

EIR

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Roy Cohn's Dirty Dick Morris boxes in Clinton
British goad U.S. toward Sudan sanctions
Government agencies caught pushing Ritalin

**Russian Duma: Education is
a national security issue**



**THERE IS GOING TO BE
A RUDE AWAKENING!**

Russia's future: dictatorship, chaos, or reconstruction?



“There exists no possible solution to this crisis, either for Russia or for the world within the bounds of the previously accepted terms of dominant international economic and financial institutions.”

—Lyndon LaRouche

in “Prospects for Russian Economic Revival,” prepared for Feb. 20, 1995 hearings at the Russian State Duma.

What is LaRouche's authority on Russia?

- **On Oct. 12, 1988**, in Berlin, LaRouche issued his famous Food for Peace proposal, which included collaboration between the Soviet Union and a free, reunited Germany to overcome the growing economic crisis.
- **In November 1989**, LaRouche enunciated his Paris-Berlin-Vienna Productive Triangle, an infrastructure program for the economic reconstruction of post-communist Eurasia.
- **In October 1993**, LaRouche was elected to the Universal Ecological Academy for his contributions to the science of physical economy. The Academy was founded in May 1989 by a group of scien-

tists many of them veterans of the Soviet space program

- **In April 1994**, LaRouche, paroled in January after five years in prison, made his first visit to Russia, at the invitation of the Universal Ecological Academy.

WHY YOU NEED THIS REPORT: *EIR's* Special Report, issued in August 1994, includes **“Russia's Future: The Three Alternatives”**: Lyndon LaRouche's account of his six-day trip to Russia. **“A Reconstruction Strategy for Russia—And the World Economy”** by Lyndon H. LaRouche, Jr. **“Whither Russia: A Situation Report,”** by Brig. Gen. Paul-Albert Scherer (ret.) **“The Military in Post-Bolshevik Russia,”** by Konstantin George **“Have We Already Lost Eastern Europe and Russia?”** by William Engdahl

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From the Associate Editor


If it were not bad enough that we have imposed upon Russia our insane “flea market” economics, our rock music “culture,” and the cuisine of McDonald’s and Pizza Hut, it now turns out that we are giving that beleaguered nation our looney educational reforms as well. George Soros, the financial wizard who brought you financial derivatives, multibillion-dollar speculative binges, and a campaign to legalize narcotics, is now applying his largesse to rewrite the textbooks of the Russian school system, in the tradition of French deconstructionism and the Frankfurt School.

This was, understandably, a hot topic at the meeting of the Education Commission of the Russian Duma in May, where the Schiller Institute’s Anno Hellenbroich presented testimony on behalf of himself and Helga Zepp LaRouche, the institute’s founder. In our *Feature*, you will find the texts of their papers on the requirements of a Classical curriculum for the 21st century: a program not only for Russia, but for all nations.

The Schiller Institute’s intervention at the Duma comes in the context of a number of recent diplomatic initiatives by Lyndon and Helga LaRouche. Most important were their dialogue with intellectuals in Moscow (*EIR*, May 31), and the participation of a delegation led by Mrs. LaRouche in a conference in Beijing (*EIR*, June 14).

In a radio interview on June 26, Mr. LaRouche underlined that the key to solving the Russian crisis, lies in Washington. Whether you like President Clinton or not, the fact is that if he is not re-elected, the whole world will plunge into a Dark Age. The question that is determining world history, said LaRouche, is “how the United States is able to project a policy respecting, especially, Russia and China, which tends to stabilize, or create a factor or vector of stability, in that situation.” What is standing in the way of an effective U.S. policy, is the “Raputin problem” in the White House: the evil influence of “Dirty Dick” Morris, the consultant who tells Clinton to avoid doing anything “controversial” in an election year. See *National* for the gruesome story, and what LaRouche intends to do about it.

In accordance with our usual summer schedule, *EIR* will not be published next week. The next issue will be that dated July 19.



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U.S. consumer debt causes financial system jitters

by Anthony K. Wikrent

A series of warnings about U.S. consumers having overextended their credit sent chills of fear down the spines of Wall Street bankers in mid-June. The American Bankers Association announced that U.S. credit card delinquencies hit a 15-year high in the first quarter of this year. And Moody's Investors Service, Inc. reported that the credit quality of the average U.S. credit card holder fell to the lowest level in six years.

Troubling signs were also noted in the area of home financing, when the Mortgage Bankers Association of America released figures for the first quarter of this year, showing that 4.46% of all mortgage loans in the United States were 30 days or more past due, compared to 3.94% in the first quarter of last year. The Federal National Mortgage Association, the nationally chartered and federally sponsored corporation that is the largest buyer of home mortgages in the United States, announced that 0.58% of its loans were seriously overdue at the end of March, compared to 0.48% at the end of March 1995.

The damage that these consumer debt troubles might wreak on quarterly earnings was brought home to Wall Street by the Bank of New York on June 19, which announced that it was increasing its reserve for losses on its credit card business by a whopping \$350 million. While the increase brought the Bank of New York's loan-loss reserve generally in line with those of other credit card issuers, at just under 3% of outstanding credit card receivables, all that Wall Street was concerned about, was the prospect of red ink gushing from the bottom line at the quarter's end, and the bank's stock price was sent tumbling.

Indeed, the loan-loss reserve announcement caused such great consternation, that the Bank of New York issued a statement a few days later saying that it had "mismanaged" the announcement, and that the increased loan-loss reserves would be paid for out of the proceeds of a previous sale of a

subsidiary, so there should be a negligible impact on the bank's earnings for the quarter.

The post-industrial shift

Nonetheless, the episode serves to underscore just how jittery the financial markets in the United States have become, which in turn is a result of the dangerous fragility of the U.S. economy in general. The great irony is that this fragility is an inevitable result of the policy shift to a post-industrial society, which has been imposed on the United States for the past three decades, and which Wall Street has not just applauded, but enforced through its "shareholder rights" movement.

Before this shift to a post-industrial economy, the major impetus to economic growth came from capital-intensive advances in technology, and the construction of major infrastructure projects, such as the Interstate Highway System. Now, however, technological advances are increasingly viewed as "bad" or too costly, while any and all government involvement in the economy has become a favorite whipping boy for the crowd of "neo-conservative" free marketeers, typified by Speaker of the House Newt Gingrich (R-Ga.). Any instrumentality of national purpose is thus prohibited from giving direction to the U.S. economy. Instead, this crucial role devolves upon "consumer spending."

The pyrrhic importance won by consumer spending in the post-industrial economy is graphically captured by looking at spending on infrastructure, and on producers' equipment, in relation to Gross Domestic Product. U.S. spending on construction of infrastructure, both public and private (such as hospitals, public utilities, and colleges), was 3.87% of GDP in 1960, and 4.17% in 1970. By 1980, it had declined to 3.21%, and by 1990, had fallen to 2.66%.

Even more dramatic is the collapse in capital expenditures

for the physical economy: manufacturing, mining, transportation, and utilities. Capital expenditures in these sectors are a key indicator of the capital intensity of the real economy. As a percentage of gross domestic product, they had fallen to 4.47% in 1994, the lowest level since the end of World War II. Through most of the 1960s and 1970s, capital expenditures in the physical economy were in the range of 5 to 6% of GDP.

Thus, Wall Street's preoccupation with the spending of the U.S. consumer, as being the motor for the rest of the economy. And a key marker for consumer spending is credit card debt, which is why U.S. financial markets nearly swooned upon hearing the Bank of New York's announcement. Because if credit card loan losses are suddenly spiking upwards, then a similarly sudden collapse in consumer spending may be in the works. Which means, in the view of some Wall Street gurus, that the "smart" thing to do is to begin edging closer to the "investment" exits.

Personal bankruptcies set record

But, most denizens of the financial markets still refuse to see the economic collapse underlying their own case of jitters. Symptomatic was the report by *Barron's* on the massive wave of personal bankruptcies, which is expected to set a new record this year, reaching over 1 million for the first time ever. That will be one out of every hundred U.S. households declaring bankruptcy this year. According to *Barron's*, the reason for this wave of bankruptcies is that the social stigma attached to bankruptcy has been undermined by the reform of the bankruptcy laws, and that there is simply too much easy credit being given out by the banks and credit card issuers.

Barron's is especially upset that 25% of new bankrupts, and up to 50% in some areas of the country, "showed no signs of distress before the debtor ducked out: The accounts were in good standing and were considered high quality. That's never been seen before."

Stephen Roach, the chief economist of Morgan Stanley, advised his clients that the "recent announcement by the Bank of New York gave pause for thought." But, Roach wrote reassuringly, "the story of the overextended consumer" is "more of a bank-specific problem that should not be generalized as a macro event for the economy at large." Roach pointed to a Conference Board survey of around 5,000 U.S. households, which reportedly indicated that only 19% of households were paying more each month for installment credit than they had paid last year.

Roach was especially comforted by the survey's finding that the average monthly debt payment, for households earning \$25,000 a year or less, was \$550 to \$575.

It evidently did not occur to Roach that a household with only \$25,000 in annual income is netting around \$1,600 a month after local, state, and federal taxes. Which means that a monthly debt burden of \$550, on these households, is one-third of their take-home pay. If anything, this is a discomfiting, not comforting, level of debt. It bears out the warnings

of those "Cassandras," such as Lyndon LaRouche, that U.S. households are teetering on the edge: With the collapse of earning power of the lowest four-fifths of the U.S. population, many households are now at the point that they are using credit cards to buy essentials, such as groceries.

The plight of such households would also explain the phenomenon that so troubles *Barron's*. These are not profligate households. For years, they have silently watched their earnings shrink. Incurring credit card debt was intended only as a temporary means to help make ends meet; when better times came along, and more income was flowing into the household, then the credit card debt would be paid off. In 1992, the hope was that replacing George Bush with William Clinton result in those better times. By 1994, it seemed Clinton as little about economics as Bush, and voting for the 1994 Conservative Revolutionaries became the new hope. Now, it is clear that Newt Gingrich and his fellow Revolutionaries also don't know what to do about the economy, and households are throwing in the towel—right in the face of their creditors.

Collapse erodes hope

The hopelessness of America's working families has been captured in a slew of recent statistical profiles documenting the growing disparities in income, and wealth, between rich and poor. The University of Michigan's Institute for Social Research, which compiles widely followed monthly numbers on "consumer confidence," released such a study on June 21. Based on a survey of close to 7,000 families, some of which have been in the survey since 1968, the study showed that the richest 10% of U.S. households held 61.92% of the nation's wealth in 1984; by 1994, this had increased to 66.76%. The poorest one-fifth of U.S. households were an average of \$3,282 in hock (that is, they had less assets than liabilities; i.e., they had no net wealth). Ten years later, their situation had worsened, with their indebtedness more than doubling to \$7,075.

In a cover story on "The Forces Making for an Economic Collapse," in the July issue of the *Atlantic Monthly*, Thomas I. Palley, a professor of economics at the New School for Social Research, noted that Americans' real average weekly earnings peaked at \$308.03 in 1973, and have fallen 15.5% to \$260.37 in 1991 (in 1982 dollars). The U.S. economy has shifted, Palley wrote, from "Main Street capitalism of the Golden Age to the Mean Street capitalism of the Leaden Age. The hallmark of the former was that it generally worked for the benefit of the average citizen by sharing the fruits of growth among all. The hallmark of the latter is an economic environment that pits citizen against citizen for the benefit of those who own most of America." Palley calls the decline in earnings a "silent depression," echoing the term used by Sen. Edward Kennedy (D-Mass.) earlier this year, and warns that once shrinking incomes can no longer meet debt payments, demand will collapse, causing huge layoffs, and plunging the U.S. economy into a depression.

Showdown looms for Lloyd's of London

by John Hoefle

On June 21, Lloyd's of London sent letters to its 34,000 members worldwide, announcing the latest version of its "Reconstruction and Renewal" restructuring plan, and giving the members, known as "Names," a deadline of Aug. 28 to accept the plan. That plan, which is an attempt to cheat American and other investors out of billions of dollars, has set into motion a showdown with U.S. securities regulators.

The centerpiece of Lloyd's R&R restructuring plan is the formation of a new reinsurance company named Equitas, which would take over the outstanding liabilities from Lloyd's syndicates prior to 1993, effectively absolving Lloyd's from any responsibility for perhaps hundreds of billions of dollars of future asbestos and pollution claims, on top of the \$12 billion Lloyd's Names have already lost since 1988.

In a letter to Names, Lloyd's Chairman David Rowland stated that, while the R&R plan was not perfect, "It offers better prospects than continued litigation. It offers assistance not otherwise available for those Names who have borne the heaviest losses and it offers the Names the chance to carry on with their lives, relieved of the uncertainty caused by their membership of Lloyd's."

As Colorado Securities Commissioner Philip Feigin has noted, one must study carefully every word Lloyd's writes, since what the words actually say often differs significantly from what they *appear* to say. Lloyd's claims that the R&R program will offer Names "finality" by bringing to an end their ongoing liability from "open year" syndicates, but that alleged finality depends upon the success of Equitas, a dubious proposition.

Lloyd's itself has admitted that the level of potential future claims is "unquantifiable," depending upon a variety of factors, including future decisions by U.S. legislators and courts, yet Lloyd's has allegedly quantified those same claims as part of its self-serving Equitas calculations.

Asked if Equitas were adequately capitalized to meet its future obligations, Charles Sturge, of the London firm Chatsets—whose analyses of Lloyd's have proved considerably more accurate than Lloyd's official statements—replied, "I really don't know. It's all subjective. Whether Equitas is properly capitalized or not will only be proved in 10 or 15 years time."

Part of the capitalization for Equitas is to come from the Names. Lloyd's has warned that it intends to draw down letters of credit and other funds deposited by Names, and would

begin efforts to collect any other funds it claims are owed by the Names, as part of R&R.

Regulatory battle

That would bring Lloyd's immediately into conflict with securities regulators in at least 15 U.S. states (Arizona, Arkansas, California, Colorado, Florida, Illinois, Louisiana, Missouri, New Mexico, Ohio, Pennsylvania, Tennessee, Utah, Virginia, and West Virginia) which have taken administrative or legal measures to prevent such collection, on the basis that the sale of memberships by Lloyd's violated state securities laws, including the sales of unregistered securities, and the sale of securities without applicable state licenses. Several states have also charged Lloyd's with fraud, for failing to disclose material information and making misleading statements to Names.

On Feb. 22, the California Corporations Commission went to court seeking to place a \$500 million lien on the \$12 billion Lloyd's American Trust Fund at Citibank. California Insurance Commissioner Chuck Quackenbush promptly filed a notice to intervene in the case, claiming the Corporation Commission "has no jurisdiction" in the matter, and warning that were the lien to be granted, it would "render insolvent numerous insurance companies doing business in California." The case was dismissed on a technicality unrelated to the merits of the case, and was re-filed April 8. The suit charges Lloyd's with committing fraud against California Names, as well as violations of securities laws by Lloyd's, its principal U.S. law firm LeBoeuf Lamb, and trust fund manager Citibank.

In addition, the U.S. Securities and Exchange Commission has intervened against Lloyd's, filing an *amicus curiae* brief in the appeal of *Richards v. Lloyd's of London*, a suit brought by 574 Names against Lloyd's which charged Lloyd's with fraud and violations of federal racketeering statutes. A federal judge in California had dismissed the Richards suit on the grounds that the Names' agreement with Lloyd's contained a "forum selection" clause requiring that any legal disputes be heard in England, under English law. The SEC, in its brief, argued that the lower court had erred, because the forum selection clauses violated U.S. securities laws and are therefore null and void. The state securities regulators, acting through the North American Securities Administrators Association, filed their own *amicus* brief supporting the SEC's position, while Quackenbush filed a brief arguing that the SEC has no jurisdiction in the matter.

While insisting that securities regulators have no jurisdiction, Lloyd's is clearly worried. The City of London mouthpiece *Financial Times* devoted a full page and an editorial June 24, to lobby for the R&R plan. It warned that, should the Americans prevail in the "formidable U.S. legal system," it could "spell disaster" for Lloyd's. Such dire warnings are just part of the negotiating strategy at Lloyd's, but trouble is indeed looming for this part of the corrupt British Empire.

Mexico set to explode again after U.S. Presidential elections

by Carlos Cota Meza

Ever since Mexico's financial meltdown in December 1994, everyone, everywhere, has been asking one question: Who's next? The International Monetary Fund (IMF) has issued repeated warnings that there will be no new rescue packages available. The World Economic Forum in Davos, Switzerland, has proposed the creation of a special contingency fund to assist other countries that face a "Mexico-style crisis." And yet, the way things are going, all signs indicate that the next country to suffer a "Mexico-style" crisis will be Mexico itself!

During President Ernesto Zedillo's recent state visit to Canada, he admitted before a group of Canadian journalists that the Mexican financial crisis was 10 times larger than the 1982 crisis, and has cost the country \$70 billion, a full one-quarter of Mexico's current Gross National Product. President Zedillo offered no explanation as to how he reached that estimate; previously, he had stated that the cost was \$28 billion.

Taking the President's newest figure on the "cost of the crisis," a prominent group of Mexican analysts have offered their comparative calculations: \$70 billion is equivalent to the entire federal budget of 1996; it is 100 times greater than what that same budget has allocated to education; it is 10.4 times greater than the budget allocation to the Mexican Social Security Institute, and 11 times greater than this year's annual investment budget for the state oil company Pemex; it is equal to 3.5 times the amount obtained through privatization of 158 state companies during Salinas de Gortari's six years in office; it is equivalent to 90% of Mexico's 1995 exports.

But the most apt comparison was made editorially by the daily *El Financiero*, which observed that the figure of \$70 billion is equivalent to "the damage caused by two nuclear bombs." The cost of the crisis, the editorial said, is comparable to if "Mexico had participated in the Second World War, and had been among the losers, paying higher costs, such as those paid by Japan."

The 'recovery' myth

After the Canadian event, the international campaign to promote Mexico's "recovery" escalated. U.S. Treasury Sec-

retary Robert Rubin, the IMF, the Organization for Economic Cooperation and Development (OECD), Japanese bankers, and newspapers, including the *Wall Street Journal* and the *Washington Post*, all spoke about "confidence," "credibility," and Mexico's "recovery." The Clinton administration has a special interest in assuring that the Mexican bubble does not explode before the November Presidential elections, because the Republicans would certainly throw the blame his way. Thus, there was great hoopla when, in early June, the Mexican government announced that it was pre-paying \$4.7 billion to the U.S. Exchange Stabilization Fund, thereby reducing its \$12.5 billion debt to the U.S. government, contracted in February 1995 through Clinton's emergency rescue package, to \$5.8 billion.

To make that early payment, Mexico contracted new debt: It issued \$920 million in federal government bonds placed on the Japanese market, that was recently shaken by the so-called "Sumitomo scandal"; \$780 million in Brady Bond collateral was freed up when those bonds were exchanged for Global Bonds, issued by the Zedillo government in April; and \$3 billion in "international bank notes" were contracted at a floating interest rate. The support (or collateral) for this last operation is the same as agreed to as part of the Clinton package: Part of Mexico's oil revenues will be deposited in a special New York Federal Reserve account. In effect, the Federal Reserve, with Mexican oil money, has become the guarantor for operations to refloat the international banking system!

According to the *Wall Street Journal*, this operation is "a show of good will by the Mexican government to the U.S. government."

Adding one more floor to the speculative skyscraper from which the Mexican government will leap, it is said that the prepayment is designed "to keep open unused credit lines" of the Clinton package, in which \$7.5 billion still remains. Of the IMF's extraordinary package of \$17.8 billion, \$6.5 billion remains. This combined remainder of \$14 billion is available to be drawn on "only in case of a contingency which merits such resources."

Well, that "contingency" has now presented itself. The brokerage house Lehman Brothers states that the IMF will

give Mexico a \$1.7 billion credit, to be used as a fund to defend the peso. "We are hoping for a well-supported peso with a view to the U.S. elections," said Lehman Brothers. "After that, another 4-5% depreciation will bring the peso by year's end to 8.3 to the dollar."

The specific date Lehman Brothers suggests for the new peso devaluation is "after November," when the U.S. elections are over.

This contingency loan to support the Mexican peso can be explained by the fact that the country's international reserves do not exist. Finance Secretary Guillermo Ortiz recently stated that "the current [free float] exchange policy cannot be changed, because there are no reserves to confront any speculative assault." He stated that "the Bank of Mexico's net assets do not surpass \$2 billion." The rest of the \$15 billion in international reserves are on loan.

Imports rising faster than exports

In hope of persuading Mexicans that things are just fine, the Zedillo government has unveiled a new "success story" for domestic consumption. "Exports have reached an historic record," announced the Finance Ministry, which supposedly means that "export industries play an important part in the economic reactivation." The fact is, however, that Mexican imports are rising more dramatically, a reflection of the collapse of production in the country.

In May 1996, compared with the same period in 1995, exports (including from the assembly plants known as *maquiladoras*) grew by 14.5%, while imports grew 24.5%. In May 1995, for each \$100 of exports, there was an equivalent amount of imports, plus a \$16 surplus. In May 1996, the surplus was \$7, meaning that over the course of 16 months, the trade surplus fell by 46%. Thus, Zedillo's so-called "historic record" in exports means in reality that Mexico's trade balance will become a deficit for the last quarter of 1996, and that Mexico will not have dollars to finance it, which will force another catastrophic devaluation.

Purchases of intermediate goods and capital goods represent 47.4% of the total imported, while consumer products accounted for 52.6% of all purchases from abroad. The Finance Ministry reports that this rise in imports is due to "purchases of agricultural products . . . as well as to a rise in the international price of these products."

The food crisis

Requirements for imported corn currently stand at 9 million tons. According to information released by the Mexican Agriculture Ministry, Mexico's corn imports in the first quarter of 1996 were five times greater than what they were in the same period of 1995, at a cost \$1 billion higher than that spent in the same period of 1995. The international price of corn shot up 90% over the past year.

The combination of food scarcity and dollar scarcity, and reports that Mexico has used up its quota for corn

imports under the North American Free Trade Agreement, has created a situation in which animal feed is now being imported for human consumption! According to the head of Mexico's National Corn Growers Union, the corn currently being purchased by Mexico's state food agency Conasupo for making tortillas, is U.S. grade No. 4, which is usually intended as animal feed and contains 60% less protein than the corn traditionally produced in Mexico. U.S. No. 4 costs \$140 a ton, while corn normally imported for human consumption costs \$178 a ton. The inferior corn is coming in sacks stamped 1990, and is reported to be old and damaged.

When President Zedillo announced June 4 that he would lift all restrictions on imports of cattle feed, no one imagined that the "cattle" would be the Mexican people themselves.

This year Mexico will also import 30% of its milk consumption. Prices for powdered milk have increased over 41% in the first five months of this year alone. While Mexican agriculture has been devastated by drought, and by the lack of credit to farmers, international cartel firms such as Cargill and Nestle are making a killing as they corner the market on ever more scarce food supplies.

Stall till November

The "show" in Canada, its propagandistic sequel, and the government's lunatic shell-game with its bank debts, all seem to be part of an orchestrated salvage operation designed to prevent Mexico from blowing out before the U.S. elections.

Perhaps it will work, perhaps not. But what is certain is that the problem of a trade deficit caused by an aggravated food shortage, is worsening. At the same time, the country is facing debt service payments this year of \$40.8 billion (58.2% of the "cost of the crisis"), which is "the highest level in the history of the country," according to analysts at the company Ciemex/Wefa.

To console itself, the Mexican government insists that "not all the debt coming due will mean a payout of foreign exchange, since a large part of the debt is being refinanced." But it is precisely on this point that international warnings are already circulating. J.P. Morgan bank recently referred to the 66th annual report of the Bank for International Settlements, when it warned of "the risk the Mexican government is taking, by resorting to the volatile international financial markets to apply its strategies of repayment and restructuring of its \$171 billion public debt," equivalent to 60% of its GNP. Mexico is indebting itself with flows of volatile capital "which other countries are rejecting," to pay its onerous foreign debt.

This debt restructuring can only result in the accelerated growth of the foreign debt itself. When, how, and by whom will these debts get paid? The most chilling thought of all, is that President Zedillo has repeatedly said that he will do absolutely nothing to remedy this situation.

Old patriots resist looting of oil wealth

by David Ramonet

“Taking advantage of the fact that the Venezuelan people, and a good part of the national leadership, know little of the oil issue, powerful interests have embarked on a strategic plan designed to hand over to foreign interests, the extraordinary Venezuelan treasure, which is our hydrocarbon resources.” This statement, part of the “Fundapatria Manifesto,” was published in all of Venezuela’s major dailies June 16 and 17. The just-created Fundapatria (Foundation for the Defense of the Fatherland), warned that what is known as the “oil opening,” or privatization, “can lead to the definitive decline of the national economy, in light of the overwhelming importance of oil, and hydrocarbons in general, in the state economy, the private sector, and in [the lives] of all Venezuelans.”

Aside from its defense of Venezuela’s oil patrimony, what is significant about Fundapatria is the fact that its members are all from the older generation which built the country, and has today decided to take up political battle, faced with the silence, indifference, complicity, or treason of members of the younger generation who hold most of the important positions in the country.

This was further elaborated by one of Fundapatria’s members, the highly respected intellectual Juan Liscano, in an article published in the daily *El Nacional* on June 14. “We are witnessing a mobilization of people between 60 and 70 years of age. While in 1928, and, later, in the decade between 1936 and 1946, the development of critical consciousness regarding the country’s ills occurred among youth or adults, today, a youth deformed and castrated by a neo-liberalism of the most sterile materialism, in the moral, civic, social and cultural spheres, defines itself according to the needs and values offered by the information and communication industries.”

Liscano explained that “in this national crisis, those labeled as ‘dinosaurs’ by brain-dead journalists, who’ve swallowed the myths of globalization, privatization, and economic jargon, are stepping forward, to preserve and consolidate Venezuela’s fundamental economic patrimony: hydrocarbons.” The opening up of the state-run oil firm, PDVSA, Liscano warned, is the fruit of “this policy of privatization, monopolies, and globalization, all to the bene-

fit of so-called economic neo-liberalism.” The elder statesman also explained that this movement of mature leaders is a continuation of the fight begun at the end of 1995, not only to defend Venezuela’s sovereignty as it relates to oil, but to question the country’s illegally contracted foreign debt.

Prominent among the 50 personalities who signed the Fundapatria Manifesto, is industrialist Luis Vallenilla, former president of the Latin American Industrialists Association (AILA), who, according to Liscano, is the “primary leader of this initiative.” Also included are former president of the Supreme Court Gonzalo Rodríguez Corro, who initiated the historic trial of deposed President Carlos Andrés Pérez, on charges of corruption; nationalist, Catholic lawyer Pedro José Lara Peña; members of the Academy of Economics, such as Domingo Maza Zavala, a member of the board of directors of the Central Bank (BCV), and former BCV president, Tomás Carillo Batalla; retired diplomat and television and radio commentator Román Rojas Cabot; Bolivarian historian Pedro Grases; and Guillermo Morón, president of the Academy of History.

A matter of sovereignty

Fundapatria requested that the National Congress not make any decision “on oil contracts related to the Shared Profits Plan [as the “oil opening” is known], until the Supreme Court has the opportunity to issue its own ruling.” But on June 19, the Congress approved eight contracts related to the “oil opening.”

A year ago, the “oil opening” was the first concession made by the government of President Rafael Caldera, in response to the enormous pressure placed on him by foreign creditors, and by the internal opposition. The plan consists of opening up for production ten new areas in which Venezuela’s light oil is found. In February, several foreign corporations bid on the areas, and eight contracts were granted. The winning companies will sign an “association contract” with the Venezuelan Oil Corporation (CVP), a company created for the purpose of representing the state-owned PDVSA, and the Venezuelan state, for exploration and subsequent exploitation of light crude. The state will not contribute funds to this association, since it is the owner of the deposits to be exploited, and the profits from the marketing will be shared among the partners.

At the heart of this matter is the fact that, to double production of crude oil over the next ten years, PDVSA needs investments of close to \$30 billion, which would generate enormous profits. Today, Venezuela exports \$18 billion worth of oil annually. But in order to guarantee payment of annual debt service, which is growing like a cancer, foreign creditors demand that future income not be compromised in any way.

Nonetheless, the old patriots of Fundapatria have organized a resistance fight, offering an example to other old patriots in the rest of Ibero-America.

Does IMF seek 'strong man' to loot Russia?

by Rachel Douglas

Former First Deputy Prime Minister Anatoli Chubais surged back into view as a key figure on Russian President Boris Yeltsin's team, in the aftermath of the June 20 ousting of three top officials—Gen. Aleksandr Korzhakov, head of the Presidential Guard; Federal Security Service chief Gen. Mikhail Barsukov; and First Deputy Prime Minister Oleg Soskovets. Chubais gave the main press conference on June 20, to recount how he worked with President Yeltsin's new security adviser and Security Council chief, former Presidential candidate Gen. Aleksandr Lebed, to engineer those dismissals. Chubais was one of the first crop of free market radicals, collaborating with leading Mont Pelerin Society figures in London and elsewhere since the mid-1980s, who took power with Yeltsin's appointment of the Yegor Gaidar government in 1991.

London and Washington commentators on the Russian elections were quick to equate the return of Chubais, with a new lease on life for "democracy." Profiling various groups in Yeltsin's entourage, the *Washington Post* of June 23 featured Chubais and his associates, who "think that if Yeltsin wins, there will be another chance for far-reaching democratic and free-market changes."

Under Gaidar, Chubais headed the State Committee on Property, in charge of privatization. He became first deputy prime minister in November 1994 (his successor at the privatization committee exposed massive looting of Russian industry, under Chubais); and, in April 1995, Russia's representative to the International Monetary Fund (IMF). Yeltsin removed him from the deputy premiership in January 1996, citing "mistakes," but Chubais went to work on Yeltsin's reelection campaign staff.

Based on several recent statements by Korzhakov, about the advisability of postponing the Presidential elections, many U.S. media dubbed Korzhakov as chief of "the hawks," whose removal cleared the way for smooth elections, Yeltsin's reelection, and an end to the war in Chechnya. At his June 20 press conference, Chubais painted Korzhakov et al. as virtual agents of Communist Party of the Russian Federation (CPRF) leader Gennadi Zyuganov, who is running against Yeltsin.

In opposition circles, however, the "force option" is considered to be still live. A non-CPRF Zyuganov supporter ob-

served, "Yeltsin has gotten rid of Grachov, Korzhakov, and Barsukov, who—for all their shortcomings—have, among them, been upholding the consensus not to use force in support of Yeltsin, no matter what the outcome of the elections. . . . Yeltsin absolutely needs the force agencies to be headed by people who would unquestioningly carry out his orders to seize power, in the event of his defeat."

EIR correspondent Roman Bessonov commented on the power plays around Yeltsin, "It is still possible that Yeltsin will lose the election. In this case, a reason may be found to proclaim the results illegitimate, and to establish 'order' in the country." Yeltsin's aide Georgi Satarov (who, before the first round, was beating the drums about CPRF paramilitary units preparing to seize power), devoted most of his June 19 post-election press conference, to detailed allegations about CPRF-run ballot-stuffing and other irregularities in the provinces. Evidently he was preparing the ground to charge "CPRF fraud," in case Zyuganov should win in the second round.

The 'authoritarian' option

But in a Russian economy further devastated by Yeltsin's spending spree during the electoral campaign, "democracy" is scarcely the top item on the radical reformers' agenda. Their preoccupation would seem to be, rather, to have enough political control—not necessarily "democratic"—to ensure continued debt collection and capital flight from Russia, which during the past four years has contributed an estimated \$300 billion income stream, through capital flight and unregulated physical commodities extraction, to maintaining the international financial bubble.

In a London *Sunday Telegraph* column back on May 21, 1995, Sir Peregrine Worsthorne laid out a policy for the Western world, of emergency forms of rule to enforce austerity measures. Worsthorne wrote, with the typical nastiness of his faction: "People who argue—and some of the wisest in the land, like William Rees-Mogg, most convincingly do—that the only future for this country, and for the Western world as a whole, is to take a veritable axe to the social services, not excluding those aimed at ameliorating the material condition of the underclass, never seem to spell out, or even to consider, the political price, in terms of loss of freedom, that might have to be paid for such economic realism. . . . Rigorous and sometimes cruel belt-tightening—particularly for the relatively defenseless—will be required. . . . Today's democratic body politics are unlikely to be able to swallow such bitter medicines without a desperate struggle." It may require "having to fall back on a form of authoritarian politics."

An analogous option is under intense discussion, as well, for Russia, which has already belt-tightened its way to a mortality rate exceeding the birth rate by 1 million persons per year. This discussion is most apparent not in the councils of the CPRF or some radical nationalist groups, but in the

circles around Chubais and Gaidar, and the IMF itself.

Gaidar now heads the Institute for Economic Problems of the Transitional Period, in Moscow, which collaborates closely with the Institute for Economic Affairs, a London center for the radical free market ideology of Friedrich von Hayek and the Mont Pelerin Society. Last December, his institute held a conference on the five years of reform in Russia. Present were Gaidar, Chubais, and other members of their original team, along with IMF and World Bank officials, and such leading British Mont Pelerinites as Lord Skidelsky.

The participants railed against the spectre of "economic populism" in Russia, namely the desires of military men, industrial managers, and working people, to save so-called "uncompetitive" (i.e., not export-oriented) industries. Most important, intoned the IMF's permanent representative in Russia, is for the Russian government "to fight inflation, and fight it again. There must be a very tight financial policy, in order to suppress inflation to as low a level as possible." Chubais, who ran the government's economic policy during 1995, patted himself on the back for the vaunted suppression of inflation, acknowledging that there was a slight down side: the 20% further decline in the Russian standard of living during 1995.

Yegor Gaidar argued at that conference, that the Russian "reforms" would have gone better, had there been an even more radical, sudden cessation of subsidies to industry and agriculture. The conference discussed this as a *political* problem: how to find a strong enough leadership, to enforce more such austerity. In the published proceedings, the Institute for Economic Problems of the Transitional Period prominently featured the intervention of a Moscow University professor, who said that the main block to full-scale implementation of such reforms in Russia, was their failure to accommodate the Russian cultural matrix. The "first dominant" in Russian culture, this individual said, is that "the state is the highest community, and at its head there always stood and stands a charismatic leader."

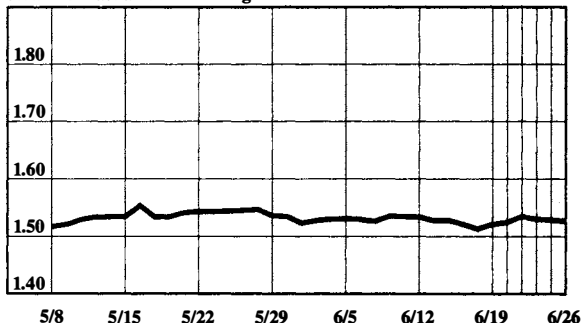
Also speaking was Vitali Naishul, a Gaidar-era economist who has praised von Hayek, but especially the so-called "Chilean model," and is reported, more recently, to have become an adviser to General Lebed. At the Heritage Foundation, the central Hayekian institution in Washington, there is currently much enthusiasm about "the new Lebed," who has emerged thanks to such advisers. A Russian, Heritage-linked activist observed that Naishul has been "looking for a Pinochet for himself," for some time. At the December conference, Naishul declared that "the fundamental question for the country" was creating the correct sort of state institutions, to implement any given economic policy.

Evidently, ideologues of the moribund British radical free trade system are making a dangerous miscalculation, that they can control individuals and institutions in Russia, in order for the looting to continue.

Currency Rates

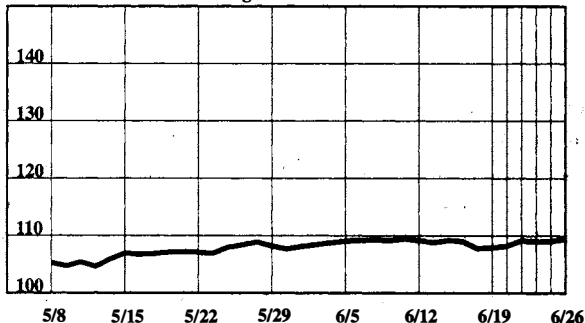
The dollar in deutschemarks

New York late afternoon fixing



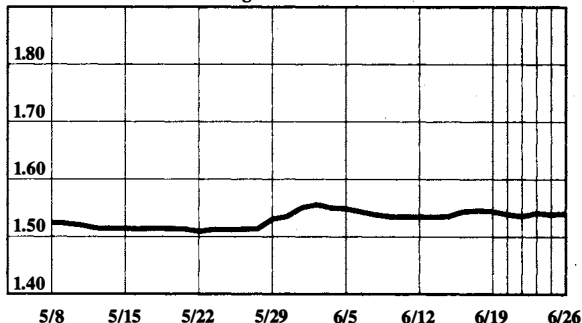
The dollar in yen

New York late afternoon fixing



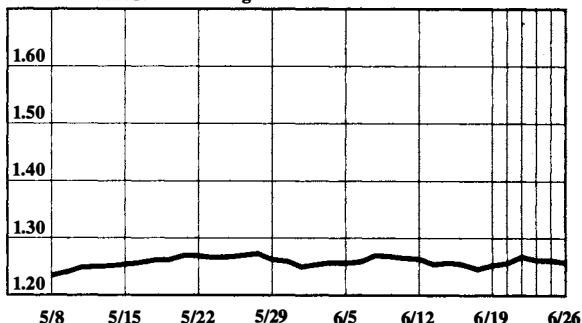
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Unprepared for natural disasters

Rogelio Maduro reports on a conference of the American Geophysical Union, where experts sounded the alarm about a threat many wish to ignore.

The United States is woefully unprepared to deal with an increasing number of natural disasters, according to experts who spoke at the semi-annual meeting of the American Geophysical Union (AGU) in Baltimore, Maryland, on May 20-22. The AGU conference addressed the threats posed by natural disasters and steps that can be taken to reduce their impact. The underlying theme of the presentations was that the number and cost of natural disasters is increasing rapidly, and will continue to increase. Not as explicit, but underlying all the presentations, is that the threat, in fact, comes from the lack of investment in infrastructure and proper city planning over the past decades.

Robert Hamilton, from the U.S. Geological Survey, warned that for the past several decades the United States has faced an "anomalously low incidence of natural disasters." That lull may be coming to an end with a dramatic increase in the expected incidence of hurricanes, the possibility that several major earthquakes may soon strike California, and the potential of renewed volcanism in the Pacific Northwest.

William Hooke, director of the U.S. Weather Research Program Office of the National Oceanic and Atmospheric Administration (NOAA), emphasized that it is a myth that natural disasters affect only Third World countries. He said that natural disasters cause damage in the order of \$1 billion a week in the United States today, a number that is certain to increase, and that the United States had developed new vulnerabilities, including population growth in the two areas most prone to natural disasters, Florida (hurricanes) and southern California (earthquakes), while the nature of the disasters is mutating. Hooke said that modern U.S. cities are highly dependent on "lifelines," which include "transportation, electricity, gas, water, communications," similar to the circulatory system in a human body: They are very vulnerable, and would be very difficult to maintain in the event of a natural disaster. Hooke was particularly concerned because of the low food stocks in the United States.

When asked by about the impact of the estimated trillion-dollar deficit in transportation infrastructure over the past decades, Hooke answered that this was the most serious problem when dealing with disaster preparedness. He said that present infrastructure is not only close to collapse, but that there is no redundancy. Hooke drew an analogy to a 4,000-mile oil pipeline: A disaster that causes one small portion of the pipe-

line to break can shut it down completely. He then described the Loma Prieta, California, earthquake in 1993 in which the collapse of a handful of roads and bridges brought transportation to a standstill.

Unfortunately, the conference participants did not have any worthwhile policies to deal with these potential disasters. The main proposals were to increase the cost of insurance in disaster prone areas, to allow the Federal Emergency Management Agency (FEMA) greater control over zoning laws and ordinances around the United States, and to increase public awareness. During a press conference, the participants were asked if there were plans for major infrastructural investments, such as those made by Franklin Roosevelt to prepare the country to fight and win World War II. The speakers, who have participated in dozens of conferences, and hearings on Capitol Hill on these subjects, replied that such infrastructure-building programs had not been mentioned anywhere.

Many of the speakers specified that they were talking about real disasters, as opposed to the plethora of fictitious "disasters" that the environmentalist movement has been promoting for the past three decades.

Lull in Atlantic hurricanes ending

Bob Sheetz, the former director of the Hurricane Center in Florida, gave a presentation at the AGU conference detailing the dangers that coastal communities throughout the Eastern Seaboard are facing from hurricanes. Dismissing the theory that global warming is responsible for increasing storm activity, Sheetz elaborated on the historical record of hurricanes and demonstrated that the United States has been experiencing a lull for the past 30 years. Sheetz cited studies by William Gray from the University of Colorado, which show that the lull is coming to an end, and that we can expect a tremendous increase in hurricane activity in the Atlantic over the next few years. He then showed the charts of hurricane tracks over the 1930s and '40s, which demonstrate a density of hurricane activity 10-20 times greater than in recent years.

Sheetz emphasized that these hurricanes represent a much greater threat to life and property than earthquakes. This danger has been magnified by land speculators who have placed houses, condominiums, and resort hotels all over vulnerable coastal areas, and by cheap homebuilders who are constructing expensive, but flimsy, homes. Sheetz showed slides of

the devastation caused by Hurricane Andrew when it struck Florida last year. While older, solidly built homes largely survived the hurricane, entire neighborhoods where "modern" houses had been built, were razed. Andrew had caused over \$30 billion in damage, he said, but had the hurricane track veered just six miles, into Dade County, the damage would have been over \$70 billion. He said that we should not be surprised to see several hurricanes cause damage in the range of \$50 to \$100 billion each in the next few years.

The Hurricane Center's former director urged stronger building codes, and that homes be designed to withstand high winds. These codes should be enforced throughout the entire coastal area, from Texas to Maine. He also urged strict zoning laws to prevent expensive structures from being built on the beach, and higher insurance premiums that reflect the potential cost of damage in coastal areas. In a private discussion after his presentation, Sheetz was very critical of the design of modern "yuppie" suburban developments, with twisting roads and endless loops, as opposed to the square grids of older cities. He said such neighborhoods are nightmares for evacuations and rescue operations.

The collapse of the electricity grid

Geomagnetic storms on the Sun can potentially black out the whole country, as a result of the deregulation of the electric power industry, according to Dr. Ernie Hildner, the director of NOAA's Space Environment Center. Hildner's address at the AGU conference detailed the increasing vulnerability of the electrical power grid, communications, and navigational equipment, to solar geomagnetic storms. These storms, when they strike the Earth, can cause major electrical surges and magnetic disturbances. The longer the electric grid, the greater the electrical surges that can take place. Hildner said that with all of the power trading going on among utilities, the interconnections between the different electrical grids had increased, increasing the danger that a powerful geomagnetic storm can trigger a nationwide collapse.

Hildner was asked about the potential of this blackout taking place in the near term, as the solar cycle reaches its maximum in five years. He responded: "The electric systems have exceeded the capacity to model. The industry no longer understands how the electric systems operate. It has become an ecosystem of its own." Hildner said that the system is so interconnected that it is no longer possible to know what would happen if a few parts of the grid broke down. He said that if a large geomagnetic storm hit when the grid was near maximum capacity, it would be "very credible to have a complete blackout across the United States."

FEMA takes over earthquake programs

The federal government is taking steps to address the threat of natural disasters, but they are largely bureaucratic, and there is no plan to massively invest in the infrastructure required to truly deal with these hazards. John Gibbons, Presi-

dent Clinton's chief science adviser, used the conference to announce that all earthquake research and loss reduction programs would be controlled by FEMA from now on. FEMA is now responsible for the National Earthquake Loss Reduction Program, a new interagency effort directed at earthquake mitigation. FEMA will now coordinate all the activities of government agencies involved in the program, including the U.S. Geological Survey, the National Science Foundation, and the National Institute of Standards and Technology. This move was necessary, according to Gibbons, because state and local governments have not "kept pace with expectations" that they would adopt the latest earthquake-resistant building codes and earthquake mitigation measures.

The role of FEMA was very prominent during the special sessions on natural disasters. Many of the speakers, including Frank Nutter from the Reinsurance Association of America, insisted that FEMA had to be given greater powers to make local communities adopt the necessary codes and zoning procedures to forestall the effects of disasters. Unfortunately, FEMA may not be the best agency for the job. Following the devastating Midwest floods in 1994, FEMA prohibited flood insurance in areas that had been inundated, instead of pushing for the construction of the system of dams, levees, and reservoirs that the Army Corps of Engineers has had on the drawing boards for decades. As a result of FEMA's actions, tens of thousands of people were driven out of their communities.

U.S. environmental groups were given millions of dollars in the past five years to spread scare stories about a man-made ozone hole that would cause cancer on Earth.

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Business Briefs

Africa

Namibia, China plan new water pipeline

A water pipeline, funded by China, will give "Namibia's drought-stricken but most economically productive central regions, a new lease on life," according to a report in the June 13 South African *Mail and Guardian*.

The Namibian cabinet has decided on a feasibility study to pipe water from the Okavango River bordering Angola in the north. The project would involve completing the Okavango-Grootfontein link of the Eastern National Water Carrier with a 250-kilometer pipeline to the river. The pipeline's capacity is expected to be 15- to 25-million cubic meters per year. Inflow to the three dams supplying the central area has been well below average over the past 10 years; chances are that two of the three dams will be empty by the end of 1996.

Japan

Banks ante up as part of bailout scheme

Japanese banks on June 20 agreed to contribute \$4.6 billion to a government fund to bail out Japan's bankrupt *jusen* real estate banks, to assuage public fury against the use of \$6.3 billion of taxpayers' money in the bailout, wire services reported. Japan's bankrupt agricultural cooperatives (*nogyo*) and the Bank of Japan (the central bank) will put an additional \$1.9 billion into the fund. Finance Minister Wataru Kubo announced June 19 that the Diet (parliament) would finally recess, after a marathon session on the bailout, because the banks had agreed to pony up.

At least \$120 billion of the *jusen*'s \$140 billion in outstanding mortgage loans are rotten, due to Japan's 1985-94 "bubble economy," which Prime Minister Ryutaro Hashimoto called "Wall Street's financial AIDS" in 1990, shortly before he was sacked as finance minister for attempting to stop the scheme.

The *jusen*, however, in turn owe over \$100 billion to Japan's commercial banks

and about \$10 billion to the agricultural banks, which are the backbone of Japan's independent food production and of the Liberal Democratic Party's political base.

Japan's top 21 commercial banks have about \$500 billion in bad loans, out of \$3 trillion in loans. The top ten banks said they would write off over \$50 billion in bad loans in March.

Finance Minister Kubo said that in July, the Deposit Insurance Corp. of Japan will set up a special "bad loan bank" to inherit the bad assets of the mortgage firms. The government bank will be given special powers to investigate the financial condition of any borrower and to collect on the loans. This means that many real estate agents and land developers, who have borrowed massively from the mortgage firms, would lose the financial backing needed to keep going. That in turn could bankrupt many small financial institutions that have made loans to the real estate sector, so Japan is in for a big shakeout.

Eurasia

China urges construction of continental pipeline

A pan-Asia continental pipeline that would transport oil and gas among China, Central Asia, Russia, the Middle East, Japan, and South Korea, is being proposed by China, the *Singapore Business Times* reported. The proposal parallels the land-bridge revival of the "Silk Road." According to experts cited by China's official Xinhua news agency, the pipeline would help develop regional cooperation between East and West. They stressed that cooperation between Asian countries in terms of energy resources, particularly oil and gas, was crucial to economic development in the region into the next century.

Prof. Li Dai, of the Chinese Academy of Sciences, one of the main advocates of the project, said it would link up oil and gas pipeline networks in eastern and western China with Russia and countries in Central Asia and the Middle East. It will also extend, via China, to South Korea, Japan, Taiwan, and other major East Asian oil and gas markets.

According to Wang Tao, president of the

China National Petroleum Corp., the key parts of the project—the laying of oil and gas pipelines from eastern to western China, and between China, Russia, and Central Asia—are either under way or about to start construction. Wang said he would be heading for Russia in late June to sign formal contracts on joint construction of gas pipelines extending from eastern Siberia to China.

Economic Theory

'Shareholder value' called vulgar liberalism

Swiss banker Hans-Dieter Vontobel attacked the so-called shareholder-value concept as an outdated form of Anglo-Saxon capitalism, in the Swiss daily *Neue Zürcher Zeitung* on June 19. The "apostles of the spirit of the times" perceive today's world economy as being dominated by "Darwinian logic and a breathtaking globalization, reducible to a fight of each against the other." The slogan of this kind of "vulgar liberalism," says Vontobel, has become "shareholder value," which means that every aspect of the society has to be controlled by "nothing but profit."

This kind of thinking is not new, he says. However, the sense of proportion has been completely lost. "These excesses reveal a fundamental conflict: the clash between the familiar, long-term oriented business tradition, and the impatient capitalism of Anglo-Saxon character, based upon short-term, and often short-sighted seeking for the maximization of profits." In the Anglo-Saxon hierarchy, "speculative genius" ranks much higher than the person involved in "manufacturing industry." Therefore, "making money" is conceived of as better than "earning money."

Whoever is "glorifying shareholder value" is "shaking the very foundations of our economical-social order and the political system." People should realize that in the Anglo-Saxon countries, public opinion has turned formerly "glorified reformers" into the "murderers of industry." The "egoistic," "short-term" orientation and the "boundless greed for profit" is destroying the identification of employees with the company, which is necessary for first-class performance.

"This is in particular true in banking, because this business relies upon long-term partnership with the clients, upon honesty, and mutual trust. This capital should not be carelessly given away."

Economic Policy

Atlantic Monthly warns of economic depression

Thomas Palley, professor of economics at the New School for Social Research, outlined the collapse of the U.S. physical economy, in the July *Atlantic Monthly*. "Were the U.S. economy to enter a new recession, it would be likely to experience deflation," he said. And, the 1981-82 recession showed that unemployment rates in excess of 10% are still possible. Thus, "the twin characteristics of depressions are therefore now potentially in place."

Current economic beliefs, meanwhile, are dangerously mistaken, because they will cause the government to curb its spending at the same time that households are curbing theirs. "The pressure to cut government spending . . . derives from a misunderstanding of government deficits. Though deficits can be extreme and dangerous, at less than 3% of U.S. national income, our deficit is neither. Just as individual households borrow to finance homes and cars, we should expect government to borrow to finance highways, sewers, schools, airports, public buildings, and the like."

The true rate of unemployment, Palley warned, is already almost 14%, once discouraged workers and underemployment are taken into account.

"Perhaps the single most important factor in the growing fragility of the economy is developments in the labor markets," he said. "When trade rests exclusively on wage differentials, as does most trade with the Third World, it implicitly becomes an instrument for pushing down wages and pushing up profits. Free trade promotes competition not only between individual products but also between different economic systems. . . . Ill-considered free trade can promote a 'race to the bottom' that lowers wages, job security, and social welfare standards."

He attacked the International Monetary Fund and World Bank for imposing "financial reform programs" on countries which "lock a country's domestic economic policy into a contractionary stance, rather than promoting adjustments that encourage sustainable growth."

Palley also attacked the economics profession: "Most economists support policies of zero inflation achieved by high real interest rates, fiscal austerity, balanced budgets, limited social and infrastructure spending, free trade, and the globalization of financial markets. Since economists act as policy advisers around the world, the economics profession has become a de facto means for coordinating and implementing deflationary policy on a global scale."

Trade

Iran offers economic cooperation to Germany

Iranian Ambassador to Germany Sayed Hossein Musavian outlined the economic benefits for Germany if trade relations were improved, in an interview with the *Bonner General Anzeiger* on June 20. "The relations are not good, because the German government is not utilizing the enormous potential, particularly in economic cooperation," he said. "Germany could receive a 25% share in Iran's second five-year plan, as it had in the first plan. That would represent a volume of \$25 billion for Germany."

According to June 13 *Iran Report*, "forty-two leading German banks have joined, to offer long-term credits in unlimited quantity, for projects which should be approved in the context of the second Iranian five-year plan." The deal, characterized as a "breakthrough in Iran's attempt to reestablish international credit-worthiness," reportedly originates with the AKA export credit agency and involves ten Iranian banks. The amount of credit to be made available will depend on whether the Hermes export credit authority lifts its credit ceiling, currently at \$67.6 million. Due to the embargo, Germany's trade with Iran dropped from \$5.3 billion in 1992 to \$1.66 billion in 1995.

Briefly

IRAN announced 2,000 infrastructure projects in Karadj and Shahrjar, the South African *Mail and Guardian* reported June 13. Construction Minister Gholamresa Forouesh said projects completed last year included housing units for 350,000, and that now 75% of rural villages have electricity and 86% clean drinking water.

SWISS BANKS are threatened by risks in the foreign exchange markets, Hans Meyer, president of the Switzerland National Bank, said June 20, the German daily *Handelsblatt* reported. "Things are not well in Switzerland. If I would have to speak about all problems we are presently dealing with, we would have to stay here for the next four days."

CITITRUST (Bahamas) Ltd., a unit of Citicorp (the holding company parent of Citibank), is being investigated by the U.S. Justice Department; the June 21 *Wall Street Journal* reported. A member of the Bacardi rum family has alleged that Cititrust helped other Bacardi family members defraud her of around \$200 million of the family fortune.

BRITAIN, GERMANY, France, and the Netherlands blocked a vote on raising ECU 1 billion (\$1.24 billion) over 1997-99 for Trans-European Nets, priority rail and road cross-border infrastructure projects, which would create more jobs, at the June 20-21 European Union summit in Florence, Italy.

ROMANIAN trade unionists marched in Bucharest on June 20, to press for wage increases and protest the cabinet's economic policies, Radio Bucharest reported. The rally was staged by the National Labor Bloc, which wants a 60% wage hike to keep pace with massive price hikes.

UKRAINE'S Prime Minister Pavlo Lazarenko on June 14 said that he has ordered the layoff of 20% of government employees (10,000 people), and plans to reduce social benefits, including energy subsidies for some 17 million people.

Russia: Education is a matter of national security

by Our Special Correspondent

After almost two years of preparatory work, the Education Commission of the Duma (the parliament of the Russian Federation) convened on May 21 in Moscow, for a half-day hearing on “Education and National Security.” Over 430 experts and representatives came, from regional governments across Russia, filling the plenary room.

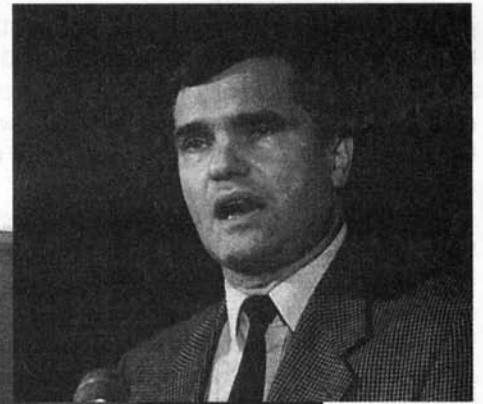
The number of participants, and the often shocking content of the reports on education in today’s “reformed” Russia, demonstrate that Russian society’s concerns are much more profound than one might gather from the superficial Western news reports on whether “pro-” or “anti-Yeltsin-reform” popular moods will prevail. The question of education as an essential component of the future shape of the Russian state—hence, the core element of any true “national security” and “national economy”—was what brought so many people to this hearing, and points to issues far beyond Election Day and the identity of Russia’s next President.

The Schiller Institute was the only non-Russian organization invited to address the hearings. Institute representative Anno Hellenbroich of Germany spoke seventh, following government ministers, commission chairmen, and rapporteurs; he discussed shaping education according to the Classical principles of the Humboldt education reforms in nineteenth-century Germany. The organizers of the hearing had invited the Schiller Institute because they knew that in recent years, the Institute, founded by Helga Zepp LaRouche and her husband, Lyndon LaRouche, has become one of the world’s leading independent sources of ideas in the fight for human civilization, for the dignity of the individual, and on issues of human rights and education.

For the hearing, Zepp LaRouche had submitted a paper on “Education and National Security: The Moral-Philosophical Foundations of National Economy,” which, with Hellenbroich’s address on “Classical Curriculum and Socratic Dialogue: An Answer to the Challenges of the 21st Century,” was included in the hearing’s written proceedings (both papers are published in full in this *Feature*



The Russian Duma's Education Commission meets to discuss "Education and National Security." Inset: Schiller Institute leaders Helga Zepp LaRouche and Anno Hellenbroich. Hellenbroich presented papers by the two of them to the plenum.



package). Zepp LaRouche's thesis on the requirements for future education, was also presented orally.

Security, independence

The rapporteur of the Parliamentary Education Commission, Oleg Smolin, put his finger on the burning issues of education in Russia today. He deplored the drastic cuts in the education budget: Elementary schools now receive only one-third of the funds required to cover even their most basic needs. For orphans, the schools have only 30% of the funds they need for lunch programs, and only 25% of what they need for clothing subsidies. No funds at all are available for handicapped children. Smolin (who is blind) referred to reports from the Attorney General's office, which show the criminalization of children and youth as a direct consequence of the lack of education.

In the past year, crimes committed by teenagers and cases of teenage drug abuse rose by about 5%. Western observers familiar with the situation in the slums of Colombia and the United States, might shrug this off. But what it signifies for the traditions of Russian society and families, in the big cities and, even more, in the social structure of small country towns, is suggested by the fact that in Russia, when an elderly person boards a bus, other passengers immediately stand to offer a seat—a courtesy all but dead in big cities in the West.

That is why the rapidity of "modernization," the destruction of traditional values in Russia, is so horrifying, the speaker emphasized.

"Education influences our security, our psychological sense of security and stability; without a rich education, humanity cannot survive, nor can a normal social system develop without values," Smolin told the experts. "Today, children do not universally enjoy equal levels of education; all the experts say that the development of educational potential is the determining factor for individuals and for the nation in the world of the future."

Smolin continued: "In the past five or six years, all connection to Russian history, to its intellectual and spiritual traditions, has been broken. Largely thanks to television, 'money' has been raised up as the only important value. The television has been turned into an 'idiot machine.' Previously, you might see a Fellini film once in a while; but today, we are subjected to third-rate films from the Third World, or worse. In the school textbooks, so-called 'modern' poems are presented to the children. Now, I don't have anything against modern poems, but I *do* have something against bad ones, and I have something against the fact that neither Pushkin nor Lermontov can even be found in these textbooks. Children today often have no serious relation to life; how quickly can spiritual values be destroyed! But a renaissance in education takes a long time; for example, children must learn Pushkin at an early age, in order for values to be imparted."

Smolin reported on project groups whose preliminary results were presented at the hearings by Yuri Gromyko, president of the Moscow Education Academy, among others. Gromyko stressed that educational goals must be formulated

jointly by various social forces. He deplored the “draining of the intelligentsia” into foreign countries, and the in-fighting among the various domestic political powers: “But toward what goal? There now exists an informal war, without front lines; the mass media are waging war against us, in the cities, and in the country.”

Gromyko attacked the activities of big speculative funds (a scarcely veiled reference to the infamous George Soros Fund), which do not so much commit “espionage,” as “spread a mind-deadening climate.” And he posed questions to the hearing: “How are scientists reproduced? What is our image of the educator, and what is our strategic educational goal?” (An interview with Gromyko is published as part of this package.)

Schiller Institute standards

As a concept for “education and national security,” the Schiller Institute presentation by Hellenbroich focussed on

Pravda reports Schiller Institute attack on Soros

In coverage of a dispute between Communist Party of the Russian Federation Presidential candidate Gennadi Zyuganov and Russian Federation Minister of Education Ye.V. Tkachenko, over who better defends the Russian classics, *Pravda* of June 6 covered the Schiller Institute’s intervention at Russian parliamentary hearings on education and national security.

Pravda’s Irina Strelkova wrote: “For several days in early May, all TV channels were playing the speech of Russian Federation Minister of Education Ye.V. Tkachenko, who ‘exposed’ Presidential candidate G.A. Zyuganov’s ignorance about contemporary schools. Meeting with voters in St. Petersburg, Zyuganov had said that schoolchildren were not being given Pushkin, Tolstoy, and the other classics. The minister of education rejoined, that they are taught better now, than ever. He affirmed the same on May 21, at parliamentary hearings on ‘Education and National Security.’

“Those assembled particularly criticized the history textbooks, published under the Soros Fund’s ‘Renewal of Humanities Education in Russia’ program, which the Ministry of Education supports. One of the participants called the Soros history texts ‘anti-scientific and anti-patriotic.’ The German scholar Anno Hellenbroich, from the Schiller Institute, also spoke very emphatically in this regard, saying that Soros’s interference in education was doing harm not only in Russia, but also in several other European countries.”

the development of Eurasia as a common goal for all humanity. Crucially important for this undertaking, is the Platonic method of hypothesis-formation. Students must become conversant with all the main human “languages”: spoken language, the language of hearing, and the language of vision. Hellenbroich’s sharp attack, in this connection, on the “information society” utopia which Soros is currently using his money to promote in eastern Europe, drew loud applause.

Early in his presentation, Hellenbroich referred to the increasing influence of Lyndon LaRouche and his views in the U.S. Presidential campaign. Then, summarizing the thesis of Zepp LaRouche’s paper, Hellenbroich said that education must be based on the proper transmission of universal history: “This transmission of universal history in the Schillerean sense, thus primarily involves tracing the development of ideas that have brought humanity forward.”

And, in conclusion: “Once the student has gone through all these disciplines, . . . we now have the prerequisites for the development of the kind of personal character that Schiller calls the ‘beautiful soul.’ . . . Any educational program that seeks to foster, in the best possible way, the sovereign nation-state, as well as the creative abilities of its citizens, must be oriented toward these ideals.”

Prospects for Russia

Speakers from the military sector, Russian Orthodox Church, and government health agencies, provided examples of the deepening crisis—especially the financial situation—and its effect on Russian education in recent years. Pediatricians and child psychologists report growing numbers of illnesses afflicting schoolchildren, and also new syndromes displayed by children of the *nouveaux riches*, children overtaxed by “their parents’ new career aims,” prone to neurotic episodes, even suicide attempts.

The textbooks financed by the Soros Foundation were criticized for their one-sided Western orientation (no reference at all to daily life in Russia). A general spoke of the future of Russia’s military academies, and the shrinking budget for military education—a loss which will affect hundreds of thousands of youth who had relied on these academies to obtain an education.

From Omsk, it was said that this winter, the region’s 80 schools and colleges will probably have to close when the temperatures drop to their normal level of -22° F, since there won’t be any money to pay for heating.

Russia’s education minister attempted to point out a few positive sides of the reforms under Boris Yeltsin, but failed to convince those present, who must confront the problems every day.

The very fact that, at this rather desperate moment in Russia’s history, a discussion could be so successfully begun in the Russian parliament on the connection between education and national security, gives hope that a better future is in store for the country.

The moral-philosophical foundations of national economy

by Helga Zepp LaRouche

This paper was presented to the Education Commission of the Russian Duma on May 21. It has been translated from the German, and subheads have been added.

In view of the global economic depression and the advanced state of disintegration of the world financial system, a debate has been going on for some time in certain circles of the establishment, which has come out into public view only occasionally here and there, about the kind of world order that is to be established after the collapse of the system.

A number of articles have appeared, mostly in the British press, claiming that the social and welfare state, as it was developed in the course of the twentieth century, could no longer be financed in the future. Instead, one needed Hitler-style fascist dictatorships, or changes of society according to the "Asian model." Lord Rees-Mogg wrote in the *London Times*, that in the future "information society," all necessary knowledge could be produced by 5% of the population, and therefore, universal education for 95% of the population was no longer profitable.

In addition: After the collapse of the Soviet Union and the dissolution of the postwar Yalta order with its division of the world into blocs, there has been an effort—begun by Margaret Thatcher with the organization of "Desert Storm" and lasting to the present day—to transform the apparatus of the United Nations Organization into a de facto world government. Today, the UNO is not far from representing a new empire, with the World Bank and the International Monetary Fund as "pro-consuls," who try to maintain the bankrupt financial system with draconian measures, brutally disregarding the national sovereignty of the governments in question.

The present collapse, of which the dissolution of the Soviet Union was merely one phase, can be compared with the collapse of former "dynasties"; however, this time, for the first time in the history of mankind, this process is unfolding globally, and concerns all regions of the world, due to the close interconnectedness of the planet through communications, means of transportation, and economic relations.

The oligarchical model

The conflict, which now comes into the open, is the irreconcilable antagonism between the sovereign nation-

state, as it has developed in European civilization since the fifteenth century; and the older forms of "empire," as have been known from the early cultures of Mesopotamia. This "Babylonian model"—also known as the "oligarchical model"—has influenced the history of European civilization to the present day. The Persian Empire, the Roman Empire, Byzantium, the Holy Roman Empire, the Hapsburg Empire, the Czarist Empire, Portugal, the Netherlands, the British Empire, the France of Napoleon Bonaparte and Napoleon III, or the British Commonwealth of today, are all representatives of the "oligarchical model," which goes back to Babylon.

This imperial model had two variants: There was either a dominating landed aristocracy, or, as in the case of ancient Tyre, of the city-state of Venice, or Britain, for example, an urban-based financial oligarchy exerted control. In all these systems, a small, oligarchical power elite ruled over the absolute majority of the population, which was consciously kept in backwardness. Each time, a number of families played leading roles, and secured their privileges through usurious interest and other means of parasitical looting.

In his essay "The Legislation of Lycurgus and Solon," Friedrich Schiller describes Sparta, a city form of the oligarchical model, whose efficient form of organization of the state appears to be very attractive at first. Upon closer investigation, it turns out that everything is sacrificed to the state, while the individual is of no value; the ruling elite may even kill the Helots, whenever it wishes to do so.

From Solon to the Renaissance

Schiller contrasts this oligarchical model of Sparta to the state order in Athens, where the wise Solon shaped law in such a way, that everything that happens in the state serves the real purpose of humanity—a purpose he defines as nothing less than "progress." In other writings, Schiller describes his ideal of mankind: Man fulfills his potential, only if he can develop all talents and capacities within him to the utmost, and he who does so in a perfect way, is the genius.

Even though in European history, Christianity established the equality of all men before God, as established by natural law, and the likeness of each man to God in his creative reason was understood, it took a long time before these ideas became

operative politically.

Apart from the important stages of development in the Carolingian Renaissance and the spreading of city universities in the twelfth century, 95% of the population was held de facto in a state of slavery, serfdom, or bondage, cut off from any education, until the Italian Renaissance of the fifteenth century.

With the Renaissance image of man and the reforms of Louis XI in France, the modern sovereign nation-state came into being; the republican representative system for the first time enabled the individual to participate in government. This had become possible, because several teaching orders, above all, the Brothers of the Common Life, had introduced a revolution in the method of education, integrating a growing part of the population, including orphans and boys from poor families, into the intelligentsia.

This classical-humanist form of education was no longer the mere learning of dogmatic propositions established by the authorities; rather, it revived the Platonic principle of revolutionary discovery. Through the manuscripts of different thinkers, it mediated the individual qualitative progress of knowledge. By thus reproducing in their own minds the discovery of new principles, the students were able to truly understand knowledge, and to recognize the process of progress as the primary fact.

This form of universal education, which mediated the Platonic method of hypothesis formation, produced geniuses such as Thomas à Kempis, Nicolaus Cusanus, Louis XI, Hieronymus Bosch, or Erasmus of Rotterdam. Nicolaus Cusanus, who must be acknowledged as the conceptual founder of the nation-state and of modern natural sciences, established a new ideal of education, that every human being should know the entirety of knowledge produced by humanity up to that point, at least in its fundamental aspects, in order to be able to define the next necessary steps in research. Nicolaus emphasized, that in such a way the entire evolution of the universe would be reproduced in the mind of every individual.

For Nicolaus, the correspondence of the lawfulness of the macrocosm—the physical universe—and the microcosm—creative reason—meant that the cognitive processes in the material world were efficient. If the hypothesis formulated by the human mind is adequate, it will lead to the discovery of a valid new physical principle. The resulting scientific and technological progress increases the efficiency of man's control over nature, leading to an increase of productivity per capita and per kilometer of land area on the planet.

The access of a larger part of society to universal education after the fifteenth century resulted in a visible change of the demographic characteristics. The population potential had, until then, been only 300 million men for the entire planet; the demographical curve has, since then, developed hyperbolically to the present population potential of approximately 5.2 billion men on Earth.

While the ideas of Nicolaus Cusanus and the Italian Renaissance, which culminated in the Council of Florence, created the conceptual framework for this breakthrough of humanity, Louis XI in France established the first modern nation-state in this period. Its characteristic was, that it was no longer the power interests of a small oligarchical elite which shaped the foundations of politics, but rather the common good of the state. This orientation to the common good demanded that the state be committed to scientific and technological progress, since this, when applied to manufacture and agriculture, would lead to an increase of the productivity of the labor force and thus to an increase of the wealth of society.

Universal education

During the reign of Louis XI, which lasted from 1461 to 1483, the national income of France and the living standard of the population doubled. Even if the number of youth enjoying a classical humanist education, was only a small fraction of the population, which lived under conditions of serfdom, with the success of the method of Peter Abelard at the universities of Paris, and the manifold efforts of the Brothers of the Common Life, the "class barrier," which had strictly separated the nobility from 95% of the population, had been broken. A growing percentage of poor children, children of craftsmen and peasants, was gradually integrated into the city-based intelligentsia.

This commitment to universal education of the population represents the most important aspect of the modern nation-state. With it comes the shaping of social institutions, which enable the highest possible participation of the population in cultural, scientific, and technological progress in the labor process and other areas of life. Furthermore, the state must not only define the common good for the present population, but also for the coming generations of mankind as a whole, whose interest must never stand in opposition to the interest of the nation-state.

These principles, which for the first time lifted the serfs to the state of citizenship, allowing them to participate through education in the achievements of progress, and which founded the state on the community of its population rather than on the authority of the oligarchical elite, constitute the decisive characteristics distinguishing the France of Louis XI from all previous forms of society. This principle of statecraft, to make universal Classical humanistic education possible for all, is also the fundamental difference between a republican and an oligarchical society.

Contrary to the false assumptions of the free market, which say the possession of raw materials, or the right to "buy cheap, sell dear," usury, and speculation, are the sources of social wealth, wealth is actually created by the creative reason of the individual, and his capacity for creative discovery. If new scientific discoveries are introduced into the productive

process as new technologies, this leads to an increase of the productivity of labor, generating greater wealth.

The essential role of the nation-state

In opposition to an empire, in which an oligarchical elite tries to make the greatest profit by extracting the maximum from a population kept in backwardness and poverty, the sovereign nation-state has a totally different interest. A state organized as a republic will do everything possible to ensure that all its inhabitants will be citizens, which means that they represent the interests of the state as a whole, and are so educated, in a universal manner, that each can undertake any task in the state.

How might the condition be achieved, that each citizen were self-motivated to take responsibility for the entire state, and ultimately, for mankind? The answer to this question leads to the key point, why the sovereign nation-state is essential to the successful, continued existence of humanity.

As Nicolaus Cusanus first laid out, the republican national state—which is based on the representative system, not on a pure democracy—is the only form in which the individual can participate in self-government. Therefore, this is the only way in which the freedom of the individual, inalienable and rooted in natural law, could be realized.

Between the government and the governed, stand the elected representatives, who are in a legal relationship to both. They must represent the rights of the individual in relation to the state, so that these individuals can develop their abilities to the utmost. On the other hand, they mediate for the state, such that each citizen can support the common good of the state to the best of his ability. As these representatives are accountable to the citizens and must stand for election, this is the only way that the individual can effectively participate in the government. Friedrich Schiller described this as the “greatest possible unfolding of the individual, as the state is in fullest bloom.”

The lack of accountability, is the main reason why any supranational government or institution, will ultimately lead to oligarchical rule by a small power elite. The examples of the United Nations Organization and its supra-organizations, the International Monetary Fund and the World Bank, or the European Commission in Brussels, demonstrate that the ability of the citizen to influence the government, *de facto*, disappears, if policies are decided by bodies which are no longer at all accountable. It is always a symptom of the oligarchical system of rule—whether it be in the communist East or the capitalist West—that the majority of citizens are unable to assume self-motivated responsibility, but are committed only to their selfish interests.

The von Humboldt educational program

It was Wilhelm von Humboldt, the author of the best example of universal education, who demonstrated how re-

sponsible citizens can be developed. In his different curricula, he argued against the “practical” education which was common in his time, as well as against the training of “experts.” Von Humboldt rejected the exaggerated evaluation of specialization, as counter-productive to the development of the state and detrimental to the character of the individual.

Wilhelm von Humboldt insisted, that children and youth would develop into true citizens only if their education were not special knowledge in itself, but the universal development of their character. He even went a step further, in demanding that man’s “beauty of character” be the essential goal of education.

Humboldt cast the human ideal of his friend Friedrich Schiller, the ideal of the beautiful soul, in the form of an educational program. He insisted that certain areas of knowledge were absolutely essential, if the character of the scholar were to be formed and to blossom.

The foundation of such a humanist education, must be the imparting of mankind’s universal history, because only an individual who realizes his identity in this historical process, perceives the responsibility which emerges for him out of the countless contributions and strivings of all generations leading mankind to that state of development. Only an individual who understands this, can know and decide how his own talents can best be used to achieve something durable for future generations. The mediation of universal history, as understood by Schiller, means primarily the development of the history of ideas which contributed to man’s progress.

The next important foundation of universal education, is the mastery of one’s own literate language, which means, above all, the study of the greatest Classical works, both drama and poetry. In Classical tragedy, the audience can observe whether the hero succeeds in finding a solution on a higher level, to prevent a tragic outcome, or fails to meet the challenge. The audience “sees,” as it were, the method of hypothesis-formation played out on the stage. In a Classical poem, the content is never located on the literal, prosaic level. Rather, the composition as a whole contains a metaphor—a meaning—which goes beyond what is said directly. In both cases, the composition addresses that level of the intellect which is capable of grasping that the pathway of human progress passes through absolute discontinuities; that is, points of absolute separation between one set of basic assumptions, connected to a given domain of experience, and another, different set of assumptions. That is why the experience of metaphor in Classical poetry involves the same level of reason which is responsible for revolutionary discoveries in science. For Humboldt, therefore, re-experiencing the most important moments of discovery in natural science, is not only the way man reaches any given stage of knowledge of the laws of the universe—and thereby realizes a natural relationship of man to nature—but, it is, at the same time, the method by which the student, in the process of re-experi-

encing hypothesis-formation in his own mind, masters the method of hypothesis itself.

Humboldt's educational method also includes mastering a highly developed classical language (Sanskrit or Greek), because the student thereby becomes self-conscious of his own language, and learns to think about language as the geometry of thought. Learning one or more foreign languages is just as necessary for learning to think as a world citizen, as geography. Humanist education also includes music, sculpture and painting, and sports.

Schiller's 'beautiful soul'

Once the student has gone through all these disciplines, and has been inspired by the original research of the teacher, then the preconditions for character development, which Schiller called the "beautiful soul," have been reached. But a beautiful soul is not just a person for whom necessity and desire coincide—who, in other words, has developed his emotions to the point that he can always be sure they agree with reason. This "beautiful soul" is, in reality, a genius, whose creative reason, knowing and respecting the laws of the universe, is constantly discovering new degrees of freedom.

If the sovereign nation-state wants to develop the creative

capacities of its citizens to the highest possible degree, education must be oriented to these ideals. If the present process of collapse is not to plunge us into a new dark age and global chaos, we must study how mankind succeeded in overcoming previous crises. So, for example, the catastrophe of the fourteenth century was overcome through the spread of universal education and the revival of the Greek classics, leading finally to the Golden Renaissance of the fifteenth century. If today we want to finally free our planet from the evil of oligarchical dictatorship, then we must create a community of nations, an entente of sovereign republics, which strive together for their best possible, mutual development.

In that case, our common universal history will emphasize those periods in which each culture made its greatest contributions to the progress of humanity. This would include, for example, the tradition of Confucius and the Sung dynasty, as well as the period of the Vedic hymns and the Gupta period, the Arab and Andalusian Renaissance, the Italian Renaissance, the tradition of Leibniz, Pushkin, and Schiller, and the civil rights movement in the United States. Once mankind succeeds in overcoming the childhood disease of oligarchism, the citizens of the sovereign nation-states will become world citizens as well.

For further reading

The Summer 1996 issue of the Schiller Institute's quarterly journal, *Fidelio: Journal of Poetry, Science, and Statecraft*, contains several articles on subjects raised by Helga Zepp LaRouche in this paper.

In "The Classical Curriculum of Wilhelm von Humboldt," Marianna Wertz analyzes Humboldt's reform of the Prussian school system, which produced the best-educated citizenry the world has ever known.

Zepp LaRouche contributes a discussion of "Peter Abelard: Discoverer of Individuality in the Feudal Age." "I would even go so far," she writes, "as to call Abelard a predecessor of Friedrich Schiller and the idea of the beautiful soul, because he was developing a criterion for the judgment of morality, which comes very close to that of Schiller." Accompanying her article is a translation of Abelard's "Dialogue Among a Philosopher, a Jew, and a Christian" (1136-39).

Fidelio features works about Schiller on a regular basis. See also the Schiller Institute's three-volume set of translations of Schiller's works. Contact the Schiller Institute, Inc., P.O. Box 20244, Washington, D.C. 20041-0244. Subscriptions are \$20 for four issues in the United States; \$40 airmail overseas.



Wilhelm von Humboldt (1767-1835), author of the best program for universal education ever devised. Humboldt saw the cultivation of man's "beauty of character," in the Schillerian sense, as the essential goal of education.

Classical curriculum and Socratic dialogue: education in the 21st century

by Anno Hellenbroich

This paper was presented to the Education Commission of the Russian Duma on May 21. It has been translated from the German, and subheads have been added. Mr. Hellenbroich also gave a brief oral summary of the papers by himself and by Helga Zepp LaRouche.

If we are to successfully meet the challenges of the twenty-first century, we will have to make huge strides forward in science, technology, and the utilization of new technologies. But this will only happen, if, at the same time, we initiate a “renaissance in education and instruction.”

In order to guarantee the future survival of human civilization (i.e., to guarantee a future for the 5.2 billion inhabitants of our planet), we need a radical transformation of the world economy, based on a “third industrial revolution.” The future *technology drivers* proceeding from the development of space technologies, include controlled thermonuclear fusion; the industrial application of high-energy lasers, microwaves, and nuclear particle technologies; the development of technologies utilizing extremely hot plasmas and plasmas at extremely low temperatures (superconductors); overland transport systems for passengers and goods, based on the principles of magnetic levitation technology; and revolutionary new biophysical methods applied in agriculture and medicine.

Among the most important tasks in a global reconstruction of the world economy, is the infrastructural opening-up and development of Eurasia—a region where two-thirds of humankind lives today. The development of Eurasia as a common goal of all mankind, is, in turn, only realizable on the basis of a “renaissance in education” that goes hand in hand with the application of the very latest technologies.

This, however, is premised upon a return to the fundamentals of the Classical curriculum, a universal education built upon the groundwork of the Socratic method.

The methodological problem of education today, lies in the fact that it places much too much emphasis on encyclopedic “learning” (in accordance with the Aristotelian-deductive method), and too little emphasis on the Socratic transmission of knowledge. The Platonic method builds upon the “principle of hypothesis,” namely, that the content of knowledge is “discovery,” whereby such discovery is presented in the form of a metaphor, of a “Platonic idea.”

The central feature of a Classical curriculum oriented to-

ward the “Socratic principle,” is what Plato, Leibniz, Humboldt, and Schiller considered to be at the heart of all Classical education: *universal education*. Every citizen, regardless of profession, has the right to universal education; this was the chief demand raised by Wilhelm von Humboldt, the architect of the Classical humanist education system. According to him, the essence of education lies not in the imparting of specific skills; rather, it focusses on the formation of the student’s character, his or her personality: that which enables each individual to discover important ideas on his own, while at the same time recognizing the universal significance of his own existence for all of humanity and history.

The major emphasis of a new Classical curriculum (and, of course, of its textbooks), should be upon the imparting of capacities enabling the student to replicate, or rediscover, on his own, the most important discoveries (hypotheses) that have been made in the course of human history in the domains of the physical sciences, philology, art, etc., and, thus, to become conversant with the three most important human “languages”:

A. *Spoken language*—both the mother tongue, and other modern and ancient languages;

B. The *language of hearing*, which, in the domain of musical education, encompasses the hearing of Classical polyphony;

C. The *language of vision*, which brings into play both education in the physical sciences, as well as aesthetical education in the plastic arts.

A Classical curriculum must revolve around the following four central subjects:

1. Education in the natural sciences

The guideline here, is the replication of the greatest scientific discoveries in the history of mathematics, physics, biology, astrophysics, and so forth. The methodological emphasis must generally be less on arithmetic and logical learning, so that all the more attention can be devoted to the “constructive geometric” method (e.g., construction of geometric models, and replication of discoveries with the aid of original writings, so that the “method of discovery,” the *ars inveniendi*, can be instilled).

Lyndon LaRouche, in a 1992 memorandum written for the Schiller Institute, pointed to six discoveries of new scien-

tific hypotheses which are particularly well-suited for introducing students into the "secrets" of this method:

a) Nicolaus of Cusa's work on the problem of the squaring of the circle, and his demonstration of why no linear construction can possibly square a (transcendental) circle;

b) Leonardo da Vinci's insight into the mathematical-physical significance of harmonic orderings and proportions in nature;

c) Kepler's application of Leonardo's hypothesis of the "Golden Section" as the starting-point for the development of a comprehensive mathematical physics;

d) the discovery of cycloids and non-algebraic functions (isochronicity and brachystochronicity) by Huyghens, Leibniz, and the Bernoulli brothers;

e) the discovery of transcendental function theory in the nineteenth century, through the work of Monge, Carnot,

Gauss, Dirichlet, Riemann, and Weierstrass;

f) the further development of the line of hypothesis started by Cusa, through the discoveries presented in 1890 by Georg Cantor in the domain of transfinite functions.

Scientific education in Russia, for example, should pick up on the scientific method of Vernadsky and Mendeleyev.

2. Language

a) Spoken language: This includes, most emphatically, a thorough understanding and mastery of one's own mother tongue. In addition to the necessary modern requirement of learning at least two foreign languages (English and so forth), which should begin in elementary school, there must also be, as Leibniz and Humboldt correctly emphasized, instruction in ancient languages such as Greek, Sanskrit, and Latin. This includes readings of the original texts by such authors as

George Soros's cultural offensive against Russia

Schiller Institute representative Anno Hellenbroich, in his oral presentation to the Duma on May 21, summarizing the written papers submitted by himself and Helga Zepp LaRouche, added a criticism of "the shameless buy-out of Russia's scientific intelligentsia by such people as George Soros (who proudly lists his profession as 'speculator')." Soros's \$260 million financing for new schoolbooks in Moscow, said Hellenbroich, and of New Age utopias at Russian universities networked with information super-highways, "will only destroy any true educational renaissance."

Hellenbroich continued: "George Soros, a propagandist of the 'virtual reality' of the information society, is a typical representative of the New Age movement, which, under the banner of 'freedom and democracy,' pushes its own agenda, which involves a quasi-subversion of the modern nation-state. In Italy, Soros is currently the target of preliminary investigations into possible violation of the lira stability laws in the course of his speculative devaluation attacks."

We provide here additional information on Soros and his "education program."

President of the Soros Fund and adviser to the \$12 billion-plus Quantum Fund, George Soros was born in Budapest in 1930, graduated in 1952 from the London School of Economics, and went, in 1956, to the United States. In 1979, he founded the Open Society Fund; in 1984, the Soros Foundation-Hungary; and, in 1987, the

Soros Foundation-U.S.S.R. At present, the Soros foundations work in 24 countries in central and eastern Europe, in South Africa, and in the United States. Since 1988, Soros has been a member of the board of the Institute for Human Sciences, which annually sponsors a speech by a renowned (or perhaps more precisely, notorious) individual. In 1989, it was former U.S. National Security Adviser Zbigniew Brzezinski; in 1992, French deconstructionist author Jacques Derrida. In 1995, Soros himself was the speaker.

The Soros Fund provided \$260 million to the independent Moscow "Culture Initiative" fund, to put together and print schoolbooks. The result was some 200 new textbooks in philosophy, science, religion, and language instruction. A most significant project for the future, is \$8 million being provided for the development of new curricula for central and eastern Europe, as reported by the April 29, 1995 *Salzburger Nachrichten*.

The Central European University

Such activity must be viewed side by side, with the vast array of Soros-related activities in the East, through the agency of the Central European University (CEU), the which he established in 1990. The CEU is now headquartered primarily in Budapest, with important branches in Prague and Warsaw, and with tentacles stretching throughout eastern and central Europe. It is the key cultural/"intellectual" arm of the Soros empire, its activities overlapping and/or bankrolled by such Soros entities as the Open Society Institute and the Open Media Research Institute. For a student to apply for enrollment in the CEU, he or she must apply through the Soros Foundation located in that person's country of origin. The CEU has been awarded a provisional university charter under the regulations of the Regents of the University of the State of New York, and is

Aeschylus, Plato, and Cicero. As Humboldt correctly recognized, the learning of ancient languages is equivalent to “geometric training” for constructive thought; all great nineteenth-century discoverers were fully conversant in the ancient languages.

In order to master one’s mother tongue, and be able to express ideas in the form of metaphor, one must be fully acquainted with one’s own Classical national poetry, as well as being on intimate terms with Classical European literature. A language curriculum which is oriented toward the Socratic method, must therefore lay great importance on familiarity with the literature of the Renaissance, in which “Socratic dialogue” plays a central role (as was recognized, for example, by Alexander Pushkin in his own creative work). This includes the works of Dante, Shakespeare, Rabelais, Cervantes, and Erasmus of Rotterdam, who were followed, later, by the

expected to get a full university charter in 1997.

The CEU brings together an array of British and Anglophile-American influentials. The chairman of the Board of Trustees is Soros. Other trustees include Dr. Colin Campbell of the New York-based Rockefeller Brothers Fund; Lord Ralf Dahrendorf of St. Antony’s College, Oxford; and Dr. William Newton-Smith. The latter is a member of the very exclusive Hebdomadal Council, the ruling body of Oxford University. The academics involved in the CEU are, in most cases, directly affiliated with Oxford, the London School of Economics, the Royal Institute of International Affairs, or other British institutions. As noted, Soros himself is a graduate of the LSE, where he studied under the late Sir Karl Popper.

The CEU curriculum focusses on various positivist and neo-Nietzschean “deconstructionist” themes, including various themes popularized by the so-called Frankfurt School of Theodor Adorno, Hannah Arendt, et al. In recent years, Jacques Derrida was a visiting scholar of the CEU. One of the ironies is, that in pushing such curricular offerings as the ideas of the Frankfurt School, Soros’s operation is sponsoring exactly those ideas which produced communism in the first place—such as those of Soros’s fellow Hungarian Georg Lukacs.

The curriculum systematically eliminates all ideas in history which run counter to the worldview being inculcated. For example, one course offered at the CEU-affiliated Centre for the Study of Nationalism, in Prague, describes the “distinct Western traditions” to be offered to people in eastern Europe as “Hegelian, positivist, phenomenological, Durkheimian.” A course at CEU’s Political Science Department in Budapest is entitled, “Early Modern Political Philosophy: Hobbes, Locke, Rousseau, Kant, Hegel.”—*Mark Burdman*

Classicists Schiller, Pushkin, Heine, and others.

b) The language of hearing: The most neglected and ruined category of modern education, is the requirement of a thorough Classical musical education. Man’s sovereign, creative potential, the wellspring of all creative discovery, is also the chief source of all creativity in art in general, and particularly so in music.

The root of all Classical polyphony in music is Classical poetry, reaching back into the ancient poetic strophic forms. Classical music is based on the principle of *bel canto* vocalization; already by the early sixteenth century, Leonardo da Vinci had proven scientifically, that the strength of the human voice increases in accordance with certain biological characteristics of the human voice, and its differentiation into definite registers. For every Classical composer, knowledge of these laws was elementary.

Teaching of Classical compositional method must also introduce the *Motivführung*, or motivic thorough-composition, of Haydn, of Mozart (including his study of Bach), and of Beethoven, who revolutionized the *Motivführung* principle.

A few years ago, the Schiller Institute published *A Manual on the Rudiments of Tuning and Registration*, as a suggestion for what a Classically oriented music education curriculum would include. In order to produce this book—which now exists in English, Italian, and German editions—the entire original literature of the *bel canto* tradition was combed through; at the same time, discussions were held with the world’s best singers and instrumentalists on the problem of excessively high tuning, and on the adequate interpretation of the Classical *Lied* and other forms. Among those consulted were the singers Placido Domingo and Carlo Bergonzi, who, along with many others, signed a petition for a campaign for lowering the standard tuning-pitch, as well as Prof. Norbert Brainin, formerly of the Amadeus Quartet.

The book describes the six species of human singing-voice, as these emerge from sung poetry and Classical musical composition. It is thus an exemplar of the kind of textbooks that we ought to produce in the other fields—natural sciences, history, geography, and language. A second volume of the *Manual*, currently in preparation, will deal with the registers in the Classical musical instruments as these are derived from the human singing-voice, and also with *Motivführung* as a Classical musical compositional method. Both volumes include copious citations from the compositions of the past 500 years, and attempt to give a pedagogically effective presentation of the most significant discoveries in the history of musical polyphony.

c) The language of sight: Under the first point above, I already referred to the significance of “assimilation and replication” of the crucial discoveries in the domains of mathematics and physics (geometry). But the language of sight also includes the domain of the graphic arts and painting. The study of perspective, whose discovery represented a milestone in human history, is therefore particularly well-suited



Author Anno Hellenbroich conducts a rehearsal for a Schiller Institute performance of Bach's St. John Passion, in Munich, Germany, March 1996. "The most neglected and ruined category of modern education," he writes, "is the requirement of a thorough Classical musical education."

for familiarizing the student with the representation of space, and with making the beauty (metaphor) of a work of art intelligible, while, at the same time, something fundamental is expressed about the workings of the human mind. Important examples of this can be found in the perspective studies for Renaissance paintings, such as those of Leonardo da Vinci, Raphael, Dürer, and, later, Rembrandt.

3. Philosophy

A major area of emphasis must be the study of ancient Greek philosophy, and the two resulting, opposed epistemological currents of thought in the history of philosophy: Aristotelian logic, empiricism, positivism, and existentialism on the one side, and, on the other, Plato's conceptual method, and the development of the Platonic current of thought, stretching from St. Augustine to Leibniz. Basic readings are, for example, the works of Augustine, Nicolaus of Cusa, G.W. Leibniz (who conceived of the humanities and the natural sciences as a single domain), and the subsequent conflict with the Enlightenment, such as in Immanuel Kant's writings against Leibniz.

4. History

History must be considered from the standpoint of the demographic, technological, and cultural development of human societies and civilizations. Of crucial importance, is the measurement function of "potential population density"

(LaRouche) as a measure of a civilization's success or failure.

With the aid of this method, the teaching of history should demonstrate what invariant principle has always led to the collapse of civilizations; and likewise, through study of the eras of greatest blossoming, it should demonstrate what invariant principle (from the standpoint of statecraft, culture, science, and the image of man) constitutes the foundations of humanity's renaissance periods. The social models studied should include oligarchical ones, such as Babylon, Sumer, and the many other empires throughout history, and, on the other hand, renaissance periods, such as the high-points of Egyptian, Ionian, Carolingian, and Arab culture, and the European Renaissance in the fifteenth century.

It would be useful if the study of the military sciences, and the thinking of great military strategists on such subjects as the principle of the "flank," also flowed into such a curriculum.

Friedrich Schiller's address on universal history is a good point of reference for what should be understood under this rubric. The task is to focus on the two contrary, opposing concepts of nation-state and empire. This should include the study of various states' theories of state and law, such as, for example, Plato's theory of the state, as opposed to that of Hobbes. The particular areas of study should include the formation of the first sovereign nation-state under Louis XI of France in the fifteenth century, and the emergence of the

United States as the first modern republic based on Christian natural law. It would also be fitting to include selections from the relevant diplomatic correspondence, so that, on the basis of “living, replicatable” history—down to the decisions of a single person, who must decide whether there shall be war, or peace—current strategic events can be made intelligible to the student.

Another point of emphasis must be the study of the *economic sciences*:

a) Early forms of Cameralism: the economic school of Naples, Colbertism in France; Leibniz as founder of the modern school of physical economy;

b) The “American System” of Hamilton, Carey, and Clay, in opposition to the physiocratic model and the British free-trade system of Adam Smith et al. (which includes the problems of Marxian economics);

c) The principles of physical economy in Europe: the work of Friedrich List, Sergei Witte, et al.;

d) Successful economic models in the nineteenth and twentieth centuries: e.g., de Gaulle’s “indicative planning,” the Japanese MITI project, Roosevelt’s New Deal, and shining examples from Russia’s economic history—Witte, Podolsky, and others;

e) Economic models for the twenty-first century: the LaRouche-Riemann model, and its included emphasis on the *science-driver* principle (scientific and technological progress as the economy’s “motor”) for the construction of modern nation-states.

The heritage of Leibniz

In conclusion, I would like to add a reference to the spiritual father of physical economy, Gottfried Leibniz, in order to hold up the mirror, as it were, of his fascinating proposals of 350 years ago, before our present challenges. During the devastating years immediately following the Thirty Years’ War, Leibniz, guided by his vision of collaboration among Europe, China, and Russia, set down the foundations of a modern Europe. He recognized that the key to this, was the infrastructural opening and development of Eurasia, especially of Russia and China. This, in his view, would be attainable only if it went hand-in-hand with an educational and cultural renaissance—i.e., if it were possible to successfully impart to the individual, the entire sum of knowledge and invention of all humanity, and, thereby, to instill within him the art of invention (*ars inveniendi*) itself.

To that end, humanity’s very best knowledge, from ancient times onward, must be rediscovered anew, Leibniz wrote to Czar Peter I in a 1716 memorandum. This knowledge, and these discoveries, should be so ordered, “that from it, one could see *origines inventionum*, that is, how human beings arrived, or how they were able to arrive, at inventions and sciences; for, such a type of teaching would also be a marker showing the path toward improving our science and new inventions.”

Soros under investigation

The following are samples of the press coverage of the investigation in Italy into George Soros’s role in speculating against the lira in September 1992. Paolo Raimondi, president of the International Civil Rights Movement Solidarity, presented a legal paper to the state prosecutor in Milan on Oct. 27, 1995, and later in Rome, Naples, and Florence, asking them to investigate Soros’s financial activities.

Atti Parlamentari, Nov. 6, 1995, the official record of the Italian Chamber of Deputies reports on the legal paper against Soros presented to the prime minister and the justice minister by deputies Parlato and Gasparri.

Italia Oggi, Milan-based economic daily, front page, Nov. 1, 1995: “Soros Does Not Deserve to Receive the Honorary Economic Degree.” The Solidarity Movement protested against the decision of Prof. Romano Prodi to give an award to Soros at Bologna University on Oct. 30. Prodi, who enjoyed the support of speculator Soros, won election on April 22, 1996 as the leader of the former Communist Party-controlled left coalition. Later, Prodi was named prime minister.

Il Secolo d’Italia, daily of the main conservative party, National Alliance, Feb. 2, 1996: “He Speculated Against the Lira: Soros Under Suspicion.”

Il Tempo, leading Rome daily, front page, Feb. 3, 1996: “Soros, ‘the Vulture of the Lira,’ Under Investigation.”

Il Giornale, national conservative daily published in Milan, Feb. 4, 1996: “For the Civil Rights Movement Solidarity, the Financier Collapsed the Lira: Exchanges, Soros Denounced.”

Il Giornale, March 5, 1996: “Speculation: Soros Under Investigation.”

Corriere della Sera, main Italian daily published in Milan, March 5, 1996: “The Big Speculation of ’92: Soros Investigated by Greco” (Milan deputy state prosecutor).

Il Mondo Economico, main Italian economic weekly, March 3, 1996: “Put Soros Under Scrutiny.”

La Stampa, daily owned by the Agnelli family, March 11, 1996: “Trains, Steel, and Tribunals: the Comeback of Mr. Soros.”

L’Espresso, main Italian weekly, March 15, 1996: “Soros in Italy: Buys up Steel and the State Prosecutor Looks On.”

According to Leibniz, the education of a nation comprises three things: 1) obtaining the means to improve the arts and sciences, 2) educating people into science, and 3) gathering new information on scientific progress. For this, Leibniz called for the establishment of printing houses, bookshops, and especially libraries, which would gather together books and manuscripts "in Slavonic, German, Latin, and living European languages, i.e., English, French, Welsh, Spanish, and also Greek, literary and vulgar Hebrew, Arabic, Syriac, Chaldean, Ethiopian, Coptic, Armenian, and Chinese: humanity's best knowledge and most important discoveries. A central library should be of such quality that as many people as possible could find complete information on all histories, countries, languages, natural and artificial things, businesses, sciences, foods, and professions, so that the entire treasury of human knowledge, to the extent that this has been put down on paper, is available there."

Leibniz further encouraged the establishment of a science museum, where the most important discoveries of the age, all "optical, astronomical, architectural, military, nautical, mechanical, and other inventions" would be presented. This was to be complemented by a technology museum (*Theatrum naturae et artis*), to which would belong "an observatory, laboratory, armory, and munitions depot . . . where, also, relatively large-scale models of all sorts of useful inventions

would be located—especially all sorts of milling devices, levers, waterworks, and many types of machines used for mining."

In still earlier memoranda dating back to 1697, Leibniz repeatedly spoke of the significance of building up a national educational system, which would begin with elementary school and extend beyond the university to the academy, and would combat the population's ignorance and backwardness. For him, the key to national education was to develop the character of the individual, and to impart knowledge to him. Alongside religious instruction and a comprehensive scientific education in mathematics, physics, etc., Leibniz repeatedly stressed the significance of learning many languages, regardless of the person's profession, be it craftsman, salesman, statesman, military, or academic.

If, today, on the threshold of the twenty-first century, we succeed in presenting anew the best fruits of the Platonic-Leibnizian tradition to the coming generation; if we succeed in establishing a "Classical educational pathway," then citizens will be able to use their assimilation and transmission of old discoveries, and their creation of new ones, to successfully shape the future of our human family, whose number is fast reaching the 10 billion mark. And then, a new high age of humanity could spring forth from the tragic ashes of the present century.

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Caracas	1800	Rio de Janeiro	1900
Casablanca	2200	Rome	2300
Chattanooga	1700	St. Louis	1600
Chicago	1600	St. Petersburg	0100*
Copenhagen	2300	San Francisco	1400
Denver	1500	Santiago	1800
Detroit	1700	Sarajevo	2300
Dublin	2200	Seattle	1400
Gdansk	2300	Seoul	0700*
Guadalajara	1600	Shanghai	0600*
Havana	1700	Singapore	0530*
Helsinki	2400	Stockholm	2300
Ho Chi Minh City	0600*	Sydney	0800*
Honolulu	1200	Teheran	0130*
Hong Kong	0600*	Tel Aviv	2400
Houston	1600	Tokyo	0700*
Istanbul	2400	Toronto	1700
Jakarta	0500*	Vancouver	1400
Jerusalem	2400	Vladivostok	0800*
Johannesburg	2400	Venice	2300
Karachi	0300*	Warsaw	2300
Kennebunkport	1700	Washington	1700
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The link between education and Russia's development

Mr. Gromyko is the president of the Moscow Education Academy and rector of the Methodological University. The following interview was conducted on May 21, at the State Duma in Moscow, by Anno Hellenbroich. The interview was conducted in English.

EIR: Mr. Gromyko, you as president of the Moscow Education Academy, were one of the main speakers at the Duma session dealing with education, and especially education and national security as an important subject matter. What were your main theses?

Gromyko: For us it was very important to begin to discuss education, as a problem, not of the very specific education department, according to their methods, data, and ideas—how many teachers we have in the schools, what kind of salaries the teachers have—but from a much broader standpoint: how exactly education is connected with national security and national goals. Because our main idea is that, without these goals, without a clear idea of the economy, it is impossible to discuss education.

And so, it was necessary for us to have two years of discussions with different people, to organize these hearings. Because at first, of course, the government didn't want to speak about such things at all. They said: We have a program for educational development, and the Ministry of Education is trying to implement this program, and it is not necessary to discuss these ideas further.

But for us, it's clear that if we don't have goals and direction—what exactly will be the main goals for Russia, where Russia must go, and is now going—it is impossible to have any policy at all, in education, in economics and other spheres. And so, our main idea was that it's necessary to begin with discussions about what concept of society Russia must have, because without a structure for society, it's impossible to discuss education, or what the main role of the intelligentsia, of Russian intellectuals, must be in society, and how it's possible to connect education and the economy.

One very important idea which was implemented in all these ideas of reform, was that it is not necessary to connect knowledge and economy at all, that the economy is something "hidden," without knowledge, without able people imple-

menting a plan, and education is a very different domain. It's necessary to put money into this area, since we have kids to educate, but it is impossible to demonstrate that through knowledge, through able people, you develop industry; it's impossible to change things in Russia. And this split is very dangerous for our society.

And so, our main idea was to organize the hearings in such a way as to show, that it is impossible to tell people that education is very clearly connected with the problem of security; impossible to solve these problems of education—the health of kids in the educational system, salaries, and so forth—without much deeper and much clearer ideas about what is exactly the concept of society, the concept of government, the concept of statecraft, that we must have to develop our lives.

EIR: I heard some of these contributions, among others from people who are working in the health field, and also representatives of the military. From these various speeches, could you see a certain contour, a first approximation of the concept of the future society, especially now, given the great transformation process of the last five years?

Gromyko: You see, our main idea, also in this problem of the doctrine of education, development, and security, is connected first of all with sound ideas of economy and education. And the weakest point, from this point of view, is the problem of professional education. Because, you see, before, we had a huge number of specialized professional schools, which trained a huge number of people—

EIR: Do you mean vocational schools?

Gromyko: Exactly, vocational education. Not at the highest level, but primary vocational education. It was very important, because it was the channel for socialization of a huge number of people, who could thus find sound employment. But now, all these people have no sound jobs at all, and so, they have no salaries, they do not have a stable situation, and so, in my opinion, we have this huge criminalization. For me, this criminalization is a hidden civil war.

This is very important. You have to understand that just now, we have a very dangerous fragmentation of society. This

street criminality is not mere criminality; for me it is a hidden kind of civil war. And this is the most dangerous thing, because it's clear, that if a huge number of people are split and cut off from their professions, through which they could have had a decent salary, to live in our society, for them it's impossible to comprehend their future. That is the first thing.

The second thing is, of course, we have a lack of financial assistance in education. But from this point of view, we must understand education as very important infrastructure for our society. Because exactly in this area of education, different spheres are interconnected, e.g., health. We have a huge death rate now, a huge rate of abortion, a huge rate of psychiatric diseases—awful. You heard, and I personally also know, about these women, who discussed that, for example, the so-called “new Russians,” their kids, are also at risk, and there are quite a few psychotics and neurotics among them. Because of the stress of trying to make their situation stable, we turn the kids into neurotics. It's a disaster.

Yet it is clear that it is impossible to suck money out just for the sake of education. It is necessary to change the whole climate of discussion. So, you see, we have two or three steps before us. When we said that it was necessary to discuss such things as the general doctrine of education and the role of education in our society, all these people—usually the Ministry of Education first of all—said that it is not necessary to discuss such questions, they are too global; it's only necessary to discuss salaries.

But today, it was possible to demonstrate that the problem of salaries and blockades—really, blockades in government—is connected with the general concept of our reforms. And so, for me, we can also destroy the possibility of reforms, with general rhetoric that lacks any sound, real goals for these reforms.

EIR: Can you then identify for us, at least some of the elements, in terms of content, that you would stress?

Gromyko: Yes. First of all, for me, education and its role in society are connected with the possibility of developing a new program for the economic development of Russia, and the transformation of labor, according to scientific approaches. Because we have also, in military complexes, quite a few plants which need to be modernized, with new technology brought in, high technology. But for this, it is necessary to have a sound education.

The second problem concerns the necessary modernization of the former Soviet Army. For example, if you try to change military relations in a global world, when you have not only troops, but at the same time industrial complexes, mass media, and such things, environmental issues, it is necessary to have a very different way of thinking about military structures, but at the same time, a very different way of training the people who must serve in this Army.

And so, it's necessary to have very different concepts. Some generals came to me, eager to discuss a new type of

education for our army, in such a way that there could be conversion, also, of military personnel: people who can work in the Army, but at the same time, also in civilian departments, in our civilian economy.

The third aspect, is the problem of Russians who are now abroad. Because we have no policy at all for them.

The fourth point, is, of course, the problem of how it is possible to provide health care, education against drugs, against premature sex, against alcohol. Because now, we are simply a nation in seduction, through American advertisements on TV, and such things.

This is also a very important factor of concern: the connection of education and TV. We have to have some regulation of TV, because through TV, it is possible to destroy the very idea of consciousness in our kids.

A very important issue for me, is that it is necessary to discuss, in a very different way, the problem of security. Because the usual concept of security currently is: We have enemies, and we have interests. But if we look at education, we have no prepared interests at all, because education is the program which is connected with the future of Russia. And so, it is necessary to discuss security in this context, looking to the future. It is necessary to discuss the content of this future, what kind of country we want to have: Must we be a raw material appendage of international financial institutions, or shall we have a sound industry, in different efforts? That's the most important point.

But also, there will be more professional, much more specialized issues. For example, what are, exactly, the Russian schools, Tartar schools, the so-called national schools in Russia? We have, as you may know, a huge problem with the Russian language. Because the Russian language that we had before, in the nineteenth century, is now totally destroyed. Destroyed through language which was introduced from Gulags, because rather many intellectuals were in Gulags, and so, after this, they began to use the Gulag language.

We also destroyed our language, because there was a very astute, very sophisticated policy of Stalin, when the Russian language was used as a language of international communication. Because of this, we have now a very superficial, very shallow language, not a deep one. And so, we must have a very deep program.

At this point, for me, it is impossible to restore the Russian language without traditional education. Including the study of so-called dead languages, because we had, before the Revolution, a very strong tradition to study Classical philology. And so, Classical philology is the most important thing to restore the Russian language. Because, maybe you know that, through the Orthodox Church, the Russian language was constructed from old Greek. And so, old Greek is particularly important for the Russian language. And that's also a key issue.

EIR: You mention the Russian Orthodox Church. I heard

the representative of the Moscow patriarch, addressing the problem of education. How are you dealing with the ideologies of the past—the traditional Marxist-Leninist courses?

Gromyko: This issue, in my opinion, is very controversial, because from one side it's clear for me, that we have an ideological vacuum in our society. And some reformers said, that it's very good to have this vacuum, with no ideology at all. But at the same time, this empty space is filled with much nastier doctrines and ideologies, New Age and different things, and also different sects, very dangerous sects. For example, this Japanese Aum sect, which is very popular in Moscow.

And so, from this point of view, you see, we have something like a "market" of ideologies, and the Orthodox Church is trying to find her own niche in this market. But I disagree with the idea that it's necessary to introduce only Orthodox Church ideology. Because I have in my report—I didn't have enough time to discuss this, but for me it's clear—that we must have a special concept of what ideology, not according to Marxism-Leninism, but what kind of sound, reasonable ideology we must have for our society. And I guess it's impossible to use only Orthodox Church ideas to fill this empty space.

It is the responsibility, first of all, of the Russian intellectuals, to develop such an ideology. But you see, it is also very important for me, to distinguish between American and Russian society. Because Russian society, through all its periods, lived with different kinds of ideology. This ideology doesn't mean, that it's necessary to have something like a *Short Course of the Communist Party of the Bolsheviks*. What is much more important for Russians, is to have an understanding of the goals, and the construction of Russian society. I don't mean an ideology for indoctrination in school; what I mean is, that there must be a public discussion about this.

But it is clear now, that if the Russians as a nation, also in school, don't discuss their future, then it is impossible to live here. In very rich countries, it is possible to live without an understanding of the future. I disagree with this, but it is possible; but in Russia, it's physically impossible to live without this, because we are not rich at all, from this point of view. We are very wealthy in raw materials and such things, but without understanding our position in the global economy, in the world at large, without understanding our predestination, we Russians simply cannot live.

EIR: Coming back to the parliamentary meeting, what is your evaluation? Was the response what you had hoped for, and what do you think this parliamentary process will lead to?

Gromyko: The first, very important thing, I guess, is that there will be a new internal struggle after these hearings, because it is only the first step; it is possible to abort all these hearings and to simply construct a new kind of program which will be used for the Ministry of Education or the government.

But for me, it's much more important to organize a coalition

between military, generals and directors of military and other plants from industry, and also including financial people, and different committees of the Duma, of course, to organize a coalition that can discuss what kind of document we must prepare, and through this to raise much deeper questions, because that's usually how it's possible to organize such things.

But it's clear now, it's being stated, that such a document, a doctrine of education, will be prepared. That is very important. During the communist period, we had a compartmentalized society: We had education, which was isolated from all other spheres; we had industry, which was isolated from all other spheres; and we had only one connection between the different spheres—through the Communist Party. The Communist Party leaders went from education to, I don't know what: horse breeding, reindeer farming, agriculture, industry, etc. And now, we have the same mentality of a compartmentalized society. So, it is a very important thing to organize a coalition, where people from different fields can see that the situation on a global scale is the same, for example, in education, in the military sphere, and also in industry. And only in this way, is it possible for me to put some questions: Why is it organized in such a way, why don't we have any financial assistance for such very important things as infrastructure? . . .



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British goad U.S. Congress toward sanctions on Sudan

by Muriel Mirak Weissbach

Whether or not the honorable members of the United States Congress know it, that institution is about to be turned into a towel boy for the British foreign policy establishment. Legislation is reportedly being prepared by Rep. Donald Payne (D-N.J.), to call for imposing sanctions against the African nation of Sudan, conforming to the precise demands articulated by House of Lords Deputy Speaker Baroness Caroline Cox, who has been leading the charge against Sudan for London.

In her capacity as international president of the British intelligence front Christian Solidarity International (CSI), Cox has campaigned for sanctions to be imposed, through the mechanism of the United Nations Security Council. In January, under British chairmanship, the Security Council passed a resolution condemning Sudan for alleged harboring of terrorists, suspects wanted in connection with the assassination attempt against Egyptian President Hosni Mubarak in summer 1995. But, when the case came up for review in April, and tougher sanctions were on the agenda, neither Egypt, the most crucial regional player, nor China and Russia, both members of the permanent five, were very enthusiastic. The Egyptian government had grasped the dangers involved for the country, were UN sanctions to lead to total destabilization of the Khartoum government, and a dismembering of the nation. The result was a resolution imposing diplomatic sanctions only.

As the next Security Council session comes up on July 10, the prospects that the British may succeed in adding to these political measures, a full-scale embargo on weapons, oil, foreign trade in general, and aviation, would seem to be dim. Relations between Khartoum and Egypt, which the British have labored to poison, have not deteriorated, but rather improved consistently; at the summit of Arab heads of state held in Cairo on June 22-23, in fact, Sudanese President

Gen. Omar Hassan Al-Bashir met with Egyptian President Mubarak, paving the way for full reconciliation. The process toward reconciliation had been prepared by a series of meetings at the ministerial level, and, in the wake of the Cairo encounter, was followed up by contacts to discuss security coordination. China, which had a high-level delegation in Khartoum in late June, made known it would not fuel the assault against Sudan. A senior Chinese politician told Sudanese Minister of State Gabriel Roric, that China was committed to support Sudan politically in the international forum. As for Russia, it, too, has good economic reasons for maintaining good relations with Africa's largest nation. On June 25, the Sudanese government officially opened the "Higlieg 4" oil well, which started pumping 10,000 barrels per day. A road has been opened to transport the oil from nearby Muglad to El Obeid, and thence, to Port Sudan, until a pipeline is completed. Russia is involved in the 300-kilometer pipeline project, and other projects related to Sudan's plans to build eight further wells, thereby covering one-third its domestic needs very soon.

British intelligence, fully aware of these developments, decided to open a new flank in its drive to destroy Sudan: to force legislation for sanctions through the U.S. Congress, which could then be used to accomplish the same at the UN. At the same time, British intelligence-backed opposition figures inside Sudan were deployed to organize demonstrations and launch calls for civil disobedience.

At the invitation of the Foreign Office

The strategy was the topic of a seminar organized on June 3, by nothing less than the British Foreign Office, which brought together the think-tanks, university professors, media outlets, human rights organizations, and government repre-

sentatives, who make up the task force commissioned to bring down the Khartoum government. The seminar, entitled "Sudan in Crisis," was conducted under the "Chatham House rule," whereby "participants are free to use information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed; nor may it be mentioned that the information was received at the meeting," according to the seminar program.

The secretive meeting included four British government ministries, Defense, Trade and Industry, Overseas Development Administration (Colonial Office), and the host Foreign Office, which had its Research and Analysis Department represented, as well as a plethora of specialized offices dealing with the region. Among the think-tanks represented were the School for Oriental and African Studies (SOAS), which had people from its Department of Geography, Geopolitics, and International Boundaries Research Center (GRC); the Institute of Commonwealth Studies, University of London; the Center for Study of Islam Christian Relations, Selley Oak Colleges; the universities of Lancaster, Bergen, Reading, Birmingham, Durham, Cambridge, Oxford, and Uppsala (Sweden). Intelligence outlets in the media included Africa Confidential, Worldwide Television News, and the British Broadcasting Corp. Leading British intelligence fronts, Amnesty International, African Rights, and Africa Watch, were represented, as were the Egyptian and U.S. embassies. Sudanese came from the Sudan Federal Democratic Alliance, *Sudan Democratic Gazette*, Sudan Solidarity Committee, among others.

The seminar presented a profile of "The Turabi/Bashir Regime and Its Opponents: Strengths and Weaknesses," by Gill Lusk of Africa Confidential, who worked in Sudan for seven years under the Nimieri regime; and an analysis of "The Political Economy of Contemporary Sudan," by Alan Nichol of SOAS. Following a session on the situation in the south, the seminar focussed on regional partners in the British-led effort to overthrow the Khartoum government, with speeches on Ethiopia, Eritrea, Uganda, Kenya, Egypt, and the Arab world. It concluded with a session on "Sudan's International Isolation," during which Reading University Prof. Peter Woodward spoke.

The gist of the strategy session, was that political pressure must be increased on the Bashir government, by supporting comprador elements in the neighboring countries, as well as the remaining rebel forces, especially those controlled by communist factions. In addition, plans were discussed to unleash political disturbances inside the country, while beefing up the propaganda campaign internationally, to paint the government as a terrorist, fundamentalist, slave-trading regime.

Immediately following the Foreign Office seminar, participants were deployed to implement their marching orders. Inside Sudan itself, on June 10, a group of opposition figures issued a letter to President Bashir, demanding that he step down. This group, backed by the National Democratic Alli-

ance and Umma party, both represented at the Foreign Office event, also issued a call for Sudanese to rise up in "civil disobedience" on June 30. On June 20, a demonstration took place in front of the Sudanese Embassy in London, calling for political condemnation of the "Bashir-Turabi regime," as it had been characterized at the Foreign Office. Here, too, among the protagonists were two of the five Sudanese opposition people, of communist leanings, who had been invited to the secret seminar. They were Ahmed al Mahdi, uncle of the Umma party leader inside Sudan, and Ahmed Ibrahim Diraige, of the Sudan Federal Democratic Alliance.

Another key participant of the seminar, Bona Malwal, editor of the *Sudan Democratic Gazette*, and close associate of Baroness Cox, travelled to the United States in the second week of June, to lobby "for stronger action against the regime in Khartoum," according to the *Baltimore Sun* of June 23. Malwal, according to press accounts, "called on the U.S. and the UN to increase sanctions on Sudan, starting with an embargo against flights by Sudan's national airline."

Slavery 'motivates' action

Cox and company have been working on the U.S. Congress for years, in an effort to find congressmen—preferably from the Congressional Black Caucus—to endorse their sanctions policy. The tactic they have developed, to get African American politicians to back a policy which will eventually lead to genocidal war, against one of the most important African nations, is the "anti-slavery crusade." As Eibner told a journalist, it is not the merits of the case which count, but the fact that "slavery is an issue which motivates people." African American politicians, most of them descendants of slaves themselves, are particularly sensitive to the issue. Cox et al. have profiled these political figures, and inundated them with horror stories about "Arab militias" allegedly deployed by the "Arab Muslim fundamentalist regime in Khartoum," to conduct raids against "southern Sudanese tribes, particularly the Dinka," and take slaves. In mid-March, Cox travelled to Washington, with her usual coterie of young Sudanese men from the opposition, to present testimony on slavery to a congressional hearing. At that time, the Schiller Institute presented written testimony, exposing and discrediting CSI, Cox, and her motives. And, Minister Louis Farrakhan, of the Nation of Islam, who had visited Sudan, and been told even by rebel leaders he met, that there was no slavery there, challenged those making accusations to provide proof.

Cox decided then to deploy two journalists from the *Baltimore Sun*, Gilbert A. Lewthwaite and Gregory Kane, to do a major smear job. The two travelled to Sudan in April, entering the country illegally, and "purchased two slaves" to prove that slavery exists. The entire theatrical operation was organized by Cox's CSI. The result was a stream of articles, written on the basis of the April trip, which ran in the *Baltimore Sun* from June 16-18. The articles, which start on page one, and continue to one- or two-page spreads, recycle the same

material and photographs several times.

The gist of the account is the following: Gilbert and Gregory, eager to prove Farrakhan wrong, decide to go to Sudan and to purchase a slave. "The particular form of exposure we are contemplating," they write, "—buying a slave and telling his or her story—seems more likely to be heeded by a thus-far indifferent public than the drier, less personal reports from governments and human rights organizations. Based on this reasoning, we are inclined to proceed." Miraculously, and in a manner which is not explained in the series, Cox arrives out of nowhere to make it possible. "A call from Switzerland," they write, "suddenly moves us from the theoretical to the practical." They explain: "Christian Solidarity International, a small, Zurich-based humanitarian agency, offers to fly us into Sudan on one of its occasional, daredevil aid flights. . . . The invitation come on a Thursday. We are to leave for Africa with a CSI team from London on Monday." (As a CSI spokesman explained by telephone to a humanitarian aid worker inquiring into the matter on June 27, the CSI does indeed "offer" to help journalists go to Sudan and to purchase slaves. "The journalists cover their costs, and we provide the contacts. We have the contacts, who have the slaves.")

Lo and behold, the two intrepid truth-seekers, find that on the very same plane are Cox herself (" 'Just call me Caroline,' she says, greeting us with a warm smile and a handshake. 'Baroness sounds so stuffy.' ") and John Eibner. On the plane, Eibner gives them the line: " 'The Sudanese government has armed the militia to go on these raids but doesn't pay them,' he says. 'The government points them in the right direction, and they are paid with whatever booty they can get, property or human beings.' But, he adds, there is now a system whereby middlemen negotiate the release of Dinka slaves from their Muslim masters and sell them back to their families." Whether or not the journalists can buy a slave, will depend, says Eibner, on "whether a middleman happens to be nearby with slaves." He does not explain how the "system" came into being.

The crew land in Nairobi, then, via Lokichokio in northern Kenya, proceed to enter Sudan illegally, and arrive at a rebel-held area in Nyamlell. While waiting there for a middleman to show up, they hear the stories of slaves and slavery, all rehashed stories which Cox had listed in her congressional testimony, as well as her CSI "reports." Then, the drama starts: "As we eat by candlelight outside our tents, we get the word we have been waiting for from Baroness Caroline Cox. . . . An Arab slave trader, she tells us, has arrived in the town of Manyiel, three hours' walk away." They leave the next day, and make the transaction. For \$1,000, the middleman, who goes under the name of Adam el Haj, hands over two boys, to their father, who has conveniently also been summoned to the meeting place for the deal. Adam explains that he does this because, as a Riziegat tribesman with 200 head of cattle, he needs to have good relations with the Dinka tribesmen, who have access to water he needs for his herds.

Thus, his story is, that he and his associates, travel through the country (Sudan is 2.5 million square miles), looking for slave children, and, having found them, purchase them, bring them back to their home villages, where family members are told their children have been retrieved, and can be received for the price of five cows. (The journalists feel bad about having been able to free only two slaves, but their concerns are assuaged by the knowledge that "Christian Solidarity International, the Swiss humanitarian group that brought us here illegally, is leaving enough money with the local authorities to free 15 slaves." A curious note, considering that the CSI otherwise claims its funds go only for humanitarian aid; they don't "buy slaves into freedom.")

In a culture dominated by television and Hollywood, such adventurous tales probably appear credible. To anyone with any knowledge of the situation in Sudan—or other African countries, for that matter—it is not difficult to separate the fact from the fiction, even underneath the purple prose. As Sudan's ambassador in Washington, Mahdi Ibrahim Mohammed, explained to the same journalists, tribal strife, in Sudan and elsewhere, usually over scarce water resources, often leads to conflict, in which hostages are taken. "The traditional way of resolving it," he said, "is to contact the chieftains of the neighboring tribes and establish a mediation which will conclude in agreement to exchange the people who have been taken by each party." A similar presentation about these tribal practices was made in Washington in April, at a Schiller Institute conference on Sudan, by Angelo Beda, Sudan's minister for Public Affairs and Administration Reform. Beda, himself a Catholic from southern Sudan, stressed that the ability of the central government to intervene to encourage such resolution, is hampered in precisely those areas where the war is still being fought. He reported, that the occurrence of tribal conflict and hostage-taking went far back in time, including the period of colonial rule.

Cox's fraud on the Congress

The *Baltimore Sun* spread represents a classic case of intelligence services' use of journalism, to launch a political operation. It is no coincidence, that the same story was run, in abbreviated form, in *Time* magazine, and reported on CNN, as well as other media. Not one of the obliging media outlets has found it opportune to ask certain obvious questions regarding the curious role of Cox and the CSI in the matter. That a member of the House of Lords and long-term intelligence operative, uses a "humanitarian" organization cover, to arrange for journalists to enter a sovereign country illegally; that the same political personality maintains a network of collaborators among insurgent forces against a sovereign government; further, that the same woman stages the transfer of considerable sums of money for human beings, presenting it as "buying slaves into freedom"—should raise questions.

Instead, politicians in the United States are being manipu-

lated, to respond according to British intelligence's profile. On June 24, in a clear case of overkill, the anti-slavery crusade reached Congress again, when Maghoub el-Tigani, head of the Sudanese Human Rights Organization, briefed the bipartisan Human Rights Caucus on slavery in Sudan. El-Tigani, whose operation is part of the National Democratic Alliance run by Baroness Cox, and was present at the infamous Foreign Office seminar, claimed that 10,000 slaves were being held "under government control" in Sudan. Rep. Edward Royce, (R-Calif.), reportedly opened the hearing by pointing to the *Baltimore Sun* series as the latest "evidence" of slavery in Sudan! Royce "predicted" that legislation for sanctions would soon be passed. The head of the Congressional Black Caucus, Donald Payne, according to a *Baltimore Sun* news article following the three-day propaganda barrage, "will propose a total multinational economic embargo, except for humanitarian aid, on Sudan, 'until appropriate action is taken to eliminate chattel slavery.'" The same paper reported that a draft for Payne's legislation calls for "an international arms blockade against the government in Khartoum. . . ; the stationing of UN and U.S. human rights monitors in the region: a UN plan to 'to put an end to slavery where it exists.' To drum up support, it will be necessary for organizations of African Americans to join the crusade." According to the *Sun* on June 23, the executive director of the National Association for the Advancement of Colored People (NAACP), Kweisi Mfume, said, after the appearance of the *Baltimore Sun* extravaganza, that his organization would become more active in opposing slavery. (Mfume is the former head of the Congressional Black Caucus.) The NAACP is said to be preparing proposals for sanctions against Khartoum, for its annual convention next month. An NAACP board member, Joe Madison, told the *Sun*, "This is going to have to become a major, major issue in this country. It is going to take time."

If the fraud perpetrated on the Congress by Cox for British intelligence, through the pages of the *Baltimore Sun*, is successful, and the Congress does vote up sanctions against Sudan, a dynamic will be unleashed in the Horn of Africa, which will kill millions of Africans. If sanctions are imposed, and the British strategy is successful, to overthrow the current government, chop up the country into the "six micro-states" Eibner has proposed, and unleash genocidal war throughout eastern Africa, then the members of the Congress will have made themselves coresponsible.

In this light, is it too much for the American citizen to demand, that any congressman contemplating such action, of such devastating scope and consequences, have the moral fiber and honesty, to find out for himself what is fact and what is fiction? Is it too much for the American citizen to demand, that such congressmen at least visit Sudan and use their own eyes, ears, and minds to determine what is true and what is false? Or is British intelligence, with its paid pens in the *Baltimore Sun*, the bible on which our lawmakers have sworn?

Tibet: a geopolitical tool deployed against German-Chinese ties

by Mary Burdman and Rainer Apel

Readers of *EIR*'s June 14 *Feature* story, "Beijing's Grand Design for Eurasian Development," will appreciate the reasons for the wrecking operation being run against German-Chinese relations by Britain's leading submarine in the Federal Republic, Count Otto Lambsdorff, his Friedrich Naumann Foundation, and his allies, the Dalai Lama and the so-called "Tibetan government in exile." The Dalai Lama is an operation of Prince Philip's World Wide Fund for Nature, and is committed to splitting the western and northern regions off from China—the very regions China is striving to develop with the Euro-Asia Continental Bridge.

Germany is China's closest economic partner in western Europe, and close German-Chinese relations are essential, if the Euro-Asia Continental Bridge is to succeed. Germany is, still, Europe's greatest economic power, and the center of the Paris-Berlin-Vienna "Productive Triangle," which Lyndon LaRouche designated as the essential western pole for developing the Eurasian landmass.

Leaders in the two nations understand the importance of these relations. At the May 7-9 International Symposium on the Economic Development of the Regions along the New Euro-Asia Continental Bridge, in Beijing, an official of Shaanxi province stated: "This Continental Bridge of today connects in the East with the Northeastern Asian Economic Rim, which is composed of Japan, Korea, and China, passes through Middle and Western Asia . . . and joins in the west to the Central European Region which is formed by triangle of Paris, Berlin, and Vienna."

Chancellor Helmut Kohl has striven to develop Chinese-German relations; he has visited China four times since he became chancellor in 1982. Last year, trade exceeded \$17 billion, double that of five years ago. Chinese President Jiang Zemin, Prime Minister Li Peng, and Executive Vice Premier Zhu Rongji have all visited Germany since 1994.

In May 1995, when the Dalai Lama was received by German Foreign Minister Klaus Kinkel in Bonn, Chancellor Kohl made clear that Germany's China policy is a "*Chefsache*," or priority item, handled directly by the chancellor's office rather than the Foreign Ministry.

It is exactly these relations which Count Lambsdorff and



The Dalai Lama (left) with German Foreign Minister Klaus Kinkel, in Bonn, July 5, 1995. British geopolitical operations around Tibet, and the proclivities of leading German political figures to tolerate them, are threatening relations between Germany and China.

the “Tibetan government in exile,” which Lambsdorff has actively supported since 1987, are out to destroy. Both Lambsdorff and Prof. S. Rinpoche, chairman of the “Assembly of Tibetan Peoples Deputies,” have proclaimed themselves dedicated followers in the footsteps of the leading British liberal philosophers, John Locke to Bertrand Russell—the great enemies of Gottfried Leibniz, who already understood China as western Europe’s counterpart in Asia in the 17th century. Leibniz’s political economy, which gave rise to the American System of economics of promoting “the general welfare,” has been the target of British liberalism for centuries.

Lambsdorff’s machinations have, so far, succeeded in getting the Chinese to call off the planned visit of Kinkel, a member of Lambsdorff’s Democratic Party (FDP), to Beijing in July. Housing Minister Klaus Töpfer and Environmental Minister Angela Merkel cancelled their planned summer visits to China, and Defense Minister Volker Rühle called off a joint military seminar in September. However, projected visits of German President Roman Herzog and Economics Minister Günter Rexrodt in the autumn remain on the agenda.

Beijing closes the foundation’s office

Both Bonn and Beijing are taking steps to contain the problems. Chancellor Kohl expressed his regrets over the situation, including the loss of Kinkel’s visit, and Kinkel himself said he did not want to be the scapegoat for others’ provocations of China. The Chinese Foreign Ministry also

expressed regret over the developments.

Most important, the Chinese government shut down the Naumann Foundation’s branch in Beijing on June 14. This office got DM 1 million (\$625,000) a year to push its agenda in China, “a sum that is a big one under Chinese conditions, and bigger than what the other German foundations spent there,” a foundation spokesman told *EIR* June 26. Foreign Ministry spokesman Shen Guofang said June 25: “I believe the majority of the German people support and ensure the development of friendship and cooperation between China and Germany. However, there have always been a few people within Germany who tend to interfere in Chinese internal affairs. . . . So long as the German government takes concrete and effective measures to prevent the recurrence of events that harm the development of bilateral relations, those relations will have a broad prospect.” He had earlier said that the “Dalai Lama functions as a puppet on the strings pulled by anti-Chinese circles in the West.”

The immediate cause of tensions between China and Germany, was the “Second International Conference of Tibet Support Groups,” sponsored in Bonn June 14-17, by the Friedrich Naumann Foundation, whose officials are all leading members of the liberal FDP. The conference featured the Dalai Lama and the “exile government.” It must be noted, that the foundation takes as its mandate promoting radical free market policies, yet demands government funding for its own operations. The conference was held at the *Wasserwerk*, a German parliamentary facility.

The German government stopped payment of a DM 290,000 grant to the Naumann Foundation on June 3, because China had objected both to the conference, and to a resolution introduced into the German Bundestag, the lower house of parliament, condemning China's governing of Tibet. Foreign Ministry spokesman Horst Freitag said that the grant was withdrawn because conference organizers had advertised some of the participants as members of a Tibetan "government in exile," while Germany officially recognizes Tibet as part of China.

But the conference, and the visit of the Dalai Lama, proceeded. Then, on June 21, the parliamentary resolution was passed. The biggest motivators of the resolution were Burkhard Hirsch, a leading left-liberal in the FDP, and the radical environmentalist Green Party faction head, Joseph Fischer. The resolution alleged that "China's repressive policies in Tibet have resulted in severe human rights violations, environmental disturbances, and kept the Tibetan population under massive economic, social, legal, and political disadvantages, and the Sinization of Tibet." Among those who signed it were Dr. Wolfgang Schäuble, head of the parliament faction of Chancellor Kohl's Christian Democratic Party, and the main opposition Social Democratic Party faction leader Rudolf Scharping, as well as the FDP and Green Party leaders.

Geopolitics, mystics, and Tibet

The real question is, do these alleged "human rights violations" (even an official speaker at the Tibet conference had to warn that their cause was being discredited by "exaggerated and inaccurate reports") have anything to do with the case? The speech of Professor Rinpoche at the "Tibet Support Groups" conference in Bonn June 14, reveals what is really at stake:

Speaking on the future of Tibet, Rinpoche said: "In today's world, interdependence has increased to such an extent that the future of any country could not be considered in an isolated manner. It is true of Tibet also. The future of Tibet is bound to affect the future of the world in general and the future of its immediate neighbors—China and India in particular. Tibet's *geopolitical* situation is such that it is inseparable from the course of history of India and China. In political analysts' view, *civilizational conflict* between these two most highly populated countries of the world *will always position them as tough competitors or worst enemies*. There is no potential of genuine friendship amongst these two neighbors. Therefore, the *status of Tibet as a buffer state between India and China will be the determining factor for establishment of peace, stability, and security in Asia*."

"Geographically, also, Tibet being the Roof of the World, from where most of the large rivers of Asia originate, will be *the decisive factor for the environmental and ecological balance of the world*. The scientists of the world are concluding that the Tibetan Plateau will always have a role in forcing

global climatic changes.

"Today, *Tibet is one of the testing grounds for the efficacy of the UN Declaration of Human Rights*. If it does not succeed in Tibet, it will not be worth the paper on which the declaration is printed. Therefore, it has to be realized that the future of Tibet is inseparably interlinked with the future of its neighboring countries and globe as a whole" (emphasis added).

The geopoliticians' cat's-paw

Those who know anything of the history of the past century, will be reminded of the role that imperial geopoliticians have consistently assigned to Tibet. Halford Mackinder of the London School of Economics, who founded British imperial "geopolitics" at the turn of this century, and his German follower, Prof. Karl Haushofer, were fixated on the geopolitical "importance" of Tibet. Haushofer even visited the Himalayas, in the company of Lord Kitchener, a viceroy of the British Raj in India. He was also profoundly influenced by the Russian geopolitical mystic Gurdjieff. Haushofer was also a mystic of the Thule Society, the cult of the "Aryan" myth and breeding ground of the Nazi Party, which propagated myths of a super-race hidden in Tibet. Another follower of the Tibet cult was Sir Francis Younghusband, the British "great gamer" who overrode Tibet in 1904, and also became a mystic there, although of a rather flakier variety (see *EIR*, April 7, 1995, p. 53).

Professor Rinpoche also follows more contemporary geopoliticians. His "civilizational conflict" comes straight out of the foaming of Harvard Prof. Samuel Huntington, latter-day heir of Arnold Toynbee and Bernard Lewis.

Rinpoche's description of "Buddhist democracy" ties him even more closely to British imperialism. "The model of Tibetan democracy is fundamentally different from the modern democratic principles. Ours is based on basic principles of equality of all sentient [i.e., having the power of sense-perception] beings on the basis of their potential of unlimited development. Such equality can be established in the day to day living only through cooperation and not through competition. . . . Truly speaking, awakening of human intelligence is the ultimate objective of the society. It creates a level of rationality which leads to unanimity—a state of choicelessness.

"Therefore, a partyless democracy is possible in which each individual has freedom to deal with every issue according to his or her wisdom without imposition of any conditions from groups or ideologies. . . . Decentralization of decision-making processes and implementation processes make each individual responsible and sovereign to act. . . . Plato spoke of the 'philosopher king' and Bertrand Russell talked about 'common will.' "

This definition of human beings according to their sense perception, comes straight from the "each against all" world of Thomas Hobbes, John Locke, and Jeremy Bentham, served with a sauce of Tibetan Buddhist mysticism. Rinpoche had

the gall to add that “China lacks legal, moral, and political legitimacy to govern Tibet.”

Lambsdorff was also clear on his allegiance to British liberalism. “Since 1991, the exile Parliament has been an important partner for the [Naumann Foundation] in South Asia. It concentrates on strengthening the democratic process,” he said in Bonn. “Liberal politics are to promote human rights, *Rechtsstaatlichkeit* [according to the code of law], and democracy, [and] seeks to focus attention to the rights of individuals, his civil and social rights, including the right to property.” This last goes directly back to Locke, whose view that the end of human society “is the preservation of their Property,” was refuted by the American Founding Fathers.

Lambsdorff claimed not to oppose China, but made his subversive policies clear: “We want to respect the Chinese government, but . . . I am sure, that there are many Chinese, who are not in agreement with their authoritarian regime and its policy in Tibet. . . . We must strengthen the participation of Chinese in our movement, so that we can build bridges to those of the Chinese who have sympathy for Tibet.”

Support for the Confederacy

Lambsdorff has been chairman of the European section of the Trilateral Commission since spring 1994. He is also a leading member of the “Eminent Persons Group,” an informal association of official has-beens promoting free trade and other liberal notions, especially around international economic summits. Lambsdorff had to leave his post as economics minister in 1984, after six years in office, after he was convicted on several counts of illegal party-funding. The case was dealt with by an all-party arrangement in Bonn, before the investigation could seriously begin looking into money-laundering operations which had begun to come to light when the party-funding scandal broke in 1980.

The count’s devotion to British geopolitics includes attacks on German-American economist Friedrich List, founder of German economic unity. Lambsdorff wrote in the Oct. 28, 1995 Swiss financial daily *Neue Zürcher Zeitung*, that “the argument invented by List that the ‘young’ industries of underdeveloped countries first had to be protected, in order to then become competitive, has demonstrated devastating consequences”—the classic British line that German economic development led to World War I. He even called protectionism the “modern form of imperialism.”

A senior Naumann Foundation policymaker endorsed the U.S. Confederacy, in a discussion May 14. The problem with the world today is that there is too little “pure free trade,” he said. He expressed his admiration for a recent book by Charles Rowley, head of the Fairfax, Virginia-based John Locke Institute, in which Rowley calls for a “constitutional amendment mandating commitment to free trade by the United States.” “Ninety percent of the Constitution of the Confederate States was written to defend free trade. . . . That was one of the

conflicts between North and South, aside from the issue of slavery,” he said. “So, while slavery was certainly wrong, the South was right, in this respect. They were fighting against the discrimination of protective tariffs.” Now, he said, “the same fight is taking place in Europe, and we have to beware of protectionism being imposed in Europe.”

Northern protectionism was all the worse, the Naumann Foundation policymaker asserted, because Lincoln was heavily influenced by the “extremely harmful” policies of the German-American economist Friedrich List. “List’s doctrines led to a more centralizing process. . . . List’s theories were one of the origins of the First World War, because it brought about protectionism in Germany. . . . The policies were aimed against England, and were harmful to European peace. . . . But his influence was even more pernicious in the United States,” he claimed.

The other “legs” of the Tibet Support Group are the Unrepresented Nations and People’s Organization (UNPO), and the Transnational Radical Party, whose Italian leader, Marco Panella, openly advocates drug legalization. He was recently arrested in a Rome street, distributing illegal drugs.

The UNPO, as *EIR* documented (see April 12 issue, “British Monarchy Rapes the Transcaucasus—Again”), claims to represent all sorts of “peoples,” the vast majority of whom are all located at strategic points in or along the borders of Russia, China, India, the Balkans, and Indonesia. UNPO Secretary General Michael van Walt van Praag, who bears a resemblance to faded Hollywood star Richard Gere, another fan of the Dalai Lama, was “chief moderator” of the Bonn conference.

Moving in on India

With its Beijing operation closed down, the Naumann Foundation is now going to upgrade its operations in India, officials announced at the Bonn conference. The Dalai Lama is also running operations in Japan, Mongolia, and Xinjiang autonomous region of China, which he calls “East Turkestan,” its name under a brief, British-allied regime in the 19th century.

The Dalai Lama is most notorious for his sponsorship of Shoko Asahara, leader of the deadly Aum Shinrikyo cult of Japan. Publications issued by the cult claim that Asahara had been taught secrets of Tibetan Buddhism by the Dalai Lama in 1987. Asahara visited India several times, and encouraged his followers to spend time in India for “enlightenment.” He had also obtained the good wishes of the Dalai Lama, until his activities became controversial, the Indian daily *The Hindu* reported last spring.

Germany’s *Focus* magazine reported on their relationship last September, on the occasion of one of the Dalai Lama’s frequent junkets to Europe: “In total, Asahara and the Dalai Lama met five times, first in February 1987, in India. Following this, the Tibetan god-king wrote recommendations for

him.” The article was accompanied by a photo of the Dalai Lama and Asahara holding hands, and smiling. *Stern* magazine also revealed that the Dalai Lama had written letters and “praised the sect leader . . . as a ‘competent religious teacher.’ . . . Even weeks after the first gas attack, the Dalai Lama called the sect terrorist a ‘friend, though not necessarily a perfect one.’ ”

Now, ever more embarrassing, Asahara’s daughter has just proclaimed her youngest brother the “reincarnation” of the Panchen Lama, Tibet’s second most important lama. Last year, both the Chinese government and the Dalai Lama, had found two different boys to be the reincarnations of the 10th Panchen Lama, who died in 1989.

The Dalai Lama also visited Mongolia in August 1995, in an effort to revive Buddhist Lamaism, where Bakula Rinpoche, the Indian ambassador to Mongolia, was “a key figure in the political maneuvering to bring the Dalai Lama to Mongolia.” Located between China and Russia, Mongolians “must preserve their culture to be independent, and that culture is Buddhism,” Rinpoche said. The Dalai Lama conducted a series of public meetings, attended by up to 10,000 people, to revive lamaism. Since 1990, the London-based Tibet Foundation has been sponsoring programs sending Mongolian monks and nuns to Dharamsala, the headquarters of the Dalai Lama in India, and has brought “teachers” to Mongolia.

In India, the Friedrich Naumann Foundation advises the “Assembly of Tibetan Peoples Deputies” of the so-called Tibetan government in exile, in Dharamsala, India, to give it more “professionalism.” It also works with the Tibetan Parliamentary and Policy Research Center in New Delhi. Lambsdorff said in his speech to the Bonn conference: “Since 1991, the exile Parliament has been an important partner for the [foundation] in South Asia.”

One of the “eminent guests” at the Bonn conference was former Indian Parliament speaker Rhabi Ray, who showed himself to be a disgrace to the memory of India’s great leader Mahatma Gandhi, by putting Gandhi—who drove the British Raj out of India—a mere third in Ray’s pantheon of the Dalai Lama and Buddha. Ray raved that “the Indian freedom struggle will only be finished when Tibet is freed,” and praised the Naumann Foundation’s contribution to “liberalism” in India.

Backlash against the Naumann Foundation

But all these machinations may backfire. In Germany, not only did Count Lambsdorff have to appeal for funds to make up for the government’s cancelled funds (even reading out his foundation’s bank account number at a Bonn press conference), but German political leaders and industry are expressing discontent with his operations.

On June 25, Carl-Dieter Spranger, German cabinet minister for relations with developing countries, said in an interview with the *Leipziger Volkszeitung*, that the board of the

Naumann Foundation has done a great disservice to German long-term cooperation with China, and has done so from delusions. Not only would the kind of sanctions against China, which the foundation has called for, fail on an international level because of China’s veto at the UN Security Council, but also, no other nation would join Germany in such sanctions, so that profitable industrial deals would be lost for no political gain. Spranger’s statement is especially interesting, because he is also a senior member of the Bavarian Christian Social Union, the partner party of the CDU. CSU chairman, Edmund Stoiber, has repeatedly struck out against the liberal FDP’s role in Bonn over recent months.

Henning Voscherau, mayor of the northern German city-state of Hamburg, said that Bonn politicians had shown “gross disrespect of the Chinese mentality,” when they decided to ride high profile on the Tibetan issue, Hamburg media reported June 25. Voscherau said that it was not the first time, that Bonn has showed “a lack of respect of the tradition and different character of the great high culture of China,” and that it was a delusion, to believe one could accelerate changes in China “from abroad, by pointing at the Chinese with an admonishing finger.” Whoever pursued such a policy, could “as well cancel all relations to China right away,” he said.

Voscherau’s remarks, embarrassing to his fellow Social Democrats around Oskar Lafontaine in Bonn, were amplified in their political effect, when Michael Glos, the chairman of the Bavarian CSU group in the German parliament, quoted the Hamburg mayor in a statement criticizing the pro-Tibetan resolution, as “lacking the necessary sensibility.” Glos said this, despite having voted for that resolution the week before, indicating the change of winds in Bonn.

Kinkel, himself an old adversary of Lambsdorff, made his distance from the Count’s actions known. Kinkel declared in Bonn June 25 that, as a matter of fact, “it should be known that I even tried to prevent this resolution [on Tibet] from being passed,” but that once it was formulated, he supported it. He also said that he had cancelled government funds for the Naumann Foundation event with the Dalai Lama. He said that when Beijing disinvited him from a planned visit to China, it was not only “overreacting on this issue,” but was also lashing out at “someone who has the least to do with all of this controversy.”

German Industry Association (BDI) spokesman Dieter Rath told *EIR* on June 25 that officials at the BDI are quite upset about the foundation’s role in fomenting the phony conflict with China over Tibetan “human rights.” Rath said that the association tried to play the issue down, at least for public consumption, but said they were quite embarrassed at this diplomatic heat on the Tibetan issue: “This is what is called the primacy of politics over business. . . . We are not very happy, that you can be assured of; . . . we’re never asked about our view, on such matters, we’ve had a lot of bad experience with the politicians on many such occasions, before.”

'Unity in hope': the pope in Germany

by Elisabeth Hellenbroich

Pope John Paul II's third official and state visit to Germany on June 21-23, under the motto "Unity in Hope," belongs to one of the most historically significant events since the fall of the Berlin Wall and the reunification of Germany, and places a milestone on the path toward overcoming the divisions in Christianity. With his address at the Brandenburg Gate in Berlin and his urgent appeal to Germans to stand up for the freedom and development of all peoples, he embodied the "spirit of 1989" anew.

The underlying theme of all of his speeches was a call to people to put up active resistance in "stormy" times like our own, in which more and more people are threatened by job loss, and society is marred by cultural pessimism and social Darwinism.

"The Second World War began on Sept. 1, 1939. Almost all Europe was in flames," said the pontiff to some 100,000 people in Paderborn. The church was also in great danger. "I belong to the generation that remembers that. 'Save us Lord, we are lost!' The prayers in the churches: 'Holy God, holy and mighty God, holy eternal God, have mercy on us! Protect us from thirst, hunger, storms, and war, O Lord!'

"We also remember the men and women who saved the dignity of persons and nations in that time of scorn"—people such as Bernhard Lichtenberg, Karl Leisner, Edith Stein, and Rupert Mayer. Resistance today, said the pope, means above all, in these stormy times, when the majority have capitulated opportunistically to the spirit of the times, not to be characterized by pettiness, anxiety, and resignation, but to actively intervene in the social and political events of one's country. This is a clear reference to the situation in Germany, where fanatical free-market economists have polarized society through austerity measures.

A socially just economic policy is incompatible with the ideology of "radical capitalism," the pope stressed. Looking back on the events of 1989, which "radically changed" the world, he said that the chances for a new perspective on life, which were opened up for countless people at that time, were squandered. Therefore, society must decide to actively advance the development of nations, notably eastern Europe and the Third World.

The pope said: "But this growing together of North and South, East and West must be achieved in a humanly dignified

way. We must not bring into being a world which again can be imprinted with a 'radical capitalist ideology.' The world is hoping for collaboration among nations and states, which respects all human beings' right to life and furthers their development."

According to the Catholic Church's social doctrine, which derives the right to development of individuals and of nations from divinely given natural law, the pope said that the work of reciprocal economic development must be carried out in the spirit of "solidarity and justice."

Ecumenism

For the first time since the tragic split in the church in Germany in the 16th century, a pope celebrated an ecumenical religious service with leading Lutheran representatives and a spokesman of the Greek Orthodox Church. He cited among the most important evangelizers of Europe, St. Patrick, St. Boniface, St. Kilian, St. Willibrod, St. Emmeran, and the holy brothers Cyril and Methodius. In the 20th century, it was Evangelical, Catholic, and Orthodox Christians who courageously and unwaveringly bore witness to the truth of the Gospel against totalitarian dictatorships: Edith Stein, Alfred Delp, Bernhard Lichtenberg, Karl Leisner, and Bernhard Letterhaus, Dietrich Bonhoeffer, and Count Helmut Moltke.

The pontiff expressed his wish that he could complete the unity of all Christians, which must be founded on the joint responsibility for reevangelization in the third millennium. He referred to the significance of Martin Luther and the consequences of the division of the church, indicating that Luther's thinking was formed by a strong emphasis on the individual and that his call for a reform of the church was originally born out of a desire to repent. The split occurred because of the failure of the Catholic Church, acknowledged by Pope Hadrian VI, but also because of Luther's passions, which led him to a radical criticism of the church.

On Sunday, June 23, at the Berlin Olympic Stadium, the pope beatified two Catholic priests who were resistance fighters against the Nazi regime: Bernhard Lichtenberg and Karl Leisner. During the trial that led to his death, Lichtenberg told his Nazi judges, "False principles lead to false actions." His list of false principles included many which echo the debates going on in Germany today: the eradication of religious education in the public schools, the Nazis' opposition to the cross, the secularization of marriage, the lack of respect for human life, the practice of euthanasia, and the persecution of the Jews. John Paul II concluded his visit to Berlin with a symbolic march through the Brandenburg Gate, which once stood for the totalitarian rule of Nazis and Communists, and in 1989 became a symbol of freedom. Addressing Chancellor Helmut Kohl, the assembled bishops, politicians, and others, the pope called upon them to keep the famous gate open "through the spirit of love, the spirit of justice, and the spirit of peace! Keep this gate open by the opening of your hearts! There is no freedom, without love."

Bangladesh elections open up new political opportunities

by Ramtanu Maitra and Susan Maitra

The success of Bangladesh's Awami League party in the June 12 elections for the 300-member national parliament (Jatiya Sansad), indicates that the ghost of Sheikh Mujibur Rahman, the founder of the Awami League and the first President of Bangladesh, is being finally exorcised. The Awami League victory may, for the first time in the 25-year history of this bitterly fractured nation, hold the possibility of putting in place a less confrontational political process.

The Awami League, led by Sheikh Mujib's gritty daughter, Sheikh Hasina Wazed, fell short of an absolute majority by only five seats, but its total of 146 seats makes it the largest party in the Jatiya Sansad. President Abdur Rahman Biswas, a former chief justice who became President in October 1991, following the collapse of the martial law regime of President H.M. Ershad, has asked the Awami League leader to form the government. It is likely that the Jatiya Party, headed by the now-imprisoned Ershad, will also join the government, with its 31 seats. Another 30 seats reserved for women, who are selected by a vote of the parliament, should give the League an absolute majority.

Kissinger's heavy hand

The father of Sheikh Hasina Wazed, Sheikh Mujibur Rahman, led the Bangladesh Liberation War and was known as the "Father of the Nation." He was gunned down in his Presidential residence, along with 15 members of his family, by a group of middle-level Army officers in 1975. Sixteen years of military rule, and then five years of democracy under Begum Khaled Zia, widow of slain Army general President Ziaur Rahman and leader of the Bangladesh Nationalist Party (BNP), were haunted constantly by the ghost of Sheikh Mujib.

A trade union leader turned national hero, Sheikh Mujib was a socialist and had become close politically to the Soviet Union and Indian Prime Minister Indira Gandhi, in his struggle for independence from Pakistan. He promised a socialist Bangladesh. His three-and-a-half years of rule, however, were replete with nepotism and corruption.

Washington, having succumbed to the geopolitical spell of Henry Kissinger's foreign policy, was eager to break the "unholy alliance" between Bangladesh and the "Indo-Soviet axis." Kissinger, who had opened Beijing's door for President

Nixon, saw an opportunity in Sheikh Mujib's growing unpopularity. His determination to push Dhaka under Beijing's influence to create a crisis within the "Indo-Soviet axis" led to strained relations between Washington and both Delhi and Dhaka.

Kissinger identified both Mrs. Gandhi and Sheikh Mujib as obstacles to his geopolitical designs for the region. There are accusations, even coming from Kissinger's deputy in the National Security Council, Roger Morris, that Kissinger was involved in ordering the assassination of Sheikh Mujib, with whom he made known his differences at a press conference in Dhaka a few days before Sheikh Mujib and his family were brutally mowed down.

Sheikh Hasina Wazed, one of the two survivors of Sheikh Mujib's immediate family, stayed back in India for six years under the unofficial protection of Delhi, and of Mrs. Gandhi, in particular. Meanwhile, in Bangladesh, the Army under President Ziaur Rahman's rule (following a number of short-lived and bloody coups), was clinically "eliminating" the closest associates of Sheikh Mujib. With President Ziaur Rahman at the helm, Kissinger succeeded in pushing Dhaka onto Beijing's lap. Bangladesh became increasingly dependent on China for arms and security. To further vitiate the Indo-Bangladesh relations, a campaign was unleashed to malign Sheikh Mujib, implying that he had been bent on "selling out" his country to India.

All these years, following her decision to return to Bangladesh and assume leadership of the Awami League party, Sheikh Hasina had been battling this ghost and losing.

In 1982, President Ziaur Rahman was murdered. His death elevated the pro-Pakistan Army chief Gen. Hussain Mohammad Ershad, to power.

The Awami League, tainted by politicians who had played a dubious role during Sheikh Mujib's failed rule, was regarded by the majority as a pro-India and anti-Islam party. These labels were so pervasive, that the killers of Sheikh Mujib and his family, two colonels with deep contacts to the United States, Pakistan, and Arab capitals, were able to set up a political party in the late-1980s in the heart of Bangladesh. One of the killers even contested a Presidential election.

Awami League's new image

This year the Awami League began presenting a new image. A number of liberation war heroes, some of whom had become top military brass, had joined the party and were contesting elections. The list included such names as Nurul Haq, first chief of the Bangladesh Navy; Maj. Gen. K.M. Saifullah, the first Army chief of independent Bangladesh; Maj. Gen. S. Badruzzaman, former Director General of Bangladesh Rifles; and Air Vice-Marshal A.K. Khondker, the first chief of the Bangladesh Air Force.

A few weeks before the vote, opinion polls showed that the ruling BNP was on a losing track. President Biswas, allegedly goaded by former Prime Minister Begum Khaleda Zia, set in motion certain highly dangerous policies to make it impossible to hold elections. He ordered Army chief Lt. Gen. Abu Saleh Mohammad Nasim to retire Maj. Gen. G.B. Morshed Khan, GOC Bogra Division, and Brig. Miran Hamidur Rahman, deputy director general of the paramilitary force, Bangladesh Rifles (BDR).

When the Army chief refused to follow his orders, President Biswas sacked General Nasim and made a nationwide broadcast, accusing Nasim of "disobeying orders, breaking Army discipline, and resorting to rebellion." Biswas claimed that the two senior Army officers, while serving in the military, were getting involved with one political party—the Awami League.

Fixing for a fight, Nasim's supporters emptied some cantonments and began moving toward Dhaka. President Biswas, having appointed Maj. Gen. Mahbur Rahman as the new Army chief, prepared for the confrontation. The confrontation, however, did not take place. For reasons which are not clear, in the next 12 hours, Nasim called it quits and handed over power to his successor.

General Nasim's gesture not to push Bangladesh to the point of no return was welcomed domestically and internationally. A number of major donor nations, including the United States, Japan, and the United Kingdom, had conveyed to the Army that a coup would dry up the foreign aid tap, and Bangladesh, which depends so heavily on foreign donors and is presently alarmingly short of foreign exchange reserves, would be facing a major financial crisis if the Army took over. Perhaps this threat, and the pressure from the Awami League leaders as well, made the general turn back. Nonetheless, it was not General Nasim, but the combination of Begum Zia and President Biswas that had created the crisis, hoping to force a cancellation of the elections.

Regional economic opportunities

Despite the electoral success, which could be very short-lived in a country which is crying out for economic improvement, Sheikh Hasina will require a new positive agenda. Besides healing the wounds politically, the new government will have to deal with its economy. The agenda for Sheikh Hasina would be to integrate Bangladesh's economy more with South

Asia, and place less emphasis on the free trade-based globalization. Bangladesh, which is presently undergoing another round of foreign exchange starvation, has remained highly vulnerable to the diktats of the International Monetary Fund, the World Bank, and the donor countries, which demand that Bangladesh toe the fiscal discipline line. It is time to get out of that arrangement, and a new beginning needs to be made in the regional direction.

There are openings, and Sheikh Hasina should not hesitate to seize those opportunities with both hands. A recent South Asia Forum in Delhi brought together a number of professionals from India, Pakistan, Bangladesh, and Nepal. This group was discussing such far-reaching proposals as a common power grid and gas pipelines that would help feed more than a billion people.

At the same time, the sharing of the Ganges riverwater between India and Bangladesh has been a permanent source of irritation. Bangladesh claims that India, having concluded the deal when Bangladesh was still a part of Pakistan, has cheated Bangladesh of its rightful share of the Ganges water. The lack of adequate amount of water in channels fed by the Ganges has dried up the northern provinces of Bangladesh, Dhaka authorities claim. There is no doubt that the issue has been vitiated by the designed deterioration of the Indo-Bangladesh relations and can be settled amicably when both give up their pre-determined positions. This should be on Sheikh Hasina's agenda as well.

It is widely acknowledged that a gamut of secessionist movements in northeast India, aided and backed by London and its geopolitical allies, continues because of mainland India's limited access to that part of the country. In fact, the secessionist movements, and the large amount of narcotics and weapons that come into India, Bangladesh, Sri Lanka, and Nepal, is an offshoot of the way the British had partitioned the subcontinent in 1947. The hilly terrains of northeast India, which make railroad-building extremely expensive and also difficult, have added further to the infrastructural woes.

Sheikh Hasina must note that India is now seriously contemplating using riverways to activate industrial and commercial activities in the difficult terrains of India's northeast. Such a proposal would come to fruition only if Bangladesh participates in the give-and-take between the regional nations on an infrastructural development course for the common use of all the nations in that general area.

In addition, it is no secret that both Bangladesh and India are getting socially, politically, and culturally affected by the large influx of heroin from the Golden Triangle coming into Bangladesh and India through Myanmar (Burma) and Nepal. Drug trafficking has generated vast amounts of money, which, in turn, has found its way into every level of the society, corrupting millions. Narco-traffickers are also financing the militant secessionists both in India and Bangladesh. This is also an area in which Bangladesh and India could both benefit through cooperation.

Zedillo capitulates to terrorism

The government frees several Zapatistas, and dubs the narco-terrorist EZLN a group of "discontents."

On June 6, the Mexican government capitulated to narco-terrorism once again, releasing from jail two militants from the Zapatista National Liberation Army (EZLN), Javier Elorriaga and Sebastián Entzín. The EZLN is the separatist terrorist movement which attempted an armed rebellion in the impoverished southern state of Chiapas on New Year's Day, 1994. Through the constant threat of terrorism and armed warfare, the EZLN has not only maintained its armed occupation of Chiapas, but has expanded its political influence nationwide.

The two EZLNers were convicted on May 2 of this year, by Chiapas Judge Juan Manuel Alcántara, on charges ranging from terrorism to rebellion. But, following a series of protests and blackmail threats from the EZLN and its defenders at home and abroad, another Chiapas judge absolved Elorriaga of all charges. Entzín was absolved of the crime of terrorism, and his two-year sentence for rebellion and sedition commuted to a 300 peso fine. Rumor has it that schismatic "Red Bishop" Samuel Ruiz has begun blessing the EZLN's weapons.

The foreign fingerprints on this blackmail operation are everywhere. On June 10, EZLN "Sub-commander Marcos" declared that the release of the prisoners, and, subsequently, the withdrawal of the accusation of "terrorist" against the EZLN itself, was the result of "a great national and international mobilization."

For example, the Zedillo government tolerated blatant intervention in its sovereign affairs by Danielle Mitterrand, widow of the late French Pres-

ident François Mitterrand, who declared during an April visit to Chiapas: "Today, the world is becoming much smaller. Problems are no longer solvable only among people from the same country; problems are always solved in the view of the entire world."

In an interview shortly thereafter in Paris, with the Mexican magazine *Proceso*, Madame Mitterrand said, "It took me ten years to see clearly that, beyond all prompt, concrete, material aid to specific humanist action programs, the Fundación Libertés [which she founded in 1986] should serve as a liaison [for] those who resist and fight to defend their rights. . . . It is critical for them to know that they are not alone . . . to generate solidarity with these resisters." She came to this realization, she said, through her recent tour of Ibero-America, whose highlight was her meeting with the EZLN in Chiapas.

Chiapas was also visited in April by the Argentine Hebe de Bonafini, leader of the "Mothers of the Plaza de Mayo," a group of mothers of Argentine terrorists said to have been "disappeared." Mama Bonafini visited Elorriaga in his jail cell, and described him as a "political prisoner of the Mexican political system." She announced that she would conduct an international campaign in favor of the Zapatista prisoners. In addition, non-governmental organizations of every stripe, and a number of other European personalities, have been active in pressuring the Zedillo government on the EZLN's behalf.

The convictions of Elorriaga and Entzín had been used by the EZLN to

suspend their negotiations with the government, and to threaten a possible renewal of warfare if they were not freed. In response, the Government Ministry did an about-face, and declared that the EZLN is not a terrorist organization, but rather a movement of "discontented citizens." A day earlier, opposition congressman Rodolfo Elizondo, current president of the government's negotiating body Cocopa, said that Cocopa "believes that the EZLN has not undertaken terrorist actions in its struggle."

Upon his release from jail, Elorriaga announced that he would be joining the Zapatista National Liberation Front, where he would undertake to work "for peace," in addition to his ongoing role as adviser to the EZLN at the negotiating table, a function he had been serving at the time of his arrest in February 1995. On the eve of his release, Elorriaga told the weekly *Proceso* that he was planning to continue working with Argos, which "never abandoned me." Argos is a video producer and book editorial house, which distributes all of the videos and writings of the EZLN's "Sub-commander Marcos."

Argos's director, Epigmenio Ibarra, was assistant director of the pro-Zapatista daily *La Jornada*, alongside director Carlos Payán. Ibarra and Payán, who have just left those posts, are authors of the soap opera "Nothing Personal," produced by Argos and currently broadcast by Televisión Azteca, a television channel owned by the son of Roberto Salinas León, president of the ultra-liberal Mont Pelerin Society in Mexico, which goes by the name Center for Free-Market Studies. Just as in soap operas, finding the Mont Pelerin Institute and the Zapatistas in bed together comes as no surprise, for the name of their game is destroying the nation-state, by whatever means necessary.

International Intelligence

Calvi's confessed killer friend of Queen's friend

Francesco Di Carlo, a member of the Sicilian Mafia who has been in a British jail for nine years, has confessed that he killed Roberto Calvi, the head of Italy's Banco Ambrosiano. Calvi was found hanging under the Black Friars Bridge in London in 1982. Di Carlo, who was convicted for running a drug ring in London, says that the orders to kill Calvi came from the Mafia, in revenge for stealing money. Di Carlo has now been extradited to Italy and has joined the 1,500 *pentiti* in the Italian witness protection program.

Roberto Calvi was a member of the secret, British-linked, P-2 masonic lodge, and his death was a ritual masonic killing. Experts have raised serious doubts about the reasons Di Carlo gave for the murder.

More interesting, is that Di Carlo was a business partner with Prince Alessandro Vanni Calvello di San Vincenzo, who has been convicted in Italy for his Mafia ties. The Sicilian prince is an intimate of Queen Elizabeth II, who stayed at his villa during her visit to Sicily in 1980.

Australian TV, Murdoch press howl over LaRouche

In British royals' ongoing hysteria over the growing influence of Lyndon LaRouche within the Empire itself, two major media attacks were unleashed against his Australian associates in the Citizens Electoral Council in June.

On June 24, the government-owned Australian Broadcast Corp. "Four Corners" show was devoted to an hour-long lying spree, entitled "The Secret Dirty War Raging in Australia." The program, which portrayed the CEC as a "cult" with possible terrorist connections, was clearly put together with the connivance of Zionist Lobby honcho Mark Leibler and the *Australia-Israel Review*, in order to set the stage for a federal

parliamentary investigation.

Much of the broadcast was taken up with "reconstructions"; one dramatization purportedly showed the sinister American, Herb Quinde, arriving at Melbourne International Airport in 1993 to orchestrate a campaign of terror against Australia's Jewish community. A journalist was quoted saying Quinde had told him, "I can supply you with assassins to clear up Basque terrorism," a project in which Four Corners claimed LaRouche was also involved. The show also revealed that Quinde had been put on a government "dangerous persons" list over a month earlier—clearly a prelude to stopping anyone associated with the LaRouche movement from entering Australia. During his June 7 press conference in Washington, Deputy Prime Minister Tim Fischer had intimated the government was considering such action.

At the same time, the June 22-23 issue of Rupert Murdoch's *The Weekend Australian* ran a similar, full-page attack, expressing alarm over LaRouche's high vote totals in the U.S. Democratic primaries.

U.K.'s Tony Blair stroked by German industrialists

Labour Party head Tony Blair was the keynote speaker to the annual convention of the German Industry Association (BDI) on June 17. Blair is a leading mouthpiece of the concept of a corporatist austerity policy, meant to be a "pro-labor" alternative to the so-called welfare state.

BDI president Hans-Olaf Henkel, urged that Germans have a lot to learn from the "Anglo-Saxon" countries: For many years Britain and Germany had conservative governments. But, painting a rosy picture of the rusting Thatcherite economy, he continued: "One [country] has continually rolled back the influence of the state, the other not. One embarked decisively and at an early stage on privatizing state industries, the other much later." As a consequence, he claimed, unem-

ployment in Britain was reduced by 20%, while it is still rising in Germany. The idea of the "English odisease" is outdated, he averred.

The annual meeting of the Wilton Park Conference of senior British and German political figures took place in Britain at the same time. After the war, Wilton Park was the infamous denazification center, where many of Germany's present leadership were taught to kow-tow to the Union Jack.

Venezuelan TV covers PLV registration fight

The leading evening newscast in Caracas on June 13, carried an extensive report on the fight of LaRouche co-thinkers in the Venezuelan Labor Party (PLV) with the Supreme Electoral Council (CSE), to retain the party's ballot status. The council had lifted the PLV's registration using the excuse that it had not participated in the last elections, although the party had informed the CSE that it would stand down, as was its right.

Channel 2 began its coverage by saying that the CSE action violates Venezuelan law, and this has led to protests from members of Congress across the political spectrum.

Cong. Paciano Padron told Channel 2 that he hoped that the move to strip the PLV of its registration was a mistake, because "otherwise it would be a political maneuver . . . and that would be very grave." Sen. Augusto Ortega Lima said, "There is even talk that powerful groups are behind this move to eliminate [the PLV]. This has led a group of us lawmakers to undertake an investigation."

U.S. ambassador: food aid for N. Korea still urgent

U.S. Ambassador to South Korea James Laney, a personal friend of President Clinton, on June 14, defended North Korea against the charge floated by British insur-

ance companies, that Pyongyang is rolling in money and does not need food aid to alleviate the continuing famine.

South Korean newspapers on June 9 had reported that North Korea was sitting on \$130 million received after it took out crop damage insurance and was paid after recent floods. The source for this line was the pool of eight insurance firms based in Europe and Australia led by Lloyd's of London. South Korean officials used this as the excuse to say that North Korea should not receive food aid because it was diverting the money for military purposes.

On June 12, the State Department announced that the United States will provide \$6.2 million in humanitarian food and flood reconstruction relief to North Korea, as part of the UN drive for \$24 million in relief funds. Two days later, Laney, in a speech to the Korea-America Foundation in Seoul, asserted that North Korea had received only \$13 million in insurance payments, back in 1994, and that these funds had been exhausted.

Malaysian court rules for ecologists over dam

On June 19, the Malaysian High Court ruled in favor of three tribal residents, who had the backing of the ecologist gang Friends of the Earth, putting a temporary halt to construction of the \$5.5 billion Bakun Dam, until a further environmental impact assessment can be made. The hydroelectric dam is one of the largest infrastructural projects yet proposed in Southeast Asia, nearly twice the height of Egypt's Aswan Dam, and fully backed by Prime Minister Mahathir Mohamad.

As recently as June 13, Malaysia had awarded the contract for the 2,400-megawatt dam to a consortium led by the Swiss firm Asea Brown Boveri (ABB) and Brazil's Companhia Brasileira de Projectos e Obras (CBPO), which was to begin work in July. The project called for the clearing of 69,000

hectares of rainforest in Sarawak State on North Borneo, flooding an area the size of Singapore, and forcing 9,000 tribals to move. Most of the power produced would be sent via a record-setting 650 km cable beneath the South China Sea to peninsular Malaysia.

Forty environmental groups in Malaysia, including the local Friends of the Earth chapter, waged a campaign against the project, securing the support, among others, of the European Parliament.

The ruling came two days after a five-day meeting of ASEAN ministers in Kuala Lumpur to discuss the Mekong River Development Fund, which has come under intense attack by Friends of the Earth and Prince Philip's World Wide Fund for Nature, which specifically targeted China's plans for a series of hydroelectric dams on the Mekong River in Yunnan Province.

France's Chirac fawns over 'Indian' terrorist Menchú

Narco-terrorist Nobel Peace Prize winner Rigoberta Menchú, in Paris for the International Conference of Indigenous Communities, was effusively praised by French President Jacques Chirac, who awarded her and Bolivian Vice President Víctor Hugo Cárdenas the Legion of Honor. Cooing that "France is [part of] America," Chirac paid homage to its "richness of *mestizaje*, multilingualism, and local languages." France, which has just consummated its new Entente Cordiale with Britain, wants to become more involved "on the other side of the Atlantic."

To top this off, the Unesco director general Federico Mayor, announced in Paris that Menchú has been appointed the UN agency's new "goodwill ambassador." Menchú is a member in the narco-terrorist Guatemalan National Revolutionary Union (URNG), and enforces the British doctrine of keeping "indigenous peoples" in backward impoverishment.

AN AUSTRALIAN coalition of churches, physicians, and others sought a Supreme Court injunction on June 21 to stop the Northern Territory's euthanasia law from taking effect July 1. The law provides for the world's first legally condoned "assisted suicides."

SERB WAR CRIMINAL Radovan Karadzic was nominated by the Serbian Democratic Party on June 20 to run in the direct elections in September for the Bosnian Serb presidency. However, the Dayton Accords prevent him from holding office because he is a war criminal.

PALESTINIAN Minister of Justice Abu Middain recently characterized Israeli Prime Minister Benjamin Netanyahu's first speech to the Knesset (parliament) as a "bad debut," reflecting broader Palestinian concern that the new Israeli government will halt the peace process. Netanyahu's speech made no references to the Oslo peace accord.

CHINA'S President Jiang Zemin and Palestinian President Yasser Arafat met in Beijing on June 18 for talks. Arafat, who was on his tenth visit to China, arrived the day before for a four-day visit at the invitation of China's President, and was due to meet Premier Li Peng on June 19. Arafat flew to the Arab summit in Cairo from China.

FORMER Australian Foreign Minister Andrew Peacock declined an invitation to attend this year's Royal Ascot Races in England, so he could be with actress Shirley MacLaine in Guatemala, touching base with aliens. A British gossip columnist remarked that MacLaine needn't go to Guatemala to see aliens, because "there are quite enough in the royal enclosure" at Ascot.

François Genoud: 60 years as an Anglo-Swiss spook

by Katharine Kanter

Le Banquier Noir

by Karl Laske
Editions Seuil, Paris, 1996
376 pages, 130 FF

L'Extrémiste

by Pierre Péan
Editions Fayard, Paris, 1996
424 pages, 150 FF

On May 30, perhaps a harbinger of spring at last, François Genoud killed himself. To his posh residence at Lausanne, he invited a circle of friends from the pro-euthanasia sect “Exit,” and, under their affectionate gaze, ingurgitated a mortal potion which was—naturally—painless. A fitting end to a squalid existence, the vultures of the Club of Death sitting on their perches, screeching and preening their gory wings.

Early in 1996, two biographies came out on this Swiss financier and intelligence officer, the man best known as “the spook equivalent of a numbered bank account.” Why should this otherwise sordid, depressing figure so exercise the journalistic profession?

Lyndon LaRouche describes Genoud as “one of the Nazis used by Allen Dulles; who functioned, during the post-war period, as a key representative for the post-war literary estate of a number of top Nazi bosses. During the 1970s and 1980s, Genoud became a leading adversary of ours; experience proved him the variety of Nazi who enjoyed wide-ranging support in surprisingly high places, throughout Europe. Nota-

bly, throughout the post-war period, to the end, he enjoyed a great deal of protection by both certain influential Zionists and those Anglo-American enemies of ours associated, on the U.S.A. side, with Dulles and James Jesus Angleton.”

The books of Messrs. Laske (*The Black Banker*) and Péan (*The Extremist*) are both, like their subject, a witting decoy, a deceit to entice the unwary up the garden path, while the truth gallops away over the horizon elsewhere. The thrust of the volumes, is to persuade us that Genoud was himself an actor, moving and shaping world events, and that the very existence of the man would tend to “explain events,” whereas he has never been anything more—or less—than a stringer for the most evil factions in Anglo-American intelligence. This sort of personage is called in French *une chèvre*, a lure, about which individuals whom one wishes variously to run, to monitor, or to liquidate, gravitate like moths about a flame. As British-run terrorist operations tear the Jericho Agreements between Israel and the Palestinian Authority to shreds, the appearance of both volumes, which are part of the great hoax to set Arab against Jew, is a nasty piece of work which specifically targets French Jewry, a community which till now has had little truck with extremist groupings around Ariel Sharon and Henry Kissinger.

The decoy

François Genoud, born at Lausanne in 1915, had apparently pursued since the age of 17 and from his home base, Switzerland, a career singularly appropriate to a Swiss: the financial side of the international intelligence game. Suddenly, in 1982, he came to worldwide notoriety when two members of the “Carlos” terrorist cell, Bruno Breguet and Magdalena Kopp, were arrested in Paris riding in a car stuffed with explosives, in the midst of a terror wave. Their relations with Genoud in Switzerland were blasted over the world’s

press. Genoud was written up as the “Nazi banker”; a spate of slander suits instigated by Genoud made him into a household word overnight. Before ever these suits came to trial, however, M. Genoud settled out of court: The Swiss intelligence services caused to be published a certain number of documents on the gentleman, which, though scant in content, did tend to back the allegations of the press. Clearly, someone in high places did not like the idea of Genoud standing up in open court and holding forth, in his peculiarly uninhibited fashion, on his relations with Swiss military intelligence during the war, or, *a fortiori*, a certain Allen Dulles, wartime OSS chief in Switzerland.

One press group, however, whom Genoud did not see fit to sue, is that associated with American economist Lyndon LaRouche.

In 1984, members of the Schiller Institute, under the direction of Helga Zepp LaRouche, brought together in *The Hitler Book*, a quantity of material they had earlier made public on the universal fascist and related movements throughout this century. Among the points made in the section of the final chapter devoted to Genoud, is his role in founding the Malmö, or Nazi International, in 1951, based at Lausanne and Malmö in Sweden, part of what Mr. LaRouche calls the “successor phase” in Anglo-American deployment of fascist networks. A capital component of this successor phase, was the move to take over the emerging nationalist movements in the Middle East.

On July 20, 1982, Mr. LaRouche wrote in *Executive Intelligence Review*, under the title “Separatist Terror: Old Nazis Play the Soviet Card,” the following:

“The oligarchical forces which created the Nazis under the influence of the Thule Society saw the Hitler form as a temporary phase in a succession of movements flowing out of the ideology of Friedrich Nietzsche and Aleister Crowley. These sponsors detached themselves from their Hitler-creation at various points in the process, and in the end negotiated with the British and Americans such as Allen Dulles to save selected Nazi assets for the work of preparing the successor-phase.”

Or as Mr. LaRouche wrote in the same *EIR* piece:

“The principal Arab Nazis of the 1930s and 1940s—including the Grand Mufti of Jerusalem and the Falange—were fed to Admiral Canaris’s Second Division of the Abwehr by the British SIS’s Arab Bureau. . . . Britain is playing a ‘great game’ in the Middle East, a game modeled directly on the manner in which Venice ran the inside of the Ottoman Empire and the Balkans from the middle of the 15th century through the Balkan Wars which triggered World War I.”

The game did not come to an end with World War II, on the contrary: The conditions under which an artificial Arab-Israeli conflict was fomented, gave the game and its bit-players like Genoud, yet broader scope for their activities. As a known go-between for Western intelligence, Genoud was used to thrust upon nationalist regimes like that of Egypt’s

Gamal Abdel Nasser, operatives like SS Col. Otto Skorzeny or Nazi Economics Minister Hjalmar Schacht, on the basis of their supposed “anti-Israeli” credentials.

“The spook equivalent of a numbered bank account.”

Unlike his counterparts in MI-5 and MI-6, rather a lot is known about Genoud the man, the more so as he is perfectly willing to talk to journalists. The son of a prominent Francophile businessman at Lausanne, Genoud visited Germany in 1932 and upon his return, flirted with Swiss right-wing groups. Throughout the pre-war period and the war, like a fish in water he criss-crossed the Swiss-German border, on missions known, if not to his hairdresser, at least to Swiss military intelligence.

In 1936, Genoud then aged 21, and his friend Jean Beauverd, set out on a trip to the East, which took them to Iran, Iraq, Palestine, India. Bearing letters of introduction from shadowy Swiss figures, the youths meet with the Grand Mufti of Jerusalem, the Iraqi revolutionist leadership, the highest level of the Palestinian command. Without the backing of Swiss intelligence? Really? In any event, Genoud made two more trips to Palestine before the war, both paid for by Swiss newspapers.

During the war, Swiss intelligence was, at least in appearance, highly factionalized. Genoud’s controllers were probably grouped around Colonel Masson, reported to be pro-Axis. Genoud worked closely, among others, with Paul Dickopf, an Abwehr official who became—don’t laugh—head of Interpol after World War II. Swiss intelligence archives note that he was somehow involved in “monitoring” black market currency exchange in Nazi-occupied Holland, Belgium, and France. Switzerland was during the war the principal source of foreign currency for Nazi Germany, which was handed over to Germany in exchange for ill-gotten gold. In 1942, Genoud was arrested on order of some other faction of the Swiss authorities and just as suddenly released. That was the year that Allen Dulles arrived in Switzerland to head up the U.S. Office of Strategic Services (OSS) there. Dickopf was immediately put in touch with Dulles’s entourage. Genoud also put Dulles in touch with a bigger prize: Gen. Karl Wolff, who had commanded the Nazi forces in Italy. Thanks in some measure to Wolff’s good offices, the Anglophile OSS faction around James Jesus Angleton got the run of Italy after the war.

Wolff testified for the prosecution at Nuremberg, and served one week of a four-year sentence. Thereafter, we find him moving gracefully over to the British-occupied sector at Cologne, where he set up an ad agency and became a multimillionaire. The fellow had been organizing box cars to Treblinka. Much later, the West German government indicted him for war crimes; he died in jail.

In the decade following the war, from which conflict he emerged not precisely impoverished, Genoud turned to what was at the time, one of the lucrative ends of the publishing business: rushing into print with the literary remains of the more notorious Nazi leaders. In order to obtain exclusive

rights to their correspondence, papers, memoirs, and so forth, he raced, quite literally, to get their heirs under contract, deploying an American-style super-aggressive legal strategy which caught his European competitors off-balance. In this enterprise, he outdid everyone.

These papers are, in the main, devoid of especial interest, or even literary merit, at least in the form in which Genoud's circle has allowed them to reach us. What is apparent, is that Genoud's "sentimental mission" to save the Nazis' literary remains, was in fact an intelligence mission to pay for their

These books are both, like their subject, a witting decoy, a deceit to entice the unwary up the garden path, while the truth gallops away over the horizon elsewhere. The thrust of the volumes, is to persuade us that Genoud was himself an actor, moving and shaping world events, and that the very existence of the man would tend to "explain events," whereas he has never been anything more—or less—than a stringer for the most evil factions in Anglo-American intelligence.

heirs' silence with greenbacks, while the Dulles/MI-6 group for which Genoud operated, got first pickings on anything remotely sensitive. Anything, for example, which might show the degree of collusion between British and Nazi operatives against the German anti-Nazi resistance.

The head of the Swiss Armed Forces during World War II was General Guisan. In 1952, his son, Henri, a colonel, introduced his "close friend" Genoud to Thaddée Diffre, the right-hand man of René Pleven, twice President of the Council of Ministers under the Fourth Republic, the most Anglo-ophile regime France has known. Diffre was about to embark with Genoud on an economic tour of Germany, somehow involving the ubiquitous Schacht, when the British sprang the Naumann affair (see below).

In 1958, at the height of the Algerian War, Genoud set up at Lausanne the Banque Commerciale Arabe, to finance projects in the Arab world. The bank's official head was the Syrian magnate Djamil Mardam Bey. American-born Hjalmar Horace Greeley Schacht, Hitler's Economics Minister from 1934-37, a constant among Genoud's associates, was also brought in. Like Genoud, Schacht was a go-between. In the decade preceding the war, Schacht's career in interna-

tional finance took off thanks to his ties with Montagu Norman, then Governor of the Bank of England. In 1933, it was Schacht who, with Allen Dulles's brother John Foster Dulles, negotiated the so-called Harriman International Co., a business syndicate formed to run all exports from Nazi Germany to the U.S.A. His links to the Dulles faction in U.S. intelligence did not end with the war.

As the gray go-between for Algerian revolutionists, Genoud met on a number of occasions with Gen. Paul Grossin, head of France's foreign intelligence agency, SDECE, and with de Gaulle's son-in-law, General de Boissieu. Rather elegant for an alleged "flaming Nazi." It later became apparent the degree to which Genoud was instrumental in placing in key positions in Algeria's National Liberation Front (FLN), individuals who were to act in French colonial interests, whatever their apparent radicalism.

Genoud became the chief banker for the FLN, and an instrument for a number of financial and other operations the theater for which was the Arab world. When intelligence services turned to terrorism in the 1960s and '70s as their chief method of proxy warfare, Genoud's background in the Middle East made him the channel through which people and services could be run. It was Genoud the so-called "rightist" who coordinated the international campaign of so-called "leftists" to free Bruno Breguet, a stringer for the Popular Front for the Liberation of Palestine (PFLP), after he was arrested by the Israeli authorities for planting a bomb at Haifa. Breguet, part of the stable around "Carlos," after a stint in the radical Berlin scene, turned up again as a player in the terror wave against France in the early 1980s.

A tie formed in the period of the Algerian War, coyly referred to as "friendship" by Genoud's hagiographers, is that to Michel Raptis, secretary to Ernest Mandel, founder of the Trotskyist Fourth International. Raptis, in 1952, was to become minister of planning in Algeria under Ahmed Ben Bella. In the 1960s, Raptis was recruiting European youth for terrorist training camps in Syria, as was another friend of Genoud's, the Belgian right-wing extremist François Thiriart. It is worth noting, that the Trotskyist movement has a weight in international intelligence networks far beyond its numbers. One of its chiefest activities since the 1970s, has been to rabble-rouse in the American and European left against the ideas of Lyndon LaRouche.

Is François Genoud a 'Nazi'?

François Genoud knew the Nazi leadership, of that there is no doubt. Until May 30, 1996, he would readily say that he was, and always had been, a Nazi. He would trumpet it to the four winds, and run off into the sunset, followed by hordes of baying journalists.

But François Genoud's political opinions, repellent as they may be, are about as relevant as the color of his socks. His hobby may well be collecting Hitler's papers and water-colors, or Amazonian insects, or whatever; Genoud's actions show him to be nothing more, nor less, than an able go-

between. A comparison with Fitzroy Maclean, for example, who was himself at the center of policy-making in all the theaters where he was engaged, is most instructive. And, amusingly perhaps, what Genoud had to say on the issue of the concentration camps in World War II, is no different from what any Thatcherite would say about the need to “rationalize” health care and social services today: “When people were no longer productive, their departure may perhaps have been hastened.”

The “Nazi” issue is a non-sequitur.

The decoy’s decoys

Employed by a Parisian leak-sheet, *Libération*, Mr. Laske cackles away in the barnyard of the so-called Zionist Lobby, occasionally laying an egg fertilized by unimpeachable sources such as the “English anti-fascist magazine, *Searchlight*.” This egg cracks open to reveal a Message of Great Portent: We are supposed to put down his book, having realized that Genoud=Hitler=Schacht=Banque Commerciale Arabe=Gamal Abdel Nasser=Francisco Franco=Arab World=Islam=people who do not admire the British Empire.

A great deal of Mr. Laske’s energy, indeed, hatred, is directed against the person of Gamal Abdel Nasser. Fathi-el-Dib, Nasser’s ambassador to Berne in the 1950s, and the head of the Egyptian secret service, was in fact a close associate of Genoud, and a great number of the Middle East projects of Genoud’s Banque Commerciale Arabe had to do with Egypt in some way. But the truth is elsewhere: The 1950s saw the emergence of a number of highly motivated nationalists in the Muslim world, inspired in part by the figure of Kemal Ataturk, from the Baath Party in Iraq, to truly great figures such as Mossadegh in Iran and Nasser.

The “Arab de Gaulle,” Gamal Abdel Nasser had ambitions for the Middle East, huge infrastructure projects. Switzerland, being not only a bank, but also one of the world’s major engineering and machine tool centers, was determined to be in on things when the contracts began to roll. Hence, Genoud.

An uninformed reader of Laske’s work will come to the conclusion that the history of the Middle East since World War II, boils down to a bunch of Nazis in exile, tucked away under Francisco Franco’s wing and devoting their declining years to the “shockingly immoral project” of building up the economies and infrastructure of the Arab world. Although England too played the “Arab card,” her hand definitely did not include the industrial development of the Mideast. Mr. Laske glows with pride as he shows how England foiled these “Nazi” projects time and again. A striking example of this was the 1953 Naumann affair, when British intelligence arrested at Düsseldorf and Hamburg the circle around Hitler’s former Secretary of State Werner Naumann, another business contact of François Genoud. German heavy industry was financing the group’s attempts to push through major projects in the Middle East and Africa, including building a railway between Egypt and Sudan. Hjalmar Schacht’s niece, Illse von

Finkenstein, married to Otto Skorzeny and living in Madrid, worked with Naumann on these Middle Eastern projects. “Foiled!” the French press at the time blared, “Corner-stone of Nazi-Arab operations . . . the center of anti-English intrigues in Cairo.”

Creatures like Skorzeny were involved in some of these projects for two reasons: One, such creatures were being planted on Arab nationalist leaders. Two, derivatives speculation, drug money laundering, etc., were not current business practice in the 1950s, as they are today. Recycled Nazis like Schacht and Skorzeny made their money on real business deals, because that was the only way to make it. That does not diminish the importance of the projects themselves.

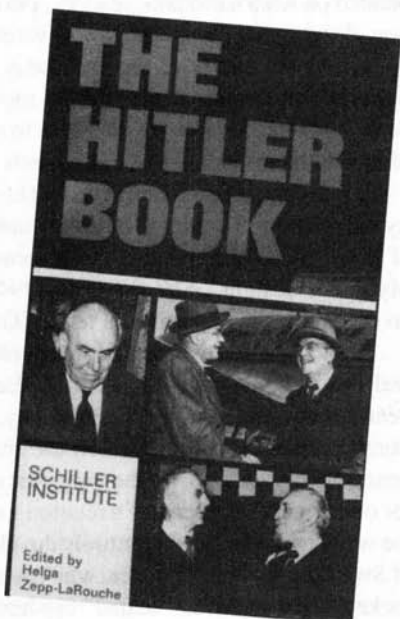
For his part, Péan has proven that he has enormous capacity for resisting boredom: He is the author of the biography of François Mitterrand’s youthful years (see “Mitterrand’s Myopic Hindsight,” *EIR*, Sept. 30, 1994). This prepared him, no doubt, for the monumental task of Genoud.

In fact, Péan is a personal friend of Genoud. Some may feel this to be an unenviable role. Others might admire Mr. Péan’s business sense. Be that as it may, from their conversations emerges with perfect clarity the image of a Swiss intelligence operative, who, by the way, was doubling and tripling for other agencies. Genoud’s relation to Paul Dickopf during the war, for example, was entirely covered by Colonel Olivet of Swiss military intelligence, who had the pair shuttling like rockets across various “sealed” borders throughout the war. Olivet became head of the Swiss Red Cross mission in the newly liberated zones after the war, distributing a strategic commodity known as food. Thanks to Olivet, we find Genoud in Brussels in 1945, sporting a brand-new Swiss passport from which all his wartime criss-crossing had vanished, administering for the Swiss mission the distribution of food to the starving Belgians. We find him in 1951, acting as the Swiss intermediary between Germany, France, and the U.S.A. in the affair of General Ramcke, wartime commander of the Brittany region, and imprisoned in France. Somehow, Genoud took Ramcke over the border into Switzerland, and from thence organized his unhindered escape to Spain. During the Algerian War, everyone else in Genoud’s line of business, or traffic, if you will, met an early death. Had Genoud not had the highest level protection both from Swiss, and from French intelligence, he would undoubtedly have been assassinated by one of the Algerian factions whose finances he ran.

Nothing Genoud undertook in his career would have been possible without the backing of Swiss intelligence. To write Genoud’s story, is in a way, the history of Switzerland in this century, a country lacking an empire but with a will to rule, without ideals, except survival, without ideology, save a coarse pragmatism. The credo of the Swiss is perfectly expressed in Genoud’s admonition to his children, who had run amok on a local farmer’s land: “Unleash pandemonium! Run wild wherever no one knows you and might catch up with you, but behave properly and follow custom, in the place you live.”

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Péan devotes two or three pages of his book to the attacks on Genoud by Lyndon LaRouche, the founder of this press agency, whom Péan describes as a “sect leader.” What exercises Péan, apparently, is the fact that LaRouche refers to Genoud as the intersection between Soviet and Nazi networks involved in international terrorism, a subject about which one contact of Genoud’s, a certain Allen Dulles—whom Mr. LaRouche calls “that OSS Tory”—knew a great deal. Because he mainly ran it.

Given Genoud’s role in Swiss intelligence, his proximity to Allen Dulles, and to the Algerian leadership, *inter alia*, intercourse with Soviet intelligence is not a supposition, it is a necessary fact. This, however, is the one aspect of Genoud’s toings and froings, upon which both Péan and Laske draw a complete blank. Laske is clearly too stupid even to think it relevant. Péan has written it out of the book.

Enter Britain’s MI-6

Far from being some stringer loose on the fringes of the intelligence community, the historian Hugh Trevor-Roper, who became a close contact of François Genoud’s, was one of the highest ranking officers in MI-6 during and after World War II. Close to Richard White, the head of MI-5, later head of MI-6, Trevor-Roper was sent by White in 1945 to “interview eyewitnesses” to Hitler’s suicide in the bunker, and was on the inside track of the Blunt and Philby Soviet spy affairs. White, one should recall, was extremely close to Lord Victor Rothschild, the so-called “Fifth Man” in the Philby spy ring, at the center of the biggest double-cross against U.S. intelligence in the 20th century.

According to Péan’s conversation with his subject, Genoud took contact with Trevor-Roper in 1951, somewhere, but not in England. When Trevor-Roper returned to England, he wrote up a favorable piece on Genoud for the English dailies, something along the lines of “fascinating ex-Nazi”; Gitty Sereny, another Genoud hagiographer, regularly churns out more of the same for the *Observer*, and others, today. Be that as it may, Trevor-Roper’s piece created an environment which allowed a celebrated publisher, himself part of the intelligence community, namely George Weidenfeld (later Lord Weidenfeld), to sign a contract with Genoud for *Hitler’s Table Talk*, to which Genoud had acquired the rights.

The rest of this story defies belief, except that it happened. Whom does Lord Weidenfeld send to Genoud to translate Hitler’s words? Major R.H. Stevens, who, as head of wartime Special Operations Executive in Holland, was at the center of the Venlo Affair! In 1939, Major Stevens and Sigismund Payne Best, of Britain’s Secret Intelligence Service (SIS), were authorized to meet with agents of the German Resistance in Holland. A plot, it was said, was afoot to overthrow Hitler. As it turned out, their contact was none other than Walter Schellenberg, then head of Gestapo Counter-Intelligence. Stevens and Best were arrested, and spent the entire war in a prison camp. This incident, which, from the British side, was

probably a hoax from the word go, was used to great effect by British intelligence to discredit utterly the German Resistance and any Allied attempts to make contact with them.

So, here we have the “last loyal friend of the Nazis,” the “Anglophobe” Genoud, talking to Péan: “When I heard Stevens was sent to me, I was cautious . . . after all, he was British intelligence. . . . But we became great friends. . . . Weidenfeld and I also became friends. Affable, and a most capable fellow. And successful too.”

Lord Weidenfeld, of whom Henry Kissinger is a sort of ill-hewn clone, was of course Jewish, and a prominent member of what some please to call the Zionist Lobby. In 1954, Weidenfeld published Martin Bormann’s correspondence, to which our hero had the rights, and to which Trevor-Roper again scribbled a preface. In the intelligence community, Genoud was kosher enough.

A steady companion to Major Stevens’s during the laborious translation of *Table Talk*, was Genoud’s close friend Constant Bourquin, of the Union of Swiss Publishers. Through Jean Jardin, who was the envoy of the Vichy government to Allen Dulles in Berne, Bourquin had become a fixture of the Vichy establishment, a position which rarely led to impoverishment. In 1959, Bourquin arranged for another major publisher, Fayard, to sign a contract with Genoud for Hitler’s Testament, to which (surprise!) Genoud had acquired the rights. Trevor-Roper was willingly roped in for yet another preface, and a prominent French diplomatist, André François-Poncet, a pre-war ambassador to Germany, was to write a commentary. Both backed out of the project at the last moment—the combination of interests involved had perhaps become a little too egregious to be easily explained away to a curious public.

Throughout the unending saga of the Nazis’ literary remains, one thing remains constant: no one outside the narrow circles of British and Swiss intelligence around Genoud, ever got their hands on the original papers for long. Genoud always made sure he got the exclusive rights. Whether these authors actually say precisely what our hero’s entourage would have us think they say, is a moot point, and, given the way they have got the rights nailed down, likely to remain so.

At the time these books were written, François Genoud, then 80 years of age, had all his wits about him. Not long before his death, he allowed himself to be interviewed by Péan for an hour-long documentary on French television, which Péan had set up so as to leave the viewer with the impression that the “Arabs” and the “Nazis” are just one big happy family. Why then has Switzerland’s answer to Lawrence of Arabia, François Genoud, lent himself to Péan’s enterprise, one highly offensive to the Arab world and, in the final analysis, little different than that of Laske’s? François Genoud was no more the friend of the Arabs, than he was of the Nazis, or of anyone for that matter. The only place on this planet where François Genoud has ever been truly kosher, is within the closed circle of Anglo-Swiss intelligence.

Humorless prophet of the new dark ages

by Nora Hamerman

The Soul of Politics: A Practical and Prophetic Vision for Change

by Jim Wallis

Orbis Books, New York 1994

255 pages, hardbound, \$19.95

This slim volume purports to bridge the abyss between the political “right” and “left” in the United States by “finding common ground in higher ground.” That would be welcome; but in all the platitudes that Jim Wallis, the preacher, activist, and editor of *Sojourners* magazine, is able to write in 255 pages, what is most distinctly missing is the higher ground. It is a pity, because the book is written from inside one of the world’s most polarized cities—Washington, D.C.—and he advertises a different religious approach from the philistine hypocrisy of the Pat Robertsons and Christian Coalitions of the U.S. political scene, as well as, supposedly, from the secular left.

Actually, Wallis is rather more “left” than “right,” but it is the case that he does not fit into either side of the traditional political spectrum: He’s a whole lot worse, and more dangerous, than either, and the constituency politics practiced by American political parties in the past, is one of the things he most wants to get rid of—specifically because it did function to raise the living standards of at least some groups in the population.

First things first: There is no way to move to higher ground these days, without a sense of humor. And a sense of humor is what Wallis seems most of all to lack—he even turns a bumper sticker, “I Shop, Therefore I Am,” presumably reflecting a modicum of self-irony on the part of some pathetic consumer, into one of those long-winded sermons that send most folks fleeing the churches to do something more uplifting on Sunday—like sleeping in, or reading the comics.

We are served up straight-faced assertions like the following: “New visions of community spirit, democratic participation, and political empowerment can transcend both liberal

and conservative categories. Transforming individual character, social policy, and our physical environment is the key to change." It is hard to argue with terms like "community spirit" or even "political empowerment" because the *content* is missing. This is a little like listening to a Wagner opera. The reader is wafted from sensation to sensation and never comes to a conclusion. Where it all leads, like the Wagner music, is to a state of blurry rage.

The fog lifts only when we get to his concrete examples of "morally based politics." For example, on page 29, Mr. Wallis treats us to the following weather report:

"When the wind from the south flies in, bearing the hopes of the world's poor on its wings, a chilly gale will be felt by the northern global power centers that today run the world's system of economic apartheid. The unpredicted 1994 uprising of the Zapatista Indian campesinos in Mexico's Chiapas province, in rebellion against their government's neglect of them and embrace of NAFTA, is but a first sign."

The "northern global power centers," i.e., the Wall Street and City of London banking fraternity, do run a world system of economic apartheid. And they do it by means of "free trade" conspiracies like the North American Free Trade Agreement. But they *also* run the non-governmental organizations and "charities" that use the campesinos of Chiapas as cannon-fodder for an assault on the Mexican Republic under the Zapatista banner. If there is no Mexican Republic, then Mexicans, including campesinos of indigenous descent, don't have a prayer of enjoying any economic development. But you see, Mr. Wallis does not really want them to—it might interfere with their "spirituality."

Kaplan, Homer-Dixon, and Aboriginal spirituality

Although Orbis Press, the co-publisher of this volume, is operated by Maryknoll, the Catholic Foreign Mission Society of America, Wallis's spiritual heroes do not appear to include Pope Paul VI, who wrote his two great encyclicals, *On the Development of Peoples* and its complement, *On Human Life*, within a year of each other in 1967-68. Wallis prefers the existentialist "Theology of Liberation" exemplified by the likes of the late Bishop Helder Camara of Brazil. Wallis's not-so-spiritual authorities include such New Age academics as Robert D. Kaplan, who writes scenarios of population explosion, resource scarcity, and the disintegration of governmental authority into a lawless "road warrior" culture; and University of Toronto Prof. Thomas Fraser Homer-Dixon, who claims that future wars will arise from the polarity and scarcity caused by global environmental breakdown.

In the same vein, Preacher Wallis recounts his visit to an Aboriginal leader:

"'The earth is our mother,' he said. Then putting his hand on his chest, he continued, 'I can feel the earth in my bones, in my flesh, and in the blood moving through my body.' Our lives depend on the earth, he told me, and we

also must depend on each other. . . .

"Relationship to the earth and a sharing of resources are at the heart of Australian Aboriginal spirituality. And that spirituality is still alive, despite the genocidal consequences of 200 years of white settlement," comments Wallis. He then goes on to contrast the "spirituality" of the Aborigines to the photo published that day in the Australian press, during the middle of August 1990, of "George Bush sitting on his golf cart and ordering American troops to the Gulf over his mobile phone. The contrast between the two leaders could not have been more stark."

The *style* may have contrasted, but in practice, Mr. Wallis, both President Bush and your Aboriginal leader were working for the same boss. *EIR* has also told this story. Indeed, the new world religion that Jim Wallis wants to see come into its own is nothing but Prince Philip's world "environmentalist" religion, intended to displace Christianity, and it is at least as old as Babylonia.

Now, how does this jibe with Wallis's avowal of a basic belief that man is created in the image of God? He writes on page 72:

"We begin with the fundamental insight of *imago dei*, the image of God. Most of the world's great religions teach that humankind and every human being is created in the divine image. That most foundational premise gives each person an equal and sacred value." That sounds pretty good.

But then, "At the heart of our problem is the painful truth that the affluent believe that their children are more important than the children of the world who are now starving to death. The religious assertion that those children are also sacred means that they are just as important as our own children and must be treated that way. . . . What would it mean to fashion a global economy and conduct our politics as if every human being had equal and sacred value?"

What he observes is empirically on the mark: Many, if not most, advanced-sector parents of the baby-boomer generation are engaged in a Hobbesian war of "each against all" in pursuit of the devastating illusion that they can ignore the fate of the human race as a whole in the rearing of their own children. If this ideological sickness is not reversed, it will lead inexorably to a world in which those very pampered children will only look forward to euthanasia, when they become too old or too sick to be considered of value. How many of our citizens have been desensitized to the pain and fear in which their own neighbors in the inner cities as well as in developing countries live, is attested to by the popularity of the fascist "Conservative Revolution" among the "family values" crowd. But this has nothing intrinsic to do with whether or not people rear children; it has everything to do with whether children are perceived as possessions, or as a sacred trust given to families whose task it is to love, protect, and rear them in order to realize their destiny as creative, productive individuals. It takes a lot of grit to raise kids in the latter way—often against their resistance, and certainly against the tide of the surround-

ings—but that sort of parenthood involves self-sacrificial love, and it will afford a means of attaining greater, not lesser empathy with “the children of the world who are now starving to death.”

Wallis overlooks the materialism of our society in its core meaning. Consumerism, his principal target, is only one of the ugliest manifestations of the banality of a culture which has lost its moorings. Materialism is the regarding of human beings—not only others but oneself—as *objects* rather than as immortal souls. “Environmentalism” is a radically materialistic doctrine which views human beings as things which consume, identically with the shopping-mall junkies Wallis deplures.

Imago Dei

In Wallis’s chapter, “Patterns of Inequality,” which deals with racism, “sexism,” homosexual rights, feminism, and “womanism,” he piously intones that we need to “tone down the rhetoric and listen to the concerns of each side” in the abortion debate: “To defend women who must often make painful and lonely decisions about abortion is also to choose on behalf of human life. . . . Poor women, lacking the resources of their more affluent sisters, would be especially at risk from dangerous illegal abortions.” The sleight-of-hand here is that in the space of a few sentences, Wallis has gone from defending *women* “who must often make painful and lonely decisions about abortion,” a concept which has been especially insisted upon by Cardinal John O’Connor of New York, as the duty of Christians, to a different, not quite explicitly stated agenda, which is, defending those *decisions*.

Wallis breathes not a word about the right to life of an unborn baby, which is the primary focus of the pro-life advocates, who believe that human, sacred life begins at the moment of conception and continues until the moment of natural death. By never addressing this argument, or stating whether he agrees with it or not, Wallis has not “bridged the gap,” or opened up dialogue between the two sides, or anything of the kind—he has simply adopted the consoling arguments of the pro-abortion position and called for everyone to stop shouting!

The primary issue has to do with the content of “man in the image of God.” Contrary to what Wallis asserts, it is not clear that the “world’s great religions” do agree on the concept of *imago dei*. The God of Christianity is a loving Creator, and to be in His image means, above all, to be creative. Some other religions come close to this concept, which is most fully unfolded in Christianity; but numerous religions, including some of the world’s greatest (in terms of their numbers of adherents), conceive of God as a vengeful despot or as the patron of a political movement for power. Some “gods” of the primitive spiritualities so dear to Jim Wallis are viciously irrational Mother Earth goddesses, who demand human sacrifices: a practice which could be prescribed, perhaps in disguised form, by anyone who believes the analysis of Kaplan

and Homer-Dixon that the world is most at risk from human overpopulation.

Wallis’s ideas have been endorsed by people in highly influential roles in official Washington, such as Marian Wright Edelman, the head of the Children’s Defense Fund. Edelman’s effusive praise of the book is quoted on the back cover of the dust jacket: “If we are going to reweave the fabric of our national, community, and family lives so that no child is left behind, we must transcend the old divisions of liberal and conservative, private vs. public sector, those preaching

Instead of an “ideological cease-fire for the sake of the children,” a form of consensual pragmatism which would leave untouched the pessimistic assumptions behind the “new religion” of both Mr. Wallis and his nominal Christian Coalition adversaries, let us engage our children and anyone who really supports them, in a clamorous battle of ideas.

personal morality and those advocating public justice. Jim Wallis calls us, with the authentic voice of one living what he preaches, to a ‘prophetic politics of personal and social transformation’ and an ‘ideological cease-fire for the sake of our children.’ I pray our nation heeds his call.”

I have a contrary proposal. Instead of an “ideological cease-fire for the sake of the children,” a form of consensual pragmatism which would leave untouched the pessimistic assumptions behind the “new religion” of both Mr. Wallis and his nominal Christian Coalition adversaries, let us engage our children and anyone who really supports them, in a clamorous battle of ideas. Battles over real ideas, as opposed to mowing down innocent youth in our streets in a bestial competition for the most ephemeral of things, have been conspicuously missing at all levels of national life. For example, let us mobilize this nation’s youngsters against popular music (rock, rap, country, and so forth): the plague that cuts across virtually all strata of the political and social landscape, and arm them with a living knowledge of the great Classical tradition exemplified by Mozart. If the children end up having to confront their parents and grandparents’ failings in the process, so be it. Perhaps this seems like a change in subject, but it is not. It goes to the real “soul” of politics. It will also be a tremendous amount of fun, which is one thing Jim Wallis’s book, is not.

The 'ghost' of Roy Cohn stalks the Clinton campaign

by Jeffrey Steinberg

The ghost of Roy Marcus Cohn—Red-hunter, mob-lawyer, swindler, pervert, and political fixer extraordinaire—is stalking the corridors of the Clinton White House and the President's re-election campaign headquarters; and it spells potential disaster for Bill Clinton, for the United States, and for the world as a whole.

The ghost in question is no apparition or seance guest. It's the Clintons' Rasputin-like campaign strategist, Dick Morris. Since Morris's recent re-emergence as the President's chief campaign adviser (at a reported monthly salary of \$20,000), the establishment media have described him as a "Republican pollster," as the guru of the "New Democrats," and as the architect of President Clinton's "triangle" strategy—of positioning himself in the political center, distant from both the Republican right wing, and the Democratic left. Anyone in their right mind evaluating this Morris "election strategy" would realize that it spells political isolation and disaster for the President, pitting him against his own party, for the sake of appearing "more Republican mainstream than the Republicans."

So strong is Morris's current influence with the President and the First Lady, that, in *Washington Post* managing editor Bob Woodward's new book, *The Choice*, on the 1996 Presidential race, Dick Morris's name appears almost as often as Bill Clinton's.

For their part, President Clinton's most loyal White House staffers and advisers have had less kind words for Morris, labeling him a "Republican mole," a "double agent," and a "Rasputin." One reporter described him as "the Aldrich Ames of American politics," a reference to the CIA agent who became a double agent of the Soviet KGB, and sold out his country to Moscow, for a reported several million dollars in cash.

The real story

But all of these characterizations miss the boat. The single most important, universally ignored, fact, is that "Dickie" Morris is a product and an asset of the corrupt Roy Cohn machine. Morris is a blood relative of the late New York City Red-baiter and mob lawyer. His father, Eugene Morris, now 85 years old, was a lifelong political ally of Cohn, operating inside the most corrupt segment of the New York political establishment (see article, p. 56).

Americans of the "Baby Boomer" generation or "Generation X" may not fully grasp the importance of the Morris-Cohn relationship, but older Americans, who lived through the horrors of the post-war Joe McCarthy "Red Scare," will readily grasp the implications of Dick Morris as the incarnate of the late Roy Cohn.

To summarize: Roy Cohn was installed into the Justice Department, and later onto Senator Joe McCarthy's (R-Wisc.) staff, to be the front man and alter ego of FBI Director J. Edgar Hoover in the anti-Communist witch-hunts. When McCarthy's venom was finally directed against the U.S. Army, both Cohn and McCarthy were ultimately reined in.

Cohn returned to New York City, where he was installed into a powerful "fixer" law firm, courtesy of former Gov. Tom Dewey, and his father, Judge Albert Cohn. From that point on, until his 1986 death from AIDS, Roy Cohn was in the middle of practically everything sleazy that occurred inside both the Democratic and Republican parties. Before his death, he was disbarred for fraud and corruption. He was the lead attorney for Meyer Lansky's National Crime Syndicate, occasionally helping to set up mob executions, according to law enforcement reports and news accounts. Cohn's name surfaced in the investigation of the role of the British-Perminindex apparatus in the assassination of President John F. Kennedy.

Beginning in the late 1970s, Cohn was Henry Kissinger's chief ally, along with the Anti-Defamation League of B'nai B'rith, in the decade-long campaign to eliminate Lyndon LaRouche. A Cohn-controlled New York City weekly throw-away sheet, *Our Town*, published a 13-part libel against LaRouche, by Dennis King. Cohn used the *Our Town* slander to unleash a Jewish Defense League hit-squad against LaRouche (LaRouche was travelling, when the would-be killers attempted to storm his New York City apartment in late 1979). King's smear-job later appeared in book form, and, to this day, whenever LaRouche's policies begin to get a serious airing around Washington, D.C., copies of the Cohn-King trash job "miraculously" appear on the desks of prominent D.C. policy-shapers.

The Cohns and the Morris

Dick Morris's father, Eugene Morris, was Roy Cohn's first cousin. For 30 years, the elder Morris was also the political right-hand man of Cohn protégé Jerry Finkelstein, publisher of the *New York Law Journal*, an instrument for controlling New York judges and attorneys. Finkelstein inherited the powerful "newspaper of record" of the New York Bar, courtesy of Judge Albert Cohn, Roy's father.

At the point that Dick Morris was getting his degree from Columbia College, Finkelstein was the head of the New York Democratic Party. Morris, and a group of fellow young political hooligans, who dubbed themselves "the Special Forces," started out as aggressive anti-Communists, in the Roy Cohn mold, but soon shifted profile, and became ultra-leftists. During this period, courtesy of his father and the Cohn team, Dick Morris got a job doing "research" for the Citizens Budget Commission, a front group set up by the major New York City banks, to peddle austerity, community control, and other unwholesome policies.

By 1974, Morris had been set up as a "political consultant" and had landed jobs with some of New York's most powerful and dirty politicians, including Off Track Betting czar Howard Samuel. By the early 1980s, perhaps, courtesy of Cohn and William F. Buckley's East Side Conservative Club, Morris found himself working for a wide range of Republicans.

Friends of Bill Clinton should take special note of the Cohn, Buckley, East Side Conservative Club. It was this Cohn apparatus, that, in 1980, helped install Alfonse D'Amato (R-N.Y.) in the U.S. Senate. "Senator Pot-Hole," as he has been branded, is President Clinton's leading Senate enemy, the biggest spreader of slanders against the First Family. When he arrived in Washington, D.C. in the early 1980s, D'Amato's sole "adviser" was Thomas Bolan, Roy Cohn's law partner, and the head of the East Side Conservative Club.

Morris's GOP clients

It is now publicly documented, that Dickie Morris—in the spirit of his mentor and alter-ego Roy Cohn—has betrayed President Clinton, to some of his most rabid Republican, "Conservative Revolution" enemies, at every turn. He has

been caught passing confidential White House data and personality profiles on to some of his prominent Republican clients, including current Senate Majority Leader Trent Lott (R-Miss.). In another recent incident, reported by Woodward, Morris leaked a confidential White House election poll to the President's presumed Republican rival, Bob Dole. When he got caught, and the story surfaced in the *Washington Post*, Morris first, tried to explain it away as an effort to induce Dole to accept a budget compromise that would benefit the President. Later, he tried to shift the blame to senior White House aide George Stephanopoulos, accusing him of "leaking" the incriminating document to the *Post*, in to "hurt" Morris. That, too, was proven to be a big lie.

During the 1994 mid-term elections, Morris not only steered Trent Lott's re-election campaign. In a briefing to Republican candidates, all of whom, at Lott's insistence, had hired Morris as their pollster-strategist, Morris lit into President Clinton, and urged the GOP'ers to publicly slam the President, at every opportunity, as "Slick Willie." The "Slick Willie" imagery was the work of Floyd Brown, the Republican dirty-trickster, who, since 1993, has earned millions of dollars, in league with Jerry Falwell, and the Hollinger Corporation's Ambrose Evans-Pritchard, libeling the First Family.

Another one of Morris's 1994 clients, Massachusetts Republican Gov. William Weld, was encouraged by Dirty Dickie to seek the 1996 Republican Presidential nomination. According to news accounts, Morris told Weld that the 1996 election would hinge on President Clinton's personal morals, and he, Morris, was certain that Clinton "would be indicted" around the Whitewater affair. Among Morris's other GOP clients: Pennsylvania Gov. Tom Ridge, a man who has singled himself out as a genuine Nazi by removing 220,000 elderly from the medical safety net, in order to chop \$250 million from the state budget. According to estimates published in the *New England Journal of Medicine*, Ridge's actions will cause over 3,300 early deaths in the next six months, if they are not reversed. Ridge is being touted as a possible vice presidential running mate for Bob Dole.

In 1990, Morris was the mastermind of Sen. Jesse Helms's (R-N.C.) come-from-behind victory over Harvey Gantt, the first Afro-American ever elected Mayor of Charlotte. In the final weeks of the campaign, Morris designed a series of race-baiting TV ads, accusing Gantt of reverse discrimination. The charges were fabricated, but Gantt never had the opportunity to counter the massive, eleventh-hour media blitz.

Lyndon LaRouche, in a radio interview with "EIR Talks" on June 27, called for the immediate ouster of Morris. The President of the United States is the factor on which the world relies to take the initiatives which are needed to solve the world's problems, he said. "Clinton's the guy who has to do it. Admittedly, he's not doing it now; but, if we can turn him around, by getting rid of that Dick Morris problem he's got, that Rasputin problem in his family residence, I think he can do a good job—at least a passable job, enough to get us through."

Morris and the Cohn family criminal gang

by Anton Chaitkin

Dick Morris is a product of the Roy Cohn criminal apparatus, which was created to do political dirty work for the “white glove” British and allied New York banking oligarchy, represented in person by Thomas E. Dewey and the Dulles brothers. The inherited power and sleaze of this family apparatus landed Dick Morris his first job, working for the biggest Anglo-American bankers at the Citizens Budget Commission in New York from 1967-74.

The nature of the beast may be glimpsed in the sordid web tying together Dick’s father, Eugene J. Morris, Eugene’s first cousin Roy Cohn, and the underworld of the legal and political communities.

In 1965, Eugene Morris became part of the leadership team at the *New York Law Journal*, editing a weekly column which he often himself writes. The *Journal* is a Cohn family preserve: given tremendous clout and status as the official daily newspaper of the legal profession by decree of Judge Albert Cohn (Roy’s Cohn’s father, Eugene Morris’s uncle) and his bench partners, and owned since at least 1963 by Roy Cohn’s business and political partner and client, Jerry Finkelstein, and his son James Finkelstein.

This combination, the heart of the family machine which has driven Dick Morris’s career, is X-rayed in the following chronology:

1935-37: Thomas E. Dewey (later New York governor) is positioned to control vast Mafia networks as New York special prosecutor and “investigator of organized crime.” Jerry Finkelstein serves as staff assistant to Dewey.

1940s: Governor Dewey releases Meyer Lansky’s partner Charles “Lucky” Luciano from prison to re-create the Mafia under Anglo-American intelligence control.

1957: Former Governor Dewey organizes the World Peace Through Law organization—lawyers representing Anglo-Saxon bankers—at a meeting in London of the American Bar Association under the direct supervision of the British Crown and government (in meetings with Queen Elizabeth II and Prince Philip and the Privy Council), in conjunction with U.S. Solicitor General J. Lee Rankin, a former Dewey staff member.

1957: Dewey’s personal representative, Judge David Peck, arranges for Sen. Joe McCarthy’s disgraced lawyer Roy M. Cohn to be placed in the New York law firm of Saxe, Bacon and O’Shea. Cohn takes over the firm, bringing in such

clients as the Gambino family, the Finkelsteins, and Lansky partners such as Schenley’s liquor boss Lewis S. Rosenstiel.

1958: Dewey’s Crosby-Miller company takes over the Mary Carter Paint company, which, with the Dewey cover, is used by the Lansky mob to open up Caribbean gambling operations and drug-money laundering. British legal authorities help clear away Caribbean gambling rivals of Mary Carter Paint, which in 1966 becomes Resorts International, later notorious as Murder, Inc.

1963: Roy Cohn, a murderous enemy of the Kennedy family, is deeply implicated in the Permindex organization which New Orleans District Attorney Jim Garrison targets as central to the John F. Kennedy assassination. J. Lee Rankin serves as chief executive of the Warren Commission covering up the assassination.

1965-67: Eugene J. Morris is a leader of urban affairs for World Peace Through Law. With J. Lee Rankin in tow, Morris travels to Switzerland in 1967 to preside over a session of the world conference of the Dewey-British apparatus.

1967: New York Mayor John V. Lindsay, aided by his Corporation Counsel J. Lee Rankin and the Ford Foundation, launches a crusade for budget austerity and the destruction of labor unions, beginning in New York as a national model for the Conservative Revolutionaries.

Two chief instruments for this bloody war were the Citizens Budget Commission (CBC), run by Morgan and other bankers (Mayor Lindsay’s brother was Morgan Guaranty executive vice president and later its president), demanding budget slashing and government decentralization; and the Citizens Union, propagandizing for an end to pro-growth constituency forms of political control.

Eugene J. Morris was a leader of the Citizens Union, and director from 1971 to the present. His son Dick Morris worked with the CBC in his first job after college graduation, beginning in 1967. Among Dick’s projects was the relaxation of drug prohibitions and the promotion of government-administered methadone for heroin addicts.

1970-72: Finkelstein is chairman of the Democratic Party organization of New York City, to coordinate with the Lindsay-Ford Foundation-CBC wrecking operation.

1974: Dick Morris’s first full professional job in an electoral campaign is as pollster for gubernatorial candidate Howard J. Samuels, head of the Off-Track Betting organization and ally of the CBC-Cohn combination.

1976: Schenley’s founder and former Meyer Lansky partner Lewis Rosenstiel dies. Together with his lawyer Roy Cohn and their mutual friend, FBI chief J. Edgar Hoover, Rosenstiel has lavishly backed Roy Cohn’s right-wing politics and mob protection projects. Cohn attempts to acquire Rosenstiel’s entire massive estate as the property of Cohn’s clients James Finkelstein, Jerry’s son and successor publisher of Eugene Morris’s *Law Journal*, and James’s wife Cathy, who is Lewis Rosenstiel’s granddaughter. This scam is defeated in court, and Cohn is later disbarred.

Air Force report on Ron Brown crash dodges the crucial question

by an EIR Investigative Team

On June 7, the U.S. Air Force released a several-thousand-page report on its investigation into the causes of the crash which took the life of U.S. Secretary of Commerce Ron Brown and 34 other top industry and government officials, during a trip to Bosnia and Croatia in April 1996. A serious evaluation of the Air Force report requires looking at two distinct issues, only one of which was touched upon in the report itself.

First, the report accurately and, by all appearances, honestly, presents the evidence that the security and safety procedures used by the Air Force during Secretary Brown's trip were horribly flawed, by what Lyndon LaRouche has called "consensual pragmatism," at every level of the command and operation. "Don't rock the boat," "carry out the mission, no questions asked," was the order of the day—even when it meant violating the basic rules of conduct, while operating in a theater of conflict.

Those procedural violations compound the investigative problem involved: The plane had rudimentary navigational equipment, no cockpit recorder, and the crew are all dead. In fact, no one knows, definitively, what caused the "pilot error" that apparently caused the crash, and the Air Force explanation is merely a plausible conclusion, drawn from the existing evidence.

But what the official report leaves out, is the political context—the motive—which could have impelled someone to take advantage of security loopholes so big, that it remains impossible to rule out that the flight was intentionally sabotaged—an act of murder, in effect, an act of war, against the United States and its policy in the region. The only conclusion that can be drawn at this point, is that the ultimate cause of the death of the secretary and his delegation is still uncertain.

That omission is the final flaw in the Air Force procedures that contributed to the death of Ron Brown.

Anglo-French 'war' against the U.S.

To properly evaluate the circumstances of the crash, it is essential to briefly review the state of affairs in Bosnia at the time of the secretary's visit.

British and French efforts to sabotage the U.S.-brokered Dayton Accords had precipitated a deep crisis. Although the purely military aspects of the peace agreement were moving

along on schedule—with no help from London or Paris—the far more critical economic reconstruction mission was stalled, in no small measure, through the sabotage of European Commissioner Carl Bildt, according to Pentagon sources involved in the Dayton Accords implementation. As recently reported in the London *Guardian*, during the long period of United Nations control over the Bosnia "peacekeeping" mission, prior to Dayton, British, and, at times, French forces had done everything in their power to covertly aid the Serbs in their war of genocide against the Bosnian and Croat populations. Bosnia, as *EIR* reported, was a battleground in the "war and a half" between the Clinton administration and the British.

To break the impasse, President Clinton decided, once again, to take unilateral American action. He turned to one of his most trusted colleagues, Secretary Brown, and asked him to organize commitments from some of America's leading construction and heavy industrial firms to rebuild Bosnia. According to Defense Department (DOD) sources, Brown organized commitments of over \$30 billion in infrastructure projects from dozens of American companies. The delegation of corporate CEOs and senior executives that Secretary Brown brought to Bosnia personified that commitment.

Given the strategic stakes in the Brown mission, given the venomous hatred that London and its French junior partners expressed toward the Clinton effort, and given the ongoing efforts of the Serbs to wreck the Dayton agreements, it would be folly to rule out the possibility that the crash of Brown's plane was an act of aggression by Britain or any of its surrogates. British Special Air Services (SAS) units operating on the ground, in forward positions in Bosnia, during the phase of UN "peacekeeping" forces, were guilty of abetting Serbian mass-murder, according to the *Guardian* and other accounts. Why not murder Ron Brown?

An 'accident' waiting to happen

At the press conference at which the Air Force report was released, Air Force Gen. Ronald Fogelman made what had to have been the most painful statement of his career:

"The United States Air Force was given the mission to provide operational support airlift for Secretary of Commerce Ron Brown and his party of American industrialists while they conducted various visits to sites throughout the Balkans.

. . . We failed to execute that mission. As a result of that failure, 35 lives were lost—29 civilians, to include Secretary Brown, some of the most distinguished business leaders in America, dedicated members of the Commerce Department, and six members of the United States Air Force, in addition to two Croatian nationals.”

His report went on to provide details of the final minutes of the flight, and the fatal “navigational error,” made by a crew which was attempting a complicated instrument approach, which they did not have the training to execute, using the outdated equipment they had aboard.

The report reveals that this was an accident waiting to happen. The general in charge of the 86th Air Wing, his executive officer, and the operations officer for the unit, have been relieved of their commands, and may be court-martialed, because they failed to implement a 1994 headquarters directive which said that no instrument landings could be made at non-DOD fields, unless the commercially published approach charts were reviewed and certified as accurate and safe, by the Pentagon. The approach into Dubrovnik, Croatia, where the crash occurred, had not been approved for instrument landings. General Fogelman pointed to this as the fundamental problem raised by the report: “How could we have an Air Force instruction in the field that was not being complied with, at the major air-command level? I need to find the answer to that, because, in my view, that’s the start of this chain of events.

“We had evaluated a situation—that is, the use of these non-DOD approaches—and, based on that evaluation, which did not just occur here in the headquarters—we had inputs from out in the field—we made a very deliberate decision to change the Air Force policy. We made it. We distributed that guidance to the field, and it was not implemented. . . . That, more than anything else, haunts me.”

The chain of command involved in implementing, or not implementing, this order, is not a short one. The 76th Airlift Squadron, which was flying Secretary Brown that day, provides special mission airlift support to visitors from the White House, Congress, the Department of Defense, and other U.S. and foreign dignitaries. The 76th Airlift Squadron is one of three flying squadrons belonging to Ramstein Air Base’s 86th Airlift Wing. The Commander U.S. Air Forces in Europe, or USAFE, has operational control of all airlift operational support airlift in the European theater in the 86th Airlift Wing.

Requirements come directly from Headquarters United States Air Force Special Air Missions Office at the Pentagon, or from U.S. European Command Stuttgart, Germany, and they go directly to the 76th Airlift Squadron through the USAFE Air Operations Squadron. Command is exercised by USAFE through the 17th Air Force Sembach Air Base, Germany, and the 86th Airlift Wing and the 86th Air Operations Group, both at Ramstein Air Base in Germany. The 86th Airlift Wing is the most heavily tasked flying unit in the entire Air Force, and not only provides VIP support throughout the

European theater, but has handled most of the logistics for the IFOR (Implementation Force) operations in Bosnia. Without its capabilities, there would be no flexibility in U.S. policy, on the ground, in the entire region.

In 1994, the Air Force reviewed the status of the navigational charts and procedures which were being used throughout the Eastern European Region—which had only recently been open to western aviation—and determined that unless DOD specialists certified the published approach information as accurate, no instrument landings could be permitted. The implications, for the 86th Air Wing, were enormous. According to General Fogelman, if they had followed this directive, they “would not have been able to carry out their mission.”

It has not been explained, why this clearly problematic aspect of the Air Force directive was not addressed when it was issued. And it seems disingenuous, to act as though no one in the Air Force knew that its most heavily tasked unit was somehow fulfilling its missions, even though that would be impossible under the regulations. The record does show how the problem was overcome at the unit level: There was a consensus to break the rule. One way around the directive was to request a waiver for a particular airfield. Such a request was made for the Dubrovnik approach, by the 86th Airlift Wing, and it was *rejected* by the Air Force Flight Standards Agency on Jan. 2, 1996.

An officer at USAFE headquarters sent a message to the 86th Operations Group commander on Jan. 23, informing him of the waiver denial, and instructing him to rescind the 86th Airlift Wing instruction authorizing the use of Jeppesen approaches at unreviewed airfields. The message also instructed the group commander to forward a list of airfields to USAFE for review.

After receiving the USAFE message, the 86th Operations Group commander sent an e-mail message to the wing commander, vice commander, and the squadron commanders, as well as certain officers at USAFE and the 17th Air Force, saying, “My view on this: Safety is not compromised if we continue flying ops normal until approaches are reviewed.” The wing commander replied, also via e-mail, “Let’s step back and use common sense . . . these approaches have been used for years and years. . . .” A meeting took place shortly afterwards between the group commander and the three squadron commanders, and the report states that the “consensus from the squadron commanders and [the] chief of standardization and evaluation was that safety was not compromised and the Jeppesen approaches could be continued to be flown,” pending major command review. After the meeting, the 86th Operations Group commander elected to continue to fly “ops normal,” even though he knew that the wing was not following the letter of the directive.

Carl Osgood, Jim Olson, and Leo Scanlon contributed to this report.

A UN ambassador in the British tradition

by Scott M. Thompson

When Iraq revealed in June 1995 that UN-imposed sanctions were responsible for 100,000 dead or dying Iraqi children, Sir David Hannay, the United Kingdom's Permanent Representative to the UN, sneered at the Iraqis in the June 21, 1995 issue of the *New York Times*, "They're trying to do deals all the time. But we're not talking about buying carpets, we're talking about compliance with Security Council resolutions." U.S. Ambassador to the UN Madeleine Albright echoed that racist remark: "The Iraqis are acting as if they are in a position to bargain, as if they were in a bazaar."

Albright's political profile reveals her to be a "one world-ist" in the tradition of the evil Lord Bertrand Russell, who saw the development of nuclear weapons as providing a golden opportunity to build a world government that would destroy the nation-state.

This is the same U.S. ambassador to the UN who claimed that Sudan is a hotbed of terrorism, covering up for the British-instigated terrorist war in that country, when talking to the *New York Times* of April 3, 1996. Without a shred of evidence, she claimed that the Sudanese government in Khartoum had backed a phony attempt to assassinate Egyptian President Hosni Mubarak (the real terrorists were afghansi, centrally deployed from Britain). Speaking to reporters, Albright referred to Sudan as a "viper's nest of terrorists."

On Sept. 8, 1994, Albright drew an attack from Lt. Gen. Aleksandr Lebed, who said that her comments about the Russian decision to withdraw troops from Moldova demanded a response from the Russian Foreign Ministry. Lebed told Radio Free Europe: "I categorically oppose that some woman, whatever her rank, should make decisions for the Russian state. . . . [This is] yet another sign that they are openly and unceremoniously wiping their feet on us. . . . That statement is a link in the same chain as the plutonium scandal which aims to show the world that Russia can't control its nuclear weapons."

Albright's first speech at a National Press Club luncheon on July 14, 1994, was full of praise for the United Nations. This, at a time when the UN and the British government were doing everything in their power to prevent the Clinton administration from taking effective military action to stop



U.S. Ambassador to the United Nations Madeleine K. Albright. Raised by an English nanny, she became friends with Pamela Churchill Harriman, and brings the racism and arrogance of the Anglophile "upper crust" to her UN post.

the Serbian aggression in Bosnia; at a time when the UN bureaucracy was gearing up for the September 1994 Cairo Conference, to ram through a radical Malthusian population-reduction program worldwide.

"I have decided to talk to you today about the future of one of the world's vital relationships: that between the United States of America and the United Nations," Albright said. "The opportunity we now have to reinvigorate the UN may not last long. The UN does not run on its own power. It must be fueled by the confident support and leadership of member states. Today the confidence is precarious, the backing shaky, and the leadership evermore dependent on the United States. . . . In each instance our purpose has been to make the UN more credible, efficient and successful. . . ."

"My point is not that all our hopes in Bosnia have been realized, they have not. Nor does it mean that the UN has been blameless in Bosnia. On the contrary, UN officials have made mistakes for which they have been criticized justly. . . . But by cooperating with, and at times pushing and prodding the UN, we have achieved important results."

That is the sort of speech you would expect, from somebody who hangs out with Churchills and Harrimans. Before she was nominated by President Clinton to be ambassador to the UN, Albright had been associated with British "mole" Pamela Churchill Harriman's "Democrats for the Eighties," a.k.a. "PamPac," along with Clinton's Secretary of State Warren Christopher. Before his election, President Clinton had made a bad deal with Pamela Churchill Harriman, serving for a time as chairman of her political fundraising com-

mittee. The deal between Clinton and a British baron's eldest daughter, the Honorable Pamela Churchill Harriman, has been documented in the book *Life of the Party: The Biography of Pamela Digby Churchill Hayward Harriman*, which also discusses the proximity of Madeleine Korbel Albright to the Harrimanites, especially in the 1980s.

The 'hard cop'

Albright, who holds cabinet rank, is ambassador extraordinary and plenipotentiary to the UN, and a member of the National Security Council staff. As a Presidential adviser on foreign policy, she attends a biweekly "principals meeting," along with the Director of Central Intelligence, the national security adviser, and the secretaries of state and defense.

The *Washington Post* reported on one of President Clinton's National Security Directives on Jan. 22, 1993, which reestablished the National Security Council on three levels of deliberative committees. The highest level was the "principals' committee," which was to be constituted by members of the main National Security Council, who will deal with security issues before they are formally presented to the NSC meetings.

Albright is known for her outspokenness and for "her willingness to wield the big stick whenever the President needs to make a point," as Kevin Fedarko put it in *Time* magazine of Oct. 31, 1994. He quoted Albright: "The people I work with appreciate the fact that I'm plugged into Washington. I'm in the inner circle. I'm involved in everything." But, she is also "a quintessential team player who hates to improvise and rarely says anything that isn't thoroughly vetted first in Washington," wrote Julia Preston in the Oct. 14, 1995 *Washington Post*.

A likely hypothesis is that Albright, who commutes up to five times a week between Washington and New York, is used by the Clinton administration as its "hard cop" on foreign policy. Otherwise, she would have been raked over the coals and fired.

Anglophile upbringing

Madeleine Korbel was born on May 15, 1937 in Prague, Czechoslovakia, to Josef Korbel and Anna Speeglova Korbel. Her father was a member of the pro-British comprador class. He served in the Czech diplomatic service in 1934-48, and from 1937 to 1948, the Korbel family lived successively in Belgrade, London, Prague, and then—during three years that Josef Korbel served as the ambassador to Yugoslavia—in Belgrade again.

While Britain's Neville Chamberlain had given Adolf Hitler the right to carve up Czechoslovakia for "peace in our time," Josef Korbel and his family lived in London during World War II, where he joined the British-backed Czechoslovak government-in-exile. Madeleine Korbel was raised there, until after the war, by an English nanny.

In 1940-42, Josef Korbel was personal secretary to Jan

Garrigue Masaryk, Commander of the British Empire (CBE), the son of T.G. Masaryk, who had been, from 1925 until 1938, Czechoslovak minister to Great Britain. Jan G. Masaryk was a classical British liberal affiliated with Freemasonry. In 1940-45, Korbel was head of the broadcasting department of the Czechoslovak government-in-exile, London. Upon the end of World War II in 1945, he became *chef de cabinet* to interim Prime Minister Jan Masaryk, in Prague. From 1945-48, he was Czechoslovak ambassador to Belgrade.

At the beginning of 1948, Korbel assumed the job of representing Czechoslovakia on the UN Commission for India and Pakistan, and began working on the Indian subcontinent, while Lord Louis Mountbatten was carrying out the bloody partitioning of India. His particular assignment was the Kashmir crisis.

In February 1948, the Czech government was overthrown in a Communist coup, and in that year or early in 1949, Korbel learned that the Communists had charged him *in absentia* with crimes against the state and sentenced him to death.

Shortly thereafter, he and his family received political asylum in the United States, and in 1949, after living in New York for some months, he secured a position as a professor of international relations at the University of Denver. He became the author of several books, and was eventually made dean of the university's Graduate School of International Studies.

Albright claims that her father was her principal mentor, and her present worldview consists of ideas "implanted" by him. (Her second mentor, Zbigniew Brzezinski, is a minor Polish nobleman, whose his father-in-law Edvard Benes, was the former liberal, freemasonic President of Czechoslovakia.)

Enter, Zbigniew Brzezinski

Madeleine Korbel went to Wellesley College, in Massachusetts, on a scholarship. She campaigned for Adlai Stevenson in the 1956 Presidential campaign, starting a long line of associations with Democratic Party Presidential candidates.

Three days after her graduation from Wellesley, Madeleine Korbel married Joseph Albright, a scion of the Robert R. McCormick-Alicia Patterson newspaper syndicate, whom she had met in 1957, when both were interning at the *Denver Post*. The couple settled in Chicago, where Joseph Albright began working as a reporter with the *Chicago Sun-Times*. (The editor of the *Sun-Times* discouraged Madeleine from working for the paper, because she was a woman.) In 1961, Joseph took a job as a reporter and executive with *Newsday*, the Long Island, New York daily founded by Alicia Patterson, and the Albrights moved to Long Island. Between 1961 and 1967, Madeleine gave birth to three daughters.

In 1961, she enrolled in the graduate program in public law and government at Columbia University in New York City. She studied under, among others, Zbigniew Brzezinski,

who at that time directed Columbia's Institute on Communist Affairs. Brzezinski was just about to write *The Technetronic Age*, before his selection as North American executive director of the Trilateral Commission formed in the early-1970s. In 1968, Albright earned an M.A. degree and a certificate in Russian studies from Columbia.

She then started work on her doctoral dissertation, which brought her closer to Brzezinski's shop. Her thesis was to be on the part played by the press in the abortive attempt by Czech dissidents in 1968 to loosen the grip of communism in their country through liberal reforms.

Meanwhile, in 1968, Joseph Albright was promoted to be Washington bureau chief of *Newsday*, and the family moved to the nation's capital. Among other volunteer activities in which Madeleine engaged after the move, she served on the board of directors of the Beauvoir School, a private school her twin daughters attended. It was through Beauvoir School social circles, that Madeleine Korbel Albright got involved with Edmund S. Muskie's 1972 campaign for the Presidential nomination. She divorced her husband sometime thereafter.

Madeleine Albright helped to raise funds for Muskie's unsuccessful bid for the 1972 Presidential nomination, and Muskie became a family friend. In 1976, Muskie put Albright on his payroll as his chief legislative assistant. This was just after she had received her Ph.D. under Brzezinski's tutelage. Muskie was a member of the Senate Foreign Relations Committee, and Albright spent a substantial portion of time working on foreign affairs.

In 1978, Brzezinski, by then Carter's national security adviser, asked her to join President Carter's National Security Council staff, serving as a congressional liaison, with a focus on foreign policy legislation. There is no public record of her role, if any, on such issues as the Iran hostage crisis, that is readily available, but this was her first known experience with the world of intelligence.

One possibly significant factor in her hard-cop approach to Iraq, is that Brzezinski popularized the Arc of Crisis, based upon British Arab Bureau agent Bernard Lewis's plan to foment fundamentalism and strife to destroy the nations of the Middle East.

The Reagan-Bush years

When Ronald Reagan was elected President in 1981, Madeleine Albright temporarily left government service. In 1981-82, she was a senior fellow in Soviet and Eastern European affairs for what was then the Georgetown Center for Strategic and International Studies. At CSIS she wrote *Poland: The Role of the Press in Political Change*, which was published in 1983. In 1982, the School of Foreign Service at Georgetown University appointed her to the dual positions of research professor of international affairs and director of the Women in Foreign Service Program. She remained in this position until 1993, when President Clinton appointed her

U.S. ambassador to the United Nations.

No sooner had she entered academia, than she opened a Democratic salon, which hosted, through the years, hundreds of Democratic politicians, professors, and theoreticians, among them Bill Clinton, when he was governor of Arkansas. "These were not mere social gatherings, but sessions aimed at laying the groundwork for a Democratic return to power," according to reporter Jacob Heilbrunn, cited in *Current Biography*.

During the 1984 Presidential race, Albright served as foreign policy coordinator for the Walter F. Mondale Democratic campaign, as well as for Mondale's running-mate, Geraldine Ferraro. Also, in that year, she was named vice-chairman of the National Democratic Institute for International Affairs, part of the "Project Democracy" apparatus which runs political intelligence operations under cover of "democracy." In 1987, she became Michael S. Dukakis's senior foreign policy adviser in his campaign for the Presidency.

Albright helped the Democratic National Committee formulate the party's platform in 1992, and, in collaboration with Warren Christopher, Anthony Lake, and Samuel R. Berger, she developed foreign policy position papers for Bill Clinton after he won the Democratic Presidential nomination. No sooner had Clinton won the nomination, than he introduced Albright as his choice for the UN post. The Senate unanimously confirmed Albright's nomination on Jan. 27, 1993.

In 1989, Albright took over as president of the Center for National Policy (CNP), a Democratic Party institution. In fact, it was the think-tank that was the action arm of Pamela Churchill Harriman's "Democrats for the Eighties." Albright's prominence grew, as the CNP was an interface between the liberal wing of the Democratic Party and labor. Edmund Muskie expressed the opinion that, were the party to regain control of the White House, Albright should be the Presidential national security adviser. Muskie wrote several books for the CNP. After the election of President Clinton, his administration had links, especially on economic policy, to the CNP. Albright gave a report on "U.S. Goals for the UN Fourth World Conference on Women," on Aug. 30, 1995, for the CNP.

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Ritalin abuse: the Achilles' heel in America's war on drugs

by Dana S. Scanlon

In recent testimony on Capitol Hill, Gen. Barry McCaffrey, the director of the White House Office of Drug Abuse Policy, stated that the number-one challenge facing his agency is "trying to protect American children from drug abuse. We have an ongoing emergency . . . in which drug use among young people in America has more than doubled in the last seven years." McCaffrey, in June 6 testimony to the House International Relations Committee on the war on drugs in the Western Hemisphere, cited the 2 million chronic abusers of cocaine and more than 600,000 heroin addicts in America as evidence of the emergency. What McCaffrey did *not* include in his grim statistics, is the epidemic of drug abuse constituted by the millions of daily doses of *medically administered* stimulants such as Ritalin.

Per capita consumption of methylphenidate, the central nervous system stimulant widely known under the brand name Ritalin, has skyrocketed in America since 1990 (see **Figure 1**). Research cited by the Drug Enforcement Administration (Davidson, E.S., Lambert, N., Hartsough, C., and Schenk, S., "Higher Incidence of Cocaine Use and Abuse in Adult Subjects Exposed to Methylphenidate (Ritalin) as Children for the Treatment of ADHD") demonstrates conclusively that adolescents "treated" with Ritalin for their behavior disorders are more likely to become cocaine users later on in life, than those not treated with Ritalin.

There can be no effective strategy to curb illegal drug consumption in America, and to defend America's children from the drug plague as General McCaffrey suggests, that does not include a systematic effort to bring to an end our nation's addiction to treating the behavior problems of its children with this extremely dangerous drug.

Methylphenidate is a form of amphetamine ("speed") that is a Schedule II controlled substance. It is classified along with morphine and barbiturates as a drug that is subjected to tight controls on its production and distribution by prescription. It is addictive and can have serious side effects. Nonetheless, it is being administered to millions of American children, including about 10-12% of all school-age boys, who are labelled hyperactive, or said to be suffering from Attention Deficit Disorder (ADD/ADHD).

In addition to the *officially sanctioned* use of the drug, reports abound of adolescents and teenagers inhaling or "snorting" the drug to get high. A rock and roll band called Foo Fighters even has a hit song which includes the lyrics:

"Ritalin is easy/Ritalin is good."

Ritalin use is out of control. But there are numerous incentives in place, many financed by the federal government, that are working toward ensuring that consumption of Ritalin will continue to rise.

Pressure in the schools

All across the country, outraged parents are reporting that they are being pressured by their children's teachers and school officials to put their offspring, particularly boys, on Ritalin. The pressure might begin with a suggestion by a teacher that Johnny seems to display all of the characteristics of a child with ADD: inability to sit still for long, difficulty concentrating, and so on. Despite all the repeated claims, there is not one iota of scientific data which "proves" that ADD is genetic, that it stems from neurochemical imbalances, or that it is a physical "sickness."

The teacher or guidance counselor might recommend a local clinic or physician who is known as an "ADD expert." Being an "expert" almost certainly means that the doctor is known to be willing to provide the ADD diagnosis required to get the Ritalin prescription.

Should the parents resist these "suggestions," the pressure escalates. In many instances, parents are told that their child will not be able to attend school if he or she does not take Ritalin.

There is no legal basis for any school to make this demand.

In one test case, fought out in the courts years ago, parents sued a school district in New Hampshire after it suspended a nine-year-old boy who refused to take Ritalin. After years of litigation, the U.S. District Court for New Hampshire ordered the Derry Cooperative School District to pay for the student's tuition to a private school, because the district failed in its obligation to make "reasonable accommodations" to handle the boy's difficulties. To help deal with children who have difficulty concentrating, such accommodations would necessarily include things such as smaller class sizes, and other efforts to block out distractions. Parents, however, are still under obligation to curb the kind of disruptive behavior that could lead to expulsion.

It recently came to light that in one school district in Indiana, a state which ranks fifth in per capita Ritalin consumption, Ritalin and "behavior" drugs are administered to 19% of all boys in grades 3 through 5.

A report just compiled by school nurses in the Evansville-Vanderburgh school area of Indiana, shows that Ritalin use is out of control. According to the June 18 *Evansville Courier*, the report was compiled at the request of Superintendent Philip Schoffstall, who said it raised questions, and he will ask for further study. He said that it is not the schools' or teachers' role to recommend or suggest that a child needs medications, "although I know that happens."

According to the nurses' report, 15 years ago, in the 1980-81 school year, the school nurses administered a total of 4,250 medication doses to children. In the school year that just ended, that figure had soared to 316,903 doses. Ritalin and other behavior drugs accounted for most of the increase.

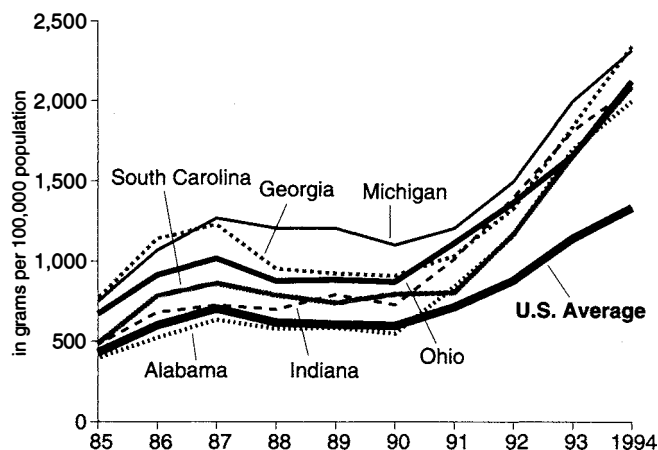
Some teachers and school officials may be deliberately trying to hike the numbers of "ADD" children diagnosed in their school, not only to keep classes quiet with Ritalin, but in order to receive additional federal dollars for special education needs. Public school education should be the core of a strong national system of education. But America's way of paying for public school education promotes a desperate scramble for federal funds, seemingly by any means. The system of local or county property taxes, which is the basis for school funding, creates tremendous disparities from one location to another, within a state and among states. Federal money in the form of assistance for special education and Medicaid funds for school-based "mental health clinics" and the like, can appear to be the great equalizer.

In 1991, a letter from the U.S. Department of Education to state school superintendents outlined three ways in which children labeled as suffering from ADD could qualify for special education services in public schools under existing laws. This position on the part of the Department of Education was taken despite massive opposition by civil rights and educational groups, which just the year before had succeeded in stopping Congress from certifying ADD as a "handicap." Congress had been lobbied to do so by the national organization Children and Adults with Attention Deficit Disorder (CHADD), which purports to be a "grassroots" organization, but which acts more like a mouthpiece for the manufacturer of Ritalin, Ciba-Geigy, which provides a considerable amount of CHADD's funding. The civil rights groups feared that the ADD-as-a-handicap label could be used to stigmatize minority children.

Federal 'crazy checks'

In February 1990, the same year that Ritalin consumption took off, the U.S. Supreme Court ruled in *Sullivan v. Zebley* that the Social Security Administration (SSA) must make it easier for children to qualify for disability benefits under the Supplemental Security Income (SSI) program. Specifically, the court ruled that the SSA must make its disability criteria for children less restrictive by adding to its disability determination process a new basis for awarding benefits to children who previously would have been denied. For those children who do not qualify for benefits on the basis of medical stan-

Ritalin consumption for the top six states and the U.S. average



Source: U.S. Drug Enforcement Administration.

dards alone, the court required the SSA to add an individualized functional assessment (IFA) of how each child's impairment limits his or her ability "to act and behave in age-appropriate ways." Then, in December 1990, SSA issued regulations expanding its standards for assessing mental impairments in children, for example, by adding ADD to its list of impairments that could qualify a child for SSI. Thus was born what has come to be known in some impoverished sections of America, as "crazy checks."

From 1989 to 1993, the number of children receiving SSI disability benefits more than doubled, growing from almost 300,000 to more than 770,000. By the end of 1995, it had more than tripled to nearly 1 million. Of those 968,780 children, over 20%, or just under 200,000, fall into the category of "other mental disorders," which includes Attention Deficit Disorder.

These children, who may indeed be suffering, must be distinguished from the 340,000 children who have mental retardation, or the many others who suffer from severe physical handicaps.

The original idea behind the SSI program was to compensate adults who had a disability which would prevent them from holding a job. For extremely poor families, it also made sense to extend assistance to help care for a child with a severe handicap. For instance, a family might use their SSI monthly check to help pay for a van that could accommodate a paralyzed child's wheelchair, or to install indoor plumbing, which is still rare in many areas of the South. Currently, the average monthly SSI check for children is \$427, slightly higher in the Northeast and California (\$499) where the cost of living is the highest, and lower in portions of the South (\$420 in Mississippi, \$422 in Alabama) and places such as Montana (\$406).

In 1993, of the children whose parents receive SSI checks,

13.6% were diagnosed as suffering from ADD/ADHD, according to a study by the General Accounting Office. Since only families in poverty receive these checks, the majority of these are already on welfare, and therefore receive medical benefits that cover prescription medication. The SSI check comes with no strings attached (i.e., nothing specifies that it actually must be spent to improve the child's condition). But, *the child cannot get better if the flow of money is to continue.*

It costs no more to raise a child who has trouble sitting in his chair, than a child who can work on a project for an hour at a time. But, in part because welfare and Aid to Families with Dependent Children (AFDC) income can be so low in some states, especially in the South, and in part because of the overall collapse of morality in the country, the SSI program has spawned a mini-industry of parents *forcing* their children to act up and be disruptive in school in order to get their "crazy checks." One Democratic lawmaker from Mississippi estimates that 90% of the children on Ritalin in his district receive the SSI money.

Asked about his incessantly disruptive behavior, one nine-year-old boy told his teacher in Wisconsin, "If I get better, my mother will beat me, because we need the crazy money," according to a 1994 article in *Newsweek*.

Federal money would be better spent ensuring that families on welfare and AFDC receive enough funds to live with a modicum of dignity, than on a system that promotes such abuse, not only of taxpayers' dollars, but of the children themselves. The government must get out of the drug-pushing business.

Interview: Phil Gambino

Ritalin prescriptions funded by government

Mr. Gambino is the press secretary for the Social Security Administration. The following interview was conducted by Dana S. Scanlon on May 22.

EIR: I'm looking into the matter of Supplemental Security Income for children with disabilities, specifically those children diagnosed as having ADD.

Gambino: Children with certain types of disability have the potential to qualify for what are called Supplemental Security Income benefits, which is a cash benefit that usually goes along with Medicaid in most states. They have to live in low-income households, because it is a needs-based program. We take into account whether or not the child qualifies, the financial status of the parents. In fact, a child with a very, very

serious disability wouldn't qualify for that program, if the income resources of the parents are over and above what would be considered low income. If they are low income, the agency has to make an individualized and functional assessment of the child and their ability to function. ADD in and of itself doesn't necessarily qualify a child for the program, although children with ADD can qualify.

EIR: So, what then determines whether they are or aren't in the program?

Gambino: It is based on a functional assessment, both with medical sources of the child, the child's medical physician or other providers, as well as non-medical providers. If the child goes to school, we seek input from the school records, or others who have seen the child in the community and how they function. They look at the functioning of a child in what they call different domains, both intellectually and socially, and in interaction with other children.

Basically, the criterion is: Does a child function as other children of the same age function, and if not, how much, or how marked or severe is the de-functioning? That is the current criterion. Keep in mind that there are welfare reform proposals both in the Congress as well as in the administration, that would tighten the medical criteria for children that have hyperactive disorders, attention deficit disorder, and so on. It would basically remove all references to "maladaptive" behavior, and some of these other issues which have raised concerns. Concerns, I should say, have been raised often-times from school or educational professionals who believe that the program may be detrimental to children because it may mean labelling or encouraging individuals to label children, and therefore not help them grow and function properly.

EIR: Do you know what the average amount of the SSI payments usually is?

Gambino: There is a maximum federal payment. We're talking about a child who lives in a household where basically the entire household is on welfare, we're talking about very limited income, which is \$470 a month, as the maximum. But then, depending on the makeup of the household, the income of the household, how many other children are in the household, it can go anywhere from \$1 to the \$470. The average per child right now is about \$410. A greater majority get the \$470, either because they are living in households with one parent who may very likely be on welfare, AFDC [Aid to Families with Dependent Children]. Or, sometimes, you may have both parents in the household . . . but there are other children in the household, so you can have higher income and still qualify for the child.

EIR: But assuming the mother is already on welfare, isn't the cost of medication, whether it's Ritalin or one of the other prescribed drugs, already covered by the Medicaid benefit component?

Gambino: Yes. The SSI payment itself is really a cash assis-

tance program that is supposed to take care of basic needs like food, shelter, and clothing. The Medicaid goes along with it. But you're right, in many households, already the child is on AFDC, and has access to Medicaid. The difference is that the SSI payment is going to be higher than the AFDC payment, because, I don't know what the AFDC payment is per child in the household, but it certainly is not \$400 and some.

EIR: So, what is the purpose of this cash assistance? Are there additional costs involved in raising a child who has trouble concentrating?

Gambino: This is one of the issues that's being raised at this point in time. Because, when the program started as defined, back in 1975, they added children as well as adults. And the legislative history is very unclear. The legislative history says nothing about the way the money needs to be spent, for any type of therapy, or the particular needs of the child, nor does the child, in order to qualify, have to have some type of need that requires cash for their disability. It is purely as it was set up as an adult, to take care of the basic needs of food, shelter, and clothing. So, people have raised that question.

I think the question you're asking is probably a very valid question. What is the purpose of the cash benefit of SSI versus AFDC, if we're talking about a situation where the needs are not, in a dollar sense, higher for a child with a certain type of disability who just happens to live in poverty? And that is one of the reasons I would suggest to you that they are looking very closely at tightening the SSI program for children. People are asking that very same question.

EIR: Are you aware, or is your office aware of reports, of abuse of this system?

Gambino: There have been reports: The General Accounting Office of the Congress, the Office of the Inspector General, which is the investigative arm of Social Security, and the Social Security Administration, three different bodies, have done studies, where they have taken these allegations, which come through school professionals, sometimes even from medical sources, or neighbors, or anonymous callers, who say that such-and-such is acting crazy, or they're doing something to get a child entitled who is not eligible. They call it "coaching." Every time all three agencies have looked at this issue, they have not found widespread evidence; there may be isolated circumstances, and usually that child has been denied benefits.

What it really is, we believe, and IG [the Inspector General] has come to the conclusion, it is people questioning the severity level, questioning whether we should even be paying, not whether or not the child meets the severity level, because the severity level is not too loose.

Keep in mind, there used to be a very, very strict definition for a child to collect, to be defined as a disability. But since the *Zebley* Supreme Court decision, which came down in February 1990—keep in mind that the Social Security Administration fought this case all the way up to the Supreme

Court, and lost, and we insisted that the criterion that existed prior to that Supreme Court decision was the appropriate criterion—in those cases, you had a medical listing, specific medical impairment which would qualify the children: mental retardation, some of the other very serious physical and mental disabilities. The Supreme Court said: Your criteria are too strict, you have to go back, change your criteria, make it more of an individualized assessment, you have to look at a child's functioning.

In the regular disability program of Social Security, we look at an adult's ability to work. We have always grappled with this since the SSI program was created in 1975, which was the first time we had to do disability in children. How do you verify a 2-, 3-, 4-year-old's, or a child's ability to work? Our best effort was made and the finding was "severe medical impairment," putting them into a listing of criteria, and basing eligibility on that. The Supreme Court said—actually the courts all the way up to the Supreme Court, and the Supreme Court upheld it—no you don't have a similar criterion that goes along the same line as inability to work. You need to set up a new criterion for that, you need to look at a child's ability to function.

That then resulted in the criterion which is very much loosened, the medical criterion, because now the child is not functioning similar to other children. It has to be more than just moderate, it has to be called "marked or severe," then that child qualifies. So, it did open up the program to the point where we now have close to a million children. Prior to the *Zebley* decision, we had 200,000 children eligible, so it was a 500% increase. The criterion is much less stringent than it was prior to 1990.

A lot of the complaints and this belief about fraud and abuse—you're hearing it because so many more children are eligible for the program, and of course many [disabilities] are not that severe. And that is why Congress, and now the administration, have supported efforts in the Congress, in the welfare reform bill, to tighten those criteria.

EIR: It would appear that two things of significance happened in 1990. On the one hand, there is the February 1990 Supreme Court decision, but also in 1990, the Congress refused to certify ADD as a handicapping condition under the new disabilities legislation that they were enacting, specifically because there was a concern expressed by educational and civil rights groups in particular, that this could lead to labelling and stigmatizing of minority children. So the two contradicted each other.

Gambino: I worked in the Social Security Administration press office back at the time when the agency was fighting this all the way up to the Supreme Court. We took a great deal of heat and pressure from the Congress, which was not supportive of this agency. People have the question, where was the Congress during *Zebley*? And Congress at that time was very critical of the agency. The authorizing committees were telling the agency, that we should not take it to the

Supreme Court, that we were being mean-spirited, that the criteria were too strict. People talk about the pendulum going one way or the other, but now we're looking at Congress saying: Hey, the criteria are too lenient.

EIR: Is the impetus from Congress now essentially coming from the Conservative Revolution grouping, the freshmen Republicans, or is it across the board?

Gambino: It began that way, when it began a year or two ago. I would say, now, I think there is almost a consensus, for the most part, except for maybe some members who don't want to see any changes. But I would say the vast majority want to make these changes. This has not been the "holder-up" of the welfare reform legislation, which is more an issue of pregnant teenage mothers, and a few other issues, than the SSI part of the program. I think there is consensus up there to tighten the criteria.

And the administration fairly early on, in fairness to the administration, had opposed some of the more stringent welfare reform bills regarding SSI, because some of the early ones were very restrictive; they would have gone back to the original criteria, which many people said were much too strict, as opposed to just tightening the criteria. And the administration now has come together with the Congress on what they believe is a fair legislative proposal, which would reduce the number of children on SSI by a couple of hundred thousand, as opposed to half a million.

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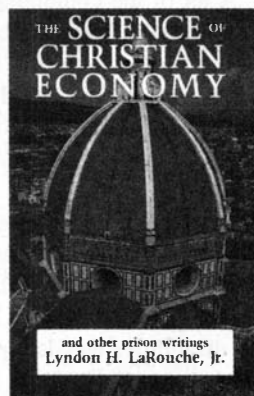
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New discharged for refusing UN uniform

by Leo F. Scanlon

The U.S. Army has upheld the Jan. 24 court-martial verdict against Army Specialist Michael New, the soldier who reported for duty but refused to wear a UN uniform into a battle zone in the Balkans. Maj. Gen. Montgomery Meigs, the officer who convened the court-martial, issued a Bad Conduct Discharge to New in June, formally separating the medical specialist from his service. The decision represents a top-down decision to bury the issues raised by New and his defense team, in order to avoid a public discussion of the illegalities which the U.S. military is committing, in the effort to stretch U.S. law to fit the terms dictated by the United Nations.

That procrustean effort is doomed to fail, even though the Army won its conviction in this case, largely by keeping the relevant evidence out of the trial. The trick was borrowed from the playbook of corrupt professional prosecutors, who have perfected the art of manufacturing criminal charges in order to crush political opponents. In this case, the Army did not manufacture the charge, but did succeed in securing an *in limine* ruling which found that the extraordinary order to wear the uniform, badges, and insignia of the United Nations, was lawful, thus making it impossible for New to present a defense of his actions.

In August 1995, New, a decorated veteran with service in Kuwait, was ordered to Macedonia as part of a deployment of U.S. forces which had been active in that area, under UN jurisdiction, for some time. New did not question the deployment (which was crucial for preventing the expansion of the field of operations of "Greater Serbian" aggression in the Balkans), but questioned the additional orders that required him to don UN insignia, and carry a UN identification card—the latter, an apparently unprecedented requirement, and one which opens up serious questions of international law for a combatant who is exposed to hostile forces and potential capture.

The *in limine* ruling was supplemented by the trial judge's decision to not allow the court-martial panel to hear factual evidence about the illegitimate legal authorities which governed the UN deployment in Macedonia. The Army ruled that these practices were matters of state policy which could not be considered in the court-martial. New was only allowed to argue that he had "misunderstood" the

order he was given.

Thus, New was not allowed to elaborate the heart of his defense, which was based on the evidence that the Presidential order which authorized the Macedonia deployment was flawed. The record showed, and the Army admitted, that the enabling documents were deliberately mis-worded, in order to accommodate the political pressures from the British and French, who were intent on using the UN to forcibly partition the Balkans (see *EIR*, March 29, p. 68, and April 5, p. 66).

No presumption of innocence

Defense attorney Col. Ronald Ray points out, in his appeal of this ruling, that the Army turned the principle of the presumption of innocence inside out, in order to convict New of disobeying an order. It is the Army, he says, which had the burden to prove that the order to wear UN insignia was legal. New showed, that he had grounds to believe the order unlawful, and he was never given a proper answer to the legitimate question he posed to his superiors. In fact, the answer he got—"Do what I told you or go to jail"—is one which the Army code of conduct specifically forbids a soldier to accept.

It is irrelevant, Ray says, that New did not know the intricate prevarications which are routinely used to justify certain deployments on behalf of the UN. It is also irrelevant that volunteers routinely wear the insignia of the UN—an argument the Army has raised, on the premise that "we do it all the time, and nobody stops us, so it must be legal." The administration argues that the Macedonia deployment was not intended to be a combat mission, and therefore was not prohibited, no matter how it was defined by the UN.

What is relevant, is that the President authorized U.S. forces to be deployed on a UN mission which was categorized as a combat mission—a characterization insisted on by the British and French delegations to the UN—in spite of the fact that Congress must give approval for such a deployment. House Speaker Newt Gingrich (R-Ga.) and the rest of the congressional leadership acceded to the action, and, like Pontius Pilate, washed their hands of the matter. Even after it became clear that the Army intended to railroad New, they allowed H.R. 2540 to die. That bill 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."

This behavior by the politicians is even more despicable than the actions of the Army, and people close to the issue report that certain "conservatives" on Capitol Hill are attempting to craft a "defense" of New which will preserve the fiction of legality of UN operations. U.S. Ambassador to the United Nations Madeleine Albright added herself to the "consensus of fools," when she insisted to a Senate panel, that the "UN uniform" (as it was called by New's commanding officers) was merely a type of insignia, which was necessary to "prevent potential deadly confusion."

National sovereignty

The fundamental issues involved were outlined by Lyndon LaRouche, candidate for the Democratic Party's 1996 U.S. Presidential nomination, in April. "I wish to announce that I am fully in support of the principal claim by Army Specialist Michael New," LaRouche said.

"There is no allowable margin for doubt, that Army Specialist New rightly judged himself to have received an unlawful order, directly contrary to his oath to uphold the U.S. Constitution. Except in the instance of nullification of our Constitution by virtue of our republic's defeat in warfare, no branch or other agency of our government has the authority to subvert our national sovereignty by acts tantamount to accepting the United Nations Organization as 'The World Government.' To order any sworn officer of the United States to overthrow the sovereignty of the U.S.A. by means of such an unlawful order is a plainly impeachable act, tantamount to treason, whether actionable under the treason clause of our Constitution, or not.

"Relative to these United States, there exists on this planet no higher governmental authority than the sovereignty of a nation-state republic."

In New's appeal, Colonel Ray concluded:

"The Congress has exclusive authority to approve receipt or wear of any foreign badges or insignia. Art. I, Sec. 9 (last Paragraph) U.S. Constitution. The President simply lacks any authority to order this extraordinary act, to order U.S. Soldiers to involuntarily wear a foreign UN uniform. . . . America's first military principles being virtue, honor and patriotism, were first declared by George Washington for the Continental Army and John Adams for the Continental Navy and passed by the Continental Congress on November 28, 1775, and reaffirmed by the Congress as recently as 1956. Many people in America's trusted institutions enjoy the benefits and protections of the institution. However, today, leadership in government from the President to admirals and generals and civilian appointees have increasingly lost their exclusive allegiance to America, our first principles are often ignored even in the military and there is less and less commitment to virtue, honor and patriotism. . . . Thus we have an increasing level of unfaithfulness in the military, even at the service academies and even in our most trusted office, the Presidential office. . . .

"General, there are few offenses in the military more common than the violation of orders. . . . But we know this was no ordinary order, and Michael New's reasons for disobeying it are not those of the ordinary soldier. As far as I can tell Michael New has the distinction of being the only American fighting man ever court-martialed for refusing to wear the uniform, badges or insignia of a foreign government. . . .

"Congress should not and America will not allow Michael New's exclusive allegiance and faithfulness to America and his otherwise exemplary and honorable service to be dismissed as 'bad conduct.'"

Minimum wage proposal set for vote in Senate

Majority Leader Trent Lott (R-Miss.) and Minority Leader Tom Daschle (D-S.D.) reached agreement on June 25 to bring the House-passed minimum wage increase to the floor of the Senate for debate on July 8. Prior to the vote, each side will have the opportunity to bring up an amendment, Edward Kennedy (Mass.) for the Democrats and Christopher Bond (Mo.) for the Republicans, with one hour of debate and a vote on each amendment before a vote on the House bill.

As part of the agreement, the Senate will also take up a labor relations reform bill and the bill to repeal the 4.3¢ gasoline tax increase of 1993, also previously passed by the House. The agreement does not include the Kennedy-Kassebaum health insurance reform bill, however. That is still hung up over disagreement on medical savings accounts.

Before the agreement was reached, Lott secured unanimous consent that minimum-wage amendments would not be offered during debate on the defense authorization bill on June 18-19. Daschle said June 20 that he was confident that "we can finally announce the agreement and get the consent to go to the bill" right after the July 4 recess.

The week was punctuated, however, by each side blaming the other for the failure to come to an agreement. On June 19, Lott told the Senate that it was the Democrats who were holding up an agreement. Kennedy shot back that "the reason it has been languishing is those who for over a year and a half have denied this body the opportunity to vote when we have been able to demonstrate in previous votes a majority of the body will vote for an increase in the minimum wage." Though more conciliatory when the agreement was announced, Kennedy noted that the

agreement only came after "obstruction, delay, and stonewalling has been put aside."

Walsh demands more austerity from District

House D.C. Appropriations Subcommittee Chairman James Walsh (R-N.Y.) on June 20 called the proposed District of Columbia budget "unacceptable," because it includes a \$500 million deficit. He told an interviewer, "The District has to live within its means like any other city. The District has annual revenues of \$5 billion and it should only spend \$5 billion."

Walsh demanded that the District give up to the federal government such functions as corrections, which it has serious difficulty funding. He endorsed closing the University of the District of Columbia and D.C. General Hospital. Giving students vouchers and closing the university would save \$40 million, and the closing of D.C. General would save even more, he said.

Walsh also complained that there is no difference between the financial control board, Mayor Marion Barry, and the D.C. City Council: They've all shown they can talk about the District's financial problems, but none of them can control spending. "The District," he said, "is at the top of the charts on city spending but at the bottom in the delivery of services. The Democrats have allowed it for 12 years and I don't want it on my watch."

Walsh is ignoring the impact that closing the hospital and the university would have on the poor of the District. D.C. General is the only public hospital available to most of southeast Washington, and even though it has been suffering financial difficulties for some years, closing it would mean that

a large portion of the District's population would not have access to medical services. The university, which has the lowest tuition rates in the city, makes accessible a higher education to the city's working poor.

Democrats offer another welfare reform plan

On June 20, a group of Democratic senators, led by Minority Leader Tom Daschle (S.D.), offered another welfare reform proposal. Daschle said, at a press conference on the plan, that it "incorporates the best ideas from more than a year and a half of welfare reform debate."

Elements of the plan include a five-year limit on benefits, requiring able-bodied recipients to work, and funds to help people find jobs and keep them. It also includes a "safety net" for children, and vouchers to cover the cost of health care when the parents have used up all their benefits. "It's wrong to punish children for the bad choices or bad luck of their parents," said Daschle.

Both Daschle and John Breaux (D-La.) said that there is broad agreement in the Senate for welfare reform. The only thing holding it back, is "the insistence by those on the far right to link welfare reform to cuts in Medicaid in order to force a Presidential veto and score some political points," Daschle said. Breaux pointed out that there were voices on the Republican side calling for the separation of Medicaid reform from welfare reform, and that the best thing the Republican leadership could do is "heed the recommendations of their own members and let's do what we can agree on and postpone till later those things that there is yet no agreement on, like Medicaid."

The Daschle-Breaux proposal is

based on the same presumptions as all previous welfare reform efforts. It assumes that reform necessarily means a reduction and eventual cutoff of benefits, and it requires work even though the real unemployment rate in the United States, when discouraged and part-time workers are included, is over 14%.

Apprehend Karadzic, Mladic, says Lieberman

On June 21, Sen. Joseph Lieberman (D-Conn.), with five co-sponsors, introduced a sense of the Senate resolution calling for the reimposition of full economic sanctions against the Republic of Serbia for failing to comply with its obligations under the Dayton peace agreement. The resolution also calls for IFOR forces to make it "an urgent priority to detain and bring to justice persons indicted by" the UN's International Criminal Tribunal investigating and trying war crimes committed during the war in Bosnia-Herzegovina.

Lieberman, in remarks on the Senate floor, called for more aggressive efforts to apprehend and bring to justice the indicted war criminals Radovan Karadzic and Ratko Mladic. He said that because there can be no long-term peace without justice, "the time has come for this body to restate that the apprehension of these indicted war criminals must be an urgent priority. It is time for concerted action to bring these indicted war criminals to justice."

Lieberman claimed that if IFOR acted to arrest Karadzic and Mladic, it would have the same result as what happened in Somalia. "The detention of war criminals has always been part of IFOR's mandate," he said. "The intention of this resolution is to make

clear that an agreed-upon aspect of the IFOR mission, to detain war criminals and bring them to justice, must remain an urgent priority and must be carried out effectively."

Pennsylvania Ave. should be reopened, says Senate

The Senate, on June 19, passed a sense of the Senate resolution calling for reopening Pennsylvania Avenue in front of the White House. President Clinton ordered the street closed in May 1995 at the recommendation of the Secret Service, after the April 19, 1995 bombing of the Alfred P. Murrah Federal Building in Oklahoma City. The closing came in the middle of a British-run operation to assassinate Clinton (see *EIR*, Dec. 2, 1994, "British Monarchy Takes Aim at Another President").

Rod Grams (R-Minn.), the lead sponsor of the resolution, claims that the closing contributes nothing to White House security, has caused intractable traffic problems, and has converted 1600 Pennsylvania Avenue into a "Federal Fortress," which insulates the White House from the general public.

Grams's resolution was ridiculed by Harry Reid (D-Nev.), who said that the loudest complaints about the closure come from lobbyists who have trouble maneuvering their limousines through packed city streets. Reid said, "We cannot be sending a message to terrorists around the world that we are going to ease up on our security." He questioned why the Senate should even be debating this issue when other issues, such as the minimum wage, welfare reform, and health care reform, were demanding attention. "This is an issue that we should not be involved in," he said.

Opponents of the resolution suc-

ceeded in adding a section that specifies that the secretary of the Treasury and the Secret Service must "certify that the plan protects the security of the people who live and work in the White House."

House passes sanctions against Iran, Libya

On June 19, the House unanimously passed a bill targeting Iran and Libya, by imposing U.S. sanctions on non-American companies. The bill goes after companies involved in developing oil resources in both nations, and, in Libya, developing weapons, aviation, and related capabilities. International Relations Committee Chairman Benjamin Gilman (R-N.Y.) said that enactment of the bill "can sharply diminish the future revenues from oil and gas production of these rogue regimes and will put a halt to their campaigns of state-sponsored terrorism and their efforts to develop weapons of mass destruction."

Lee Hamilton (D-Ind.) agreed that this was necessary because, "despite our best efforts and despite the egregious conduct of Iran and Libya, many of our friends have maintained their ties with both countries. So the dilemma here for United States policy is to find ways to increase the economic isolation of Iran and Libya without causing undue harm to our own economy or to our relations with our allies." He added, "The ultimate goal of this bill is not to punish foreign firms, but to persuade other governments to adopt measures that squeeze the economies of Iran and Libya." The bill, like the Helms-Burton legislation tightening sanctions against Cuba, has been criticized by European nations for attempting to impose U.S. policy on them.

National News

Sweeney calls on ILO to ban child labor

AFL-CIO President John J. Sweeney, speaking in Geneva, Switzerland on June 12, called on the International Labor Organization to ban child labor, and to act effectively to end the exploitation of 200 million children worldwide. Speaking, he said, "as a citizen of the world," Sweeney declared: "The best way to promote world peace is to advance the cause of economic security and social justice, not only in the most prosperous societies but everywhere on this planet."

Referring to the estimated 200 million children who work under shameful conditions, Sweeney added, "It is not our oldest traditions that produce this injustice, but the demands of the modern marketplace, untamed by the values and standards that humanity has developed over the ages. If there is anything that is universal to the human race and inspired by our Creator, it is our love for our children and our willingness to do whatever is necessary to guard their safety and nurture their promise. That is the cause we must serve in our deliberations here today."

Ridge hails passage of 'discardable worker' law

Pennsylvania Gov. Tom Ridge celebrated the passage of the state's brutal Workers Compensation bill June 20, calling it "the single most important thing state government could do to create and retain jobs for Pennsylvanians. Together with our tax cuts and other measures we have taken to eliminate red tape, this bill allows us to say louder than ever that Pennsylvania is open for business."

Ridge's Nazi policies, already on display in his push for health cuts which he knows will kill people, have been challenged by a movement to impeach him, led by Lyndon LaRouche. This new bill abolishes the no-fault system of compensation which had operated since 1915, under which workers

received rapid payment of medical bills and lost wages, in return for giving up their right to sue their employers.

In addition, a provision of the law eliminates benefits after 500 weeks for workers who are less than 50% disabled, as determined by the American Medical Association. The AMA standards award only 40% disability for the loss of an entire leg, while compensation for neck or back injuries, including herniated discs, ranges from 10 to 15%. The new law, however, also sets inconsistent standards of eligibility, shifting decisions to the employer's side, to such an extent that expensive lawsuits filed by workers to gain compensation for injuries will be inevitable.

Under the old law, an employer seeking to end workers compensation payments, had to prove that the employee had recovered; and benefits continued while the case was pending. Now benefits will be suspended as soon as the employer files a review petition. The burden of proof will then be on the employee to prove that he or she is disabled in order to win back the benefits.

"This legislation kicks working people in the face," said William M. George, Pennsylvania AFL-CIO president. The new bill treats "people like commodities to be discarded if they are unfortunate to become injured or ill on the job. Workers with legitimate injuries will be denied eligibility and compensation."

Hearings show Bushmen took FBI security files

In hearings before the House Government Reform and Oversight Committee which began June 17, witnesses testified that the departing administration of President George Bush took all the FBI files used for security clearances. As a result, President William Clinton's incoming administration had to re-create the entire file system from scratch.

Craig Livingstone, the head of the White House personnel security office, resigned June 26, after an orchestrated campaign of Republican accusations that he was creating an "enemies list" by ordering FBI files. Livingstone testified to Congress that all the FBI

files had been sent to the Bush Presidential archives, at the end of Bush's term. He also said that he and others in the incoming Clinton administration were instructed how to re-create the files, by the very people who had run the system used by the Bush administration.

Anthony Marceca, who worked with Livingstone, also described how he was told what to do by Nancy Gemmell, who had worked on the files in the Bush administration. The project of re-creating the files was known as "Project Update," and is apparently done by any incoming administration. The Republican members of the committee produced no witnesses who could testify to the contrary; but the result was the elimination of yet another Clinton official serving in a sensitive position.

AMA hedges its bets on care for patients

The American Medical Association's House of Delegates reaffirmed on June 25 its opposition to "physician-assisted suicide," more correctly termed Nazi euthanasia. The AMA's 430-member policy-making body was nearly unanimous, in its vote to recommend the organization to fight efforts in state legislatures and courts to make it legal for physicians to actively take part in killing their patients.

Nancy W. Dickey, M.D., head of the AMA's Board of Trustees, declared, "The medical profession will not tolerate being put in a position to judge the value of the lives of the patients we are trained to heal, comfort, and care for." She added: "To allow or force physicians to participate in actively ending the lives of patients, would so dramatically and fundamentally change the entire patient/physician relationship, that it would undermine the principles we, as a society, hold most dear."

However, the AMA has already opened the door to euthanasia, by supporting a patient's right to refuse medical treatment such as life support systems. And, an AMA press spokesman told *EIR* June 26 that the association expects to receive a significant grant from a major foundation, for a "comprehen-

sive physician education" program in "end of life" care.

The grant would support a three-year project in which every physician in the United States, from medical students to doctors who have been practicing for 30 years, would receive training in this emerging "specialty." The AMA would thus appear to be willing to decide which patients, whether elderly, chronically ill, or seriously ill, are at the "end of life."

Lamm continues rampage against sick and elderly

Former Colorado Gov. Richard Lamm, the would-be Reform Party Presidential candidate, told an audience at Harvard University June 22, "I understand health care is a diamond, but it's also a curse." In an appearance billed as a debate on "care near the end of life," Lamm raved that "volcanic" health care costs, and interest on the national debt, would soon consume almost the entire federal budget.

Lamm noted that his wife is a cancer survivor; but, he declared, voters will have to decide whether government should continue to pay for "expensive" medical procedures for the critically ill and the elderly, or divert those funds to children's health care and other social programs. "We're not talking about getting rid of National Public Radio," Lamm said; "we're talking about a series of decisions that will make our moral compass gyrate."

Richard Lamm teamed up with Ross Perot in 1992 to wage a vicious campaign against the elderly, through an organization pointedly called "Lead or Leave," which rallied "Generation X" fascists around the charge that America's elderly were robbing the younger generation blind, through "excessive" Social Security and Medicare payments.

With substantial seed money from Ross Perot, Lead or Leave functioned as the de facto youth auxiliary of the Concord Coalition—a national organization founded by investment banker Peter Peterson, Washington attorney Lloyd Cutler, and former Presidential candidate Paul Tsongas, to

lobby for draconian cuts in Social Security, Medicare, and other entitlement benefits for the elderly.

In late 1992, when Lead or Leave first surfaced in public, Lamm was serving on the group's 12-member national advisory board—along with Nazi-austerity pusher William Weld, governor of Massachusetts; the decaying California state representative Tom Hayden, a founder of Students for a Democratic Society; New York Episcopagan Bishop Paul Moore; and Richard Dennis, the moneybags behind the pro-legalization Drug Policy Foundation, who also threw a few bags to Lead or Leave. Tsongas served as the national advisory board's co-chairman.

Eco-freaks force U.S. to turn to imported timber

The growing success of environmentalists in imposing bans on logging in the United States, have forced the paper, pulp, and forest products industries to begin importing timber from South America and Southeast Asia. Meanwhile, the large forests of the Upper Great Lakes region of Minnesota, Wisconsin, and Michigan, which have barely been harvested for six decades, now contain over 46 million acres of large hardwood trees. These trees are now beginning to compete with each other for ground, nutrients, and sunlight.

Jack Pilon, a marketing specialist for the Michigan Department of Natural Resources, told the June 16 *Chicago Tribune* that, "if nothing is done, these trees will thin themselves naturally. Only the best trees through natural selection will grow into big trees. We can do the same thing, but by getting products out of them."

John Heissenbittel, senior policy director at the American Forest and Paper Association, states that "if we're forcing part of demand to be met offshore, that used to be met on the Pacific Coast or elsewhere in the U.S., where will those logs come from? We have the toughest environmental laws in the world and the most enlightened forest management. Isn't it better that we produce the logs and paper here?"

Briefly

CALIFORNIA'S new anti-alien legislation would eliminate state health care benefits for 830,000 immigrants living in California, predominantly Latino women and children, according to a UCLA study reported June 24. The cutoff of Medi-Cal benefits, under immigration law changes approved by Gov. Pete Wilson, now being considered in Congress, would leave more than 25% of the state's non-elderly population without health insurance.

LOUIS FARRAKHAN, leader of the Nation of Islam, was named "Bad Person of the Day" June 20 by *Bildzeitung*, for criticizing the Queen of England. The German mass-tabloid reported that, during his recent visit to Jamaica, Farrakhan told the Jamaicans that "the Queen is a relic of your colonialist slavery. How can you bend your knees before her?"

ASTRONAUTS from Ukraine have begun training at NASA's Johnson Space Center in Houston, Texas. Under an agreement signed earlier this year between the U.S. and Ukraine, two astronauts selected by the National Space Agency of Ukraine are preparing for an eventual flight on the Space Shuttle.

THE LAROUCHE VOTE in the March 26 California primary has been officially reported as 173,953, nearly 12,000 more than the earlier unofficial tally. The final total raises LaRouche's statewide vote to 6.9%, and brings his total vote in the 1996 Democratic Presidential primaries to 600,890, with official tallies for some states yet to be issued.

DAVID SCHINE, longtime intimate of Roy Cohn, was killed in an airplane crash in California June 19. The London *Guardian* ran a lengthy obituary June 22, citing Schine's work with Cohn in orchestrating Sen. Joe McCarthy's infamous witch-hunts in the early 1950s. It also noted that Schine owned the Ambassador Hotel in Los Angeles, where Robert Kennedy was assassinated in 1968.

Editorial

Yes Adolf, you are a Nazi

A curious piece was published in the *Washington Post* on June 15. The title of the article was "A Four-Letter Word: Has Misuse Deprived 'Nazi' of Its Meaning?" The ostensible target of the article was Washington, D.C. Mayor Marion Barry, who had, quite appropriately, likened House Speaker Newt Gingrich's imposition of a financial control board on his city, to measures taken by the Nazis.

Reading on, however, we see that the real subject of the article is the impeachment campaign launched by Lyndon LaRouche and his associates in Pennsylvania, to drive Pennsylvania's Nazi governor, Tom Ridge, out of office. Success in this fight will mean the final defeat of Newtzi's SS, and a purge of his followers in the November Congressional election.

With thinly veiled racism, the *Post* quotes Towson State University Professor of Rhetoric Richard Vatz, in an attack on both Barry and LaRouche: "Marion Barry," says the racist Vatz, "is outside the rhetorical mainstream, so most people would not be shocked by his use of a term that, say, the President would never use. If a Lyndon LaRouche uses the term 'Nazi,' it hardly raises an eyebrow. But if a particularly respected political figure like a Howard Baker used it, it would still be shocking." For Marc Fisher, the author of the piece, Mayor Barry's use of the term is "far-fetched," "historically abusive," and "carnivalization" of language!

We can certainly understand why the *Washington Post* editors would protest. They, after all, have sat quietly by, as the U.S. capital city has been systematically gutted by the Nazi financial policies that Mayor Barry criticizes. Naturally, the editors are embarrassed. Moreover, their own journalistic practices are embarrassingly similar to those of Hitler's propaganda minister, Joseph Goebbels.

The *Post* article seeks to deflect attention from the destitution which has driven masses of homeless people onto the street, and has created conditions of despair for large numbers of those who live in the city—conditions which have led to the destruction of families and the sharp rise in drug-related crimes. To

do this, Fisher describes examples in which the name "Nazi" is trivialized, either in comedy routines or as political slander. But then, he comes to the point of the article: the outrageous claim that only mass murder of Jews qualifies for use of the term.

This is a blatant falsification of history, a denial of the precision of Mayor Barry's identification of Gingrich's austerity policies, with similar austerity policies of Adolf Hitler and his financial backers—policies that led to the establishment of the concentration camps in which not only Jews, but slave laborers of every nationality, were ruthlessly worked to death.

Death camps such as Auschwitz were the last resort of a parasitic bankers' dictatorship, which had bankrupted the economies of the nations it occupied, and which itself teetered on the brink of collapse. The racist ideology of Nazism, like the racism of the Gingrich crowd, was meant to justify mass murder.

Many Americans today oppose the neo-conservatives, and are horrified by the program of Pennsylvania's Governor Ridge, who wants to limit medical care to those people—fewer and fewer these days—who can pay for such care up front. But, many Americans also flinch at the use of the term "Nazi."

It is simply not "politically correct." These same Americans, were Hitler alive today, would most likely wish to refer to him as *morally challenged*. Such flinching is not merely ridiculous, but extremely dangerous. The average American is unaware of the real history of the Nazi party, unaware of the role of Hitler's economics minister, Hjalmar Schacht, who was put into power by Montagu Norman of the Bank of England, under the personal direction of the British royal family and its advisers.

The neo-conservatives today have been created by the same oligarchical forces, on precisely the same model. It is no coincidence that the policies that they advocate to rid the United States of "useless eaters" are mirror images of the policies carried out by Hitler. These are Nazi policies, and any men and women who support such policies, are Nazis, whether or not they carry a party card.

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