in an April-May 1995 paper, by Chairman Jakub, entitled, "The Anglo-American 'Special Relationship' in the post-Cold War World: Much More than Meets the Eye." This is Jakub's synopsis of a conference that took place on April 10-11, 1995, at the Center for Security Studies at Britain's University of Hull, bringing together "seventy-five prominent members of the British and American military, academic, political and government establishments . . . to discuss the state of the Anglo-American 'Special Relationship.'"

The date of this gathering is revealing. Only two weeks earlier, on March 29, the London Royal Institute of International Affairs (Chatham House) had organized a major event, entitled "Britain in the World," with the explicit purpose of reviving the British imperial offensive around the world, with

included emphasis on upgrading the British Commonwealth, as the contemporary expression of, or vehicle for, the Empire. The Hull event, and Jakub's comments on it, are perfectly in line with bringing the United States, increasingly, under British imperial sway.

The chief representative from the United States at the Chatham House event was Sir Henry Kissinger. Not surprisingly, a March 1996 "Foreign Policy Series" paper by the Heritage Foundation's John Hillen, entitled "Republican Foreign Policy in the Post-Cold War Era: The Art of Discrimination," concludes by praising the "seminal work" of Kissinger, for promoting a notion of "realism" as the basis for policy "in the seemingly unmanageable post-Cold War world."

In his earlier paper, Jakub writes that the conclusions of the Hull event "were somewhat different than might be expected by those who judge British-U.S. ties solely on the media's sensationalist coverage of the various Bill Clinton-John Major public relations fiascos of recent note. Far from being a thing of the past, we found the special relationship to be deeply rooted, generally and genuinely effective, very necessary, and much to our collective relief, likely to continue well into the next century. . . . The special relationship is a series of deep and complex linkages, at many levels of government and, indeed, in the financial, linguistic, and cultural realms of both countries."

Jakub waxes ecstatic, about how the relationship does not



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

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

only operate at the level of "head of state or government interactions," but on many different levels, including close cooperation between diplomats and the two countries' militaries; "trust in intelligence sharing and codebreaking, particularly in the naval realm"; "sharing of nuclear weapons designs"; and others.

There is something "special" about the "Anglo-U.S. bond" that absolutely cannot be duplicated in the relations of Britain or the United States with other countries. From the British side, Jakub writes sympathetically, it cannot be tolerated that the adjective "special" be used to describe American relations with any other country. While the term "special relationship" is "not in the American political vernacular," it is "critical to Britain's foreign policymaking and British public perceptions about strategic interests. The use of the term 'special' to describe relationships the U.S. maintains with others, distorts our understanding of the peculiarly special Anglo-U.S. bond."

It gets worse. By various "criteria" established at the Hull conference, it is axiomatically inconceivable that the United States could have a "special relationship" other than with Britain! Sneers Jakub: "Try imagining, said one conference participant, American officials candidly and casually sharing nuanced ideas with the French or Germans, such as are routinely encountered in Anglo-American dealings at all levels."

Hull conference participant Jack Crouch, former Principal Deputy Assistant Secretary of Defense for International Security Policy at the Pentagon, "recalled an instance where a secret British document evaluating a sensitive European issue was introduced into an inter-agency meeting, and it was treated as if it were a U.S. sourced document, by all in the room. This could never happen with a French or German document, Crouch explained to the Hull gathering, as suspicions about the intentions of Bonn or Paris would have fundamentally changed the way the document was utilized and perceived. Many of us nodded our heads, remembering similar experiences during our own government careers. . . . U.S. and U.K. officials—at least in the military/security business—remain much more open and informal with one another than is the case with any other state."

Jakub then gets to the kernel of the matter: "Professor Crouch reminds us, that while the quantity of intelligence flowing from Washington to London is certainly much greater, the reverse flow is generally considered to be of a higher quality by America's policymaking community. Perhaps we are underestimating Britain's ability to act as America's bridge—military, economic, political, and cultural—to Europe and are *underrating the insights the British can still offer from their imperial experiences and Commonwealth ties*" (emphasis added).

Jakub continues: "We also find evidence that the special relationship is still very solid, despite some weakening over time. President Clinton's courting of Germany as a 'special' partner in international affairs has been pointed to by many, as an indication that the Anglo-American relationship is no longer exclusive." But, he says, "the Berlin-Washington relationship" will not "stand up" to reliable "criteria." Indeed, "how likely is it that America will ever trust Berlin with its nuclear, codebreaking, and other military secrets to the same extent that it does with the British? Chancellor Kohl and President Clinton may forge a productive and lasting friendship, but what about these many other levels of cooperation and collaboration which form the foundation of the Anglo-American global partnership?"

Jakub quotes one expert: "In military terms, the special relationship offers more today than it did in the last fifteen years." He goes on: "If multilateralism is the way of the future, with whom else are we to cooperate if not with Britain first? . . . France might be militarily competent, but is wholly unreliable. Germany may fare slightly better on the latter, but is not capable of projecting military force, nor is it willing to do so. And those things which we take for granted regarding the British, such as a common language (for the most part), the shared concept of common law, Britain's immense investment in the United States—ranked first in the world, even above Japan—the corresponding link of the dollar and pound sterling on international exchange markets, and the long, institutionalized nature of ties, must all be considered when judging the whole of the special relationship."

So, You Wish To Learn All About Economics?

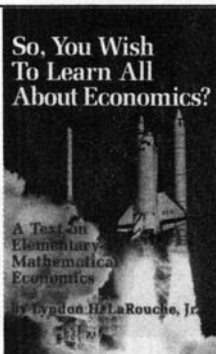
by Lyndon H. LaRouche, Jr.

A text on elementary mathematical economics, by the world's leading economist. Find out why *EIR* was right, when everyone else was wrong.

Order from:

Ben Franklin Booksellers, Inc.
107 South King Street Leesburg, VA 22075

\$10 plus shipping (\$1.50 for first book, \$.50 for each additional book). Bulk rates available. Information on bulk rates and videotape available on request.



Sentencing of Shubeilat sharpens conflict with Jordan's establishment

by Our Special Correspondent

Translations of documents in Arabic for this article were done by Hussein Nadeem.

The case of Laith Shubeilat, the former parliamentarian who has challenged the policies of the Jordanian government, was closed, from a legal standpoint, on March 17, when a military tribunal sentenced him to three years in prison, on charges of *lèse-majesté*. But, politically, the conflict between the Islamist leader and the Jordanian establishment, has sharpened, and entered a new phase, as Shubeilat fights for the right to bring his cause before the public in parliamentary by-elections scheduled for the province of Al-Balqa on April 15. The authorities are challenging his right to run for office, knowing full well that the by-election for a seat vacated by the death of a parliamentarian, will be turned into a referendum on the economic and foreign policies of the government of Prime Minister Abdul Karim Kabariti.

The "legal" phase of the campaign against Shubeilat was a farce from the onset. Charged with having slandered the king and queen in a speech delivered in public back in November, Shubeilat was denied every basic right to his defense. First, the military court tried to disqualify his lawyer, Jawad Younis, and replace him with a court-appointed attorney. Then, when the defense presented its list of 59 witnesses, only one, who the prosecution hoped would prove hostile to the accused, was heard. As soon as it became clear that the witness was presenting material supportive of the defendant, the court dismissed him, and even threatened to arrest him. The other 58 witnesses were rejected out of hand.

When, on March 17, the court assembled to deliver its verdict, only 14 of the 150 lawyers on Shubeilat's defense committee were allowed to enter the courtroom. Shubeilat's wife, Rima, and eight of their ten children were present, along with a large number of security agents, international and national press, and a couple of observers. Among the latter were a woman from the U.S. Embassy Political Department, and a representative of the Schiller Institute.

The diplomat was there, she said, in her capacity as the person responsible for human rights cases at the embassy. She expressed "a special personal interest in this case." The Schiller Institute, which defended Shubeilat three years ago

when he was framed up on charges of plotting to overthrow the government, convicted, and then granted a royal pardon, has campaigned internationally for his release in the current case. The mobilization, which garnered support from parliamentarians around the world, climaxed in a demonstration in front of the State Department in Washington, D.C. on March 7, when King Hussein was there for talks. Demonstrators held a large banner which read, "Ban IMF; Free Shubeilat."

Support in Jordan

Outside the Amman court, which sentenced him to three years, large crowds gathered to protest the verdict and pledge support to Shubeilat's wife, who challenged the authority of the court. Jordanian authorities intervened repeatedly, to try to break up the demonstration. Cameramen from Dubai and Mexican television stations, as well as Reuters, said that their cameras had been destroyed or confiscated. Support came pouring in as well from almost all of the 11 professional associations, which represent Jordan's engineers, doctors, lawyers, etc. At a packed press conference in the professional union building that afternoon, the presidents and vice presidents of eight such unions issued statements protesting the verdict, and pledging continuing support for Shubeilat, who was recently reelected, while in prison, as president of the most prestigious union, the Jordanian Engineers' Association. Rima Shubeilat concluded the press conference with her own statement of her husband's innocence, which was greeted with cheers and applause.

Phase two of the confrontation opened when Shubeilat attempted to present his application for the by-elections in Al-Balqa. In a press release, Shubeilat's attorneys detailed how all attempts at enabling Shubeilat to register for the candidacy in Al-Balqa district were blocked by the Juweideh prison authorities, the Interior Ministry, and the Justice Ministry. Shubeilat and his wife applied to the prison director and to the interior minister in Amman for permission to have Shubeilat leave the prison temporarily, at his own expense and under whatever security conditions required, so that he could file for candidacy in Salt, the capital of the Al-Balqa electoral district. After travelling a circuitous route, the application was rejected.

Later, all attempts to allow Shubeilat to sign the papers required for filing his candidacy were aborted by the prison authorities. An application was made by Shubeilat's attorneys, Jawad Younis and Talal Abu Riyaleh, to the court in Amman, to allow them to assume power of attorney for Shubeilat. The court accepted the application and sent an official to obtain Shubeilat's signature. But the court official was prevented from meeting the prisoner, in violation to the court's order. Finally, on March 22, Attorney Ibrahim Al-Hadid took the papers to the prison and had them signed by Shubeilat, but, even then, the prison authority confiscated the papers by force. A second attempt was made to procure a court order, to allow for the formalities to be completed by the imprisoned candidate, but it, too, was sabotaged, this time by the Justice Ministry.

None of the letters drafted by Shubeilat, to the justice minister, the interior minister, the Attorney General, the Military Attorney General, and the General Director of Security, complaining of the illegalities, has received any answer.

On March 26, the governor of Al-Balqa made known, that he had rejected Shubeilat's application for candidacy, on grounds that the candidate had not presented the papers in person! Furthermore, he claimed that a convicted man could not qualify for candidacy. Shubeilat's attorneys responded with a legal writ, showing that all the grounds for this rejection were unconstitutional. The matter was to be decided by a district court by March 30.

Every attempt made by the candidate's legal team and campaign manager, to make public what had ensued, was also frustrated by dirty tricks on the part of the governor of Al-Balqa. A press conference scheduled for March 27 in Salt, was simply banned by the governor.

The reason for resorting to such chicanery is clearly political: The authorities do not want Shubeilat to take his message to the population, because they know that, were he to qualify for candidacy, he would win by a landslide. Such an electoral victory would be read as a mandate for the opposition, and against the government.

A campaign communiqué

Shubeilat was hauled into prison in the first place, because of his public criticism of the manner in which the government has been implementing "normalization" with Israel. In particular, the Islamist political figure has protested against the heavy-handed tactics used, to squelch opposition to the peace treaty with Israel. For his election campaign in Salt, Shubeilat has issued a statement saying he was challenging the population not to surrender to what he terms "State terrorism." He has charged, that many fellow citizens have cowed down in front of this threat and sold their souls, in order to stay out of prison.

Regarding the economic policy which the government has been pursuing in the name of the peace agreements, and which have, in fact, been imposed on the country by the

International Monetary Fund and World Bank, Shubeilat has been most outspoken. "These days, our economy is being sold in the auction bazaar of the IMF," he said. "Privatization and the free market economy are throwing our workers and engineers out onto the streets of unemployment and, consequently, to poverty, hunger, and crime," he said. Furthermore, he assailed the new legislation introduced, again in the name of peace, which has opened up Jordanian territory for sale to foreigners. Finally, he attacked the Jordanian government, implicitly, for turning the Jordanian Army and land into a base of operations against other Arab nations, specifically Iraq. This refers to the recent agreement sealed during the king's visit to Washington, whereby the United States will provide F-16 fighter jets to the Jordanians, and will engage in joint military maneuvers, which include flying over southern Iraq. Shubeilat concluded his campaign communiqué with a call to arms saying, "In such conditions, it has become a [divine] duty for each Muslim to counter all these conspiracies. . . . It has become a duty to urge mobilization against evil." This is the reason for his seeking political office: "For these things I have presented myself to you, honorable people of Al-Balqa," he wrote. "I challenge none of the other respected candidates. . . . I am challenging, in your name, the programs of injustice being forced upon the Jordanian people and Jordan."

Even before the higher court had a chance to deliberate on Shubeilat's candidacy, further drastic measures aimed at silencing the candidate were taken by the government. On March 28, a statement on the violation of human rights in Jordan was circulated to the international press. The document, which was signed by hundreds of Jordanians, reports on the "recommendation of the State Security Court to increase the sentence handed down to Shubeilat from three years to four and a half." It continues with a harsh attack on the new Kabariti government, which has promised to eliminate corruption and promote democracy: "The government that has declared a 'white revolution' is doing its best to prevent him from running in the elections of the Balqa governorate after it appeared that he is a point of convergence of opinion, on which the various political and social parties agree."

Further steps have been taken, as well, to limit Shubeilat's privileges as a prisoner: "The Director of General Security has rescinded his decision allowing his family to meet him face to face, despite the fact that the visits take place under the close monitoring of the preventive security officers, and only after a rigid search procedure. Shubeilat is not allowed to read the weekly papers, he is not allowed to read his mail, and is still held in solitary confinement in a cold, damp cell." In conclusion, the statement says, "The ongoing practices against Shubeilat and other prisoners of opinion are a farce that contravene human rights and the Geneva Convention. The prime minister and the cabinet are responsible."

Bishop of Banja Luka speaks out after four years of 'Greater Serbia' terror

by Umberto Pascali

"May Banja Luka be the place of victory of love against hatred, peace against war, forgiveness against evil, and let history document that *evil has not triumphed*." These were the words spoken by the Bishop of Banja Luka, Franjo Komarica, on March 27 at the "European House" in Zagreb, Croatia, where Prof. Zvonimir Separovic officially announced that the bishop's name will be recommended for the Nobel Peace Prize.

Indeed, the extraordinary story of Bishop Komarica, who honored *EIR* with his first long interview after more than four years of "resistance" in his occupied Bosnian city, can be summarized with the statement "evil has not triumphed." Bishop Komarica is evidence that the most sadistic methods devised by the British oligarchy can be defeated. Those methods of manipulation, "divide and conquer," unleashing of bestiality, as in the case of the Greater Serbians of Radovan Karadzic, in order to maintain their geopolitical control, are based on the concept of man as *homo homini lupus*. And it is exactly this conception that Komarica rejects. In the most terrible moment, when his priests were being harassed and killed, Komarica recalls, they "preached that people should be human brothers, not wolves at each other throats."

It is possible to defeat the evil of oligarchy and their instruments—"I cannot explain, even to myself, where such evil in people's hearts comes from," he said—by drawing from the highest points of human civilization. Komarica is a pastor and a Catholic, a very religious man indeed. While his words were translated as a labor of love by Mrs. Margaret Casman-Vuko, when the bishop was alternating images of evil and destruction, with sentiments of hope, faith, and beauty, what came to our mind was the image of another bishop, St. Augustine, struggling to ensure that the end of the Roman Empire would not mean the end of civilization, but the beginning of a higher civilization. They were facing the same evil.

Komarica is very Catholic, and proud to be so, but at the same time his thought and work represent the most clear-cut opposition to "fundamentalism." What he says is indeed universal by definition. Muslim leaders from Bosnia smile when the name of Komarica is mentioned. One of them told *EIR*, "I admire Bishop Komarica, I have the greatest possible respect for him. He gives honor to Bosnia."

The bishop also possesses a strategic mind. As he explains when asked about British manipulation, he is aware of that modus operandi. He had protested to the Croatian government in 1993, when British MI-6 had promoted the conflict "among the victims," Muslims and Croats. "We said, 'Here the hellish plan is being realized.'" And he had gone to the representative of the Croatian government, pointing out how chauvinism could be used against the Croats. He told the Zagreb government, he recalls, "How could you let the secret services draw you into this conflict with the Muslims?"

Another episode worth noting, is Komarica's open letter to a leader of the Croatian ruling party, Ivan Milas. In December 1995, Milas had asked Croats to leave those areas of Bosnia occupied by the gangs of Karadzic, accepting an "ethnic cleansing" in reverse. Violating all diplomatic norms, Komarica, while his life was in constant danger, wrote: "From the context of your answers, it appears that you are better informed about the desire of our people, Croatian Catholics from the territories of the Banja Luka, Sarajevo, and Mostar dioceses under local Serbian authority, than they are themselves, and better informed than their priests and bishops who are together with them day and night, sharing good and bad, shedding their blood together with them and giving their lives for them!"

Komarica said that he expected the Croatian government to support the Croats in Bosnia as people "who have fundamental human rights, including the rights to their homes, homeland, freedom of movement, and freedom of self-determination."

Banja Luka was the stronghold of the Greater Serbians in Bosnia. Taken over by their gangs in 1991, it was to be the example for "ethnic cleansing," in which all non-Serbs were to be terrorized into leaving. In the dioceses, out of 110,000 Catholics, 80,000 were forced to leave. Every means was used. For the Muslim population, it was even worse. The only institution standing was the Catholic Church under Komarica. Often he would be incommunicado. A few times, the rumor was spread that he had disappeared. Churches, convents, mosques, and cemeteries were destroyed, sometimes bombed and uprooted from their foundations.

In 1995, the most trying period, when the Karadzic gangs

were determined to “cleanse” totally Banja Luka, people were going to Komarica: “They begged me, ‘Bishop save us. Lead us out of this terrible situation.’ ” The situation was like many centuries before, when the people from Hippo, under siege, were going to Augustine.

But despite all this, because of Komarica and men like him, “history can document that evil has not triumphed.”

Interview: Bishop Franjo Komarica

Monsignor Komarica is bishop of Banja Luka. He was interviewed on March 15 by Umberto Pascali, and the interview was translated from Croatian by Margaret Casman-Vuko. The following is abridged.

EIR: Monsignor Komarica, your name has become famous throughout the world because of what you did during the worst period of the war; when, for years, you refused to abandon your office and your city, Banja Luka, which fell under the occupation of the Greater Serbians more than four years ago. Despite their determination to apply, in the most ferocious ways, the policy of ethnic cleansing—genocide—you and the clergy around you remained in the region. Could you describe that period, from the beginning of the conflict?

Komarica: Dear friend, and all our other friends, I thank you most sincerely for your humanity and the love you express to those of us in danger, many thousands of miles away. All of us are people, God’s creation. Although you are far away, on another continent, you are very close to us. Much more binds us to our fellow man than divides us. This fundamental truth, has been my life’s creed during the past years. I have always tried to conduct myself accordingly among people, especially among my neighbors of whatever religious or ethnic national affiliation.

I cannot accept that the most precious human values, mutual respect and love, are no longer valid. These precious values, common to every person, should not be displaced by enmity, hatred, war, destruction, egoism.

In response to your question, I am a witness to a volcano. I cannot explain, even to myself, where such evil in people’s hearts comes from. It seemed to rise to the surface overnight, in people’s words, in crimes. I can only explain this according to the Gospels, in the words of Jesus Christ: “. . . for from the fullness of the heart, the mouth speaks” (Luke 6:45).

We have tried, always relying on God’s strength, to forgive, forgive, and forgive anew. As Jesus teaches us, we must return good for evil. We have always encouraged each other with Jesus’ words: “I say, love your enemies, do good to those who hate you . . . pray for those who mistreat you” (Luke 6:27).

I thank God that the majority in our diocesan community

share the attitude [that] we consider our duty. We would rather endure injustice than inflict it upon our neighbors, other people.

Thus, on the one side, I am a witness to the terrible destructive forces of the Evil Spirit, the destructive effect of the Evil Spirit, the deeds of our contemporaries, our atheist contemporaries. On the other side, I am also a witness to the magnificent work of God’s Spirit, the spirit of love, the spirit of friendship, goodness, and forgiveness. I hope; actually, it is my lifelong duty, to raise my voice as a herald, to bear witness with my heart and lips for Christ’s faithful.

EIR: You were under house arrest for a long time in Banja Luka. You have witnessed great violence, including that inflicted upon priests and nuns, violence against Catholics and Muslims, the “non-Serbians.” I don’t want to stress that particular evil, but if you would, could you describe what you went through?

Komaric: Thank you very much for your interest in my person. I am of lesser importance. In this situation, I deliberately wanted to share the good and evil conditions with my neighbors, especially with my diocesan community, my colleagues, priests, monks, nuns, and, certainly, all the other faithful, who, as you know, actually were left without all their other leadership: political, economic, intellectual, etc. Unfortunately, their other representatives were prevented from helping the people. The only ones to remain as the representatives of this nation were priests, i.e., official representatives of the Church. I also could not be blind or deaf to the misfortune or problems of all the other people in our city and the entire region. All who were in need or misfortune had the right to seek help from me.

It was especially difficult for me when I could not provide as much help as people requested or hoped. They begged me, “Bishop, save us. Lead us out of this terrible situation.” I could not lead them anywhere, not even 100 meters, much less kilometers or even I do not know how many hundreds of kilometers, because we were actually all in a great concentration camp, enclosed on all sides. In this concentration camp, we were like mice before cats. The cats could do whatever and as much as they wanted to us.

The entire time, my belief in God did not abandon me. I was always prepared to weep with those who wept, to hope with those who hoped. I urged them to pray fervently so that God would not allow them to inflict any evil whatsoever upon anyone, so that God would protect them from enslavement by the Evil Spirit of hatred and vengeance. I was filled with profound admiration for the conduct of the faithful, the conduct of my wonderful priests, monks, and nuns who did not have to remain here, who could have found much greater safety and comfort somewhere else. They remained, completely unarmed, without any weapons or protection whatsoever, despite the destructive terror threatening them with liquidation, death.

Over 500 civilians were killed in the greater Banja Luka region. The only reason these people were killed was because they were peace-loving. They were here and they wanted to remain where they belonged, in their homes, in their ancestral villages. They wanted to live with their neighbors as they had lived previously, in peace and honor.

As you know, six priests were killed in the Banja Luka region. These priests were completely innocent of any wrongdoing. They were killed, because they steadfastly urged the people to peace, forgiveness, good works, and charity. They preached that people should be human brothers, not wolves at each others' throats. Unfortunately, the disgraceful, racist, and neo-fascist destruction of non-Serbs was part of a plan, implemented by the most heinous means. Owing to the peace-loving conduct of our priests, monks, nuns, and faithful, this plan was not realized in the manner that its creators, local and *international*, had intended.

Therefore, as you are aware, a ferocious attack was launched upon the Church as an institution. Our church buildings were deliberately destroyed, one after another. Our monasteries, convents, and parish centers were also destroyed. I would ask, "People, why are you destroying our churches? What kind of a threat do our churches pose?" I was regularly told, "We know that churches are very important to you Catholics. The local church is the heart of your community, the source of your self-image as Catholics. Therefore, when we destroy a church, we attack your sense of community and you will have to leave."

I regularly asked local [Serbian] politicians, "Why are you doing this to us? What have we done to you?" They would say, "We don't have problems with you. You aren't guilty of anything. You are a peace-loving nation. However, you have to understand. You have to leave here." I could not accept this. One of the fundamental human rights is the right to the homeland, the right to one's own home. I publicly insisted that not only Catholics have this right but non-Catholics as well, Orthodox and any other people. Whoever they are, this is a universal right.

Despite the destruction of the churches, their ethnocide was unsuccessful. Then they began to kill priests. Nevertheless, the priests and the civilians persisted in remaining. Although the destruction of churches and the murder of priests was truly very painful, we did what we could, what we knew how to do. We prayed together, fervently.

Although 98% of us are in exile, I see that the majority of refugees have not lost heart. They have the greatest confidence in their priests because when everyone else abandoned us, i.e., when they did not do what they could have and should have done, the priests did not abandon their faithful.

One of my priests said the following to me, a few days before he was killed: "I am remaining in my post where the faithful have no one except me, even if I have to sacrifice my life for the glory of God and to help my neighbors. I urge my faithful not to harm anyone. I urge them toward goodness, forgiveness,

to love those who have inflicted great evil upon us."

These sacrifices shall not be in vain. One year ago, the Holy Father told me, during an audience, that he was aware of the striving by the Catholics in the Banja Luka Diocese in forgiveness and peace-making. He said we are doing something very precious for the entire Church, even during the period of this wretched war that was not caused by our conflict with our neighbors but by conflict among the egoistical interests of others. Although much evil and injustice was being inflicted upon us, during the war, we had already started the process of forgiveness and reconciliation. I learned later that other bishops also know about this in Europe and the world. They support our position. They say to us, "We could not have endured such an avalanche of destructive force and evil without becoming infected by it."

I want people to forge themselves into a huge precious chain as Christ's witnesses, to show themselves and all around them that God has the final word when the happiness of a person is in question, and not God's opponent, Satan. Satan can do nothing else, based on what I have seen, except destroy that of the greatest value, i.e., the person and what he has created by himself or in community with others through generations. Satan can only create death. The Spirit of God bears precious fruits for mankind, the fruits of love, the fruits of goodness, the fruits of philanthropy, and thus the fruits of forgiveness. Where there is forgiveness, there is reconciliation. Where there is reconciliation, there will be peace. Where there is peace, there is life. Where there is life, there is a future.

EIR: One of the most dramatic moments, but also one of the most clarifying moments, was, I believe, last December, when after you had opposed with so much sacrifice the "ethnic cleansing" by the Greater Serbs, you found certain factions inside Croatia itself that were calling for a sort of reverse "ethnic cleansing." For example, there was Ivan Milas, a member of the Croatian parliament and leader of the ruling party, asking Catholics to leave the Banja Luka area to the Serbs. At the time, you courageously protested, with an open letter against this type of thinking.

Komaric: Yes. I would reemphasize that in my direct experience, evil does not establish boundaries between one person and another, between one nation and another. Evil threatens every person, regardless of national or religious affiliation. Therefore, I would never draw a line between good and evil, good people and evil people, one nation and another nation. There are people who have succumbed to the influence of the Evil Spirit in every nation. It is also true that there are good people, worthy people, in every nation. This is absolutely true. I especially want to emphasize this. It is my profound conviction that a person will either be under the influence of good or will be under the opposite influence.

In this specific situation, when an official political representative of the Croatian nation and the Republic of Croatia rashly or thoughtlessly stated that Croats, i.e., Catholics, have

We must have the right to freedom. Freedom includes the opportunity to work, the opportunity to engage in productive economic activity, freedom to provide for our existence, and freedom to raise our children. We must have equality, regardless of national, religious, or ideological affiliations.

to leave the territory that the Serbs presently govern (or actually that the Bosnian Serbs have taken by force), I considered this statement to be a commensurate crime. Such people are attempting to usurp one of these people's fundamental rights, the right to their own home.

I personally rejoice that this is not the official policy of the Croatian Republic, as I have been informed by meritorious official representatives. I do not wish to doubt their assertion. However, I also expect them, as representatives of the Croatian nation, to respect the human rights, civil rights, and freedoms of all people, not only Croats in the territory of Croatia, but Serbs, Muslims, Bosnians, and all others.

Therefore, I was particularly pained when I heard that a member of the Croatian nation was behaving in an unworthy manner. I considered it my duty to confront this individual, my neighbor, publicly: "You do not have the right to speak in the name of the entire nation. You do not have the right to be a criminal in the name of your nation. Your nation did not elect you for the position of a politician because you were a criminal."

The nation has the right to be represented by its best spokesmen, in all aspects the best, the most capable, the most humane, the most honest. Therefore, whoever inflicts evil upon another must bear the consequences.

I was pained by the repeated lack of understanding from my neighbors in Banja Luka, Serbian politicians, when I asked them: "What have we done to deserve such injustice?" Although they had no reasons, they would say that they were carrying out a pre-existing plan prepared by others.

However, it pained me far more when I pleaded in vain for help from the political representatives of the Croatian nation. I think they should have done more but for whatever reason they did not.

This did not give me the right to become discouraged. Instead, I continued to issue numerous appeals to those who were supposed to know about us and provide effective assistance. I repeatedly informed them of our grave situation. We wanted to remain in our ancestral homeland.

EIR: There have been reports that forces from outside former Yugoslavia have intervened in some surreptitious way to provoke a war. Even in 1993, there were reports on the intervention of British special forces. Such intervention was

intended to stimulate conflict between Muslims and Catholics. Special gangs were created to provoke a war among the victims in Central Bosnia. What is your impression?

Komarica: I cannot answer you in an adequate way, now. I would like to have some time to think about it. But I can say this: I remember very well when I was told, actually in 1993, before the conflict between the Croats and Muslims in Central Bosnia, that the situation would not develop properly unless a quarrel would be set up between Croats and Muslims. This was said to me on several occasions. I remember very well when we heard about the first conflicts. And we said, "Here, that hellish plan is being realized." *Divide et impera* [divide and conquer]. I know that I also spoke with representatives of the Croatian government and said, "How could you let these secret services draw you into this conflict with Muslims? If I knew about it as a lay person, you had to have known about it."

This tactic was not merely of local character but international. Therefore, I confirm that I am familiar with what was asked in the question. It reached my ears that there were intentions, i.e., that it was necessary to set up a quarrel between Croats and Muslims in Bosnia. The situation became complicated and caused a grave tragedy throughout Bosnia. Obviously, for me, there is no doubt that our war is not merely of a local character but of international dimensions behind the scenes. The activity of various interests among the great powers was highly recognizable, especially European.

This was recently confirmed to me in a conversation with representatives of the great powers when I asked them: "Why do you treat us this way? In the name of God, we are people." A very influential [representative of a] European country, answered: "For me you are, but to my government, you are not people. However, I want you to know I do not share the opinion of my government." I do not believe this because he said it, but because I see abundant corroborating evidence.

EIR: The possibility of having a Bosnia in which people can work together, requires economic reconstruction of the country. According to several observers—and it has been particularly stressed by the founder of *EIR*, Lyndon LaRouche—the genocide by Greater Serbia is being replaced by genocide through financial means, in the sense that Bosnia is not given the financial or economic means for recon-

struction.

Recently, the Schiller Institute and others have promoted a Committee to Save the Children of Bosnia. The point is that the children of Bosnia are the most vulnerable part of the society, and are in such a terrible situation, because international financial institutions such as the World Bank and the International Monetary Fund are not allowing reconstruction that would provide a genuine basis for pacification among the ethnic groups. If I may, this can also be considered in the light of the social doctrine of the Church, such as the beautiful encyclical by Pope Paul VI *Populorum Progressio*.

Komarica: I thank you for such constructive ideas on the future of my homeland of Bosnia and Croatia following this terrible tragedy. Actually, I am not sufficiently informed concerning the intentions of the great world powers. We have the impression that Bosnia served and continues to serve as a drilling ground, not only for various military exercises and options, but also for others you mention, of a social character, economic character. This refers to the persecution and destruction of the individual person, individual nations, individual regions of Europe.

I do not know what is behind the scenes. What does the Evil Spirit have in store? What does he want to perpetrate against the people in this part of our continent? I would give you an illustration. A reporter asked a woman what she needed the most. She replied, "We need bread and a helping hand, but it's the same to me whether I have to be killed hungry or full. If I do not have the right to live, then I will not eat. Give food to someone you are going to allow to live. Someone you won't kill."

In other words, we need economic assistance. However, we need guaranteed international supervision, if the international community has intentions to guarantee our human rights, the basic human rights and freedoms. Nonetheless, based on the conduct of international political organizations so far, I am inclined to doubt that there are such intentions.

We must have the right to life, the right to own property, and the right to freedom. Freedom includes general freedom, especially freedom of conscience, religious freedom, the opportunity to work, the opportunity to engage in productive economic activity, freedom to provide for our existence and freedom to raise our children. We must have equality, regardless of national, religious, or ideological affiliations.

However, as a member of the Church and a 20th-century European, since I consider myself an inhabitant of the European continent, I am absolutely convinced that in no case whatsoever should the economic sanctions imposed upon this tormented country be permitted to reoccur. I do not want to hear the excuse that they will punish the country because it does not have human rights.

These poor people have already been trampled once. All our fundamental human rights and freedoms have already been taken from us. People are unhappy when they must seek

charity from others if they can work and earn money for themselves.

Unfortunately, I perceive a perfidious game being played with us by world egoists who, in truth, do not even consider us people worthy of protection. Christians and other worthy people, non-Christians who also have devoted themselves to mankind and for the good of mankind, must not allow world or local egoists to perpetrate new barbarianism; new, terrible, anti-humane endeavors like those of the past several years. The present generation of European powers and world powers has failed the examination of humanity.

This is my personal opinion, based on everything I have seen, heard, and experienced, not only in my native Banja Luka, in my Bosnia. My life's orientation, a gift from God, is to intercede for my fellow man. As the Gospels teach me, this is how I manifest my love of God.

EIR: In the region of Hercegovina, a terrible situation of confrontation between Catholics and Muslims is developing. A situation that reminds one of the artificially provoked clashes in Central Bosnia in 1993.

Komarica: I am afraid there is a collision of international interests in Mostar, not only European but Asiatic. It has been confirmed to me from various sides that the game also includes manipulations of the local people, that peaceful coexistence there is inconsistent with the goals of those behind the scenes. As long as there is no serious desire to treat the wounds but to keep them open, they will fester until the correct therapy is applied.

EIR: What is the situation in Banja Luka now?

Komarica: Three days ago, I wrote a letter to the president of the government of the Srpska Republic. I visited him personally and presented the letter to him, calling attention to four problems:

1. The authorities will not release the parish priest of Prijedor, Tomislav Matanovic, and his parents, from prison. The Serbian authorities acknowledge these people's complete innocence, but have kept them imprisoned since Aug. 24, 1995. There is no court case against the Reverend Matanovic, nor has any suspicion been aroused, but he is held as a hostage. This is incomprehensible and unacceptable. We are afraid that his health has suffered. We are also afraid that they could kill him. Too many of our priests have already been killed.

These people, the Serbian authorities, continue to treat us however they want. Actually, all of us here are their hostages. At any moment, they can kidnap us, arrest us. Before, they killed some of us and let others go. We have the right to ask them why they behave this way toward us.

2. A few of our parish residences, apartments, and monasteries are still standing, but have been confiscated. Some are being occupied by soldiers or other people, police. We cannot

hold mass or worship in many places where a few Catholics remain. We seek the reinstatement of freedom of religion and freedom of movement for priests throughout the region.

3. I also requested that the police should return the trucks confiscated from us. We used them for delivering humanitarian aid, Caritas assistance, to our remaining parishioners. Throughout the entire war, no other supplies reached these people, except what came through the Church. These people have no work or any assistance, only Caritas. Caritas also provides for a large number of Muslim and Serbian refugees. Why do they still keep our trucks? The trucks were mobilized, but the war has stopped and they should be returned to us.

4. I also asked him when people will be able to begin returning to their ancestral homes. Our people steadfastly wanted to remain in their homes but a representative of the Srpska Republic signed a joint contract with the International Red Cross stating that all the Croats, i.e., Catholics, from the Banja Luka territory had to be expedited, i.e., removed from that region in the month of August 1995, during the last wave of "ethnic cleansing." I am very sorry to state that the international community participated in this crime, instead of defending us. Unfortunately, the International Red Cross acquiesced to the Serbs' use of force and lawlessness.

There are many who want to return, the largest number of whom were forcibly expelled. Many of our houses there are vacant because they were heavily damaged.

If "ethnic cleansing" is internationally sanctioned, it will be a catastrophe for me; not only for me, but, in my eyes, a catastrophe for European civilization at the end of the 20th century. Then you will quickly have new Bosnias in many other parts of Europe. Other egoists will begin very similar, if not the same, crimes directed against mankind and, I say, against individual ethnic or religious communities.

This profoundly inhumane activity is so bizarrely designated by the words "ethnic cleansing." Such a term is unacceptable. No "cleansing" is involved. However, it occurs with the participation of the so-called humane and civilized world. We cannot and will not be reconciled to this as a definitive solution.

The Dayton Treaty is a terrible defeat for us. The demonstrably peace-loving non-Serbian population has been expelled from its territory, which was then offered to Serbs migrating from other territories, and the Dayton Treaty has somehow sanctioned this. However, it also stipulates that all who want to return to their lands can do so.

And on this issue I have to say that in conversations with American representatives and President Clinton in Tuzla; and with Mr. Christopher, Mr. Holbrooke, and Mr. Gallucci in Sarajevo, I had the impression they are serious people who will carry out their plans. The American representatives told me, "Bishop Komarica, your conduct and your support of a multi-ethnic, multi-cultural, multi-confessional Banja Luka territory has obligated us to defend you, to support you. This is the American goal and the commitment here."

Colombia

To fight drugs, beat narco-terrorism

by Valerie Rush

On March 20, the editorial of the Colombian Army newsletter *En Guardia*, written by Army Commander Gen. Harold Bedoya Pizarro, was dedicated to identifying the "sinister marriage" between guerrilla terrorists and drug traffickers as a serious national, and international, security threat. General Bedoya pointed to the hard evidence his forces have assembled on this *narco-terrorist* alliance, and appealed to both the relevant Colombian authorities, and to the international community, to defeat the scourge (see *Documentation*). He asserted that the mission of the Armed Forces of Colombia includes defeating the narco-terrorist enemy.

The Roman Catholic Church in Colombia presented a similar viewpoint in the lead editorial of its March 23 newspaper *El Catolicismo*, which described the narco-terrorists as "war criminals" who should be tried for crimes against humanity. The editorial protested the many obstacles that have been thrown in the way of "our worthy Armed Forces," in their battle against narco-terrorism, and asked whether Colombia, in its weakened state, can survive their onslaught.

The unholy alliance between guerrilla insurgents and the drug cartels, as identified by General Bedoya, may seem rather obvious to readers of *EIR*, which has been documenting the rise of narco-terrorism in Colombia for nearly two decades. And yet, the issue of whether or not to recognize that narco-terrorism even *exists*, lies at the center of a policy dispute both in Colombia and in Washington, which could well determine whether the war on drugs will be won or lost.

Leftover policy of the Bush administration

Exemplary of this problem is U.S. Ambassador to Colombia Myles Frechette, who addressed a seminar at Colombia's Superior War School in Bogotá in February. In response to a question on whether the United States was prepared to declare war against that country's narco-terrorists, as it has done against the drug cartels, Frechette reportedly answered that the United States "has no evidence that the guerrillas are making and exporting cocaine to the U.S."

This is not simply the personal viewpoint of one individual, but represents a strategic approach left over from the Bush era, and which is still ingrained within various departments in Washington, including State and Defense. For example, in a

September 1995 report issued by the U.S. Defense Department's Office of International Security Affairs, entitled "United States Security Strategy for the Americas," the same disastrous blindness is reflected. Not only are drug trafficking and terrorism addressed as entirely separate phenomena, but terrorism is described as a "diminishing" problem, with "national reconciliation" the recommended response to remaining "rebel" pockets. Indeed, says the report, "Where civilian-led peace negotiations [with guerrillas] are under way, the United States should encourage all sides to the conflict to respect the process, including interim accords and cease-fires."

In the early 1980s, Lyndon LaRouche first coined the term *narco-terrorism*, to refer to the political and financial interdependence between London- and Moscow-sponsored subversion, and the drug trade. In 1983, then-U.S. Ambassador to Colombia Lewis Tambs made waves in Colombia and Washington alike, with his use of the term *narco-guerrilla*. In 1984, military raids on cocaine-processing centers in Colombia's southwest revealed that guerrilla forces from the Communist FARC were standing guard at those sites. In November 1985, the socialist M-19 guerrilla movement assaulted the Colombian Justice Palace, murdering half the Supreme Court magistrates and burning archives full of extradition petitions and legal dossiers on drug traffickers. Months later, evidence came to light that the M-19 had been paid millions by the drug cartels to carry out the attack.

And yet in February 1986, Bush's FBI director—and later CIA director—William Webster told the media: "Words like narco-terrorism tend to exacerbate the realities as we know them. I also do not believe that the hard evidence links the two."

It is precisely this approach of viewing drugs and terrorism as two unrelated phenomena, that has been used as "justification" for working with the one, presumably to defeat the other. This was emphatically the case during the Bush administration, which forged a criminal alliance with the region's drug-trafficking cartels, supposedly to defeat the "communist terrorists." Thus, the infamous Contra operations of Lt. Col. Oliver North, through which the Bush government effectively sanctioned the smuggling of multi-ton shipments of narcotics into the United States, in exchange for cartel services in funding and arming the Nicaraguan "Contras" against the Sandinista government.

As LaRouche declared in an October 1995 campaign document entitled "The Blunder in U.S. National Security Policy," which was written in response to the September 1995 Pentagon report: "With its right hand, the U.S. government creates operations and assigns agents to combat drug-trafficking and terrorism, and, at the same time, with its left hand, cohabits with drug-traffickers, and fosters the breeding of new generations of mujahideen and other narco-terrorists. . . . That kind of official bureaucratic hypocrisy is a big part of the cause for the hemispheric—and global—insecurity confronting the

U.S. government today."

That is what is at issue in General Bedoya's sharp drawing of lines, on the one hand, and Ambassador Frechette's denial of reality, on the other. In fact, one pro-terrorist columnist in Colombia hailed Ambassador Frechette's public denial of a narco-terrorist link as burying the "Tambs doctrine." By rejecting the "Satanization" of Colombia's guerrilla movements, wrote Alfredo Molano Bravo in a March 17 column in the daily *El Espectador*, the United States is offering itself as a possible "mediator" for government negotiations with the country's terrorist armies.

The U.S. State Department offers a painful example of precisely the kind of "official hypocrisy" which LaRouche identifies. The State Department's own annual narcotics strategy report readily acknowledges the existence of narco-terrorism in Colombia, and yet the State Department's human rights office fully endorses a "negotiated" approach to dealing with those same narco-terrorists, while embracing the propaganda of such pro-terrorist "human rights" outfits as Amnesty International and Human Rights Watch, which claim that it is Colombia's police and Armed Forces, and not the narco-terrorists, that are committing genocide against the Colombian people.

Clinton's newly appointed "drug czar," retired general Barry McCaffrey, on the other hand, declared in his first press conference: "They are in a war in Colombia against international drug criminals. There are 10,000 narco-guerrilla units, with machine-guns, mortars, land mines, etc., who are attacking the institutions of democracy in Colombia."

General Bedoya's editorial on narco-terrorism was clearly intended to draw the line for those, both in Colombia and in the United States, who claim to be committed to a war on drugs. Already, Colombian Prosecutor General Alfonso Valdivieso—the man responsible for the investigation of President Ernesto Samper Pizano's government for narco-corruption—has issued arrest warrants for the entire leadership of the FARC narco-guerrillas. The FARC which has been dubbed the "number one drug cartel in the country" by General Bedoya.

Documentation

The following are excerpts from the March 20, 1996 editorial of the Colombian Army's weekly magazine En Guardia (On Guard), written by Army commander Gen. Harold Bedoya Pizarro.

Definitely, the year 1996 begins, as far as our force is concerned, with renewed spirits, the best indication of that being the successful operation that was carried out in Payil (Caquetá), where soldiers of the Twelfth Brigade, belonging to

the Fourth Army Division, managed to deal one of the hardest and most definitive blows to narco-subversion in recent times.

With this operation, the dismantling of an entire squadron of the poorly named FARC [Colombian Revolutionary Armed Forces] was achieved; as was clearly proven in the aftermath of the battle, its initials could just as easily be changed to stand for “Forces at the Service of the Production and Trafficking of Narcotics.”

We say this because evidence of the subversives’ dedication to the sowing, production, and distribution of the lethal drug, is more than widely known; it is *proven*. How this nefarious business is exercised by all fronts of the FARC bandits can be clearly appreciated through simple observation, without need of painstaking analysis.

What really stands out in the relevant seized documents—which are now already circulating around the world—are the links which, by radio and cellular telephone, permit indispensable communication between the bandit chieftains and representatives of the various cartels at their respective levels.

All of this is minutely registered in these documents: the kind of drug and weight; care of crops; use of airstrips; processing and distribution, not only at the national level, but to strategic sites in distant Peru, where the subversives have their respective foreign agents on commission; and the profits, the fabulous profits.

Also showing up within that criminal structure are the connections involving civilian and political authorities, requiring the most rigorous and necessary investigation, which we have logically already requested from the Prosecutor General’s office.

Described in those documents as well, are the results of self-criticisms and war councils which the leaders of these armed criminals carry out against their own members, applying executions for the slightest faults and, above all, for the slightest suspicions. How many of the so-called “disappeared” fall in that category? . . . The most pathetic and horrifying cases, however, involve the trafficking in children, adolescents in the flower of their lives, who are seized and gradually channeled into a life of crime, turning them, over time, into dangerous assassins of the worst kind. . . .

This most perfect alliance between drugs and crime, as illustrated in these documents, cries out for this command to denounce it before the entire national and international community. This is the same alliance which has existed for so many years, and with the most monstrous dividends, between the ill-named guerrillas—read, rather, the blood-thirsty—with the cocaine traffickers, executioners of this country’s, and the world’s, youth. In order to put a definitive end to this sinister marriage, the mission of the national Army must be seen, both by ourselves and by society in general, as having an unquestionable legitimacy and scope; a legitimacy which stems not only from the national Constitution and the law, but also from the necessary instinct for social preservation in the face of such a dark and damnable objective. . . .

‘Peace talks’ are a tactic in the guerrillas’ war

The following are excerpts from the principal editorial of the Colombian Catholic Church weekly El Catolicismo, of March 24.

Once again—and by now we have lost count of how many times the same thing has occurred—the foreign and Colombian criminals who hide behind the name of guerrilla, are using the tactic of proposing peace talks, while they multiply and intensify their armed actions. . . . A massacre such as that in Chalán, in which they used terrorist means, such as dynamite, and executed policemen who had surrendered, is a demonstration of the depths of cruelty and brutality to which these bands of villains, who sustain and enrich themselves through drug-trafficking, kidnapping, and extortion, have sunk. But even this pales in comparison to the recent statements by boys and girls who have been kidnapped, to be trained in crime, which suffice to declare the members of these organizations to be war criminals and guilty of crimes against humanity.

[Between] the commission of a crime and its punishment, there are so many steps that the law ends up getting lost in all the “ins and outs,” and can end up on the side of the guilty: finding, pursuing, combatting, subduing, capturing, trying, and sentencing them. In any of these stages, our worthy Armed Forces experience many obstacles and failures; in others, the administration of justice raises many questions. Add to this the mounting evidence that towns besieged by terrorists had warning of what was going to happen, and were silenced either by fear or because the authorities didn’t believe them. Entire towns are becoming accomplices through fear and intimidation. . . .

It is inevitable that the vacuum left by legitimate authority will tend to be filled in other ways, above all when the primary right to life must be defended, as the self-defense groups argue. But this has resulted in vast areas of the country being turned into war zones, which permits the subversives—when threatened or attacked on their own terms—to present new and treacherous dialogue proposals, as part of their known strategy to stall and deceive. Circumstances such as these which afflict Colombia today demand a firm, unquestioned government, which has the full backing of the nation, so that acts such as those of Chalán [massacre site—ed.] are never repeated. Where the guerrillas go, they leave total desolation in their wake, because the fruit of hatred is death; all they left behind there were graves strewn everywhere. As a reporter who visited the place noted, “Here dogs do not bark, and roosters do not crow.” Will this be Colombia’s future?

Noriega is denied a new trial

Federal Judge William Hoeverler reaffirms the George Bush-era travesty of justice.

Gen. Manuel Noriega told this reporter that Judge William Hoeverler's refusal on March 27 to grant him a new trial was "unfortunate" and "contradictory." Noriega's attorneys had moved for a new trial based on newly uncovered evidence showing that the George Bush administration cut a deal with the Cali cocaine cartel to procure the perjured testimony, "by silver or lead," of former Panamanian diplomat Ricardo Bilonick. In exchange, the U.S. government agreed to reduce the 23-year sentence of convicted drug-trafficker Luis "Lucho" Santacruz Londoño, brother of Cali kingpin Julio Santacruz Londoño.

At hearings in Hoeverler's court in March, witnesses testified that they had given Bilonick a total of \$1.25 million from the Cali Cartel for his testimony against Noriega. In violation of due process, the defense was never told about the deal, which was also kept secret from the jury.

In his March 27 ruling, Hoeverler admitted the bribe allegations were "troubling." But, he sided with the prosecution's arguments that even if Bilonick had been bribed, the defense had failed to prove that "a new trial would produce a different result" than that in 1992, when Hoeverler sentenced Noriega to 40 years in jail, on trumped-up drug-trafficking charges. Hoeverler also sided with the prosecutors in claiming that Bilonick's testimony "was not the substance of the government's case."

This contradicts "what Hoeverler said and did before," Noriega told me by phone from his jail cell. "From reducing the sentence of Santacruz, because of his role in getting Bilonick, the

government's so-called 'dynamite witness,' to testify, to what Hoeverler himself agreed to at Bilonick's sentencing."

In June 1992, when he sentenced Bilonick, Hoeverler had said: "I think that by anybody's standards he is one of the more important witnesses the government presented in the trial of the case." Hoeverler was echoing prosecutor Myles Malman: "The testimony of Mr. Bilonick was probably the most significant and critical element in proving the inair portion of the case."

So important was Bilonick's testimony to the government's otherwise worthless case, according to defense lawyers, that, although he pled guilty to smuggling 22 tons of cocaine, which should have earned him up to 60 years behind bars, Hoeverler gave him a sentence that put him back on the streets in three years.

Former President Jimmy Carter wrote Hoeverler at the time, praising Bilonick's honesty and supporting the prosecution's request for leniency. So did former Assistant Secretary of State and Henry Kissinger's personal lawyer William D. Rogers, as did former U.S. Ambassador to Panama Amblor Moss. Bilonick and his family were given permanent U.S. visas, and he was allowed to keep at least \$4 million in drug money—on top of the \$1.25 million bribe from the cartel to secure his testimony.

Hoeverler also helped prosecutors keep their deal with the Cali Cartel, lopping nine years off Lucho Santacruz's sentence.

"By letting this bribery stand, Judge Hoeverler has gone counter to all the precepts set down in the law books

of the United States," said Noriega, the only official POW being held by the United States. "As my attorney noted, this means that it is now permissible to bribe witnesses so that they can testify at trials, either by 'fuse or dynamite.'"

Noriega said the judge erred in denying him a new trial on the basis that the results would be the same. "What we see in this decision is a judge voicing the same arguments as the prosecutors. We see a judge interpreting how a jury would think, and we see the same judge judging the case. Thus, he is at the same time the pitcher, the batter, and the catcher."

In the documents submitted to Hoeverler, Noriega's lawyers noted that if the "United States can contract with criminal organizations for evidence, there will never be any way to ensure the reliability of the truth-seeking function. Witness intimidation and bribery will become rampant." More damaging, they argued, "is the fact that the United States tried to hide its partnership with the cartel from the jury." They cited *Kyles v. Whitley*, a 1995 U.S. Supreme Court ruling, which held that "the question is not whether the defendant would more likely than not have received a different result with the evidence, but whether in its absence he received a fair trial, understood as a trial resulting in a verdict worthy of confidence." By this criteria, Noriega clearly would seem to be entitled to a new trial.

Considered an "intelligence community" judge, Hoeverler was an active player in Bush's efforts to oust Noriega. He reportedly prefers a higher court, such as the Eleventh Circuit, which is reviewing the case on appeal, to deal with what he calls the "political overtones" of the case, a euphemism for the Bush-era criminal complicity with drug-runners all across Ibero-America.

International Intelligence

Russia-Belarus union: a 'Maastricht East'?

Not very propitiously, Moscow is portraying the Russia-Belarus "Treaty of Union" to be signed in Moscow, April 2, as a type of "Maastricht East" agreement. That bodes ill for the two States, given the widespread suffering and social unrest which have been provoked by efforts to comply with the provisions of the Maastricht Treaty for a single market in western Europe.

Russian Presidential spokesman Sergei Medvedev, after the March 23 meeting among Belarus President Alexander Lukashenko, and Russia's President Boris Yeltsin and Prime Minister Viktor Chernomyrdin that set the date for the pact, said that the treaty "does not mean the creation of a new State." One can compare the "new creation" with the "European Union," having its own hymn, flag, and budget. Lukashenko said the treaty will create a "unified entity, where each will keep its full sovereignty." Most important of all, as confirmed by both sides, the "new creation" will be run by supranational organs, where Moscow will call the shots, using the same fiction of "sovereignty" as used in Europe under the Brussels arrangements.

To be created are a joint "Supreme Council," consisting of the Presidents, prime ministers, and parliament chairmen of each country, as well as a Russia-Belarus "Inter-Parliamentary Congress," with each state supplying the same number of deputies to it, and a common budget. As Lukashenko announced, the treaty establishes a two-year transition to work out a "single currency" and a "common constitution."

The March 23 announcement provoked mass protests on the anniversary of the first Belorussian republic, March 24, 1918, in the Belarus capital of Minsk against the union with Russia. About 30,000 demonstrators took part, with slogans like "Independence," "Down with Lukashenko" and "Long Live Belarus." However, it is all but impossible that such protests will be able to derail the fast track to union established by Yeltsin and Lukashenko. In Belarus, the regime, parlia-

ment, and security forces are all solidly for union with Russia, as are probably most of the population, in vivid contrast to other republics such as Ukraine.

Not only the overall acceleration, but the exact April 2 timing of the Russia-Belarus Treaty is not accidental. Moscow is expecting to gain from this added leverage for Yeltsin's still scheduled visit to the Ukrainian capital, Kiev, April 3-5, in pushing for "closer integration" between Russia and Ukraine. Ukraine however, is not in favor of joining a "Maastricht East."

Two years later, Colosio murder still unsolved

The continuing failure of the Mexican government to clarify the March 23, 1994 assassination of Presidential candidate Luis Donaldo Colosio, has led to loud protests in Mexico that the government lacks the will, or the power, to take on the perpetrators. At the center of the popular outcry is the Harvard-trained ex-President, Carlos Salinas de Gortari, a board member of the corporation that owns the *Wall Street Journal* and an avid "free trader"; Salinas is currently the guest of Fidel Castro in Havana.

Colosio was the candidate anointed by the ruling Revolutionary Institutional Party (PRI) to succeed Salinas.

The Mexican attorney general issued a completely contentless statement on the status of his investigation into Colosio's murder, which was published in every Mexican newspaper on March 22. Santiago Onate, national chairman of the PRI, responded that he was "disillusioned, disenchanted, and disappointed," and announced that the PRI Executive Committee would meet to review the attorney general's report, and to decide on action.

El Universal published a poll on March 22, which claimed 93.2% of Mexicans believe the murder was a conspiracy, and 85.8% believe that former President Salinas was somehow involved, with 62.9% convinced he was the mastermind. Colosio's personal secretary, Alfonso Durazo, told

Proceso magazine that any serious investigation requires that Carlos Salinas and his top aide, José Córdoba Montayo, be called in for questioning. The magazine *Siempre* ran an editorial which accused the attorney general of protecting Salinas and Córdoba. Days later, Mexican papers reported that Salinas's lawyer is being called in for questioning, likely in preparation for a subpoena to Salinas himself.

El Financiero political columnist Fausto Fernández Ponte wrote that, according to CIA documents, the murder was committed by "Murder, Inc.," that is, "a specialized organization which is dedicated to committing assassinations without leaving . . . leads which identify or implicate the intellectual authors or the true material authors."

SPD suffers heavy state election losses

Considerable losses for the German Social Democratic Party (SPD) are the main result in the March 24 elections for state parliaments in Schleswig-Holstein, Rhineland-Palatinate, and Baden-Württemberg. As compared to the vote in 1992, the SPD lost 6.2, 4.7, and 4.1% in the respective states. The results were a boost for the national ruling coalition, of the Christian Democratic Union (CDU) and the Free Democratic Party (FDP).

The CDU, the party of Chancellor Helmut Kohl, which ought to have benefitted from the SPD's internal crisis and bad reputation, did not really capitalize on its rivals' weakness; the relatively meager results for the CDU, which gained 3.3, 0.6, and 4% in the three respective states, also have to do with the traditional swing-vote, which the CDU directed toward its coalition partner, the (pro-British) liberal Free Democratic Party.

The FDP, which has been in a profound crisis and lost its standing in 11 of Germany's 16 state parliaments since 1992, and whose return to parliaments in this election was far from assured, only managed to secure its seats in the three state parliaments

with 5.7%, 9.1%, and 9.5%, thanks to the swing-vote. Moreover, the Kohl government also made modifications in the tax and labor legislation policy, which were interpreted as a gesture to the FDP constituency.

The fact that the CDU-FDP coalition in Bonn feels its policies "fully confirmed" by the March 24 vote, should not make them complacent: The government in Bonn is not stable, because the economic, social, and strategic situation isn't. The first post-election statements from Bonn indicated that the coalition feels encouraged to go ahead with its planned new rounds of fiscal austerity and other atrocities, which are not very likely to make the government and its coalition partners more popular.

U.S. defends 'free trade' dogma at Americas summit

The British model of "free trade" piracy, not American System economics, was what 1,000 businessmen from across the Americas heard U.S. Commerce Secretary Ron Brown defend on March 19 at their gathering in Cartagena, Colombia. He called the creation of a pan-American free trade zone "a Clinton administration commitment." "We made it, we intend to keep it," said Brown. Brown scored what he described as disturbing protectionist rhetoric "from the political left and from the political right coming out of Washington, and insisted that "one would think it would hardly be necessary to elaborate on the benefits of free trade."

He said that "pressures for protectionist actions" posed a threat to hemispheric integration. In this context, Brown also defended NAFTA, the Bush administration-initiated North American Free Trade Agreement, which *EIR* has exposed as an attack on the sovereignty of the United States, Mexico and Canada.

It is ironic that the meeting, followed by a two-day gathering of trade ministers from across the continent, was being held in Colombia, whose government's embrace of the "free-market" drug trade won that

country denial of U.S. certification on March 1. Brown denied rumors that there had been any thought of cancelling the meeting, and said "our overall relationship with Colombia is a good one."

At the businessmen's meeting, former Colombian narco-President and current secretary general of the Organization of American States César Gaviria insisted that the continent was demanding more free trade: "Our people are not calling for a return to an economic model that is worn-out and which offers no perspective for prosperity." Arguing for privatizing everything, including the kitchen sink, Gaviria declared, "The State is too weak in its ability to deal with social problems . . . with few exceptions, it is still applying investment and social spending approaches that are outdated and inherited from the past."

Zapatistas choose Berlin for European confab

In its March 7 edition, one of the most important extremist papers in Germany, *AK*, ran a full-page article on the Mexican Zapatistas (EZLN), in which it is reported that 25 representatives of "Mexico Solidarity groups" met on Feb. 24-25, in Lugano, Switzerland, to discuss a European planning meeting, scheduled for May 30-June 2 in Berlin, for the "First Intercontinental Meeting for Humanity and against Neo-Liberalism," which the EZLN is hosting in its home base of Chiapas, next July 27-Aug. 3.

According to *AK*, Subcommander Marcos chose Berlin as the site for the European pre-meeting, to which not only the usual Mexico solidarity groups will be invited, but the whole kit and caboodle of ostensibly anti-racist, ecological, and social activist groups in Europe. The profile of the groups invited, in the German case, smacks of the various operations deployed under the former East German communist party, now called PDS.

"Comrades" from France, Italy, Catalonia (Spain), Belgium, Germany, and Switzerland, participated in the Lugano meeting.

THE SÃO PAULO Forum steering committee, which runs pro-terrorist operations out of Havana, is planning a continental meeting in San Salvador next July 27-29 to map campaigns against "neo-liberalism"; Forum patron Fidel Castro apparently sees no irony in simultaneously harboring the notorious Mexican neo-liberal Carlos Salinas in Cuba.

TAIWANESE President Lee Teng-hui, reelected by a wide majority in the March 23 elections, will "very quickly make a gesture to calm things down with Beijing," predicted the French daily *Le Figaro* in a signed editorial by Charles Lambroschini.

THE CISNEROS family, the financial moguls who have tried to muzzle *EIR* in Venezuela, are tied to one of four individuals arrested in Caracas for plotting the overthrow of President Rafael Caldera. Gustavo Lemoine is ex-head of security at the Cisneros family's Banco Latino. The four belong to former Lt. Col. Hugo Chávez's MBR-200 movement.

THABO MBEKI, Deputy President of South Africa, told a business gathering that included Asian leaders on March 26 that South Africa was committed to the same kind of "growth-creating policies that helped fuel success in ASEAN states like Singapore, Malaysia, and Thailand."

PROMINENT, prime-time coverage was given on Bosnia TV News March 28 to a meeting between spokesmen for Helga Zepp LaRouche's Schiller Institute and the foreign affairs committee of the Bosnian Parliament, to discuss "global reconstruction."

A SOUTH KOREAN journalist visiting the Bush-related Korea Society, admitted to *EIR* on March 25, "Regardless of who wins the parliamentary majority in the upcoming April 11 elections, it has come to the point that the South Korean government must, and will, take new measures on inter-Korean relations."

ADL uses Farrakhan hearing to target President Clinton

by Dennis Speed

As the year 1996 unfolds, the “war and a half” that has been raging between the Clinton administration and the British monarchy-run Hollinger Corp., has expanded its battlefield. The Oct. 16, 1995 Million Man March, and this year’s Presidential campaign, particularly the stunning percentages of Lyndon LaRouche in the late winter-early spring primaries, have unleashed a force in American politics not heard from for over a quarter-century. In response, corrupt factions and agencies of government have begun to wield the same repressive measures that were used against LaRouche, to target Nation of Islam leader Louis Farrakhan.

Farrakhan, who returned Feb. 24 from a 38-day tour of 16 nations, called the World Friendship Tour, has been made the target of the most intensive investigation of any American figure since LaRouche. The same apparatus used against LaRouche, the Anti-Defamation League of B’nai B’rith, including ADL assets in Congress, such as Reps. Peter King (R-N.Y.) and Tom Lantos (D-Calif.), is being used against Farrakhan.

The latter, during Farrakhan’s tour, had announced their intention to “bring Farrakhan before the Congress” to answer questions about his trip, which included visits to Nigeria, Sudan, South Africa, Iraq, and Libya. A report from the Libyan press agency JANA, stating that Col. Muammar Qaddafi would contribute \$1 billion to the Nation of Islam (NOI) as a way of intervening in the U.S. elections, which was later retracted, was used as the pretext for including Farrakhan as the lead item in hearings called by the House International Relations Subcommittee on Operations, chaired by Chris Smith (R-N.J.).

Upon his return, Minister Farrakhan defiantly declared to an audience of over 10,000 at the University of Illinois, “Bring

me before Congress!” He stated that he wished to give Congress a full report on every aspect of his trip, especially his controversial meetings with Qaddafi, Saddam Hussein, and the Iranian and Syrian governments and Heads of State. Several times, his legal representatives and others sought to contact the Congressional committee, only to be told that they now intended *not* to call Farrakhan to testify.

The official reason, given by the office of Representative King, was that the hearings would not be about Farrakhan, but about “rogue regimes.” In a signed statement, issued March 14, King had stated, “This is not a hearing about any particular individual, and no such hearing has ever been scheduled.” Associates of Farrakhan, as well as political observers, agreed that it were better to disregard this assurance as specious. About 500 supporters of Minister Farrakhan and his Million Man March showed up on the morning of March 19, along with a large contingent of reporters, to await the opening of the hearings. Sure enough, Representative Lantos shamelessly declared from the outset, “It is self-evident that this hearing was called in response to a series of statements made by Louis Farrakhan to some of the most despicable, bloody dictatorships on the face of this planet.”

Not allowed to testify

Neither Farrakhan nor his representatives were allowed to testify. Farrakhan, however, was able to respond to some of the charges by way of an impromptu press conference on March 14 at the National Press Club in Washington. He had come to Washington to receive the “1995 Newsmaker of the Year” award from the National Newspaper Publishers Association. His remarks (see *Documentation*) to the group’s banquet dinner honoring him, were broadcast live by the C-SPAN

television network.

The Clinton administration, which had already announced it was making inquiries into the matter, was continuously baited by the committee grouping, because it had refused to send anyone to testify with respect to a matter that was already under administrative review, and in which the primary participant was disallowed from testifying. *Final Call*, the newspaper of the NOI, printed a statement by Farrakhan's Chief of Staff Leonard Farrakhan Muhammad, and NOI legal counsel Minister Abdul Arif Muhammad, both of whom were prevented from speaking at the hearings. They stated: "It was . . . apparent that you and other Republicans intend to use Minister Louis Farrakhan as a political weapon in your efforts to defeat President Bill Clinton in November.

"It is apparent that you wish the Clinton administration to unjustly attack Minister Louis Farrakhan, causing a political backlash or a negative response from the millions of black voters in this nation that you assume to be Democrats."

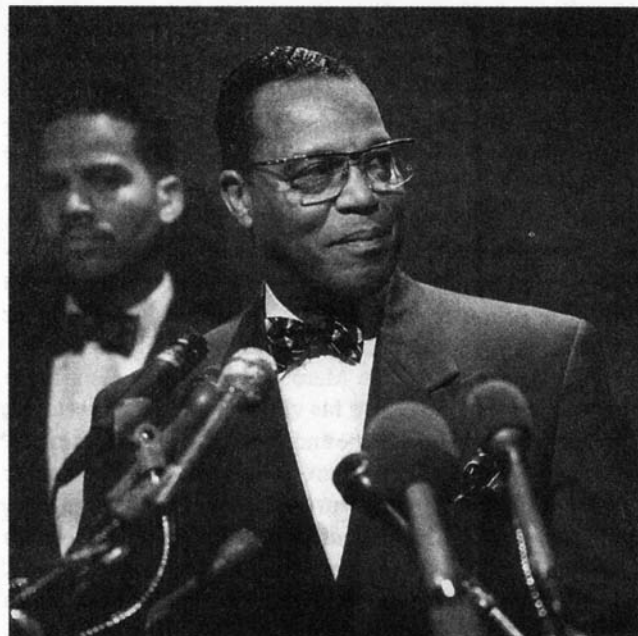
Three weeks earlier, the Feb. 27 *Wall Street Journal* had contended that Clinton had not acted because he had attended the inauguration of former Maryland Congressman, African-American Kwesi Mfume, as head of the National Association for the Advancement of Colored People (NAACP), the nation's oldest civil rights organization.

The crudity of the electoral politics being played in the Presidential race, is made all the more difficult for Clinton by the ADL-influenced, anti-LaRouche elements in the Democratic and Republican parties. LaRouche, the only major candidate who has consistently endorsed the Farrakhan-led Million Man March, and who has stunned the country with double-digit percentages in several Democratic primaries, is well known throughout the Middle East for his "Oasis Plan" for large-scale water management and infrastructure development proposals. The ADL, a tool of the British Empire which is opposed to peace and development, has done everything in its power to defame LaRouche, his candidacy, and his "Oasis Plan."

Stability is the threat

Minister Farrakhan has embraced an idea, the World Day Of Atonement, originally proffered by the Rev. James Bevel, and taken it to precisely the people who most need to hear it. The World Friendship Tour has resulted in a reconsideration of the possibility of dialogue among hostile forces in the Islamic world, both Islamic and non-Islamic. Because of this, Farrakhan is considered to now be a potential player in the *stabilization* of the Mideast—a role the ADL will oppose at all costs.

"These attacks are orchestrated by the extreme right-wing forces that are attempting to get hegemony over the body politic of the U.S.," said the Rev. Ben Chavis, executive director of last year's Million Man March and National Convenor of the National African American Leadership Summit (NAALS). "I believe these attacks are manifestations of political repression. They're certainly anti-democratic. But I believe that the spirit of the Million Man March has enough



Nation of Islam leader Louis Farrakhan at the National Press Club on March 14, where he received the Newsmaker of the Year award. The Anti-Defamation League and its friends in government are using the same corrupt measures against Farrakhan, that they used against Lyndon LaRouche—and they are trying to rope President Clinton into their schemes.

force . . . to be able to withstand these attacks. We have truth on our side, we have facts on our side, and we have history on our side. . . . I've just arrived from Atlanta. We had over a thousand people at the Atlanta LOC [Local Organizing Committee] meeting last night, from all walks of life. We've registered over 30,000 voters in Atlanta alone" since October 1995. This, in the state from which Newt Gingrich hails, and in which the Democratic Party has refused to invest funds for voter registration!

Chavis continued, "I think there's a right-wing Jewish element in the U.S. that did not want to see the minister's trip be successful, particularly in the Middle East. The truth of the matter is, that to the extent we can have greater atonement and unity among brothers and sisters in the Mideast, is the extent to which there can be a lasting peace. Obviously, I do not believe that the right wing in this country *wants* a lasting peace in the Middle East, because they can gain monetary profit from *instability*. That's been the problem of instability in the Middle East for all these decades, that people are profiting from the instability, and don't want to see a man of peace travel to the area. Minister Farrakhan is a man of peace."

That element to which Chavis refers is the ADL. The ADL, which allows its proponents, such as Leonard Dinnerstein, to speak at conferences and make statements such as "educated blacks are the worst anti-Semitic group in the U.S. . . . and blacks overall have been the most anti-Semitic group since slavery" (the infamous epithet spewed at the November 1991 Montreal international ADL meeting), plays the role in

the policy establishment of “slave-breaker” toward African-American intellectual leadership. Though briefly embarrassed by its exposure for having given over \$60,000 to the Roberts brothers (two Mississippi Klansmen convicted in the 1964 murders of civil rights workers James Chaney, Michael Schwerner, and Andrew Goodman), to have them blow up the house of a prominent Jewish businessman in Meridian, Mississippi in 1968, the ADL “takes it all with a smile.” Essentially unchastened since exposed as a spy organization in 1993, the ADL prefers to operate, wherever and whenever possible, through stooges, such as Lantos and King.

At the opening of the March 19 hearings, King made sure to enter into the record his virulent, and ADL-vectored, opposition to both LaRouche and Farrakhan. “Mr. Chairman, I think it’s fair to say that there is no place in a democratic society for bigotry and racism of any type. . . . That is why, Mr. Chairman, I have . . . consistently denounced the Nation of Islam. . . . I believe that they are anti-white, anti-Semitic, anti-Catholic, and racist. Similarly, I was the first person on my side of the aisle to denounce the LaRouche movement. They are also racist and bigoted. And whether it’s on the left or the right, black or white, there is no room in our society for racism or intolerance.” Even Nazi Judge Roland Friesler, had he been present in more than spirit, might have criticized King for his heavy-handedness.

The testimony of a fascist

In furtherance of their attack on Farrakhan, Lantos and King produced LaRouche enemy Michael Ledeen, one of the most notorious “shadow people” of the secret government apparatus presided over by George Bush during the 1980s. As documented in the 1987 *EIR Special Report*, “Project Democracy: The Parallel Government behind the Iran-Contra Affair”: “On May 30, 1985, the U.S. ambassador in Israel reported to the State Department that Ledeen was on a ‘secret mission for the White House’ and asked if Secretary of State [George] Shultz knew ‘what was going on.’ Ambassador Lewis said he had asked the Israeli Ministry of Defense about Ledeen, and had been told it was ‘too hot’ to talk about.”

The report earlier states: “The name of Michael Ledeen is among the most frequently mentioned in the investigative report into the Iran arms-for-hostages scandal. . . . It was Ledeen who made the first contact with emissaries of the Khomeini regime. It was Ledeen who first discussed these contacts with the highest levels of the Israeli government. Ledeen was present at every important secret and non-secret meeting thus far uncovered in investigations into the Irangate-Contras scandal.”

Ledeen, whose best-known book is the 1972 *Universal Fascism*, believes in covert foreign policy as the norm for his fascist version of a “democratic society.” In a fall 1986 article, Ledeen states, concerning the relationship of the Congress to foreign policy, “One cannot conduct foreign policy with more than 500 secretaries of state.” Ledeen, only days before his testimony against Farrakhan, had renewed his 1980s call for

the repeal of “the Executive Order, dating from 1975, prohibiting any official of the American government to conduct, order, encourage, or facilitate assassinations.”

In the testimony itself, Ledeen chastised the President for not denouncing the Million Man March. “I would be remiss if I did not say that it is discouraging that there are no administration spokesmen here, as it was terribly disappointing to hear President Clinton, on the occasion of the Million Man March, call on the American people to focus not on the rhetorical excesses of the leader, but on the ‘faces of the people.’ This is a profound error.”

Rep. Donald Payne (D-N.J.), chairman of the Congressional Black Caucus, angrily responded, “On the occasion of the Million Man March, you criticized President Clinton; I guess you probably criticize me, because I was a supporter of the Million Man March. . . . I take offense, for all of those people who participated, for you to feel you have the right to tell me, why I participated.”

Representative Payne inquired as to the propriety of the entire hearing, officially called to discuss the actions of what were termed “rogue regimes.” “In all candor, Mr. Chairman, I am surprised that this hearing has been called. Perhaps the term ‘rogue regime’ could be more clearly defined. We have watched with great concern as military exercises have been conducted by the Communist regime of China in the Taiwan Strait in an apparent attempt to intimidate Taiwan before their elections. Yet, while the U.S. has sent the *USS Independence* battle group to the area . . . in what could escalate to a U.S.-China showdown, China continues to enjoy Most Favored Nation status as a U.S. trading partner. Maybe one of our panelists could explain this.”

Though laughable in their crudity, these people, particularly the pro-assassination types such as Ledeen, are as dangerous as the Nazis. They pose a clear and present danger to due process in the United States. Without a cleanout of the corrupt Justice, State, Treasury, and other departments that house them, beginning with forcing the exoneration of Presidential candidate LaRouche, they will continue, with impunity, to harass American citizens, under the protective pretext of such devices as the March 19 “rogue Congressional hearings.”

Documentation

On March 14, at the National Press Club, Minister Farrakhan received the “1995 Newsmaker of the Year” award from the National Newspaper Publishers Association. The following are excerpts from his remarks:

Beloved brothers and sisters, if it is against the law for a citizen of the United States to interfere with foreign policy, I don’t know how a citizen could be charged, when foreign

policy is made in the State Department, and you don't know what the policy is. There's an *overt* policy, and there's a *covert* policy. The American people are suffering from America's foreign policy. You travel abroad and they tell you, "Yankee go home"—you don't know why. The American people are not guilty of the policies that are formed in secret, of the things that are going on in the government that the American people know nothing about. But all you have to do to understand why people don't like America, is to come out of America and travel, and see the effect of America's foreign policy, in Africa, in Asia, in the Caribbean, in Central and South America, and in the isles of the Pacific. When you can see, as I have seen with my eyes, then any man or woman of moral character has to stand up. I was not born to bow down. And if you're looking for a scared-to-death Negro, then you look past me.

I never went to Iran or Iraq or Syria or Sudan to say that, "Muslims, God is going to give Muslims the honor of destroying America." Lies! Lies! We will prove this before the American people, why you can't trust the American media. You can't hang me on what Brother Qaddafi says. I didn't say it! You report what JANA news said, and now you go before Congress to get a resolution based on *press reports*? The Justice Department sends me *newspaper clippings* as their basis of questioning me? What kind of country is this? What kind of intelligence is this? If you have something, then bring it, but if you have nothing, then shut up!

In all of my speeches overseas, in the Muslim world in particular—and you will hear this and see this—I said, "America is not your problem. Israel is not your problem. *The West* is not your problem." You never heard that, did you? I said, "Your problem is your deviation from the path of God as laid down by Prophet Muhammad—that's your problem. And when you come back to God and the straight path, no problem that you consider a problem will *be* a problem." For me to be in Iran, and hear them saying, "Death to America," "Death to Israel," I couldn't be comfortable. So, to say that I was among them chanting, "Death To America," that's not Farrakhan. That I called you "the great Satan"—I didn't say that. That's what *they* said. But don't you live up to it.

When they were saying "Down with America," "Down with Israel," I said, "Stop!" I said, "Say, 'Up with God! Up with the Koran! Up with Truth! Up with Righteousness!'" And when you go up with God and up with truth, you've already put the enemies of God and truth and righteousness down.

My role is the role of a teacher. And the sad thing is, you've got too many politicians, and too few teachers, and ignorance is the worst enemy of the peoples of the earth, and America if full of it—full of ignorance, that is.

Earlier in his speech, Minister Farrakhan had made extensive comments on the use of the press, including African-American press, in the targetting of leaders, including Martin Luther King:

That brilliant human being, that man of great moral

strength and courage, became an enemy to those in power when he made an innocuous-sounding speech—"I Have a Dream." But to those who saw that dream as a nightmare, when *my* little black boys and little black girls, and Catholics, and Protestants, and Jews, and what not, can live together in peace, somebody didn't like that. And so, the next day, at the field office of the FBI, a memo was sent to J. Edgar Hoover that "this man is the most dangerous Negro in America." And when the good doctor decided against the war in Vietnam, and decided to stand for a principle, that Americans could not fight the War on Poverty, and then spend untold billions of dollars, bombing people in rice paddies in Vietnam. And today, you have *peace* with Vietnam. You go there now, and you have trade opportunities. But when a man of principle said it was wrong to kill, and when Muhammad Ali stood up and said, "Them Vietcongs ain't never called me 'Nigger,'" [they] took his [World Boxing] title.

... Martin Luther King had done a grave disservice, because he dared to enter the international field and interfere with what is called America's "foreign policy objectives." And, therefore, Martin Luther King, Malcolm X, and all those that move in that arena, had to be silenced. But first, *you* had to be made to abandon them. And many Christian pastors, who today laud Dr. King—and I think it *was* Carl Rowan back then who spoke evilly of Dr. King. He was a traitor. He was not in the best interests of his people. He should "stay within the confines of Negro desires."

EIR Audio Report

Your weekly antidote
for New World Order 'news'

Exclusive news reports and interviews
Audio statements by Lyndon LaRouche

- Updates on:
- The Real Economy
 - Science and Technology
 - The Fight for Constitutional Law
 - The Right to Life
 - Food and Agriculture
 - The Arts
 - The Living History of the American Republic
 - Essential Reports from around the Globe

\$500 for 50 Issues

An hour-long audio cassette sent by first-class mail each week. Includes cover letter with contents.

Make checks payable to:

EIR News Service

P.O. Box 17390, Washington, D.C. 20041-0390

Phone: (703) 777-9451

Fax: (703) 771-9492

LaRouche receives 162,000 votes in California Democratic primary

by EIR Staff

Lyndon H. LaRouche, Jr. continued to receive a substantial vote in the Democratic Party Presidential primary elections on March 26, receiving 7% of the vote in the California primary in a two-way race with President Clinton. With 100% of the precincts reporting, LaRouche received 162,656 votes out of a total of 2,338,843 votes cast in the Democratic primary, which amounts to 6.954% of the vote. LaRouche received over 9% in 14 of the state's 52 congressional districts and over 10% in 8 of the 14. In the 2nd CD he received 11.2%, in the 3rd CD 10%, in the 19th CD 10.4%, in the 21st CD 12.6%, in the 25th CD 11.3%, in the 39th CD 10%, in the 40th CD 11.3%, and in the 52nd CD 10%.

LaRouche's campaign committee had distributed, statewide, nearly 2 million copies of a campaign document, "Summary of Relevant Evidence on the Record Demonstrating the Innocence of Lyndon LaRouche and Co-Defendants."

LaRouche's vote greatly outpaced Green Party candidate Ralph Nader and was the same as Republican Steve Forbes, both of whom have received massive media coverage, in contrast to the LaRouche candidacy, which has been systematically blacked out.

Previously LaRouche's highest vote totals came from Ohio (63,677) and Oklahoma (46,392). Altogether he has now received approximately 370,000 votes in the primaries. LaRouche's most significant vote totals thus far are as follows: Delaware 9.6%, North Dakota 34.5%, Colorado 11.1%, Louisiana 11.69%, Oklahoma 12.65%, Mississippi 7.6%, Ohio 8.25%, and now California 7%.

Strange goings-on

Throughout election night, the LaRouche vote was reported to have been far greater by the Secretary of State. The LaRouche campaign intends to investigate the circumstances surrounding a significant drop both in the total votes and in the percentage he was receiving, which drop occurred some time after midnight Pacific Time. Throughout the evening, LaRouche was reported to be receiving as much as 11% of the vote statewide and to be winning as many as 8 delegates. The next day's *Los Angeles Times* reported that, with 50% of the precincts reporting, LaRouche received 11% of the vote.

At midnight on March 26, the printout produced by the Secretary of State's office reported that with 50.6% of pre-

incts reporting, LaRouche was receiving 10.6% with 139,000 votes. As late as 1:15 a.m. on March 27, the Secretary of State's office reported that LaRouche was receiving as many as 8 delegates from the 43rd CD in Riverside (near Los Angeles) and in the 8th CD in San Francisco.

In the 43rd CD, with 92% of the precincts reporting, at 1:15 a.m., LaRouche had 18,000 votes or 61.6%, and President Clinton 11,500 votes or 38.4%. However, at 2:05 a.m., with 100% reporting, the totals were 29,697 for Clinton or 92.2% and 2,525 votes for LaRouche, or 7.8%.

In the 8th CD, with 58% of the vote counted at midnight, LaRouche was receiving 31,000 votes or 68.6%, and Clinton 16,100 votes or 31.4%. There were no updates on the 8th CD after midnight from the Secretary of State's office. But, when the final results were given, President Clinton received 75,377 votes, or 97.5%, and LaRouche only 1,977 votes, or 2.5%.

Statewide, at 1:15 a.m., with 86% of the precincts reporting, LaRouche had 9.6% of the vote and 193,000 votes. However, at 2:05 a.m., with 95% of the precincts reporting, President Clinton was given 2,027,000 for 91.5% and 358 delegates. LaRouche was given 190,277 votes with 8.5% of the vote and 5 delegates from the 8th CD. When all of the precincts had reported, the totals for LaRouche had dropped to 7% with only 162,000 votes.

The disappearance of the vote for LaRouche in both the 43rd and 8th CDs, thus the loss of delegates and the reduction of the percentage of the LaRouche vote to below 10% statewide, reflects a pattern which conforms to the orders given by Democratic National Chairman Donald Fowler to prevent Lyndon LaRouche from getting any delegates to the National Democratic Convention.

The candidate responds

Lyndon LaRouche commented on the California events in an interview with "EIR Talks," on March 27.

EIR: Mr. LaRouche, we're discussing the California elections. Why is Don Fowler taking this whole approach?

LaRouche: Well, Don Fowler has, since January of this year, has "come out of the closet," so to speak, as national

chairman, in issuing a scurrilous letter in his capacity as national chairman, charging that I am, among other things, a “racist” and “anti-Semite.” And therefore I’m not a candidate, and shall not be allowed to have delegates at the Democratic National Convention in Chicago. That’s what the letter says. There are a few other things in there, but that’s the gut of the thing. I issued a response to Fowler, saying that . . . the statements he makes against me are lies. And the letter is written in reckless disregard for truth.

Now that letter was sent out, and most of the Democratic committees in the states around the country preferred to ignore the letter, because it was a scurrilous, nasty piece of work. And they just hoped it would go away.

But more recently, Fowler and people around him in the Democratic National Committee, probably in the campaign, Democratic campaign organization in particular, have been putting heavy pressure on a number of states to run dirty tricks against me, with the specific purpose that I shall not have delegates. And the Fowler dictum that I shall not be allowed to have delegates at the convention, comes up prominently, of course, when you look at the California printouts, that is, the computer printouts of the actual vote tallies, because they use computer tallying out there. *And somebody took and threw away votes!* They threw away over 30,000 votes, probably 50,000 votes, of mine. . . .

Now, you look where they threw them away, and you go down to the congressional district, and you find out that they threw them away in a couple of districts . . . where I had won delegates by margins of about 60% of the vote. . . . And if Fowler didn’t do it, certainly the results *accord with his instruction*, and with the dirtiness of the instruction.

Now, what’s at issue here? The issue is as raised by Senator Kennedy in January of 1995, after the disastrous loss of the Congressional vote in the 1994 federal elections. And Kennedy said, as I had been saying, as we knew in Virginia, the Commonwealth of Virginia Democratic Party case, that we have two Republican parties in this country. One Republican Party flies the flag of the Republican Party. . . . We know that we have, in the Democratic Party, a *second* Republican Party.

Now, what Fowler is representing is that second Republican Party. You know, for Fowler to accuse me of being a racist—compare our two records (laughs). . . . But what he represents, is those, including the Anti-Defamation League, who are moneybags and who have a very significant influence, as Republicans, in the Democratic Party. That is, the Anti-Defamation League is a *professedly neo-conservative organization*, as typified by Irving and Bill Kristol, for example. They’re typical neo-conservative Republicans of the Dick Arme or Newt Gingrich type. Maybe not as flamboyant as Newt Gingrich, but that’s where they belong.

Commentary magazine typifies their ideology. They are tied to Likud, which is a right-wing organization in Israel. They don’t belong in the Democratic Party. *They’re Republi-*

cans. They’re Richard Arme-type Republicans. But they’re in there, manipulating the Democratic Party from the inside, to cause their friends in the Republican Party to win elections, as in 1994, when that’s exactly what happened.

They also happen to be racist. The ADL officially has a racist doctrine put forth on its behalf some years ago, by Leonard Dinerstein, at an ADL conference in Montreal, discussing the ADL’s campaign against African-Americans, especially African-American prominent figures and elected officials. . . .

But this group has a very strong influence inside parts of the Democratic Party, influence on Don Fowler, and influence around, for example, someone like Ann Lewis, who’s sort of acting chair or something of the Democratic campaign organization. *That’s* where the problem comes from.

But that’s only the aspect of the problem: The underlying issue is that we’re now staging a fight for the soul of the United States. . . . We have to go back to being a great nation again. We have to care about our citizens. We cannot kill people in order to balance a budget or presumably balance a budget. That sort of thing. We have to go back to being the kind of nation that FDR mustered us to be, in the context of the Depression and World War II. We have to be what Kennedy tried to muster us to be, before he was shot. . . .

We also have the second aspect of this. We have the worst financial crisis in modern history now erupting, about to engulf all the banking systems of the world. We also have, as I said, this zooming relationship between parasitical growth of incomes in the top 10%, which is what the Arme ants represent as a constituency. . . .

. . . Not only is the AFL-CIO reactivated as a social force in the United States; but its voter registration efforts parallel those of many African-American voting groups in the Democratic Party, which have been turned down for financial assistance for voter registration, from the treasury of the Democratic National Committee, which has essentially written off the southern states. And the way they can write off the southern states, is to make sure that the African-American vote doesn’t get any support, and is totally alienated, and that will ensure the Democratic Party loses the southern states. And that is what the Democratic National Committee is doing.

Now, again, you take the African-Americans. Take the case of the AFL-CIO. Take the case of the Hispanic-American organizations, who were a significant part of the vote I got in California. You take the other hyphenated-American groups which feel and sense the same issue. Then you take the retired people, who have been threatened mortally by Newt Gingrich and the Arme ants. So these are the natural voting constituencies which could ensure a Democratic victory. And these voting constituencies *require that kind of Democratic Party victory*, to save their very lives, at least the lives of a large number of people among them.

LaRouche campaign spearheads defeat of Nazi health care cuts in Pennsylvania

by Stephen Komm

The unexpected defeat of Pennsylvania Gov. Tom Ridge's plan to balance his state budget with \$250 million in Nazi-style health care cuts, may set a precedent for destruction of the Gingrich-Gramm crowd on the national level.

The late-night vote of 125-76 in Pennsylvania's House of Representatives on March 25, stunned Republican Ridge and his legislative henchmen, who had been "marching in lock-step" with Speaker of the House Newt Gingrich, since gaining a 102-101 Republican majority in the state House in the 1994 elections. Only two weeks previously, Ridge had introduced an addition to his "welfare reform" package that would remove all state medical assistance for 260,000 of the "working poor," and had rammed it through the Republican-controlled Senate, with no hearings, in one week. Democratic leaders were predicting a similar steamroller, with all the Republicans and at least 15 Democrats in the House arm-twisted by Ridge to support his momentarily popular "welfare reform."

Supporters of Democratic Presidential contender Lyndon LaRouche, led by campaign representative Philip Valenti, played a pivotal role, over the 96 hours before the vote, in the statewide mobilization of constituency forces that stopped the governor's murderous measures.

The insane consequences of the Gingrichites' budget-cutting, forced many groups into motion. Philadelphia Cardinal Anthony Bevilacqua led a mobilization of the state Catholic Conference and state Council of Churches, in which ministers and parishioners told legislators, "Don't vote as a party member, vote as a Christian." The coalition led by the churches, but also including the state AFL-CIO, the Hospitals Association, health workers unions, and welfare advocates, dubbed Ridge's bill the "Hospital Closure Act."

But Valenti's proof that Ridge's bill was a Hitler-style crime against humanity, was essential in tipping the balance, by making the issue clear in a way that sane Republicans and wavering Democrats in the legislature could not deny.

The 'knew or should have known' principle

On March 22, Valenti issued a press release announcing the LaRouche campaign's opposition to Ridge's S.B. 1441. Valenti called the measure "a violation of the Nuremberg code, under which Nazi leaders, who 'knew, or should have

known' that their policies would result in wrongful deaths of innocent people, were tried and convicted of 'crimes against humanity.'" He quoted LaRouche's description, on his March 2 national TV broadcast, of Newt Gingrich as a "Hitler-style criminal. . . . If you kill somebody by subterfuge, it's the same as if you kill them by some other means: It's murder."

The message that Ridge's bill was a crime against humanity, was delivered to key legislators fighting the bill, and to legislators identified as "swing votes," at their homes, district offices, and town meetings, in the days before the vote. Valenti and a team of LaRouche supporters hand-delivered the release to all 203 representatives and 50 state senators in their state capital offices.

The message was reinforced by circulation to all legislators of a *Delaware County Times* news article, headlined "Ryan vs. LaRouche," which reported a demonstration by LaRouche supporters on March 22 at the Media, Pa. district office of Republican House Speaker Matthew Ryan.

The demonstrators, chanting "Ridge and Ryan are mean and greedy; they want to kill the old and needy," dominated the downtown area of Media, a wealthy Republican suburb of Philadelphia. Ryan came out and "squared off in [a] verbal jousting match [with] Lewis du Pont Smith—an heir to the du Pont chemical fortune and a longtime LaRouche supporter . . . when Smith likened Ryan and other political leaders to Nazi war criminals," said the local paper. "Protesters linked Ryan, Ridge, and a favorite target, House Speaker Newt Gingrich, to Nazi policies by virtue of their view that cuts in medical care will ultimately result in the deaths of working poor." Ryan was quoted: "I don't like being called a Nazi. It's in bad taste."

Several key Democrats said they were planning to use exactly the same approach as LaRouche's citing of the Nuremberg Tribunal's standard of "knew or should have known." One said, "That demonstration at Ryan's office was just what we needed," since Ridge had planned to steamroller his bill through "before there could be any demonstrations against it." They said they would be telling every Democratic legislator "on the fence," and all the Republicans, "This is murder by government edict, just like we prosecuted at



A demonstration in Harrisburg on March 25, against the health care cuts of Pennsylvania Gov. Tom Ridge. LaRouche campaign spokesman Philip Valenti charged, in a widely circulated statement, that Ridge's legislation was a crime against humanity, a violation of the Nuremberg Code, under which Nazi leaders were tried. The legislation was overwhelmingly defeated.

Nuremberg. If you don't drop your support for this, LaRouche's people, and your constituents, will be picketing your office, too."

'Health care cuts are insanity'

Even before the LaRouche forces entered the fray, there were already signs of a mobilization against the governor's policy.

State Sen. Vincent Fumo (D-Philadelphia) launched the fight against Ridge's surprise health cuts, calling the bill "the most reprehensible, short-sighted, mean-spirited idea ever to come before the General Assembly."

"Labelled brutal and heartless by Democrats and advocates for the poor, [the bill] is called fiscally foolish by many in health care," said a Philadelphia *Daily News* editorial. Worst-hit were likely to be Philadelphia and Pittsburgh, but hospitals throughout the state were threatened with major cuts in service, or even with closing. Philadelphia hospitals stood to lose \$117 million in state and federal aid. Too, 17.5% of the Philadelphia labor force work in health-care-related jobs.

Richard Benfer, president of the Pittsburgh-area Brad-dock Hospital, told the press that the hospital would be forced to close within a year, as 30% of the hospital's patients are on state Medicaid. Many are former steelworkers, he said, "very proud people, who have taken lower-paying jobs with no benefits. Now this is being taken away from them."

Republican state auditor general Barbara Hafer, a former public health nurse, broke with Ridge, telling a Pittsburgh radio station that all but 3 of 17 large hospitals in the area might close. And a veteran Republican legislator anonymously told the press, "It was too much like a bank action. 'We need money; who do we foreclose on?'"

The only defense offered by Ridge's spokesman Tim Reeves was: "It's a \$21 million a month issue for taxpayers." Others said they were rushing the bill through to get "a full fiscal year's savings from the cuts."

LaRouche cites 'strategic importance'

In response to news of these developments, LaRouche announced that he has placed a priority for his Presidential primary campaign in the state of Pennsylvania, on the re-broadcast of his March 2 television show. This will be accompanied by a major advertising campaign with radio and newspaper ads. The purpose will be, to make the "knew or should have known" statement by Valenti, the focal issue of the Pennsylvania Democratic Presidential primary.

While this particular measure slashing health care has been defeated for the moment, the battle is not over, and hideous austerity measures are still before the legislature. Ridge has already demanded that legislators who voted against him find other places to cut \$250 million, or go back and cut state Medicaid.

Support grows for campaign to exonerate Lyndon LaRouche

by Marianna Wertz

The question of exoneration for Lyndon H. LaRouche, Jr., the world's foremost physical economist, founder of *EIR*, and currently a candidate for the Democratic nomination for President, has now become a burning question in America and around the world—one which can no longer be swept under the rug. A political prisoner of George Bush for five years, LaRouche was railroaded into jail in 1989 and is now serving a 10-year parole term. Undaunted, LaRouche has put the issue of his exoneration at the forefront of his Presidential campaign, and is receiving an unprecedented 10-13% of the vote in two- and three-way races with President Clinton nationwide.

The support for LaRouche's exoneration has exploded since the call first went out from the Schiller Institute in early 1994, just after LaRouche was released from prison. As of March 28, 1996, a total of 651 state legislators, from 50 states—nearly 10% of the nation's state legislators—have endorsed an Open Letter to President Clinton calling for LaRouche's exoneration. The Open Letter, which has been published several times as a paid advertisement in the *Washington Post*, *Roll Call*, and other press, identifies LaRouche as a "political prisoner," and says that "the U.S. government knew at all relevant times, from 1979 to the present day, that Lyndon H. LaRouche and his co-defendants were innocent of the false charges for which they were convicted."

Also signing that Open Letter are hundreds of sitting and former parliamentarians from around the world; former Presidents of Argentina and Panama; 29 former U.S. Congressmen; more than 300 elected municipal officials in the United States, including 75 mayors of cities; hundreds of civil rights leaders; dozens of Catholic, Protestant, Muslim, and Jewish religious leaders; and legal professionals from every part of the globe.

The evidence

The case for the exoneration of LaRouche and his co-defendants is outlined in detail in a 15-page booklet titled, "Summary of Relevant Evidence On the Record Demonstrating the Innocence of Lyndon LaRouche and Co-Defendants," first issued by LaRouche's campaign committee, the Committee to Reverse The Accelerating Global Economic and Strategic Crisis: A LaRouche Exploratory Committee, in

March 1994. Two years later, LaRouche's supporters have distributed more than 11 million of the booklets throughout the nation.

Why, then, with such worldwide support for his exoneration, has this not happened? LaRouche himself addressed the question in his Martin Luther King Day speech in Arlington, Virginia on Jan. 15, which was broadcast as the first national half-hour prime-time television spot of his Presidential campaign, on Jan. 27. LaRouche opened the speech by discussing his innocence and explaining why his exoneration is so important, not just for himself, but for the nation. "I'm saying, tonight, as I do on other occasions, some things that are 'very heavy,' I believe the expression is. And, when I say things that are heavy, you have certain funny people around the United States and elsewhere, who say, 'Pay no attention to him. He's been convicted of this or that,' and so forth.

"Well, in short, it's necessary to emphasize, that neither I nor any of my associates have anything of which to be ashamed. We committed no crime. The government records, the testimony of government witnesses, the testimony of government agents, clarifies that there was no crime committed by us, but was committed by a section of the government, on the initiative of Henry Kissinger, and with the complicity, largely, of George Bush, plus a bunch of crooks in the Justice Department, especially its Criminal Division, who have to be cleaned out. And no one yet has the guts to do so. I would propose that I do. . . .

"We were convicted for only one reason: because in 1982, some people behind Henry Kissinger decided I was becoming too powerful in the world. And they said, 'Get rid of him.' And, as a result of that, in January of 1983, a National Security operation was set up to try to put us out of business."

In the question period, LaRouche was asked to explain why he has still not been exonerated, despite the support he has. "In many respects, I'm a potential folk hero; and some people around Washington are afraid of that," he replied. "They're afraid, that if I were to be officially exonerated, that I'd become a national folk hero. Because the operations against me and my friends are more extensive than in any other case of fraud run through the Justice Department in the recent period. That could blow the country out. That would mean cleaning out a whole section of the Justice Department,

whole other sections of the federal bureaucracy. It would be the *end* of Henry Kissinger and his influence; it would be the end of George Bush.”

State leaders endorse the call

Despite significant attempts to slander LaRouche as an “extremist” and to black out any mention of his Presidential campaign by the major news media, nearly 10% of American state legislators, 651 from all 50 states, the vast majority of them currently serving, have called for LaRouche’s exoneration, though they do not necessarily support his Presidential campaign.

Included are the leaders of several state legislatures, both Democratic and Republican. For example, in the state of Kansas, both the Senate and House minority leaders, Sen. Gerald L. Karr and Rep. Tom Sawyer, have signed. Two State Senate Presidents Pro Tem have signed: Sen. Dennis P. Bagneris, Jr. of Louisiana and Sen. Lawrence E. Jacobsen of Nevada. The Assistant Speaker of the House in Arkansas, Rep. Ben McGee, has signed. In Missouri, J.B. Banks, the Senate Majority Leader, has signed. In North Dakota, both the House Majority Leader, John Dorso, and the House Minority Leader, Bill Oban, have signed. The Speakers Pro Tem of Tennessee and Mississippi, Rep. Lois M. DeBerry and Rep. Robert Clark, have signed. In Michigan, the Assistant Minority Leader, Minority Caucus Secretary, and two Minority Whips have all signed, as has Rep. Ernest Newton II, Assistant Majority Leader in Connecticut.

NBCSL calls for investigation

In one of the most important developments for the cause of justice, the National Black Caucus of State Legislators (NBCSL), the nation’s largest organization of African-American elected officials, representing 574 legislators in 44 states, on Dec. 18, 1995, made public a resolution calling for congressional hearings to investigate misconduct by the U.S. Justice Department in three key cases: the case of Lyndon LaRouche; the campaign of harassment and selective and vindictive prosecution conducted against African-American public and elected officials, called “Operation Frühmenschen” (primitive man) by the FBI; and the conduct of the Department of Justice’s Office of Special Investigations (including the cases of John Demjanjuk and former U.N. secretary general and former President of Austria Kurt Waldheim).

This resolution was drafted following a stirring presentation by former Sen. Theo Walker Mitchell (D-S.C.), a leader of the NBCSL since its founding and a signer of the Open Letter calling for LaRouche’s exoneration. Mitchell had been a key participant, together with other NBCSL leaders, in the independent hearings convened by the Schiller Institute on Aug. 31 and Sept. 1, 1995, in Vienna, Virginia, where these four cases of Department of Justice misconduct had been investigated by a panel of legal experts and elected officials (see *EIR*, Oct. 6, 1995).

African-American support

Among the strongest support for exoneration for LaRouche and his associates has been from the African-American community. Familiar with injustice from long personal experience, many black leaders have adopted LaRouche’s cause as their own, particularly because of his strong espousal of civil rights and equal rights for minorities, as well as of economic development and an end to British-International Monetary Fund neo-colonialism in Africa.

Since mid-1995, spokesmen for LaRouche have been invited to address the Black Caucuses of nine state legislatures: Pennsylvania, Ohio, Indiana, Mississippi, Georgia, Virginia, Alabama, North Carolina, and South Carolina. In many of these states, and in a few others, the leaders of the Black Caucus have endorsed the call for LaRouche’s exoneration: Mississippi, Tennessee, Arkansas, Pennsylvania, Ohio, Indiana, Virginia, North Carolina, and South Carolina.

Endorsers of the Open Letter to President Clinton, calling for LaRouche’s exoneration, include most of the significant African-American political and religious figures in the United States. The following partial list gives a sense of the depth of support for LaRouche’s exoneration in the African-American community: Rosa L. Parks; Benjamin F. Chavis, Jr.; Dick Gregory; Rev. Hosea L. Williams; Dr. Wyatt Tee Walker; Dr. Dorothy I. Height, president of the National Council of Negro Women; Amelia Boynton Robinson, board member, Martin Luther King, Jr. Center for Non-Violent Social Change, and vice chairman of the Schiller Institute; Rev. James L. Bevel, former Direct Action Coordinator for the Southern Christian Leadership Conference and LaRouche’s 1992 vice-presidential running mate; Oscar Eason, Jr., national president, Blacks in Government; S.A. “Shep” Wilburn, Jr., president of the National Black Caucus of Local Elected Officials; Bishop Roy L.H. Winbush, chairman of the Congress of National Black Churches; George E. Evans, president of the National Caucus of Black School Board Members; Earl C. Rickman, vice president of the National Caucus of Black School Board Members; Dr. Abdul Alim Muhammad, national spokesman for Hon. Louis Farrakhan and minister of health, Nation of Islam; Dr. William A. Jones, founder, National Black Pastors Conference; Mabel B. Haden, president, National Association of Black Women Attorneys; Clinton Roberson, president, African-American Lawyers Association; Sylvia Cox, president, National Association of Black Women Lawyers; Ronald Hampton, president, Afro-American Police Association; William Reed, director of communications, National Newspaper Publishers Association, Black Press of America.

Copies of “Summary of Relevant Evidence On the Record Demonstrating the Innocence of Lyndon LaRouche and Co-Defendants,” are available from The Committee to Reverse The Accelerating Global Economic and Strategic Crisis: A LaRouche Exploratory Committee, at P.O. Box 730, Leesburg, Virginia 22075.

What's wrong with U.S. Africa policy?

by Scott Thompson

The answer is: Life Baroness Lynda Chalker of Wallasey, the British Minister of Overseas Development. She visited the United States on March 23-25, for consultations at the White House, State Department, and the International Monetary Fund-World Bank, in a drive to steer the U.S. administration into yet another strategic blunder in Africa: sanctions against Nigeria.

According to British officials, Lady Chalker has been traveling to Washington every three to four months, to shape a U.S. "consensus" with British Empire policy. A spokesman for the British embassy claims that there has emerged a "special relationship" between the United States and the United Kingdom on policy toward Africa.

Chalker was named a Life Baroness in 1992 by former Prime Minister Margaret Thatcher, and is a member of The Queen's Privy Council. One of four Conservative Party government foreign policy spokesmen in the House of Lords, she has served as Minister of Overseas Development and Minister for Africa and Commonwealth in the Foreign and Commonwealth Office since 1989.

In her latest trip to Washington, Chalker concentrated on drawing the United States into a "multilateral approach" to Nigeria, according to British embassy officials. This means joining the effort of the U.K. and the British Commonwealth to destabilize Nigeria, in the name of "democracy." In previous visits to Washington, Chalker had defended the Ugandan regime of dictator Yoweri Museveni, whom she controls, when Museveni's regime sent the Rwandan Patriotic Front, which is part of the Ugandan Army, to slaughter thousands of Hutu men, women, and children in Rwanda. According to British embassy spokesmen, Lady Chalker worked hard to stave off an outcry from the United States. She insisted at the time that only 300 "radical" Hutu were killed at the Kibeho refugee camp (U.N. observers on the scene put the number of victims at 8,000).

Museveni's top officials have been caught trying to buy TOW missiles and missile launchers in Florida, for supply to Museveni's school chum, John Garang, who is waging a guerrilla war, with British backing, against the Sudanese government in Khartoum. According to Ugandan sources, Museveni's government is the main source of supply to Garang's Sudanese People's Liberation Army. Now, Chalker is sharpening her knives against Nigeria, and would have the United States join in the kill.

Building 'multilateral consensus'

On her latest visit to the United States, Chalker had the following schedule of meetings to discuss Africa, and especially Nigeria:

In the morning of March 25, she met with National Security Adviser Anthony Lake, at the White House.

She then went to the State Department, where she met with Steven Morrison from Policy Planning. He hosted a luncheon for her, with Assistant Secretary for African Affairs Prudence Bushnell, the deputy assistant secretary for the Agency for International Development (AID), and others.

In the afternoon, she met with the head of AID, Brian Attwood, and in the evening, the AID Africa desk hosted a dinner for her, in her capacity as Minister of Overseas Development. She has been a leading spokesman for free market "privatization" of State-owned industry, and the British imperialists have an eye on looting Nigeria's oil wealth. This is what Chalker means by "Overseas Development."

She concluded her visit with meetings at the International Monetary Fund and World Bank, organizations which former Ugandan President Godfrey Binaisa has called the principal modern-day instruments of the British Empire's colonial oppression in Africa.

Focus on Nigeria

Chalker reportedly discussed Nigeria, Namibia, Burundi, Liberia, Sierra Leone, Zambia, Kenya, Uganda, and Sudan. But she concentrated her efforts on building a "multilateral consensus" on Nigeria with her U.S. counterparts, preparing the ground for U.S. agreement with the Commonwealth's working group report on Nigeria. A British embassy spokesman stated that the Commonwealth working group on Nigeria is composed of the foreign ministers of Zimbabwe (chairman), New Zealand, Jamaica, Malaysia, the U.K., South Africa, Ghana, and Canada.

The oh-so-democratically selected Queen Elizabeth II, who wields "Prerogative Powers" that are more concentrated than any democratically elected President, is recognized as the Queen of 17 Commonwealth countries, and Head of State all the others.

This makes Chalker an "authority" on democracy. In her discussions in Washington, she said that U.S.-U.K.-Commonwealth actions toward Nigeria must follow two criteria: 1) Will they enhance a return to democracy; and 2) will they enhance other multilateral goals in Nigeria?

The truth about Nigeria, is that it is more on the course to democracy than is the British Empire, with its hereditary system of rule. Periodically, however, because of British Empire imperialist manipulation of political parties, the Nigerian military has been forced to step in to restore order. Thus, as Nigerian leaders such as Chief Abiola Ogunodun have reported to *EIR*, after yet another crisis in 1993, Gen. Sani Abacha took power as the new military head of the government. General Abacha made it clear that he would not hand



Schiller Institute representatives greet Baroness Lynda Chalker (inset) at the U.S. State Department, March 25, 1996.

over power until a sound foundation had been laid for democracy. Many political leaders, including Chief M.K.O. Abiola, welcomed this attempt to stabilize the political situation. Despite this, the British Empire, through the regular consultations of Lady Chalker, is seeking to impose sanctions on Nigeria, which would only worsen the situation in that country.

Schiller Institute opposition

While the head of the AID Africa desk was hosting a dinner for the bloody Lady Chalker, a Schiller Institute demonstration took place outside the State Department, featuring a banner that read, "Ban Import of Mad Cows, Revoke Lady Chalker's Visa." The five demonstrators sang a version of "Lady Madonna," whose lyrics had been rewritten for the "Butcher of Rwanda": "Lady Lynda Chalker/ Minister Overseas/ Wonder how she managed/ To hide her disease/ . . . Soon a million Africans/ Are lying dead/ . . . Spreading AIDS and genocide/ For the Queen/ Said she saw a thousand Hutus dying/ Said it don't affect her judgment none;/ Says you need a Structural Adjustment/ You'd better run."

Demonstrators hoisted a six-foot-square cartoon of three witches, stirring a pot containing the world's nations. The witches were Lady Chalker, Prince Philip, and Baroness Caroline Cox, who is heading British efforts to destroy mineral-rich Sudan.

Labour Party Leader Tony Blair calls the Life Baronesses, such as Ladies Thatcher, Cox, and Chalker, part of a meritocracy that deserves their power within the upper House of Lords. In fact, to obtain a Life Peerage, over which the queen has a final say, shows that one has led a life of devotion to the British Empire, where all are not created equal, but power is ultimately determined by heredity. It means, usually, display of finesse in Hobbesian balance-of-power politics. This is Lady Chalker.

She was born to Sidney Henry James Bates and Kathleen Randell on April 29, 1942. She became national vice-chairman of the Young Conservatives (1970-71). In a rapid promotion, she was named a Member of the British Broadcasting Corporation Advisory Committee (1974-79). She was elected a Conservative Party MP from Wallasey from 1974 until she entered the House of Lords in 1992, and she worked closely with Tory Prime Minister Margaret Thatcher. She was named parliamentary undersecretary of the Department of Transport (1982-83). Next, she was made minister of State (1983-86). Thatcher then selected her to be Minister of State, Foreign, and Commonwealth Office, with special responsibility for Sub-Saharan Africa, the Commonwealth, Europe, international trade, economic relations, and Personnel (1986-89). She has held her current post in charge of Overseas Development and Africa since then.

The United Nations, the British, and the court-martial of Michael New

by Leo F. Scanlon, Jr.

The case of U.S. Army medic Michael New has generated a storm of support among military veterans and other citizens, who are thoroughly disgusted with the United Nations, and any policy that carries the smell of “no-win” warfare. New is awaiting the final review of the court-martial which issued him a bad conduct discharge, after he refused an order to put U.N. insignia on his uniform. Indicative of the sentiment, is H.R. 2540, an act presented to Congress, which would prohibit any member of the Armed Forces from being required to wear any insignia that “indicates (or tends to indicate) any allegiance or affiliation to or with the United Nations.” As a symbolic protest against the United Nations, the bill raises interesting questions, but it ignores the deeper fact, that the economic and social policies of the U.N. contribute far more to human slaughter than all the “U.N. military operations” together. By refusing to associate himself with the United Nations in any way, Michael New has presented a profound challenge to the politicians, who have refused to face this problem.

In a pre-trial proceeding held in Germany in January, New’s attorneys presented evidence which shows that there is no simple solution to the general problem this case poses, because U.N. actions are routinely legitimized by dissimulation and deceit on the part of political leaders. The trial documents show what *EIR* has long reported: that the U.N.-certified slaughter in the Balkans was shaped by the British and the French, and that if the American people want to be disassociated from that intrigue, they will have to be willing to support an alternative to the “global government” policies of the U.N. apparatus.

How a U.N. military operation is created

It is a fact, often lost in all the controversy surrounding the U.S. military operations in Bosnia, that with the exception of a very small strategic force deployed in Macedonia, the Clinton administration systematically refused to participate in any U.N.-run military operation in that region. The history of the United Nations Protection Forces (Unprofor) in the former Yugoslavia, and the basic contradiction between the U.S. Constitution and the United Nations Charter, are tied together in the international political negotiations which

shaped the crisis in the Balkans. David Sullivan, a high-ranking former Senate staff member, unraveled that history and presented it to the court in Michael New’s defense.

The facts developed by Sullivan argue that New did not get a correct explanation from his Army superiors, when he asked “by what authority” he was being ordered to don U.N. military insignia. He was told, that the insignia and beret were necessary identification items, to be worn during the course of his deployment with U.N. Task Force Able Sentry, a deployment authorized by the President and concurred with by the Congress of the United States. New’s attorneys point out that although the Congress did concur, *de facto*, with the deployment, the letter which the President sent to notify the Congress, erroneously characterized the U.N. mandate for the operation. The justification for the order given to New was wrong on an important point.

The point is obscure, but not insignificant. Sullivan presented a document prepared by Conrad Harper, legal adviser to the State Department, which explains that all authority for U.N. operations is based on U.N. Security Council resolutions—that is, the U.N. rule, and the U.S. interpretation of that U.N. rule. U.N. Security Council resolutions on these issues are governed by Chapters VI and VII of the U.N. Charter, which govern different types of military actions under U.N. authority. These chapters were controversial from the beginning, and the U.N. Participation Act (UNPA) of 1945 has extensive language describing what those chapters mean, in terms of American law.

It is a confusing aspect of that law (which was amended in 1949), that the section of the UNPA which deals with U.N. Chapter VI is called Section 7; and the section of the UNPA which deals with U.N. Chapter VII, is Section 6. The difference between Chapters VI and VII is that VI refers to non-combatant observation, reporting, etc., or deployment of experts as parts of some type of U.N. study team (such as the operations which inspect weapons in Iraq), while Chapter VII involves combatant forces which are imposing a truce or peace settlement on parties which are engaged in hostilities. Section 7 of the UNPA says that the President may deploy up to 1,000 persons worldwide under Chapter VI, without specific Congressional approval, and Section 6

of the UNPA says that the President *must* have specific statutory authorization from Congress to participate in a Chapter VII operation.

Sullivan points out that of the 97 U.N. documents related to the Bosnian deployments, 27 refer to Unprofor, and five of them refer to it as a Chapter VII mandate. There is no reference to Chapter VI in any of the documents whatsoever.

The Unprofor disaster

The Unprofor operation came into existence when the United Nations intervened in the chaos that accompanied the collapse of the former Yugoslavia. The intervention was designed to prevent the emergence of a group of stable, independent nation-states, which had been recognized in Europe—by Germany in particular. British geopoliticians, seeking turmoil in the continent, saw to it that radical gangs of Serbian racists were unleashed to attack Muslim and Croatian populations in the area, and the U.N. stepped in to “impose peace.” That plan, described in a report of the U.N. secretary general, was eventually incorporated into the resolutions which authorized the multiple Unprofor operations, and was implemented by U.N. “mediators” Cyrus Vance and Thorvald Stoltenberg, and European Union “mediator” Lord David Owen. As Serbian aggression continued, Unprofor ensured the slaughter, by deploying to stop any Bosnian or Croatian retaliation.

U.S. military officials rebelled at the prospect of participating in the scheme, and the U.S. stayed out of Unprofor. When world opinion finally became revolted by the bloody Unprofor fiasco, the U.N. called upon NATO to form a military force, IFOR, which would “separate the warring parties.” Under U.S. leadership, this was quickly done—and none of the forces involved wore any U.N. insignia.

However, there was one, little-noticed action, in which the United States had detailed a small force to Unprofor in Macedonia. This was to make clear, that any expansion of Serbian terror attacks in that direction would involve American troops, and would trigger a U.S. military response. The main force was a Nordic battalion, with U.S. military observers attached. Those troops reported back to U.S. headquarters in Naples, and from there to the Commander in Chief for Europe (CINCEUR), but they were operating under a U.N. Chapter VII mandate.

British and French scheming

Sullivan points out, that it was the British and French who opposed any language which would define that Macedonia deployment (Task Force Able Sentry) as a Chapter VI U.N. operation. This is instructive, because the deployment was a classic Chapter VI (non-combatant) task, but by defining it under a Chapter VII (combatant) mandate, the British and French tried to obscure the signal sent by the U.S. participation. The trick was that under U.S. law, the troops were technically not allowed to participate in a Chapter VII deployment,

since any action under a Chapter VII mandate would require the approval of Congress—a barrier the British could easily place in the Clinton administration’s way.

In July 1995, when President Clinton notified Congress of his intention to relieve the Nordic battalion in Macedonia with a U.S. contingent, he informed the Speaker of the House that the administration understood Task Force Able Sentry to be a “Chapter VI operation in support of a Chapter VII deployment.” The formulation is pure double-talk: There is no such animal under U.S. law; but the circumstance is common enough that military lawyers jokingly refer to it as a “Chapter Six and a Half” deployment.

The prosecutor in the court-martial accepted the facts as presented by Sullivan, but went on to present a most amazing interpretation: He argued, that since the U.N. Security Council had political reasons for not mentioning Chapter VI in any authorizing resolutions or mandates; and since President Clinton notified Congress, in his July letter, that he was proceeding under Chapter VI authority; and since Congress created a “constructive agreement” with that notification, by not withholding operating funds for troops deployed in Task Force Able Sentry; and since the job of Able Sentry is essentially—at this time—a Chapter VI-type enforcement of an agreed-upon truce between parties (Serbs, Bosnians, etc.) who are not recognized to be at war with each other by the Congress or anyone else; it is effectively true that *Task Force Able Sentry is in reality a Chapter VI operation, no matter what the U.N. documents say*. Michael New, in the eyes of the Army, disobeyed a legal order.

Citizens are responsible

This story is the bizarre background to the predicament that New found himself in, when he followed his understanding of the Constitution, as informed by the military code of conduct, and in spite of social pressure and threats of punishment, refused to obey an order which was inadequately justified to him. His understanding of the law is coherent with the essence of the U.N. Participation Act, and the concerns of the Congress which passed it: No U.S. soldier can serve in a combat capacity in a U.N.-declared war, unless the Congress of the United States declares the United States a belligerent in the conflict, or explicitly authorizes the President to engage U.S. forces in a limited capacity. Simply put, the U.N. has no authority over any U.S. citizen.

Ironically, it is in the realm of military affairs only, that U.S. law recognizes the dangers of the “new world order” schemes of the United Nations Organizations. In matters of economic policy, the current Congress is recklessly pursuing the free trade, balanced budget, privatization regimen which the U.N.’s World Bank is imposing, with murderous results, around the globe. The violation of any nation’s sovereignty by these policies is unconstitutional, no matter who supports it, and it is time for more citizens to wake up and say, “Enough is enough.”

Hollings: 'protectionist and proud of it'

Sen. Ernest Hollings (D-S.C.) ripped into the anti-protectionist hysteria coming from Conservative Revolution circles since the success of Presidential candidate Pat Buchanan in the early primaries, in an op-ed in the March 17 *Washington Post*. Hollings used a joke from World War II: "When in danger, when in doubt, run in circles, scream and shout," to describe the reaction to Buchanan's exposure of the disinvestment in America resulting from U.S. trade policies.

"Lincoln," Hollings said, "would have understood today's challenge. To build the transcontinental railroad, his advisers counseled purchasing the steel from England. In essence, Lincoln said, 'No, we will build our own steel mills so that upon completion not only will we have the railroad but the United States will have a steel capacity.' Lincoln wasn't thinking of trade; Lincoln was thinking of building the economy."

Hollings warned that American economic strength is "fractured": "The United States has lost its capacity to produce. At the end of World War II, 50% of our workforce was in manufacturing; today it's only 13%. These were high-paying jobs that permitted a family to own a home, send the kids to college, and still finance a Marshall Plan that helped resurrect Europe after the war."

"At the end of World War II," he continued, "the United States promoted the ideas of free trade to spread capitalism and develop consumers for its overwhelming production. But the Pacific Rim countries refused to follow Adam Smith's free market. Instead, Friedrich List's capitalism based on strengthening one's national economy took hold in Japan, and its success made protectionism the model for the global economy."

We must "disenthrall ourselves from the idea that 'protectionism' is evil. The fundamental duty of government," he wrote, "is to protect," and all of the costs of protection, from the military to health care to safety in the workplace, go into the cost of production which "is the American standard of living. This standard must be protected."

Legal limits stripped from immigration bill

On March 21, an unusual alliance of some House Conservative Revolution Republicans and liberal Democrats stripped a provision out of an immigration "reform" bill which would have put a cap of 500,000 per year on legal immigration for the next five years. The amendment to remove the provision was sponsored by Dick Chrysler (R-Mich.), who argued that the current legal limit of 700,000 is not exorbitant, and that "immigrants who go through all of the legal channels to come to this country should not be lumped into the same category as those who choose to ignore our laws and come into our country illegally."

Chrysler's amendment was opposed by a coalition of Republicans and Malthusian Democrats such as Anthony Beilensen (D-Calif.), who argued that legal and illegal immigration are related because "they both affect the size of our country's population, and we are letting too many people into our country." The Republican argument was exemplified by Lamar Smith (R-Tex.), who bashed immigrants for being poor and uneducated. "This surplus of unskilled immigrants hurts those Americans who can least afford it, those at the lowest end of the economic ladder," he said.

Howard Berman (D-Calif.), who co-sponsored the Chrysler amendment, took on the Malthusianism directly: "I just want to remind everyone," he said, "of the demographer Malthus, who looked at population projections in the early 19th century and concluded that by the end of the 19th century, there is no way in the world there would be enough food in the world to feed the people. I have great faith in the capacity of technology and the economy to grow, and I believe that is going to deal with the particular issue of our future ability to handle population."

Science Committee Dems score GOP 'failings'

Reflecting a new aggressiveness within sections of the Democratic Party, the Democratic members of the House Science Committee released a scathing attack on the Republican leadership of the House on March 20, for subverting the legislative process to promote their own ideological agenda. In their annual View and Estimates report on the FY 1997 budget, the Democrats state that it is impossible to comment on next year's budget, since most of the agencies under the committee's jurisdiction still have no budget for FY 1996.

"The FY 1996 budget and appropriations process was irrevocably crippled by the Contract with America efforts that ate up the energies and focus of the first session of the 104th Congress," they state. "Now foundering upon the shoals of cooler reasoning, the 'Contract' lies in shambles. Time spent on the 'Contract' was time wasted, stolen from the normal business of Congress and its responsibilities to the American public for the orderly conduct of the federal govern-

ment. Now, like profligate celebrants groggily greeting the morning's light, the Republican leadership faces the dawning of another fiscal year, having failed to finish the work of the last one but with no notable 'Contract' results to point to. One result of this hangover is that this committee is crippled in its ability to provide a responsible analysis of the direction and funding of our programs."

Recently, the House Democratic Caucus formed an R&D task force led by George Brown (D-Calif.), the ranking minority member of the Science Committee. Their aim is to bring the issue of the importance of federal funding for science and technology into the upcoming election, exposing the long-lasting destruction which the "slash and burn" budget approach of the Republicans has produced in science, technology, and education.

Senate Republicans would 'enforce' 10th Amendment

On March 20, Senate Republicans, led by Ted Stevens (R-Alaska), introduced legislation to "enforce" the Tenth Amendment to the Constitution. Stevens told the Senate that the bill "will return power to the states and to the people by placing safeguards in the legislative process, by restricting the power of federal agencies, and by instructing the federal courts to enforce the Tenth Amendment."

The Tenth Amendment has become one of the weapons of choice of the British-inspired Conservative Revolution to weaken the federal government, to the point of breaking up the U.S. Republic into impotent, regional entities. The Tenth Amendment Enforcement Act would prohibit Congress from passing any law that "interferes" with state powers or preempts

any state or local law except in narrowly defined circumstances, such as explicit Constitutional authority. The bill would grant state governors and attorneys general veto power over any federal regulation that preempts state law, unless a specific finding can be made by the agency issuing the regulation that it has the constitutional authority to do so.

House passes State Dept. reorganization

On March 12, the House passed the conference report on the State Department Authorization bill that significantly reorganizes foreign policy agencies along Conservative Revolution lines. The bill requires the elimination of either the Arms Control and Disarmament Agency, the Agency for International Development, or the U.S. Information Agency (the choice is left to the Clinton administration). It also makes U.S.-China relations more confrontational over Taiwan, and conditions U.S.-Vietnam relations on progress on the POW-MIA issue.

House International Relations Committee Chairman Ben Gilman (R-N.Y.) accused President Clinton of "siding with the Chinese Communist government" against Taiwan, and "with the Vietnamese government and against the families of missing Americans," because of threats to veto the bill.

Alcee Hastings (D-Fla.) correctly said that the bill "reorganizes and eliminates foreign policy agencies because of political concerns, not because the changes will make operations more efficient." But much Democratic opposition to the bill was flawed by commitments to Malthusian programs.

Albert Wynn (D-Md.), Hastings's

colleague in the Black Caucus, complained of the bill's limitations on population-assistance programs. "One of the biggest problems we will confront," he said, "is the question of an exploding population." He complained that passage of the bill would mean 7 million couples in developing countries would not get family planning assistance.

Dole introduces missile defense bill

Senate Majority Leader Bob Dole (R-Kan.), with 19 GOP co-sponsors, on March 21 introduced the "Defend America Act," which would mandate the development and deployment of a national missile defense system. The bill is similar to a provision that was stripped out of the FY 96 Defense Authorization bill, in order to forestall a Clinton veto.

The bill requires the development of a system to be deployed by 2003 that would include some combination of ground-based and sea-based interceptors, space-based kinetic energy interceptors, and space-based directed energy systems. The bill also "urges" the President to seek agreement with Russia to amend the 1972 Anti-Ballistic Missile treaty to allow the deployment of such a system, and, failing that, to consider unilaterally withdrawing from that treaty.

Dole said, "There should be no doubt that we have the technical capability to defend our great nation from the growing threat of ballistic missiles. What we need is the will and the leadership. We have seen no leadership from the White House on this issue. Indeed, we have witnessed a complete denial from the highest levels of the administration that there is even a threat to the United States."

National News

Clinton: Ethic of responsibility needed

In his weekly radio address to the nation on March 23, President Clinton declared that "the ethic of responsibility must guide all of us in our work lives . . . and I believe American business, the engine of our prosperity and the envy of the world, clearly has a role to play."

Speaking at Xavier University in Cincinnati the same day, the President outlined five ways in which corporations could help improve employees' lives, including expanding their access to health care, establishing better pension plans, offering improved education and training, guaranteeing a safe workplace, and allowing employees a larger voice through collective bargaining or profit-sharing plans. Clinton emphasized that "many of America's most successful businesses have shown that you can do well by doing right by employees and their families."

The President plans to invite U.S. business leaders to Washington for a conference in April on corporate citizenship. At that meeting, Clinton said, "we're going to talk about, not how we can complain about the disruptions the global economy is bringing to America, but how we can do something about it, to guarantee more economic security to the American families that are out there doing the best they can and working hard."

Sweeney urges labor to 'retake our country'

AFL-CIO President John Sweeney, delivering a call to action March 25 to leaders of the organization's 78 affiliated labor unions, declared that "our charge today is an awesome one, a responsibility we are each compelled to take quite personally."

Commenting on the announced "counteroffensive" by Gingrichite Republicans, Sweeney said, "over the next few months, as our grassroots legislative and political program grows and begins to take hold, you are

going to witness the biggest smear campaign, the biggest disinformation campaign in the history of American politics. . . . We will respond with a strategy that has too rarely been used in American politics: We will tell the truth. . . .

"We're going to tell the truth about Newt Gingrich, and Dick Armeey, Tom Delay. . . . The Wall Street investment bankers, the corporations, and the politicians who control the money in this country don't want to give up the money. They don't want to provide the jobs. . . . They want to get off on the cheap," Sweeney declared.

"Well, we're not going to let them do that, because this isn't a cheap country. We're going to restore our family budgets, while we restore respect for working people and the jobs we do. We're going to take back our jobs, we're going to take back the Congress, and we're going to take back our country."

The meeting of AFL-CIO union leaders in Washington, D.C., was the organization's first special convention since 1955, when the American Federation of Labor merged with the Congress of Industrial Organizations to form the AFL-CIO. The assembled delegates voted to endorse the re-election of President Clinton and Vice President Gore, making the decision much earlier in the campaign season than is customary. The convention also approved a \$35 million for a political education campaign, aimed especially at ending the Conservative Revolutionaries' control of Congress.

Gingrich urges media to attack AFL election mobe

Speaking to the National Newspaper Association March 21, House Speaker Newt Gingrich (R-Ga.) called on newspaper publishers and editors to condemn the AFL-CIO's efforts to defeat Republicans in 75 Congressional districts this fall.

Gingrich raved that organized labor was attempting "to buy the U.S. House of Representatives. . . . But I would just suggest to you, that it is well worth your looking at. . . . I do not know of any time in American history that a single group has announced the scale of effort that Sweeney is now an-

nouncing at the AFL-CIO. I mean, it is the most blatant, overt effort to intimidate and buy the Congress, I think, in American history."

The Newt, whose own fundraising practices have been under scrutiny by Congressional investigative committees, claimed that the average Congressional race costs \$405,000. He denounced the AFL-CIO's plans to spend \$500,000 on each of the campaigns against the 75 targeted Republican incumbents.

FBI crimes documented in LaRouche legal brief

A 67-page legal brief was filed March 21 in New York's U.S. District Court for the Southern District, chronicling the FBI's decades-long targeting of Lyndon LaRouche, and the political movement he initiated: the National Caucus of Labor Committees (NCLC). Filed in the long-standing case known as *LaRouche, et al., v. William Webster, et al.*, the brief was accompanied by a three-volume appendix of documentation.

This is the first time, since 1978, that the LaRouche plaintiffs have been given the opportunity to present in one place their comprehensive evidence of the FBI's dirty tricks and bogus investigations against LaRouche and his associates during the 1970s and thereafter. The FBI's use of such illegal and unconstitutional police-state methods is at the heart of the 21-year-old civil rights case.

The LaRouche plaintiffs show that the measures resorted to by the FBI, were designed to eliminate LaRouche, and to destroy the political movement then forming around his ideas. Under the heading, "Cointelpro-Type Disruptions," the brief states that "the FBI knew that the Communist Party was discussing 'eliminating LaRouche and his influence'—i.e., the assassination of LaRouche. The FBI's NCLC case officer discussed the consequences of eliminating LaRouche . . . looked favorably upon the Communist Party's proposal . . . and took no steps to stop it."

Other sections of the brief document: hundreds of "nuisance" arrests to prevent organizers from distributing political litera-

Briefly

A REVOLT is under way in the United States against the "highly destructive economic program based on . . . ideas formulated by David Ricardo and Adam Smith," *International Herald Tribune* columnist William Pfaff wrote March 16. "Hundreds of thousands of ordinary people have had their lives disrupted or destroyed, as a result" of those doctrines. "Now the fashions are changing. Historians will no doubt look back on all this with amazement."

WHINNYING heard from Virginia's horse set: The *Blue Ridge Leader* wrote March 15, "As if to prove Lyndon LaRouche right in his waxes about the sway of the British monarchy in hunt country, His Royal Highness Prince Andrew, the Duke of York, will visit Middleburg this month. . . . It is not known whether Chief Simpson of the town's Scotland Yard has been alerted to the possible attendance of *EIR* agents."

CALIFORNIA'S trade unions are seeking 750,000 signatures to put a "liveable wage" proposition on the November ballot, which would raise the state's hourly minimum wage to \$5 next March, and later to \$5.75. The Gingrich-led Congress opposes raising the current \$4.25 federal minimum wage—which leaves 4.1 million workers below the poverty line, including 1.5 million Californians.

SEN. BOB DOLE says that, were he elected President, he would work to limit death-row appeals for convicted murderers and speed up executions. "Dole judges will be tough on crime, but even tougher on criminals," the Republican candidate declared March 23, during a tour of California's San Quentin prison.

PRIVATIZED PRISONS have become big business. Twenty-one companies, with more than \$250 million in annual revenues, currently manage 88 prisons under public contracts, with approximately 50,000 inmates under lock and key—a 20-fold increase in the privatized prison population since 1984.

ture; dozens of FBI visits to employers, landlords, or family members, to spread lies about NCLC members being "violence-prone" and worse; surveillance and harassment of anyone who ran for public office as a U.S. Labor Party candidate; the use of FBI informants deployed into the NCLC to, among other things, gather personal information about members; and the FBI's planting of defamatory stories in the media "to discredit the activities" of LaRouche and the NCLC.

In the wake of Senate hearings in 1975-76, the FBI "officially" terminated its investigations of the NCLC. But the legal brief documents that, in the post-1977 period the FBI used "surrogates" to do its dirty work, including the Anti-Defamation League (ADL) of B'nai B'rith. For example, the brief states, "On or about March, 1979, Justin Finger of the ADL met with [FBI Director] William Webster and exchanged files on the NCLC."

The judicial relief, that the LaRouche plaintiffs are seeking in this case, includes a permanent injunction, preventing the FBI from releasing to the public the poisoned fruit of its illegal probes. The FBI retains tens of thousands of documents filled with lies, defamations, and disinformation about the NCLC and its members.

Appeals Court expands Whitewater mandate

A three-judge U.S. Appeals Court panel has expanded the investigative scope of Whitewater special prosecutor Kenneth Starr. The broader mandate was requested by Attorney General Janet Reno, and promptly approved by the panel March 22.

Starr, former Justice Department Solicitor General for President George Bush, is now authorized to investigate whether former White House aide David Watkins lied about Hillary Clinton's role in firing the staff of the White House travel office. The new mandate also permits Starr to investigate her sworn statements about the so-called "Travelgate" affair.

Reno, in her application to the panel, said Starr had told her that he is already investigating the travel office firings, as part of his

investigation into the suicide of White House deputy counsel Vincent Foster. Reno argued that it would therefore be appropriate to expand Starr's inquiry to include Watkins's statements.

The panel is the same one, headed by Judge David Sentelle, which in August 1994 fired Robert Fiske, the first Whitewater independent counsel, who was then replaced by Starr.

Starr's outside legal work has also raised the issue of conflict of interest. According to the March 27 *Washington Times*, clients Starr has represented, since becoming the Whitewater independent counsel, include the Republican National Committee and the Lynde and Harry Bradley Foundation. The Bradley Foundation is one of the main financial agencies for British political dirty-tricks operations in the United States, and is heavily involved in the Whitewater crusade against President Clinton.

Cardinal O'Connor decries death penalty

Cardinal John O'Connor, Roman Catholic Archbishop of New York, delivered a strong sermon against the death penalty March 24, at the annual mass for the Holy Name Society at St. Patrick's Cathedral. His words reportedly even moved the hundreds of attending police officers.

According to the *New York Times*, Cardinal O'Connor said, "We have developed in the United States a culture of death," quoting Pope John Paul II. "Death becomes the quick fix. Death becomes the easy answer."

Cardinal O'Connor's sermon comes at a time when the newly instituted death penalty is facing its first severe test in New York State, in the case of the slaying of a New York City police officer. A heated political controversy has developed over the case.

Cardinal O'Connor particularly denounced resorting to capital punishment as an instrument of vengeance. "The use of capital punishment leads us and lulls us into believing that we are solving the crucial problems of our society. What have we really solved?"

'Mad Cow' disease in Pennsylvania

The essence of "Mad Cow" disease is not the bovine spongiforme encephalopathy virus (BSE) currently infesting the British beef herd, but the political leadership of Britain which allowed this to occur. While, as far as is known, the BSE virus has not been found in the United States, an especially virulent brand of Thatcherism has. Another name for Thatcherism is free-market economics. To put it bluntly, this placing of profits over the value of human life is nothing but fascist economics.

Pennsylvania's Gov. Thomas Ridge proposed health cuts in the state budget which would have resulted in the immediate closure of one hospital in Allegheny County, and most likely two others. Fortunately, a 96-hour mobilization, including the weekend of March 23-24, resulted in a turnaround in the legislature, such that this Republican measure, which was believed to be a shoo-in, was defeated by Republicans and Democrats, in a resounding victory of 125 votes against and only 76 for.

The mobilization against this fascist legislative initiative by the governor was led off by Lyndon LaRouche's campaign spokesman Philip Valenti, who raised the issue of the Nuremberg statutes. Valenti charged that this was a crime covered by the provision "knew or should have known," that the resulting increase in death rates from such cuts in health care was a knowable, genocidal act. The mobilization by LaRouche forces was joined by Cardinal Anthony Bevilacqua, and Christians throughout the state rallied to reverse the proposed cuts.

In Britain, Margaret Thatcher's withdrawal of the funding which would have financed the enforcement of proper health measures in the production and marketing of beef, including quarantine and destruction of herds where necessary, has resulted, after a decade of neglect, in the impending necessity to destroy the entire British beef herd, because of the danger of an epidemic which may have the potential of crossing over to infect humans.

It may well turn out that such a cross-over to humans has not in reality occurred, and indeed it is

the British press services Reuters, which started off the present panic by projections of the possibility of hundreds of thousands of Britons becoming infected with a deadly encephalitis. Thus they have turned their own negligence into a potent weapon to convince their population that eating meat is an unaffordable luxury to an increasing number of the impoverished "lower classes."

Cutbacks in health services, sanitation, food inspection, and the like, have obvious, predictably brutal results—an increase in the mortality rate.

Governor Ridge's attempt to shut down funding for public hospitals would have fostered an even greater danger of epidemics in much less time than the decade it took for "Mad Cow" disease to spread throughout the British beef herd. The tendency in the United States to cut back on necessary health care for the poor has already resulted in an alarming increase in infant mortality within the inner cities. Closing down hospitals means that otherwise treatable conditions, such as appendicitis, become fatal.

In response to news of this situation, Lyndon LaRouche has made the situation in Pennsylvania a priority for his campaign. This is timely, not only because a so-called welfare reform bill is still before the legislature, but because this kind of fascist mentality has infected other states as well. While the proposed health care legislation has been defeated, the kind of austerity which inspired the proposed cuts in health measures has not been defeated, either in the state of Pennsylvania or at large.

The fact that almost 200,000 voters in California supported LaRouche in the Democratic Presidential primary on March 26, indicates, however, that the American people are beginning to understand the enormity of the crime which they committed against this nation in the last election, for placing political control in the hands of Thatcher-supporter Newt Gingrich, and the congressmen who support him. This Thatcherite virus must be expunged from the Congress of the United States, and from state government as well.

SEE LAROUCHE ON CABLE TV

All programs are *The LaRouche Connection* unless otherwise noted.

ALASKA

- ANCHORAGE—ACTV Ch. 44
Wednesdays—9 p.m.

ARIZONA

- TUCSON—Access Tucson
Apr. 8,15,22,29—5 pm (Ch. 61)
Apr. 2,9,16,23,30—1 pm (Ch. 63)

CALIFORNIA

- E. SAN FERNANDO—Ch. 25
Saturdays—8:30 p.m.
- LANC./PALMDALE—Ch. 3
Sundays—1:30 p.m.
- MARIN COUNTY—Ch. 31
Tuesdays—5 p.m.
- MODESTO—Access Ch. 5
Fridays—3 p.m.
- ORANGE COUNTY—Ch. 3
Fridays—evening
- PASADENA—Ch. 56
Tuesdays—2 & 6 p.m.
- SACRAMENTO—Ch. 18
2nd & 4th Weds.—10 p.m.
- SAN DIEGO—
Cox Cable Ch. 24
Saturdays—12 Noon
- SAN FRANCISCO—Ch. 53
Fridays—6:30 p.m.
- SANTA ANA—Ch. 53
Tuesdays—6:30 p.m.
- STA. CLARITA/TUJUNGA
King VideoCable—Ch. 20
Wednesdays—7:30 p.m.
- W. SAN FERNANDO—Ch. 27
Wednesdays—6:30 p.m.

COLORADO

- DENVER—DCTV Ch. 57
Sat.—4 p.m.; Mon.—6 p.m.

CONNECTICUT

- BETHEL/DANBURY/
RIDGEFIELD
Comcast—Ch. 23
Wednesdays—10 p.m.
- NEWTOWN/NEW MILFORD
Charter—Ch. 21
Thursdays—9:30 p.m.
- WATERBURY—WCAT Ch. 13
Fridays—11 p.m.

DISTRICT OF COLUMBIA

- WASHINGTON—
DCTV Ch. 25
Sundays—12 Noon

IDAHO

- MOSCOW—Ch. 37
(Check Readerboard)

ILLINOIS

- CHICAGO—CATN Ch. 21
Schiller Hotline-21
Fridays—6 p.m.
The LaRouche Connection
Thurs., Apr. 11—10 p.m.

INDIANA

- INDIANAPOLIS—p.a. Ch.
American Cablevision
Mondays—5:30 p.m.
Fridays—11 p.m.
- SOUTH BEND—Ch. 31
Thursdays—10 p.m.

KENTUCKY

- LOUISVILLE—TKR Ch. 18
Wednesdays—5 p.m.

LOUISIANA

- NEW ORLEANS—Cox Ch. 8
Mondays—11 p.m.

MARYLAND

- BALTIMORE—BCAC Ch. 42
Mondays—9 p.m.
- MONTGOMERY—MCTV Ch. 49
Wednesdays—1 pm
Fridays—8:30 pm
- PRINCE GEORGES COUNTY—
PGCTV Ch. 15
Thursdays—9:30 p.m.
- WEST HOWARD COUNTY—
Comcast Cablevision—Ch. 6
Daily—10:30 a.m. & 4:30 p.m.

MASSACHUSETTS

- BOSTON—BNN Ch. 3
Saturdays—12 Noon

MICHIGAN

- TRENTON—TCI Ch. 44
Wednesdays—2:30 p.m.

MINNESOTA

- EDEN PRAIRIE—Ch. 33
Wed.—5:30 pm; Sun.—3:30 pm
- MINNEAPOLIS—MTN Ch. 32
Fridays—7:30 p.m.
- MINNEAPOLIS (NW Suburbs)
Northwest Comm. TV—Ch. 33
Mondays—7 pm
Tuesdays—7 am & 2 pm
- ST. LOUIS PARK—Ch. 33
Friday through Monday
3 p.m., 11 p.m., 7 a.m.
- ST. PAUL—Ch. 33
Mondays—8 p.m.

MISSOURI

- ST. LOUIS—Ch. 22
Wednesdays—5 p.m.

NEW YORK

- ALBANY—Ch. 18
Tuesdays—5 p.m.
- BRONX—BronxNet Ch. 70
Saturdays—6 p.m.
- BROOKHAVEN (E. Suffolk)
TCI—Ch. 1 or Ch. 99
Wednesdays—5 p.m.
- BROOKLYN
Cablevision (BCAT)—Ch. 67
Time-Warner B/Q—Ch. 34
(call station for times)
- BUFFALO—BCAM Ch. 18
Tuesdays—11 p.m.
- HUDSON VALLEY—Ch. 6
2nd Sunday monthly—1:30 p.m.
- ILION—T/W Ch. 10
Fridays—3 p.m. & 10 p.m.
- ITHACA—Pegasys—Ch. 57
Mon. & Weds.—8:05 p.m.
Saturdays—4:35 p.m. Ch. 57
- MANHATTAN—MNN Ch. 34
(call station for times)
- MONTVALE/MAHWAH—Ch. 14
Wednesdays—5:30 p.m.
- NASSAU—Ch. 25
Last Fri., monthly—4:30 p.m.
- OSSINING—Continental
Southern Westchester Ch. 19
Rockland County Ch. 26
1st & 3rd Sundays—4 p.m.
- POUGHKEEPSIE—Ch. 28
1st & 2nd Fridays—4:30 p.m.
- QUEENS—QPTV Ch. 56
(call station for times)
- RIVERHEAD
Peconic Bay TV—Ch. 27
Thursdays—12 Midnight
1st & 2nd Fridays—4 p.m.
- ROCHESTER—GRC Ch. 15
Fri.—11 p.m.; Sun.—11 a.m.
- ROCKLAND—P.A. Ch. 27
Wednesdays—5:30 p.m.
- SCHENECTADY—P.A. Ch. 11
Mondays—10 p.m.
- STATEN ISL.—CTV Ch. 24
Wednesdays—11 p.m.
Saturdays—8 a.m.
- SUFFOLK, L.I.—Ch. 25
2nd & 4th Mondays—10 p.m.
- SYRACUSE—Adelphia Ch. 3
Fridays—4 p.m.
- SYRACUSE (Suburbs)
Time-Warner Cable—Ch. 12
Saturdays—9 p.m.
- UTICA—Harron Ch. 3
Thursdays—6:30 p.m.

- WEBSTER—GRC Ch. 12
Wednesdays—9:30 p.m.
- YONKERS—Ch. 37
Fridays—4 p.m.
- YORKTOWN—Ch. 34
Thursdays—3 p.m.

OREGON

- PORTLAND—Access
Tuesdays—6 p.m. (Ch. 27)
Thursdays—3 p.m. (Ch. 33)

TEXAS

- AUSTIN—ACTV Ch. 10 & 16
(call station for times)
- DALLAS—Access Ch. 23-B
Sun.—8 p.m.; Thurs.—9 p.m.
- EL PASO—Paragon Ch. 15
Thursdays—10:30 p.m.
- HOUSTON—PAC
Mon.—10 p.m.; Fri.—12 Noon
Mon.—5 p.m. (starting Apr. 5)

VIRGINIA

- ARLINGTON—ACT Ch. 33
Sun.—1 pm; Mon.—6:30 pm
Tuesdays—12 Midnight
Wednesdays—12 Noon
- CHESTERFIELD COUNTY—
Comcast—Ch. 6
Tuesdays—5 p.m.
- FAIRFAX—FCAC Ch. 10
Tuesdays—12 Noon
Thurs.—7 pm; Sat.—10 am
- LOUDOUN COUNTY—Ch. 3
Saturdays—9 p.m.
- MANASSAS—Jones Ch. 64
Saturdays—12 Noon
- RICHMOND—Conti Ch. 38
(call station for times)
- SPOKANE—Cox Ch. 9
Wednesdays—2 p.m.
- YORKTOWN—Conti Ch. 38
Mondays—4 p.m.

WASHINGTON

- KING COUNTY—TCI Ch. 29
Thursdays—10:30 a.m.
- SNOHOMISH COUNTY
Viacom Cable—Ch. 29
Weds., Apr. 3—3 p.m.
- SPOKANE—Cox Ch. 25
Tuesdays—6 p.m.
- TRI-CITIES—TCI Ch. 13
Mondays—11:30 am
Thursdays—8:30 pm

WISCONSIN

- WAUSAU—Ch. 10
(call station for times)

If you are interested in getting these programs on your local cable TV station, please call Charles Notley at (703) 777-9451, Ext. 322.

Executive Intelligence Review

U.S., Canada and Mexico only

1 year	\$396
6 months	\$225
3 months	\$125

Foreign Rates

1 year	\$490
6 months	\$265
3 months	\$145

I would like to subscribe to
Executive Intelligence Review for

1 year 6 months 3 months

I enclose \$_____ check or money order

Please charge my MasterCard Visa

Card No. _____ Exp. date _____

Signature _____

Name _____

Company _____

Phone () _____

Address _____

City _____ State _____ Zip _____

Make checks payable to EIR News Service Inc.,
P.O. Box 17390, Washington, D.C. 20041-0390.

FIDELIO

Journal of Poetry, Science, and Statecraft

Publisher of LaRouche's major theoretical writings

FEATURED in the Spring 1996 issue:

How Hobbes' Mathematics Misshaped Modern History

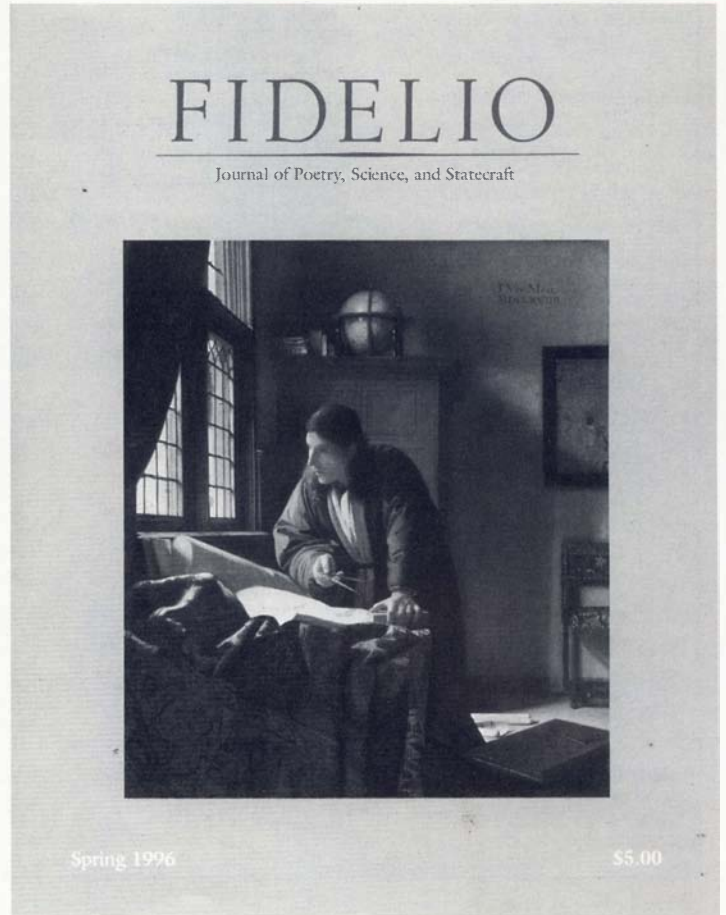
by Lyndon H. LaRouche, Jr.

“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 of Sin’? by William F. Wertz, Jr.



Sign me up for **FIDELIO** \$20 for 4 issues

NAME _____
ADDRESS _____
CITY _____ STATE _____ ZIP _____
TEL (day) _____ (eve) _____

Make checks or money orders payable to:

Schiller, Institute, Inc.

Dept. E P.O. Box 20244 Washington, D.C. 20041-0244