

EIR

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From the Associate Editor

Our cover story on Lazare Carnot, the “Organizer of Victory” during the tumultuous years of the French Revolution, could not be published at a more appropriate time. In the countdown from now to the November U.S. elections, the issues posed by Carnot’s strategy for achieving *victory*, will prove of paramount importance.

Carnot’s political battles with the lunatic British agents—Robespierre, Danton, and Marat—have the most direct parallel with the situation we face today. U.S. Speaker of the House Newt Gingrich explicitly identifies himself with the French Jacobins. On Jan. 20, 1995, Gingrich declared: “This is a real revolution. In real revolutions, the defeated faction doesn’t tend to convert. It tends to go down fighting. . . . I mean, if you look at the Bourbons in France, they didn’t rush in and say, ‘Oh please, can I join the Revolution?’ They remained Bourbons. . . . I am a genuine revolutionary; they [the Democrats] are the genuine reactionaries.”

Gingrich is cast in the mold of Jean-Paul Marat, who raved: “Learn that my reputation with the people rests, not upon my ideas, but upon my boldness, upon the impetuous outbursts of my soul, upon my cries of rage, of despair, and of fury against the rascals who impede the action of the Revolution. I am the anger, the just anger of the people, and that is why they listen to me and believe in me.”

But as for Gingrich, “the people” are not listening to him, and do not believe in him. They are fed up with the Conservative Revolution, the Bush League, the Nazi budget-cutters and drug pushers. If we follow the method of Carnot and Lyndon LaRouche in the coming weeks, the stage will be set for sweeping the Newtzis from power in November.

The victory of LaRouche Democrat Maria Elena Milton in the Arizona primary (p. 57), is a harbinger of more victories to come.

Another victory was the abrupt cancellation of the London terrorist conference, which *EIR*’s “Entente Bestiale” column has been exposing. Our work over the past two years, in documenting the British control of international terrorism, has borne fruit. Leading political figures of Egypt, in particular, have taken the gloves off against the British oligarchy (see p. 36).

Susan Welsh

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Correction: An editorial error on p. 32 of last week's issue, in the article "U.S. Attack on Iraq Plays Right Into British Hands," introduced a reference to "Margaret Bush's Desert Storm." We hope that our readers took it either as a joke or a Freudian slip, and were not unduly confused.

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European financial elite prepares anti-dollar move

by William Engdahl

The Basel, Switzerland-based Bank for International Settlements has announced a radical expansion of what has been a closed, elite club for 65 years, controlled by Europe's most powerful central banks. The BIS will admit the central banks of China, Russia, and seven of the "emerging" Ibero-American and Asian countries, including Singapore, in the largest expansion in BIS history.

The move, widely touted as a sign of the conservative institution's effort to become "global," in reality, appears to be part of a broad power play by European financial and political circles, to strengthen what could soon become a rival bloc to the power of the U.S. dollar in world trade and business.

The implications of the little-understood move, according to European financial insiders whom *EIR* has contacted, are potentially "very ominous for the United States," as one City of London source termed it.

The BIS was set up in 1930 initially to collect Versailles war reparations from Germany, evolving after World War II into a powerful lobby for the interests of major European central banks in the world of international finance. Until now, the BIS has been a ponderable, but somewhat limited "club," dominated by the European central banks which comprise the so-called Group of Ten. The current head of the G-10 is German Bundesbank President Hans Tietmeyer. The general manager of the BIS, Andrew Crockett, comes from the Bank of England, and until two years ago, the United States was not even represented on the BIS board.

"The BIS today is the channel of the Bank of England and Swiss financial interests into the world," noted one influential City of London source, speaking on background. "This global move by the BIS should not be underestimated. It in no way portends anything good for the United States."

By drawing in the huge economies of China and Russia,

according to these sources, the European central bankers hope to control the growing capital flows of that growing part of the world economy. The new members include the countries with the world's largest surpluses in trade and currency, including Hongkong, China, and Singapore. "Were that integration to occur, the Europeans would gain enormous advantage over the U.S.," our London interlocutor continued. The concept for the BIS expansion came from the Bank of England's Crockett.

End of the dollar era?

The BIS developments coincided with top-level discussions in the nearby Swiss resort of Buergenstock, at the annual Buergenstock Meeting, a private gathering of the world's major participants in the global derivatives market.

The Buergenstock talks focussed attention on the potentials of the coming European Union single currency, named the "Euro," as a potential rival to the dollar. The Euro is to come into use after January 1999. Much of the talk at the Swiss meeting dealt with details of this new Euro. "The talk is not, 'if' countries are able to meet the criteria for Euro membership, but 'how many,'" noted one participant. "All participants were clear that the new super-currency is now irreversible. The only question is how many of the 15 EU countries will be in. Bear in mind, these are the leading bankers and central bankers of Europe," he stressed.

"The power pushing for this single currency is not coming from mid-sized industry or European trade unions," he continued. "It is the elite global banks of Europe. And this includes the City of London, despite the fact that Britain has at least temporarily opted to remain outside the European Monetary Union process."

Under the terms of the Maastricht Treaty for European

Monetary and Social Union (EMU), signed by EU governments in 1991 in Maastricht, Holland, a process was agreed upon to weld a major new supranational currency out of the national currencies of Europe. Thus, the Germans will lose their mark, the French their franc, the Dutch their guilder. Each will be replaced by a single new Euro, the name agreed to earlier this year.

As well, national governments will surrender any sovereign ability to control national monetary policy to a new supranational institution, the European Central Bank, whose charter mandates that it be "free from political interference."

To make the new Euro "credible" as a currency backed by strict financial and fiscal policy, the Maastricht Treaty specified that, for a state to qualify for EMU membership, it must impose strict Gingrich-like budget austerity. These are the so-called "convergence criteria." No EU member is allowed to qualify, if it has public debt above 60% of GDP or a public deficit above 3% of its GDP by the end of 1997. At present only tiny Luxembourg meets the criteria, whereas neither France nor Germany do, the two countries that form the core of the EMU. For others to enter, will now mean horrendous cuts in everything from spending in transportation infrastructure, to health and education, and this, at a time when unemployment throughout the Union is already at postwar highs, just under 20 million.

To meet the criteria by the December 1997 deadline, EU governments have begun to impose savage austerity and economic deflation. Belgium's parliament recently voted to dissolve, and to give the prime minister dictatorial powers over the state budget. Parliament has no say. Draconian further cuts promise to set off strikes and protests along with deeper economic recession.

In France, where the public deficit, at 5%, is well above the Maastricht target, the government will propose on Sept. 18 still harsher austerity. Severe budget cuts last fall triggered a wave of crippling protest strikes from French unions. With unemployment officially above 12.5% in France, and the economy in recession, further public cuts, in an economy where the state sector has been a major factor of GDP, will be self-defeating.

Germany also suffers an explosion of public debt and deficits, largely from colossal mismanagement of German unification. Despite this, Germany's Helmut Kohl and French President Jacques Chirac reaffirmed their determination to go ahead with the Euro, when they met in Bonn Sept. 1.

"Nobody dares say this openly, but the Euro is not coming for economic reasons," admitted a senior executive of one of Europe's largest banks. "The EU even has confidential estimates that the process to the Euro will add millions of unemployed. No, it is entirely for other reasons. But, that the single currency will come, I can assure you. There is far too much power behind it. Every major bank, every major financial trading exchange in Europe has invested hundreds of millions to prepare for the Euro. The power of European fi-

nance is dictating the agenda, and no politician at this point dares to challenge this."

Why bother?

With such a grim prognosis, and worse to come, one Swiss economist posed the obvious question at Buergenstock: "Why bother? After all, the individual economies of the EU need national deficit spending to invest in infrastructure and other areas, to reduce unemployment, and to get out of this recession." The answer came from Oliver Adler, of the powerful European bank, the Swiss-based UBS Bank. "Since the 1970s, the dollar has steadily declined in value against the European currencies and the yen. The dollar will continue to be weak, because Washington needs a cheap dollar to finance its chronic budget deficits. American voters obviously prefer growing deficits to increased taxes."

"The new European Central Bank, will demonstrate its rigorous determination, from the start, to control deficits in the EU," he added. "This will make it a strong alternative to the weak dollar. The present dollar reserves of European central banks will decline significantly, because, with the Euro, European countries will no longer need the dollar to settle bilateral trade balances. The Euro will emerge as serious competition for the dollar as world reserve currency."

Other participants pointed out the problem in challenging the dollar with 15 national EU currencies. "Obviously the German mark is one of the world's strongest currencies, but its share in world trade is small compared to the dollar's. Only when the combined trade weight of Germany, France and other EU countries is deployed as one, can we rival the dollar," one banker stressed. "The dollar still makes up more than 60% of all central bank reserves worldwide. Combined, the individual EU currencies only amount to 23-25%. Only as one currency is a major challenge possible."

The implications of such a rival currency, under present circumstances of the last quarter-century's bloated U.S. debt structures, would be financially and economically catastrophic for the United States. This, of course, barring a dramatic U.S. break with the British free-market economic dogma. A flight from the dollar into Euro would force the U.S. Federal Reserve to dramatically raise interest rates at least as high as the Paul Volcker levels of the early 1980s, only to retain some \$1 trillion in foreign investment presently supporting the U.S. Treasury bond market. Such a high-interest-rate shock in the present weakened state of the U.S. economy, would detonate a depression worse than that of 1929-34.

The developments of the Euro inside the states of Europe is integral to the concept behind the enlarged BIS. "The BIS, with these large new central bank members will soon have the European Central Bank and the Euro forming its core. This BIS platform will potentially give Europe a power in world affairs it has lacked in the postwar period," concluded the City of London insider.

China opens another rail 'Great Project'

by Mary Burdman

On Sept. 1, service began on the latest of China's "Great Projects," the just-completed Beijing-Kowloon railroad. This railroad, 2,536 kilometers long, takes a direct north-south route to connect China's capital with the Pearl River delta, the most rapidly developing area in China. The railroad was first proposed by then-Rail Minister Teng Daiyuan in 1958, and was endorsed by Mao Zedong, but construction only began in 1992. The new route is the third north-south line in China. Two older lines connect Beijing with Shanghai, China's biggest industrial city, and with Guangzhou (Canton), the largest city in China's southeast. Not only is the new route vital for relieving congestion on the old routes, but it also has great political importance.

At present, service only goes to Shenzhen, the Chinese city on the border with Kowloon, Hongkong; this will be the case until July 1997, when the present British Crown Colony rejoins China. Hongkong, despite its reputation as a free-trade financial center, and associations with the international drug trade, is also one of the largest container ports in the world. When tied into the growing Chinese economy, it can have a more productive future.

The construction of the Beijing-Kowloon railroad has been an enormous engineering achievement. It included building 1,045 bridges, totalling 183 kilometers in length, including one over the kilometer-wide Yangtze, and digging 150 tunnels, which total 56 kilometers in length. The entire vast project was built in record time, three years, a full two years less than originally planned, by a force of over 100,000 workers at a time. Modern signalling systems, computerized engines, and advanced communications make the line one of the most advanced in the world, for standard-speed railroads.

The project cost 40 billion yuan (about \$5.3 billion). Funding came in part from the national budget, and in part from state banks, including the Peoples Construction Bank and the State Development Bank, which was founded for such purposes in April 1994. Railroads remain firmly a state domain in China, although there is great interest in overseas investment in advanced rolling stock and telecommunications, especially for joint development. Privatization of the railroads, with their strategic importance to China, is not thinkable.

The new rail line traverses a region inhabited by 70 million people, producing 15% of China's industrial and agricultural output, and intersecting 20 other major rail lines. One of the purposes of the new line, is to develop the surrounding regions, approximately 400 kilometers inland. Although resources, including minerals, are plentiful, some of these areas remain extremely backward.

While the central government's Ninth Five-Year Plan, 1996-2000, will focus on bigger projects, such as large power plants, oil refineries, and chemical plants, to be built in the region, local governments are being encouraged to use the advent of the railroad to improve their own infrastructure, including roads, cities, and energy. To ensure funding, projects requiring large investment and long recovery periods will be granted more favorable terms.

Big development plans

China's transportation bottleneck, especially in rail, is recognized by the government as a critical problem for the economy. Rail transport now, overall, can only accommodate 60% of demand for both passengers and freight. Handling capacity of older lines, such as the Beijing-Guangzhou railroad, was only 40% of demand. The overall rail network is still severely limited for a nation of China's size: China has 60,000 km of railroads, 20% electrified, which is still only what the United States had in 1861.

Priority is being given to ten "key national projects," linking cities in China's southeast and northeast with its central rail net. In all, China will have another 10,000 kilometers more rail lines in operation by 2000, Railway Minister Han Zhubin announced in March 1996. With a total rail length of 70,000 km by the turn of the century, the nation should be able to meet the basic demands for freight transport, which, it is estimated, will reach 1.8 billion tons per year.

Total investment for the current Five-Year Plan (1996-2000) will amount to 250 billion yuan (\$33 billion), with another 80 billion yuan needed to purchase engines and trains. Projects include increasing the speed of passenger and freight trains. The targeted speed for passenger trains will be 140-160 kilometers per hour, compared with present (maximum) of 100-110 kph. Negotiations are also under way to build a 1,300 km-long, state-of-the-art 250-kph railroad from Beijing to Shanghai. Germany, France, and Japan all have proposals for participating in building this project.

In October 1995, Minister of Railways Han Zhubin announced that China had prepared a 15-year plan to bring its railway system up to 1990s international standards. The plan calls for heavy-loading cargo transportation, modernization of safety technology, wide use of electric and diesel locomotives, automation of controls, and mechanization of maintenance and loading operations.

By 2000, China will focus on creating a secure transport safety system, raising speed on passenger lines, upgrading the quality of both passenger and freight rolling stock, espe-

cially for heavy loading and high-speed runs. Minister Han said China's policy was to combine independent development of its own new technology with import of advanced foreign technology.

Recovery from China's 'dark ages'

In the 1950s, China built 10,000 km of rail, especially in the southwest, but under most difficult conditions. The outbreak of the Cultural Revolution in the 1960s and 1970s, brought rail construction, along with every other aspect of the economy, grinding to a halt. Over the 1980s, construction began again, with one great achievement being building rail lines into China's vast western interior, especially the 4,700-km Chinese stretch of the "Transcontinental Eurasian Land-Bridge," which opened rail transport from the Pacific coast to Europe in 1992.

In autumn 1992, the Chinese Ministry of Railways announced that the country would be investing 120 billion yuan (\$22 billion) in rail construction by 1995. The national government determined that completing the Beijing-Kowloon line in record time, was a project of "strategic" importance for China's economy, both to relieve the total congestion on the other rail lines, and to create an economic boom in the areas, including some very impoverished ones, through which the railroad passes. The ministry set up a special office to oversee this "unprecedented" project.

In January 1993, the Ministry of Railways announced that increased rail construction was essential to keeping China's economic development going. This was part of a national commitment to focus the rapidly growing economy on basic infrastructure and "intensive," rather than "extensive," growth, including determination, from the highest government levels, to protect China from the massive financial speculation plaguing the world economy.

The new rail program called for building almost 7,000 km of track in two years, with focus on two national priorities: to speed up completion of the Beijing-Kowloon line, and to double-track the Lanzhou-Urumqi section of the Transcontinental Land-Bridge, by two full years. The Beijing line, already then ahead of schedule, was allocated an extra 2 billion yuan (\$267 million).

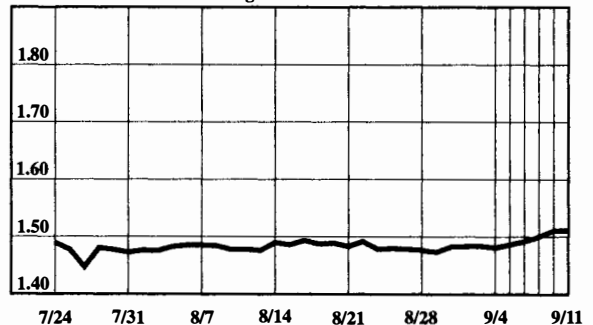
Next, 1994 was another record in rail history, with 3,346 kilometers of new track and double track laid. Among achievements was the opening of the Guangzhou-Shenzhen "quasi-high-speed" (160 kph) line, which, although covering only a short distance, was designed and constructed entirely by Chinese.

Even more important, discussion began in earnest on construction of the high-speed Beijing-Shanghai line, which would cut travel time between the two cities from 17 hours to 7. Chinese officials visiting Germany that year said they hoped to make this a project which would involve all three nations that already operate high-speed rail, Germany, France, and Japan.

Currency Rates

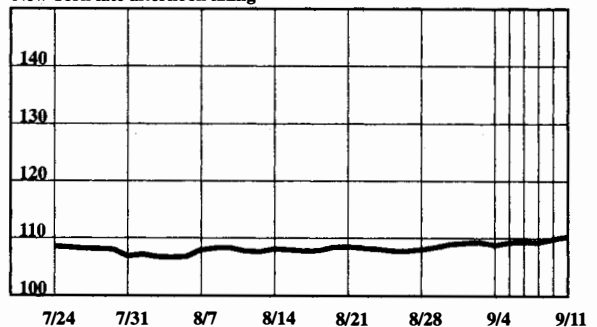
The dollar in deutschemarks

New York late afternoon fixing



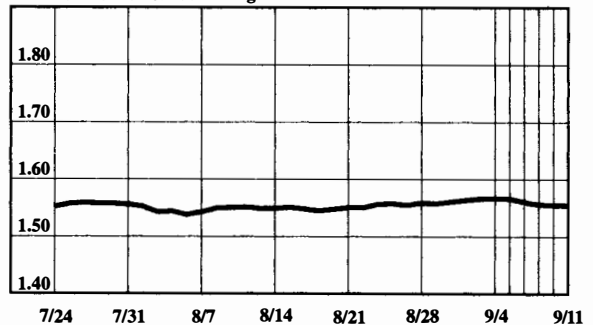
The dollar in yen

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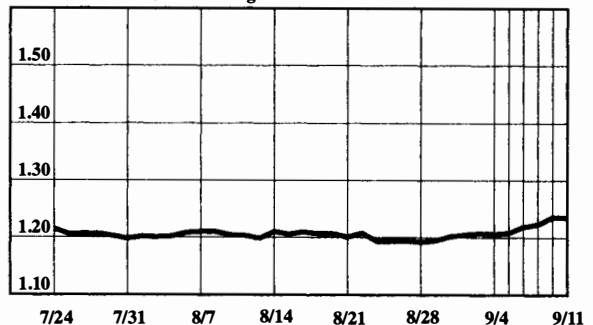
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Mexico's new pact with IMF shores up foreign reserves with drug dollars

by Carlos Cota Meza

On July 19, Mexico's Finance Ministry and central bank, the Bank of Mexico, signed a new letter of intent with the International Monetary Fund (IMF). With the stroke of a pen, the country's financial authorities thus committed themselves to keeping Mexico submerged in the worst economic depression of its history; to the securitization (sale on the secondary markets) of its non-performing debt; and to bolstering Mexico's foreign reserves with drug dollars, which would pave the way for the possible establishment of a currency board as early as mid-1997.

In the document, only portions of which had been revealed as of Aug. 2, the Mexican government pledges to balance its budget through oil income and through the "underutilization" of public resources. Regarding the government's "debtors support programs," the document states that "their effect on the budget will be absorbed through additional restrictions on spending." The document also forecasts "an additional 21% decline in credit available to the private sector."

The Mexican government's other pledge to the IMF is that by the end of the year, the securitization of the country's non-performing debt will be launched, beginning with the portfolio of bad debt that the Bank Savings Protection Fund (Fobaproa) acquired from the commercial banks, in a lunatic attempt to forestall a series of bankruptcies in the banking sector. To this end, a government agency for asset valuation and sales, the VVA, has been created to take charge of debt "price determination" and marketing.

With this, the main demand of the proto-fascist El Barzón movement is met, as this so-called "debtors' movement" has been promoting a scheme for securitization of arrears, which was prepared by the Wall Street company Security Auction Capital (SAC) and which has been dubbed, "The Concord Trust."

In the wings: a currency board

In accepting the Mexican government's letter of intent, the International Monetary Fund also announced that it would extend for six more months, through Feb. 15, 1997, its participation in the Exchange Stabilization Agreement established in February 1995, through which the Fund had given the Bank

of Mexico some \$14 billion with which to bolster international reserves that had been depleted in the December 1994 financial crisis. But the IMF also "suggested" to the Mexican government "an aggressive strategy for building international reserves sufficient to cover at least two months' worth of imports."

Immediately, the Finance Ministry announced that the central bank would initiate operations to "increase its international reserves by means of the open market." Such an operation means that the Bank of Mexico would buy dollars from the commercial banks on the last day of each banking month, at an auction price to be determined each month.

At the August auction, the central bank bought \$130 million, while the commercial banks—with their excess of foreign exchange—were offering double that. Spokesmen for the private bank Banamex said the central bank was being "very moderate" and urged that the purchase be "at least \$300 million." For the September auction, the Bank of Mexico has announced it will be purchasing \$200 million.

June import costs were \$6.847 billion, and those of July rose to \$7.556. For August, and through the end of the year, runaway import costs are anticipated. Thus, the IMF's "suggestion" that Mexico accumulate reserves to cover two months' worth of imports, is equivalent to \$14 billion. In light of this, monetary authorities will be increasing—as they have already indicated—the amount of foreign exchange they buy from month to month, creating a dollar "market" not subject to peso appreciation or a "devaluation" of the dollar with regard to the national currency.

And what are these dollars for? According to the IMF's "suggestion," the goal is to accumulate \$30 billion (half through this mechanism and the other half through IMF loans), which is designed to immediately provide a safety net against a possible new run against the Mexican peso (as occurred in December 1994), as well as to create an adequate reserve basis for an early switch to a Currency Board with a fixed parity vis-à-vis the dollar.

Over recent weeks, Argentina has also taken steps to shore up its foreign reserves, to face a potential run against its currency. Concretely, the government of President Carlos

Menem has lined up \$3 billion in credit lines, which would be drawn upon in the event of a "crisis of confidence." Even if the fund isn't drawn down, local banks which want access to the safety net will have to pay commissions to foreign banks. Foreign investors are nervous over the volatile state of Argentina's finances, despite the strictures of a modified form of Currency Board already in place.

The Currency Board is the British colonial mechanism, whereby a country surrenders all sovereign control over its internal monetary policy by replacing its central bank with a foreign-run Currency Board, which can only issue local currency if it is backed one-for-one by dollar holdings. This system is widely promoted by the ultra-liberal Mont Pelerin Society as a model for every country in the world.

To accumulate international reserves on the "open market," on the scale suggested by the IMF, the Bank of Mexico would have to purchase \$1.3 billion *a month* between August 1996 and July 1997. Salomon Brothers claims that "the Bank of Mexico's decision to buy dollars, means that the Zedillo administration has decided to undertake the recovery of the economy," which in August already meant an average inflow of capital of some \$600 million *a week*. So it would appear that foreign capital is raining down on Mexico, but no one is able to explain this phenomenon, which has not been seen since the speculative heyday of the Carlos Salinas de Gortari government. Nor can anyone explain just what this capital will be doing in the destroyed Mexican economy.

Colombian-style 'sinister window'

The model for the Bank of Mexico's decision to "accumulate international reserves" is the Colombian model of laundering drug money through the central bank. Alfonso López Michelsen, President of Colombia from 1974-78, and his Finance Minister Rodrigo Botero Montoya, created the infamous "sinister window" at the Colombian central bank to buy drug dollars, no questions asked. Those who went to the "sinister window" were the Financial Corporations created by the López government itself, which virtually replaced traditional banking practice at the time. These corporations provided the link between the Colombian banking establishment and the parallel underground economy, by attracting drug and contraband money.

From 1975 onward, "narco-dollar" flows into the central bank surpassed those generated by coffee sales, once Colombia's main export product. Fernando Londoño Hoyos, former Colombian president of the Latin American Banking Federation (Feleban), declared in 1987 that if the government truly wants to capture drug traffickers, "they can find them on line at the sinister window."

The same is happening in Mexico. Oil exports for the month of July equalled \$892 million, an income \$79 million less than that reported for the month of June. If the IMF's "suggestion" is to be met, the Bank of Mexico's monthly purchases of foreign exchange on the "open market" will

need to be higher than oil exports. For the moment, the August auction purchase of \$130 million surpassed mining exports, which equalled \$32 million in July. The planned auction purchase for September, of \$200 million, will be higher than agricultural exports of \$190 million in the month of July.

So that there can be no doubt as to what is really going on, Pedro Zamora, vice president of the National Banking and Stock Commission (CNBV) said on Aug. 27 that the money-laundering operations that have occurred through the national financial system "are isolated cases. Fortunately, I can say with certainty that on a general level, the financial system has not been affected by money laundering."

Last gasp

What any sensible person is asking himself is: Who is providing the dollars to the commercial banks, which are then sold to the Bank of Mexico? Although no one dares to conclude that this is one vast money-laundering deal, no one believes either that international investors are giving Ernesto Zedillo the same generous treatment they gave Carlos Salinas.

The banks are bankrupt. At the close of the first semester of 1996, non-performing debt rose to 162 billion pesos, of which Fobaproa has acquired 64 billion from the non-intervened commercial banks; 53 billion pesos from 10 intervened banks, and another 45 billion pesos of overdue credit on the bank's accounting registers. Eleven non-intervened banks are in a precarious situation, and the bankruptcy of several of these is expected when the deadlines established by Fobaproa for the purchase of non-performing debt are reached.

In fact, the entire country is totally insolvent, and existing on artificial life support through the emission of bonds that the government is selling abroad. Payments on foreign debt for the second half of 1996 add up to \$10.92 billion, and 36.6% of that corresponds to payment on bonds placed in 1995. Twenty-nine percent of annual oil revenues is being held in a special escrow account at the U.S. Federal Reserve Bank in New York, which is being used as collateral for the bonds.

According to the Finance Ministry, the foreign debt payments due between 1997 and the year 2000 equal \$98.172 billion, which, if you take away prepayments and re-programmings, represents minimum annual payments of \$18 billion.

There is no way the Mexican economy can meet such payments. To this undeniable truth, must be added the fact that the International Monetary Fund and its Mexican agents have already begun to take steps toward establishing a Currency Board, and are desperately trying to rake in money of all sorts (including drug money) to maintain the appearance of a solvent financial system, and of Mexico as a solvent debtor.

City of London dumps De Benedetti from Italy's computer-maker, Olivetti

by Claudio Celani

The ousting of Carlo De Benedetti as chairman of the Italian electronics producer Olivetti, on Sept. 4, has probably ended the career of one of Italy's internationally best-known financiers. De Benedetti's story is exemplary of how corporate policies of industrial downsizing, outsourcing, and financial speculation, in the name of "being competitive in the global marketplace," produce exactly the opposite results of what it is expected they will achieve. De Benedetti's pioneering application of such policies at Olivetti had earned him an image as one of Italy's few "modern" and "dynamic" businessmen, fighting to liberate the country from "traditional" industrial activities and "bureaucratic" state-owned companies. Image aside, De Benedetti's mismanagement resulted in Olivetti's balance sheet presenting a loss of 440 billion liras for the first half of 1996, the fifth year in a row the company's figures were in the red. Furthermore, net debt had risen to 1.260 trillion liras in June, up from 764.8 billion liras in December.

As bad as those results were, however, "*l'Ingegnere*," as they call De Benedetti, would not have been ousted if the City of London had not decided to dump him. His fall was decided on Sept. 2, the day before he presided over the Olivetti board meeting, at a London gathering of Olivetti's main international shareholders, who control 70% of the firm, under the leadership of Barings Assets Management. In the midst of the greatest financial collapse in history, evidently the British-centered group urgently needed cash, and is reneging on deals struck last year with their Italian partners. As a result of those events, Olivetti's shares plunged 20% in one day, before trading in the company's stocks had to be suspended.

Additionally, Olivetti's financial director, Renzo Francesconi, resigned, charging that real losses are higher than the 440 billion liras officially announced. Trade union sources have commented that the company is "on the verge of the abyss" and express the fear that the new manager, Francesco Caio, will follow orders from the City of London international group, proceeding with layoffs and liquidation of the firm. Thus, Italy's only computer producer could disappear from the map.

Carlo De Benedetti was hand-picked to run Olivetti cor-

poration by Venetian oligarch Bruno Visentini, who was also chairman of a Venetian think-tank, the Cini Foundation. Visentini himself retained the title of "honorary chairman." His aristocratic connections include his media partner, Prince Carlo Caracciolo, chairman of the publishing house for the weekly *Espresso* and the daily *La Repubblica* (both owned by De Benedetti's CIR holding). Other friends and partners include international speculator George Soros and Soros's Italian agent, Isidoro Albertini.

De Benedetti is also tied to a senior member of the Scottish Rite Freemasons in the U.S., Elvio Sciubba, a friend of George Bush and board member of one of De Benedetti's companies. On Nov. 21, 1991, Sciubba launched the Freemasons in Czechoslovakia at Prague Castle, during a state visit by President George Bush.

Victim of derivatives speculation

Olivetti's managers explain the company's losses, by pointing to difficulties in the computer market, and the huge investments they had to make in shifting into cellular telephone networks and the "information highway," which will not show returns until the year 2000. But a look into Olivetti's financial activities in the past years suggests that there may be other reasons: De Benedetti's financial speculations were, in fact, so well known that the company had been nicknamed "Olivetti bank." And, like the banks, the firm invested a bundle, as much as one-third of its turnover, in financial derivatives!

In 1994, both Olivetti and CIR, (which then held a 20% share in Olivetti), announced losses of 200 and 130 billion liras, respectively, on the derivatives market, for the first half of the year. It is not known whether Olivetti incurred further speculative losses in the second half. However, the company did not financially recover, and De Benedetti was bailed out by Mediobanca, Italy's powerful merchant bank (see *EIR*, Sept. 22, 1995, "Italy's Cuccia Pulls off a Coup"), which drew in international investors, who underwrote a 2,257 billion lira capital increase. De Benedetti's share in Olivetti fell to 17% with the London-dominated foreign cartel holding 70%.

According to Laura Spezia, leader of the FIOM metal-

workers union in Ivrea, when Olivetti headquarters launched an international share offering in 1995, the unions proposed that the proceeds be invested in the hardware sector, in order to maintain a strong presence in the domestic market of a domestic computer-maker. Instead, De Benedetti all but abandoned making hardware and bet everything on the anticipated liberalization of Italian mobile telephone and Internet networks. "This is incomprehensible," Spezia said. "Even if you plan to expand in those sectors, you will need hardware." Some of the money went to cutting the workforce through paying workers to retire early. De Benedetti also managed to sell its derivatives operation, Finanza & Futuro, to Deutsche Bank, and made 200 billion liras from the deal.

"But the Olivetti crisis really started in 1989-1990," Spezia said, when De Benedetti started his restructuring plan, a mixture of downsizing and outsourcing. Olivetti's losses neatly parallel its downsizing: In 1989, Olivetti had 56,937 workers, of whom 28,169 were in Italy. Its balance sheet was positive, at 202 billion liras. In 1990, as downsizing started with layoffs of 3,000 people, its balance sheet was just barely positive. In 1994, the year of Olivetti's big derivatives losses, Olivetti's workforce was down to 33,000, of whom 16,000 were in Italy. As of June 30, 1996, Olivetti's workforce had dropped to 27,937, and the balance showed -440 billion liras.

At the same time, the firm started abandoning investments in its traditional sector, computer production. The ratio of R&D to turnover in the personal computer division dropped from 16% to 8.8%, and is now at about half the average ratio of Olivetti's competitors. Typical of blunders made under the globalization rubric, Spezia indicates, is a decision taken in 1991, when "Olivetti moved some of its personal computer production to the Far East, because of cheap labor. But, since Olivetti's main market was still Italy, they soon realized that transporting the product back home incurred immense costs, never mind the delivery delays to customers. In the end, they brought production back home."

Unions offer a positive solution

Even now, the unions are proposing a reasonable plan to save Olivetti. "The trade unions cannot accept the destruction of the country's national industrial wealth," Spezia says. They want to oppose the feared *spezzatino* (stew) as Italians call asset-stripping. "That would have dramatic consequences in terms of unemployment. But, we are not looking at it only from this 'narrow' standpoint. The issue here has to be brought into a national context. Can Italy accept losing its only computer producer? The government must move in, and must promote the creation of a national electronics core."

For instance, one solution indicated by Spezia would be a merger between Olivetti and Finsiel, the software division of the state telecommunications conglomerate STET. "Finsiel produces software for the state administration. An Olivetti-Finsiel merger would be able to make a bid for the necessary modernization of public administration. This is going to be a

driver also for the demand for hardware, and could remedy the situation." Once the government sponsors an industrial plan, creditor banks can be convinced to cancel part of the debt and support the new investments. Spezia said that Industry Minister Bersani, with whom the unions have met, "has made a commitment." But Olivetti manager Caio rejected such a proposal, which means that the firm is going to lay people off. "This would be more costly, because the state must then pay unemployment benefits," Spezia said. Whereas Prime Minister Romano Prodi has declared that the state will not bail Olivetti out, spokesmen for the main coalition party, the PDS, have supported the Finsiel option outlined by Spezia.

Historical nemesis

If the Italian government decides to promote the "national electronics core," it will inevitably trigger hysterical reactions in Brussels. The Maastricht agreement, signed by European Union members, including Italy, prevents a country from bailing out its industries, which the EU bureaucrats in Brussels see as "state intervention" into the supposedly free market. Under Maastricht, therefore, Olivetti will go by the boards, and tens of thousands of workers will lose their jobs. An entire province, with a myriad of small supplier companies, will be deindustrialized. But the Olivetti case shows precisely that in times of economic crisis, nothing can replace the role of the state.

This is a historical nemesis for De Benedetti, the champion of the "private" versus "state" ideology, which has come to dominate economic thinking, and not only in Italy. This dogma holds that private enterprises are forced to be profitable because they are exposed to competition, whereas state companies tend to be unproductive because they can always count on tax money. This argument was used to force Italy, 30% of whose economy was directly controlled by state-owned corporations, to start a far-ranging program of privatizations in 1992, which has so far included banks, the whole steel sector, part of the national oil company ENI and some food-producing companies. Next in line are the rest of ENI, the national electric company ENEL, and the telecommunications giant, STET.

It was precisely around the privatization of STET, that De Benedetti had planned his whole strategy. He heavily invested in mobile, cellular telephones, building up his Omnitel network which is now the second largest in Italy. As usual, De Benedetti was taking a political gamble, counting on the expected liberalization of the market through the privatization of STET. De Benedetti heavily supported the Left Bloc in parliament, which pushed privatizations, through his publications *Espresso* and *La Repubblica*, and even got his brother Franco to enter politics and be elected in the Left Bloc, to have him draft the legislation for deregulating the communications market. Now, if the reasonable faction prevails in the government, all his efforts will be to the advantage of the one competitor he had hoped to defeat.

Business Briefs

Eurasia

Karimov champions new Silk Road

Uzbekistan President Islam Karimov discussed the importance for Eurasia, and for Uzbekistan in particular, of the development of the new land-bridge along the ancient Silk Road, in a recently released book entitled *Stability and Reform*, the Russian paper *Rossiyskaya Gazeta* reported Aug. 17.

Calling Uzbekistan "the heart of the Central Asia region," Karimov pointed to its key role in the "building of a Eurasian economic, scientific, and cultural bridge along the lines of the Great Silk Road. The republic has all the prerequisites to turn into a kind of regional center for the interstate transit of goods, capital, and labor, and to integrate national interests in the sphere of economy, culture, and politics."

Karimov enumerated the projects, which extend from Iran to Beijing, which have been recently opened: the Tedzhen-Sarakhs rail line (part of the Trans-Asian main line linking Beijing with Istanbul), the Andijon-Osh-Ergashtom-Koshgar highway, providing access to China and Pakistan, as well as the Termez-Gerat-Karachi highway, which provides access to the Indian Ocean.

Karimov also referenced the potential development of the port of Aqtau on the Caspian Sea (which development could be held up by disputes with Russia over international marine law with regard to the Caspian Sea).

South Africa

British-linked bank demands Thatcherism

The chief economist for South Africa's Standard Bank, one of the main players in the British intelligence-created South Africa Foundation, has issued a statement threatening the Mandela government that it had better stay with Thatcherite economic policy, or else, the South African wire service SAPA reported Sept. 4.

"Government has delivered in terms of

policy, but now the focus is on implementation—which raises questions of how deep is this belief and support within the government," economist Nico Czipionka said. Implementation could lead to a split within the African National Congress, between those who favored an "international approach" and those who supported a "South Africa first" scenario, he added.

Czipionka warned that any "backtracking," would lead to a strong response from the market. He said that the government had not yet adequately convinced foreigners of its good intentions. "If we cannot reverse the capital flight (by restoring foreign confidence) we will have no growth at all in 1997."

Industrial Policy

Outsourcing of jobs to eastern Germany flops

A study by the Stuttgart-based agency Management Partners has found that the outsourcing of jobs by German machine tool producers to eastern Germany was a complete failure, the German financial weekly *Wirtschaftswoche* reported Sept. 2. The study is based on a poll of 70 medium-sized machine tool producers in Germany.

While the outsourcing of jobs to eastern Europe had been initiated in recent years in order to cut labor costs, many such companies ended up with even higher production costs than before. Management completely underestimated a number of obstacles, such as a lack of training in the workforce, unreliability of suppliers, and huge additional efforts needed for coordinating operations. On top of this, the prices for industrial goods of eastern European suppliers were sharply increased recently.

The study concludes that many German machine producers now view the outsourcing of jobs to eastern European as a failed experiment. But, rather than draw the conclusion that a highly educated, high-skilled workforce is key to industrial success, and that outsourcing based on seeking out cheaper labor costs is inimical to a successful industrial policy, they are now orienting toward Vietnam and India for outsourcing.

Finance

Fears mount that Thailand may be the next Mexico

Across Southeast Asia, the rapid decline in exports has led to severe current account deficits on top of mounting foreign debt. Most press reports include a statement to the effect that "nobody is suggesting Southeast Asia faces a Mexico-style crisis," but then proceed to admit that Thailand could be an exception.

Thailand's foreign debt more than doubled in 18 months between mid-1994 and the end of 1995, from \$50 billion to \$100 billion. This is even worse than it sounds, since half of this debt is short term, borrowed to meet unexpected balance-of-payments shortfalls.

The pressure on the baht (the Thai currency) is enormous, forcing the government to intervene in the Hongkong and Singapore foreign exchange futures markets to prevent a run on the baht and a devaluation. Thailand's central bank admitted that \$12-13 billion is exchanged daily on forex markets, and that only a small portion of that has taken place in Thailand over the past few years, as the big Western and Japanese banks have joined in the speculation.

Infrastructure

TVA to help China develop hydropower

China is seeking help from the Tennessee Valley Authority (TVA) to manage its flood-prone river systems and to develop hydroelectric power, according to an agreement signed on Sept. 3. A memorandum of understanding was signed between the Ministry of Water Resources and the TVA to cooperate in modernizing and automating China's aging hydroelectric power plants. The TVA will also provide training to Chinese managers of such plants at facilities in the United States, wire services report.

The agreement could lead to TVA involvement in the development of the Han

River system, which is one of the tributaries of the Yangtze River.

China's plans for tapping the river would involve the construction of 12 new hydroelectric plants generating 13.8 billion kilowatt-hours electricity. Some of the Han's flow would be diverted to arid Beijing, in the northeast.

"China has the greatest hydropower potential in the world, and is planning dramatic improvements to its river system," said TVA Chairman Craven Crowell. "TVA can play a unique role in China."

Bulgaria

Food is hoarded as economic crisis worsens

Bulgaria's summer's harvest was one of the smallest in decades, while bread prices have tripled in the last three months. Given the fear of even more drastic food price increases, the hoarding of food has become widespread, the German daily *Frankfurter Allgemeine Zeitung* reported Sept. 4. As a consequence, salad oil, sugar, and flour have disappeared from shops. Polls show that 28% of all Bulgarians would like to leave the country as soon as possible.

On top of this, the government has introduced an austerity package in order to fulfill the International Monetary Fund (IMF) conditionalities for a new loan. Because of the austerity, heating costs have doubled since last winter. Electricity prices, after another increase (of 14%) takes effect in September, will be three times higher than last winter. The July inflation rate was 82%.

One-third of the population, according to World Bank estimates, is already below the poverty level. Most shocking is the situation of the 2.5 million pensioners, many of whom are eating out of garbage cans and are homeless. Social Minister Koralski is planning to allow 60,000 pensioners to use vacation homes to survive the winter. Bulgaria now has the lowest birth rate in all Europe, life expectancy is falling, and the health care system has almost completely disintegrated. Those who enter hospitals

have to bring their own food and bandages.

However, the IMF has warned the government that reforms are not continuing fast enough, and unless more state companies are shut down, it will not authorize the next \$115 million loan.

Banking

Deutsche Bank suffering from British disease

The City of London is worried that Deutsche Bank might shift its whole investment banking operation out of London, back toward Frankfurt, the German daily *Süddeutsche Zeitung* said in an editorial on Sept. 7. The editorial, titled "English Cultural Shock," said that Deutsche Bank is now suffering the consequences of shifting toward the British "fast buck" mentality. It noted that concerns over such a move by Deutsche Bank had been the first news item of the British Broadcasting Corp. radio on Sept. 6.

On Sept. 2, London's Investment Management and Regulatory Organization launched an investigation of three investment funds of Deutsche Morgan Grenfell, the London subsidiary of Deutsche Bank. The funds, which were heavily exposed to high risk exotic stocks, were suspended from trading after reporting losses of about \$210 million.

The editorial points to the fact that what happened with Morgan Grenfell is fully in line with similar recent disasters, such as those involving the Bank of Credit and Commerce International, Barings, and Fleming, which it myopically attributes to the "laxity" of British banking supervision. So far, "almost every cross-border cooperation with England has failed," the editorial said.

On the same day, the German daily *Frankfurter Allgemeine Zeitung* said that banking in the City of London is in the hands of lunatics, who are competing with each other in the most extreme forms. "In perhaps no other branch will you meet so many nervous, over-excited, and, at the same time, high-salaried people," it said.

Briefly

NIGERIA, BENIN, and Togo have signed a joint electric power accord, in which they will "build, maintain, and operate" a line and "exchange of electrical power according to the availability and needs of each of the states," the Nigerian Ministry of Power and Steel said.

THE ASSOCIATION of Southeast Asian Nations Industrial Cooperation Agreement, which would allow zero or close to zero tariffs for participating industries for inter-ASEAN trade, is stalled, *Asia Times* reported Aug. 26. Only Singapore and Thailand have ratified it.

CHINA has said it wants to invest \$18 billion in building a "Dragon city" in South Africa, the *London Times* reported Sept. 3. The complex of 500 factories, which would create 500,000 jobs, would put China on a par with Britain as the largest foreign investor in South Africa.

HONGKONG officials contacted George Soros in August, to warn him not to bet against their currency, the *Singapore Business Times* reported Aug. 31. The move was prompted by British press reports that Soros, whose team oversees the \$12 billion Quantum group of funds, planned to attack the Hongkong dollar.

'IRAQ possesses one of the richest hydrocarbon basins in the world, almost on a par to Saudi Arabia's potential, if not more," according to Mohammad Al-Gailani, an Iraqi petroleum geologist now based in London. He estimates that oil in place exceeds 321 billion barrels, and gas, above 168,400,000 million cubic meters. "The remaining undiscovered potential is probably as large," he said.

ASIA should "avoid the big mistake" of supporting university education, writes Reuven Brenner of McGill University, in the Aug. 20 *Asia Times*. Brenner regularly pens such insanity for the "British Voice of Asia," promoting derivatives and casino gambling.

Lazare Carnot's grand strategy for political victory

by Dino de Paoli

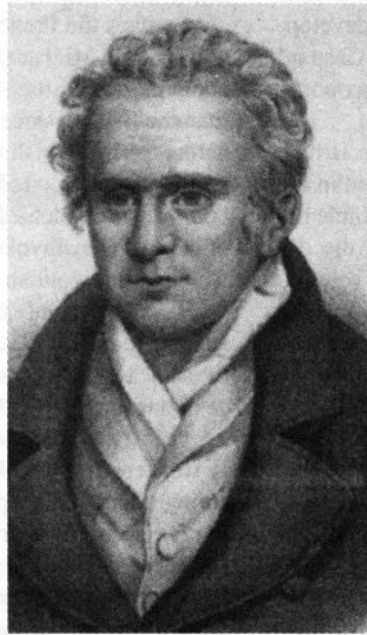
Editors' Note: Lyndon H. LaRouche, Jr., during his 1996 campaign for the Democratic Presidential nomination, frequently referred to the conceptions of the great French military strategist Lazare Carnot, as an example of the kind of approach that is needed today to achieve victory over the British-backed forces of oligarchism and usury.

At an *EIR* seminar on July 17, for example, LaRouche described his own campaign to impeach Tom Ridge, the Republican governor of Pennsylvania, whose cuts in medical and social service budgets amount to a Nazi-style crime against humanity. LaRouche introduced the campaign with reference to Carnot:

“Back in 1793, France, under a *terrible* government, was overrun by invading armies which were victorious on every front. The word in Paris was that the defeat and consequent dismemberment of France, was a military inevitability. At that point, they found a ‘sucker’ to take over the defense forces of France. His name was Lazare Carnot. He was a rather famous military genius, who had once spent time in the Bastille because of court politics; who had been a student of Gaspard Monge, who was the leading scientific thinker of France, and, at that point, of Europe.

“Lazare Carnot, under conditions of imminent defeat, reorganized the policies, the military policies of France, and its armies—often fired major-generals to replace them with sergeants, quite successfully, if he found the major-generals keeping the troops in the barracks too long, or if they didn't cross the river that night, but rather waited for the next morning, things like that—terrible crimes.

“But, a very specific thing which he did, apart from revolutionizing modern warfare by use of development of mass mobile field artillery fire and things of that sort, was to change the policies of France: that rather than attacking the adversary on a broad front, in a kind of federated approach of mass attacks on every front simultaneously, which only a jarhead would do, was to focus the military power of



Towering figures of the French republican tradition, who developed the nation's physical economy, educational system, scientific capabilities, and military might, as part of one coherent plan (left to right): statesman Jean-Baptiste Colbert; scientist Gaspard Monge; and Lazare Carnot, the "Organizer of Victory".

France at each point, at certain specific points. And, by picking a point on which to attack, to turn the flank of the enemy, and rout him.

"Now, that's *exactly* what we're doing with the campaign in the Commonwealth of Pennsylvania. We have limited forces, we must change the policy of the United States, we must ensure that the Democrats take over the House of Representatives, and, hopefully, also the Senate. We must *panic* the country into a perception that *everything that Contract with America represents is gone*, so that people who are elected to Congress on the Democratic line, will behave above their level of personal morality, as moral figures in the Congress.

"The way you get troops to function, is you move them: Get them out of the barracks, and move them. The way you get politicians to function morally, is to panic them into doing so. You create a rush in which they have no alternative but to do it, or the guys behind them will trample them. That's how you do it. And, that's our objective."

Looking through *EIR's* archives for research material to fill out the picture that LaRouche had sketched, the editors discovered the following article by Dino de Paoli. It appeared originally in the French newspaper *Nouvelle Solidarité* on July 2, 1981, under the title "An Open Letter to Republicans: The Combat of Lazare Carnot," and was translated into English by Garance Upham. The version we publish here has been edited and expanded to make the complex historical events clearer to an American audience.—*The Editors*

I. Creation of the republican concept

Though France was a well-developed nation in the seventeenth century, the definition of a clear notion of political economy only came to the fore by combining the work of Gottfried Leibniz (1646-1716) and Jean-Baptiste Colbert (1619-1683). That is what Lazare Carnot represents.

For Leibniz,¹ economics was the science that was to ensure the progress of nations, through technological development and the education of the labor force. The whole society had to be reorganized to encourage progress, to productively reinvest surplus, and to uplift man culturally. Leibniz established the founding theoretical instruments for the analysis of economic processes, not in terms of simple accounting, but by analysis of the capacity for social reproduction.² Carnot and his friends used that knowledge, as we shall see.

Colbert was the statesman who developed the concept of a planned economy, and organized the French Academy of Sciences, where Leibniz worked. For the first time, Colbert put together an "R&D department." He recruited the best

1. Gottfried Wilhelm Leibniz, *Society and Economy*, Hanover 1671. (See *Fidelio*, Fall 1992, p. 54.)

2. See Lyndon LaRouche and Jacques Cheminade, *La France après de Gaulle* (Paris: European Labor Party, April 1981).

scientists, gave them financial backing (unlike the British Royal Society), and linked their discoveries to the development of technology. This is the model that Carnot and Gaspard Monge would follow, in reorganizing the French economy and creating the famous Ecole Polytechnique.

This heritage represented a mortal threat to the British oligarchy, which determined to destroy it. To succeed in destabilizing a country, the enemy must combine economic harassment with cultural hegemony, and thus, orient the discontent within the population in such a way that no better solution to the crisis may be found. At the beginning of the eighteenth century, when the British decided to attack their main enemy, France, the latter's principal flaw was Cartesianism. Only the Oratorian schools,³ those who trained Monge, Carnot, and Claude Antoine Prieur de la Côte d'Or, taught the work of Leibniz. Cartesianism is a synthetic, nominalist philosophy, which is not capable of bringing students to a comprehension of natural law. The criticisms which Leibniz formulated concerning Descartes speak for themselves.⁴

When the English oligarchy began to deploy its agents in France, the flanks were many on the cultural side. The principal British agent was David Hume (1711-1776), an aristocrat of Scottish origins, who encouraged Adam Smith, Montesquieu, Voltaire, and Thomas Malthus, and initiated a synthetic operation against the European and French Colbertists. He declared sarcastically: "The French still believe that human society is capable of perpetual progress in the direction of perfection." He attempted to destroy that belief by counterposing his own philosophy, in which morality has no place. "Only personal utility can be a motive for action," he wrote in his *Treatise on Human Nature*. One can say that this was Hume's personal motto.

At the same time, the French salons initiated an Anglophile cult combined with a cult of the Chinese mandarin system. The priests Abbé Prévost and Etienne Condillac spread this "aesthetic mode." The novels of Prévost⁵ suggest that reason is useless, since man is slave to his passions. What passions? "The individual sensations, the desire to possess," Hume answers. Some Physiocrats published books advocating the cult of Isis⁶ and attacking the city-builders who "piti-

3. The Oratorians, founded by Cardinal Bérulle, were a teaching order which adopted the ideas of Leibniz after Malebranche had introduced them into the order.

4. G.W. Leibniz, *Remarques sur Descartes*, in *Opuscules Philosophiques Choisis* (Paris, 1969).

5. For example, *Manon Lescaut*.

6. Isis, the "Whore of Babylon," is the central figure in the irrationalist cults, created and spread by the oligarchy since Aristotle. According to the legend, Osiris killed and cut up by his brother Seth, was brought back to life—in general without his genitals—by his sister-wife Isis. Isis, the magician queen, was adored as the universal mother in Egypt and was the model of the *Magna Mater*, etc. of the Roman cults. The worshipper of the Osiris mysteries identified himself with the fate of Osiris, occasionally going so far as actual castration of men (even self-castration). The sect members "sacrificed" the "power"

lessly destroyed" the "healthy" and "peaceful" rural life.

Perhaps the French might find it shocking today to read what British Minister Robert Walpole was writing at the time about their ancestors: "The French are ten times more idiotic than the British, since they are so easily duped by the British nature." The British did not conceal their game then, any more than they do today. The economic conception of those "progressives" denied the role of man in the transformation of nature. They invoked a phantasmagoric "natural fertility," which would nourish each and all. These so-called progressives fought against the work of the great Turgot, who was striving to initiate an extensive program of rural education of the same type as that begun by Benjamin Franklin in America.

Thus, the "progressive" Voltaire wrote:

"Most manufactures vitiate the workers' bodies, their race is weakened. Agricultural labor, on the other hand, has a strengthening effect, provided the debauchery of holiday festivities does not alter the positive effect of both work and sobriety. . . . Many persons have established schools on their land. I have established some myself, but I fear them. . . . I think it proper that most children only learn how to cultivate the land, because there is only need for one writer for every two or three hundred manual laborers. The labor of agriculture only requires a common form of intelligence."⁷

Voltaire was not naive; he wanted to crush republican education, because it was essential to do so in order to destabilize France.

All these traitors have a common ideology: the hatred of science, of progress and education, disgust for man as a self-perfecting being. Such is the true face of the ecology movement today: return to the land, under the boot of the feudal lords for whom the peasantry has less value than cattle.

Carnot, the Leibnizian

Benjamin Franklin, whose efforts to secure French support for the American Revolution are well known, fought against such nostalgic defenders of feudalism in America and in Europe. Less well known, is that he reorganized the French Leibnizians, and trained Lazare Carnot. Carnot, the "moralist," was a happy man. His wine cellar full of Burgundy wine, his poetry, his jokes, all show that in him, morality did not rhyme with morosity. Carnot studied at a school run by the Oratorian Fathers, where he was taught the work of Leibniz, before pursuing his studies under the direction of another pupil of the Oratorians, Gaspard Monge. The latter was the pedagogical director of the school of military engineering at Mézière. His educational method deeply influenced a whole generation of European scientists.

of rationality, and entered into an infantile regression, in order to "be reborn" in the love of the Great Mother, the Virgin-Whore, Isis. She also symbolizes Mother Nature among the ecologist cults today. Hébert repeatedly showed his attachment to Isis.

7. Voltaire, *Dictionnaire Philosophique*, in the article on "Fertilisation."

In 1783-84, Carnot came into contact with Franklin's Parisian circles, and began the fundamental political endeavor which was to determine his later activities. In his "Essay on Machines,"⁸ Carnot defined himself as a Leibnizian, in the broadest sense of the term. Society can only progress through the scientific study of technological innovation, he maintained. It was from that standpoint that Carnot would establish the new bases for a study of mechanics, defined as the search for the best possible way for a machine to transform the energy flux. This conception is opposite to fixed Cartesian analysis. The true science of thermodynamics was born.⁹

At about the same time, Carnot helped his friends the Montgolfier brothers, in their experiments on the first aerostatic balloons, the development of which inflicted a terrible defeat on those who claimed that man would never achieve mastery over nature and vanquish its laws, notably that of gravity. Carnot went even further, and, the following year, after the launching and ascent of a *montgolfière*, in 1784, he presented to the Academy of Sciences a memorandum on the ways in which balloons could be directed with engines, and perhaps even a steam engine:

"It is heat which, producing systolic and diastolic expansion in the balloon, must give the impulsion to the wheels. . . . You must note, in passing, gentlemen, how many arms will be spared in manufacturing, when the mechanics of fire are better known. . . . Within ten years, this will produce astonishing revolutions in the [mechanical] arts."¹⁰

Carnot later collaborated with inventor Robert Fulton on naval propulsion with steam engines, and on the use of submarines to beat the British fleet. "It is a newborn child!" Franklin exclaimed, when he saw the experiments.¹¹ It is from these beginnings, that hydrodynamics and aerodynamics were developed, proceeding from a conception of man fundamentally opposed to that of Voltaire and Rousseau.

In 1806, Carnot wrote in a report to the Academy of Sciences on the work of the physicist Nicéphore Niepce on a combustion engine:

"The discovery of a new motor force in nature is always a precious thing, when we can succeed in regularizing its effects, and use it to spare man's efforts. . . .

"Antiquity knew little of those motor forces; they only employed living human beings, weights, waterfalls, or wind. Those forces all being developed by nature itself, it was necessary, in order to apply them, to know only the effect of the lever. . . . But those assemblies of levers are only inert masses,

8. See J. Cheminade, C. Albert, D. De Paoli, et al. *La Science de l'Éducation Républicaine—le Secret de Monge et Carnot: Polytechnique et les Arts et Métiers* (Paris: Campaigner Publications, 1980).

9. Ibid. Carnot's definition of the transformation of energy is Leibnizian, not Cartesian. See also, Dr. Morris Levitt, "Lazare Carnot and the Leibnizian Machine," *Fusion*, December 1978.

10. Quoted in Hippolyte Carnot, *Mémoires sur Carnot*, Vol. 1, p. 122.

11. Ibid.

merely able to transmit the action of moving forces without ever increasing them: It is the motor force which is everything. Modern man has discovered several motor forces, or rather has created them: because, though their elements be necessarily pre-existing, in nature, their dissemination nullifies them in this respect; they only acquire the quality of moving forces through artificial means, such as the expansive force of water reduced to steam, as the upward force which launches the aerostatic balloon."¹²

This notion fundamentally refutes the mechanical interpretation of the laws of thermodynamics, as well as the simplistic interpretation of the principle of conservation of energy attributed to Carnot. It also destroys the stupid arguments of today's ecology movement for solar energy, for new "diffuse" sources of energy.

If man wants to progress, he must create new forms of energy of greater and greater densities. This implies precise social and political considerations which Carnot was to elaborate in his first writings, "Eloge de Vauban" ("In Praise of Vauban") (1784) and "Memoire sur les Places Fortes" ("Memorandum on Fortifications") (1788).

In those two works, Carnot for the first time clearly presents his idea of a republican nation-state, and that idea is very different from simple anti-monarchism. Republicanism can take diverse institutional forms, among them, the American model of parliamentary democracy. Carnot used the work of French military engineer Sébastien Le Prestre de Vauban, to present his own credo on the necessity for the spiritual and material progress of the labor force.

This was the cornerstone of the reforms Carnot later introduced, notably when he reorganized the army. Like Vauban, Carnot was not attacking the king, so much as he was attacking the court, that gathering of lazy and parasitical aristocrats who ruined the French economy.

Led by the Orléans family, the court sabotaged the attempts of the Marquis de Lafayette to build the French republic in the image of the American republic. Thus Carnot wrote in his "In Praise of Vauban":

"May the triumph of reason be regarded as the most sublime effort of virtue. . . . If victory over our passions elevates us above human nature, the natural inclination to do good makes us divine. . . . Vauban did a special study of [the peasant's] labor, of his way of life. He researched the value of land, the way to cultivate it. . . . According to his calculations, for every 24 inhabitants in the kingdom, only one cultivates the land; thus, it is he who will feed the 23 others. What a difference between that father nourishing the fatherland and the man of leisure (the courtier)! The latter only begins to be useful when he dies. . . . He replenishes the earth only when he returns to it; however, it is that man of leisure who enjoys the fruits of all. . . . Vauban looked for the cause of disorder

12. L. Carnot and Berthollet, report read to the Institute on Dec. 15, 1806.

and found it in the excessive inequality of fortunes, in a revolting multitude of useless jobs, in a barbaric tax distribution system. . . .

“The population was always regarded as the cause, the sign of prosperity of empires, but the number of citizens is proportional to the sum of their useful labor altogether.”¹³

13. Sébastien de Vauban (1633-1707), Marshal of France, Commissar General of Fortifications, member of the Academy of Sciences. Best known as a military architect, he was also a great economist, and wrote an economic work, *Projet d'un Dîme Royale*, where he developed Leibnizian ideas that earned him royal disgrace.

Lazare Carnot's France

1753: Lazare Carnot is born in Burgundy (May 13).

1773: Carnot studies under Gaspard Monge at the military academy in Mézières, where he meets Benjamin Franklin.

1783: Carnot becomes a captain in the army.

1789: French Revolution begins. Storming of the Bastille in Paris (July 14). Abolition of feudalism. Declaration of Rights of Man and the Citizen. Church property nationalized.

1791: Flight and capture of King Louis XVI. Proclamation of new constitution. Carnot is elected to the new Legislative Assembly (Oct. 1), in charge of education. He writes his first proposals on reform of the army.

1792: France declares war on coalition of Austria and Prussia. First use of guillotine (April). Storming of the Tuileries (Aug. 10); overthrow of the monarchy. Chaotic situation in the army, with losses on all fronts, massacres in Paris. Carnot slowly begins to impose his policies. Carnot elected to National Convention (September); goes to the Pyrenees to organize defense against a possible attack from Spain. Carnot writes a report saying that without educated soldiers and a general economic reorganization, there can be no victory.

1793: Louis XVI is executed (Jan. 16); his wife, Marie Antoinette, is beheaded later. France declares war on Britain, the Netherlands, and Spain. Carnot writes a proposal for a new constitution, “Declaration of the Duties of the Citizens,” stressing education and military service for all citizens from 20 to 25 years. Northern front is collapsing. Carnot is sent there, writes a famous report stressing the need to hit the enemy on the flanks. He turns the military situation around, winning some battles. It is here that he

Carnot goes on to describe how activity can be promoted by correctly orienting the redistribution of wealth. Then he warns:

“When the hard-earned bread which the poor farmer produced, and which he was going to share with his children, is pitilessly stolen from him, what can be expected of that monstrous system, except depopulation of the countryside, sowing jealousy and hatred among the citizenry, the spread of apathy, the crushing of trust and happiness in the hearts of men, and making them all indifferent to the success of the state and the destiny of the fatherland, by breaking all the ties which united men to it? . . .

realizes the importance of logistics, mobility, and intelligence. Girondists are driven from power by Jacobins (July). France is ruled by Maximilien Robespierre and the Committee of Public Safety. Reign of Terror results in guillotining of 1,251 people by July 1794. Revolutionary calendar introduced. British Navy intervenes in the Mediterranean. France responds with total mobilization (*levée en masse*). Carnot reforms the army and brings its strength to 1 million men (4% of the population). Carnot named member of the Committee of Public Safety (August). He reorganizes and takes all military operations under his control, installing, against the will of Robespierre, a military staff composed of officers from the pre-revolutionary school. His general strategy is defensive for all the French border regions, except in the north, where there will be an *offensive* against England. Military situation begins to change, starting in September: French victories in Hond-schoote (north), Lyons (southeast), Toulon (south), Dunkirk (north). Carnot participates personally in battle of Wattignies, where he develops the idea that it is not enough to make the enemy retreat; he has to be destroyed.

1793-94: Carnot's reforms: 1) formation of a new, mass-based army; 2) organization of military forces to fight “total war”; 3) new political strategy: Obtain the neutrality of Prussia. Disrupt communications between Austria and England. Concentrate efforts on attacking the English, leading to an invasion of England. All this, in the midst of chaos in Paris and opposition from the leftist sans-culottes.

1794: Christianity is officially abolished in France, in favor of Robespierre's “Cult of Reason” (May). France occupies the Netherlands (until 1795). French victory at the battle of Fleurus (June), in the north, followed by retaking of all the northern ports, crucial to getting U.S. help for the French. The geopolitical contrast between the anti-Prussian Robespierre, and the anti-English Carnot, now chief of military operations, leads to the coup of 9-10

“Vauban believed that any right which is damaging to society, is unjust, that those who have labored equally for it, have the same rights to its benefits. . . . The government must prevent that odious multiplicity of prerogatives which condemn the most valuable class of men to indigence and scorn.”¹⁴

Today, that concept is forgotten, thrown away as “Marxist.” How stupid! The Marxist apostles of those times, Gracchus Babeuf, the socialist Jacques-René Hébert, were guillo-

14. This quote and those following all come from *Eloge de M. le Maréchal de Vauban*, part 2, p. 26 and following.

ted, with Carnot assenting. Fabian socialists despise the labor force.

Carnot also details Vauban’s economic reform proposals, adding his own view of what it means to be a wise man:

“How rare it is that the wise man is able to obtain the fruits of his labor! He is ahead of his century, and his language can only be heard by posterity, but that is enough to sustain him. . . . He is a friend of those yet to be born; he converses with them in his profound reflections. As a citizen, he watches over the fatherland, he takes part in its triumphs; as a philosopher, he has already overcome the barriers which separate empires; he is the citizen of every land, contemporary of all ages; he

Thermidor, led by Paul Barras, which ends the Reign of Terror and leads to the arrest of Robespierre. Danton and Robespierre are executed (July). The authority and military influence of Carnot are used to remove Robespierre, although Carnot will never accept the reactionary policies of the Thermidorians. In the meantime, the French armies continue to regain territory after territory. Creation of the Ecole Polytechnique (September).

1795: Dutch fleet captured by France. Prussia, Spain make peace with France. Carnot leaves the Committee of Public Safety, in opposition to the right-wing policies of Barras. He returns to power on April 11, becoming a member of the Directorate, which rules France with a five-man executive committee.

1796: Napoleon Bonaparte leads French army in conquest of most of Italy by 1797. Carnot elected president of the Directorate (April 30).

1797: Coup d’état of 18 Fructidor by General Pierre Augereau (Sept. 4). Carnot is removed from the Directorate, escapes first to Switzerland, then to Germany. The Directorate, now a triumvirate under Barras, becomes dependent on Napoleon.

1798: French occupy Rome, invade Switzerland. Bonaparte leads expedition into Egypt (until 1799), takes Cairo. British fleet defeats French in the Battle of the Nile.

1799: Bonaparte invades Syria. Coalition formed of Britain, Austria, Russia, Portugal, Naples, and Ottoman Empire against France. French driven out of Italy. Coup d’état of 18 Brumaire: Bonaparte returns to France, overthrows the Directorate, and sets up a Consulate, which rules until 1804. Carnot returns, is named minister of war; but resigns in opposition, 1800.

1801: Treaty between France and Austria leads to breakup of Holy Roman Empire. France gains left bank of the Rhine, and keeps most of Italy.

1802: Treaty of Amiens between Britain and France. Bonaparte is created First Consul for life, over opposition

of Carnot, who was against the establishment of the empire.

1803: War breaks out between Britain and France.

1804: Bonaparte crowns himself emperor. First Empire lasts until 1814. Third Coalition is formed by Britain, Russia, Austria, and Sweden against France.

1805: France defeats Austria at Battle of Ulm. British Navy defeats Franco-Spanish fleet at Battle of Trafalgar. France defeats Austria and Russia at Battle of Austerlitz.

1806: Napoleon dissolves Holy Roman Empire. Prussia defeated by France at Jena and Auerstädt.

1807: Carnot withdraws from public life.

1808: French occupy Spain; Joseph Bonaparte becomes king of Spain.

1810: France annexes Holland.

1811: French driven out of Portugal.

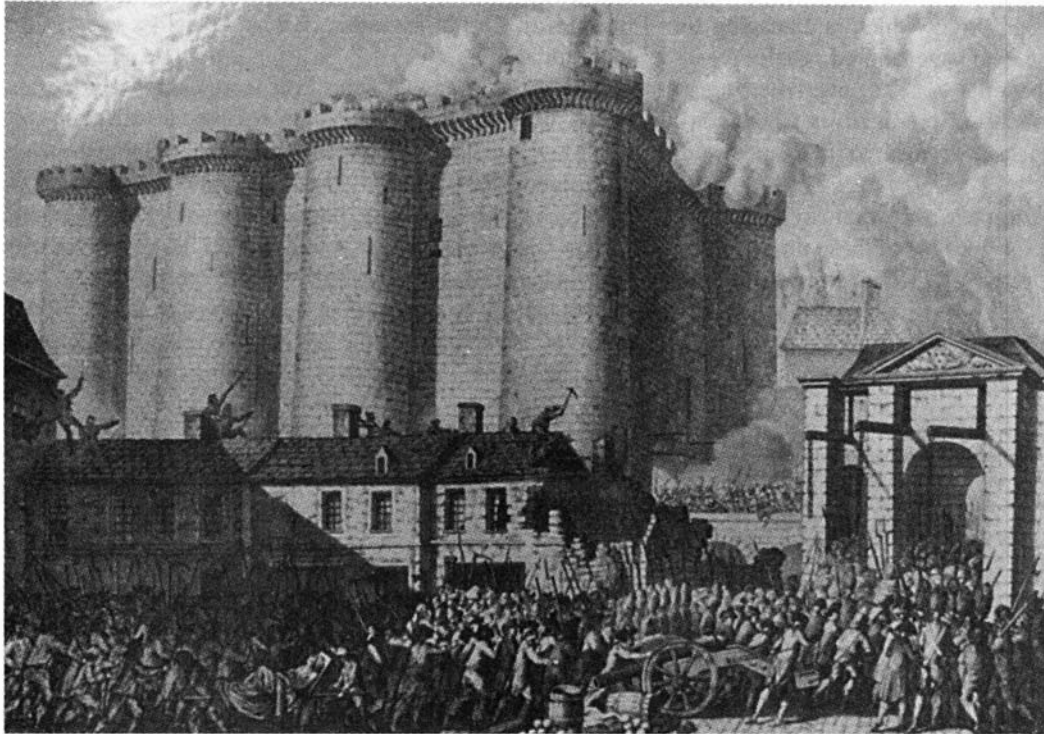
1812: Napoleon invades Russia; occupies Moscow. Greatest extent of Napoleon’s empire, encompassing 50 million of the 175 million inhabitants of Europe. Napoleon forced to retreat from Russia. Only 100,000 survive, from his army of 600,000.

1813: Prussia begins War of Liberation from France. Coalition against France formed by Russia, Prussia, Britain, Austria, and Sweden. French defeated at Battle of Leipzig, Battle of Vittoria. Allied forces invade France.

1814: Coalition forces enter Paris in March. Carnot is appointed governor of Antwerp by Napoleon. Napoleon abdicates and is exiled to Elba. Louis XVIII becomes King of France. Treaty of Paris ends Napoleonic Wars. Congress of Vienna (to 1815).

1815: The Hundred Days: Napoleon returns to Paris. Carnot serves as minister of the interior. Battle of Waterloo: Napoleon defeated and exiled to St. Helena. Carnot is exiled from France (July), settles first in Warsaw and later in Magdeburg, Germany. France’s boundaries are restored to those of 1790.

1823: Carnot dies in Magdeburg.



The storming of the Bastille in Paris, July 14, 1789. From the very beginning, the French Revolution was a battleground between two factions: a pro-American grouping of true republicans that included Carnot, and a pro-British gang of lunatics, including the Jacobins.

follows man from his fragile origin to the final perfection of his being. From the moment when, weak and alone, he is the plaything of all that surrounds him, up to the times when, reunited with all his fellow men in a unanimous concert of all the means allocated to his species, he commands the universe as a master: What an immense gap between these two extremities! . . . When, through those very convulsions, man has come to know the sum of his capabilities, the immense scope of his power. . . . Then, I say, will anything remain impossible for him? Ah! In spite of the dissipation and difficulty of his individual efforts, he has learned to master thunder, to force gravity itself to reach the regions of the thunderbolt. . . .

“What will he not do, when he brings together so many forces antagonized and broken by innumerable shocks, when private interest will have become general interest and virtue, the enlightened desire for happiness? Then the elements will be tamed, man will be respected by the entirety of nature; he will penetrate into the sanctuary of its laws; he will know its interconnections and causality.”¹⁵

Such is the true spirit of the American Revolution, that of Franklin, so profoundly antagonistic to that of Voltaire, Rousseau, and, later, to the Jesuits associated with Augustin Cauchy under the reign of Charles X. The thoughts cited above are the life-force, the *vis viva* of Monge, Carnot, Franklin, and the republican movement of the nineteenth century.

15. *Ibid.*

II. The struggle for a republic during the Revolution

We must keep in mind the ideas put forth by Franklin, Carnot, and their friends, in order to define more precisely what tendency stood behind which idea during the Revolution. It is only in that way that we will have in our possession the criteria indispensable to understand the role of Carnot in the creation of the first republican army capable of crushing foreign enemy forces, operating in coordination with French royalists, which were technically far superior.

From the beginning of the Revolution, two broad tendencies fought for power. There was the “American” tendency, as it was called—that of Lafayette, Thomas Paine, and others—which did not so much seek the establishment of a new regime, as the implementation of an economic and social policy modelled on that of the American Revolution. The opposing tendency was a British-protected and -directed tendency: the House of Orléans and their lackeys, Danton, Marat, et al.

The latter essentially wanted to create a liberal monarchy of the British type, and to sweep away the last remaining Colbertists who had fought for France’s independence and economic growth. The House of Orléans never endeavored to organize anything positive, or to work with the progress-oriented social forces, which would have meant at least maintaining the existing moral and political level of the population, if not increasing it. Rather, they wanted a destabilization, and



Lackeys of the British among the leadership of the French Revolution (left to right): Maximilien Robespierre, Georges Danton, and Jean-Paul Marat. Wrote Carnot: "I had the same aversion for Danton and Robespierre, but, as a member of the Committee of Public Safety, I was alleged to belong to the latter's faction, without it being known that I denounced it ceaselessly for its cruelty and its tyranny."

all they needed for that was the rabble. Carnot, who ceaselessly fought to safeguard the highest spirit in the French population, described the various factions this way:

"Barras was of that faction which horrified me, always; that faction which first sought to put Orléans on the throne; which, not having succeeded, conceived of working for its own ends, and which ended by splitting into two others: one, the Danton faction, which predominated among the Cordeliers, and the other, the Robespierre faction, which predominated among the Jacobins and the Paris Commune; the latter faction, so opposite from the republican system, came to exalt its principles when it saw that it could take advantage of it, to put itself at the head of the Republic. I was equally the enemy of the Cordeliers and of the Jacobins. . . . I had the same aversion for Danton and Robespierre, but, as a member of the Committee of Public Safety, I was alleged to belong to the latter's faction, without it being known that I denounced it ceaselessly for its cruelty and its tyranny."¹⁶

This is a rather undiplomatic description of the revolutionaries! Most historians see through the Orléans' gameplan, but few admit that the "revolutionary ideas" of Danton, Marat, and Hébert were only the fruits of a deliberate attempt at a destabilization, whose aim was certainly not the improvement of the French population's mental and material conditions. After a series of provocations, such as the Champ de Mars

shooting (July 17, 1791) had weakened the tendency of Lafayette, Carnot and the friends of the Engineering School of Mézières were elected to the Legislative Assembly, and attempted to build a movement which would be sufficiently powerful to take leadership over the unfolding events.

For the "city-builders," this was their chance to form a government that would, among other things, give priority to education, so as to increase the productive powers of society. This question of education, as we have seen, had already played a leading role in the struggles that preceded the Revolution.

This question now became the dividing line between republicans and destabilizers. The reason, to which we shall return, was simple. The attacks against the ongoing need for improvements in the knowledge of citizens can come from the "right" or the "left." The ideology of the feudal lord, for whom man is a beast, fit only for manual labor, was also that of the "progressive" Voltaire.

The education of the citizenry

In the new Legislative Assembly, Carnot was elected to the Committee for Public Instruction, where he elaborated a reorganization of the entire pedagogical and educational system. But the aim of Marat, Danton, and company was quite the opposite. Suffice it to recall the famous statement, "the republic has no use for scientists," declared by the judges who condemned the great chemist Antoine-Laurent de Lavoisier, or the even more vile diatribes of Marat against the Academy

16. Carnot, L., *Réponse à Bailleul*, 1789, p. 166.

of Sciences (an Academy which had had the “poor taste” to refuse the candidacy of Marat, who had been found to be a charlatan, a few years earlier):

“Bread is taken from the poor and given to clowns and vile plotters [Academicians]. Persons contribute to their desire for enjoyments, their taste for idleness. These do-nothings, these parasites . . . met 11,409 times, published 380 eulogies, approved 3,954 experiments, all on new recipes for cosmetics, pomade for the hair, ointments for foot sores.”

Or elsewhere:

“I am denouncing here the epitome of charlatans, Lavoisier, son of a peasant, would-be chemist, pupil of a Genevan speculator, the greatest intriguer of the century.”

The reforms envisioned by Carnot and his friends required time and a certain political tranquillity. That was why the Orléans incited the Parisian populace into a revolt and “permanent revolution.” It was the insurrectional Commune, originating from the 48 sections of the left-wing *sans culottes* of the capital, which practically imposed upon the Legislative Assembly the quasi-dictatorship of Danton during the day of Aug. 10, 1792. Danton was completely under the sway of the sensualists, the circles of Choderlos de Laclos (author of *Dangerous Liaisons*) and of the Marquis de Silley, who manipulated Laclos’s propensity for infantile “pure passion.”

Danton was an avowed advocate of an Orléanist monarchy and for an alliance with England. In July 1793, suspected of trading intelligence with the English, the Convention threw him off the Committee of Public Safety. Carnot describes the climate created by the Dantonists and Marat’s enraged hordes:

“A generation comes after us, whose education has been abandoned for three years; were that generation to linger in that state of affairs a bit more, it would no longer be capable of enjoying liberty. . . . To pursue such a path would transform the French nation into a horde of savages.”¹⁷

To fight those hordes of modern savages, Carnot presented in March 1793 a new constitutional project. In contrast to the 1789 Declaration of the Rights of Men and Citizens, Carnot proposed a Declaration of the Rights of Citizens, because, he explains, men can only exist under the social form of citizens. This difference is reinforced by the fact that the Declaration of 1789 did not really define what a citizen of the Republic is, but spewed out mere generalities on liberty as such. Carnot, on the contrary, specified in a few articles how the Rights and Duties of the Citizen of the State must be defined:

“**Article VII:** Every citizen is born a soldier. . . .

“**Article VIII:** Society has the right to demand that any citizen be instructed in a useful profession. . . . It also has the right to establish a mode of national education to prevent the evils which could be inflicted upon it by ignorance or the corruption of morals.

“**Article IX:** Each citizen has the reciprocal right to expect from society the means of acquiring the knowledge and instruction which can contribute to his happiness in his particular profession and to public usefulness in the employment his fellow citizens may wish him to fulfill.”

Those essential republican notions were left out of the 1789 Declaration. The continued emphasis on the need to educate the citizenry is the prime goal of Carnot and of his collaborators.

Britain, Venice steered the French Revolution

The French Revolution started far earlier than the July 14, 1789, storming of the Bastille, with which it is popularly associated. It began with the American Revolution, and the French-American alliance—without which the American fight for independence from Great Britain would have been doomed.

Throughout the American Revolution, there was a constant barrage of pro-American propaganda circulating throughout France, which promulgated the republican ideas of the Revolution itself. In 1777, the *Courier de l’Europe*, subsidized directly by the French government, published the Declaration of Independence. Another journal published long extracts from Thomas Paine’s *Common Sense*.

Upon the foundations of this Franco-American partnership, Benjamin Franklin and France organized the League of Armed Neutrality—the alliance of France, Spain, Prussia, Sweden, Holland, and Russia—against Great Britain and in defense of the American colonies’ fight for independence.

Personifying the French-American alliance was the Marquis de Lafayette, who fought alongside the Americans with other French volunteers, and returned to France to promulgate the ideas of the American Revolution at home. It was the aim of this “American faction” in France to bring the ideas of the American Revolution into Europe, by extending the wartime alliance into a peacetime partnership. This faction constituted the leadership of the early period of the French Revolution, with Lafayette playing the most prominent role.

Such a Franco-American alliance, the oligarchs of Britain and Venice were determined to prevent. First, Venetian agent Antonio Conti built up a pro-British party in France, the so-called Enlightenment philosophers, including François Voltaire. Conti’s descendants Giacomo

17. L. Carnot, *Correspondance Générale*, Jan. 12, 1793.

Carnot, 'Organizer of Victory'

Late in 1792, Carnot and his friends prepared themselves for a seizure of power, so as to stop the destruction of France. Carnot's military strategy is a model which is useful to study, because it was a republican political approach to the art of war, on the part of a man who had thoroughly grasped the links among science, the economy, technology, and a victorious military strategy. His reforms are all the more remarkable, in that he succeeded in bringing them about amidst anarchy,

economic collapse, and foreign invasion.

From his earliest writings on military strategy (notably in his work on Vauban), Carnot enunciated a concept of the art of war which is very important, though underrated by his biographers. He stressed the connections among defense works, the reorganization of economic production, and the large-scale utilization of modern technologies. This understanding of the necessity of using a superior culture to vanquish the enemy made Carnot the organizer of victory, not merely a brilliant

Casanova and Count Cagliostro, then orchestrated the destabilization of Louis XVI and his wife, Marie Antoinette. Next, the British unleashed a lunatic, anglophile faction, the Jacobins, led by Georges Jacques Danton and Jean Paul Marat.

The taking of the Bastille by the Parisian mob was led by Danton, the agent of the Duke of Orléans, the premier patron of the British- and Venetian-inspired philosophers in France. In 1790, Danton founded the Cordeliers Club in Paris. This was not to be a mere debating society, Danton said, but what we would today call a "political correctness" gang. Its purpose, he said, was "to denounce before the *tribunal of public opinion the abuses of the various authorities and every sort of infringement of the rights of man*" (emphasis added).

The Cordeliers wanted a radical democracy—targetting Lafayette, the court, and the priests who had come over to the revolution. It was from the Cordeliers Club's base among the unemployed and hungry people of Paris that the Terror was launched. "It is by an upheaval that we have overthrown the despotism," Danton proclaimed. "It is only by a great national upheaval that we shall make the despots retreat. So far we have only waged Lafayette's sham war; we must wage a more terrible war. It is time to tell the people that it must hurl itself in a mass upon the enemy."

And so, the guillotine was put to work. Scientist Antoine Lavoisier was among those put to death, with these words from the people's judge: "The revolution has no need of science."

Paine and the Girondins

The battle between the American faction and the heirs of the anglophile philosophers came to a head, so to speak, around the killing of King Louis XVI in January 1793. The king had been caught, ignominiously attempting to flee France in disguise. The Cordeliers Club and the Jacobins demanded that he be brought to summary justice and executed.

"To propose a trial for Louis XVI, in whatever form," said Maximilien Robespierre, "is to retrace our steps, toward royal and constitutional reform. It is a counter-

revolutionary idea, since it put the revolution itself on trial. I demand that the convention declare him [Louis] forthwith to be a traitor to the French nation, and a criminal against humanity."

Paine and the Girondins, as the American faction had come to be called at this time, argued that Louis's life should be spared. Paine proposed that he be banished to the United States. The Girondins lost the vote; within weeks of Louis's execution, the Girondin leaders such as Brissot and Condorcet were dead; and Paine—that son of liberty—was in prison. Lafayette was languishing in an Austrian prison. The American faction had been destroyed.

The revolution collapsed in an orgy of violence, and France was saved only through the strength of her armies and those patriots around Lazare Carnot and Gaspard Monge, who would later build the Ecole Polytechnique as the center of French republicanism and scientific achievement.

The terror was denounced by Paine, who wrote that "my despair arises not from the combined foreign powers, not from the intrigues of aristocracy and priestcraft, but from the tumultuous misconduct with which the internal affairs of the present Revolution are conducted." The lack of morality in the method of the Revolution would discredit liberty throughout the world, he said. The constitution drafted by Paine and his friends for France was rejected.

From Germany, the poet of freedom, Friedrich Schiller, wrote that the "attempt of the French people to gain possession of the rights of man and to win political freedom has only shown its incapacity and unworthiness, and has swept back along with it a considerable part of Europe into barbarism and serfdom."

This report is drawn from the work of Linda de Hoyos and Webster G. Tarpley. See especially de Hoyos, "New Gingrich: Britain's Jacobin in the United States," New Federalist, Sept. 25, 1995; and "The Enlightenment's Crusade Against Reason," New Federalist, Feb. 8, 1993; and Tarpley, "How the Dead Souls of Venice Corrupted Science," EIR, Sept. 23, 1994.

tactician. He considered war from a global political standpoint. At the same time, he constantly improved on his tactical approach, always using the most advanced concepts available. Thus, for example, he took some advice from the great strategist Guibert, a man with whom he had had disagreements in 1784, to resolve several aspects of military deployments. It is this clear strategic political vision which Napoleon—being a good captain, as opposed to a great strategist, one who only sought to accumulate victories on the battlefield, without an overall political conception—sorely lacked.

From the moment Carnot undertook a tour to reorganize the armies, he realized how disastrous the situation was, because of the stupidity of the revolutionary leaders. In a report sent from the Pyrenees in 1793, he described to his compatriots in the Convention, the demoralization of the older officers, the uselessness of the anarchist volunteers; he proposed a few measures, and put forth some sound advice:

“Among the objects which have been drawn to our attention, none have deserved more than roads and navigation canals; without them . . . it is impossible for agriculture and the [mechanical] arts to prosper. . . . Everywhere it is easy to do, instruction spreads, industry awakens. . . . Citizens, we have rarely written to you without mentioning the need for public instruction; it is because everywhere those needs are manifest by the expression of the liveliest impatience.”

After having explained the reorganization necessary for victory, he concluded:

“A yearly status of France must be written up by scientists and craftsmen who would be sent everywhere, in every locality. . . . Everything which those scientists could gather on the state of the population, on agriculture, on mines, manufactures, communications, production, commerce, and generally everything under the heading of political economy, combined with observations, reflections, and projects they think could contribute to the greatest prosperity for the state.”¹⁸

After the Pyrenees, he was sent to reorganize the Northern Front, where he had to face an even worse situation. There again, he reorganized what he could, then gave some strategic advice:

“It is shameful to stay on the defensive, when you have available 10,000 men, against 6,000. . . . The enemy should perish right there, if we run things properly. Instead of acting on the flank or the rear of the enemy, we always take him head-on; that is the best way to be sure you are always beaten.”¹⁹

Carnot realized more and more clearly that he could not rebuild the army, if strategic decisions were not made, or if bad strategic decisions were made, by Danton and company. To win militarily, first there had to be the political will to win, and, second, the army, logistics, production, etc., had to be revamped to further that objective.

When Carnot and Prieur de la Côte d’Or acceded to the

Committee of Public Safety on Aug. 14, 1793 and took the military operations in hand, the situation was practically desperate; the British had blocked Dunkirk; Maubeuge was besieged; Valenciennes had just capitulated; Lyons and Marseilles had revolted; the insurrection in the Vendée was going on; Saumur had just fallen; and Toulon would soon be handed over to the British fleet. In the interior, the Hébertists and Dantonists were provoking successive waves of terror.

As soon as he acceded to power, Carnot surrounded himself with the greatest scientists of the time, to reorganize military supplies and logistics. It is not accidental that they all came from Mézière: the mathematician Alexandre Vandermonde, the engineer and geometer Gaspard Monge, the chemist Jean-Antoine Chaptal, the industrialist and metallurgist Jean-Claude Perrier, the chemist Claude Berthollet, Victor Dupin, the chemist Antoine-François de Fourcroy. These constituted a group which reorganized the military sector, as well as education and the economy. In a five-month period, despite the fact that the revolutionary *sans culottes* were carrying out intensive sabotage, they succeeded in turning around the military situation.

The French army became at the same time the model for, and the nightmare of, enemy troops. For the first time, the brilliant ideas of Niccolò Machiavelli were realized on a grand scale: The first republican national militia had been formed, and was triumphing. In less than a year, the internal situation in the country also changed: Hébert fell in March 1794, and a few days later, the Dantonists, and, finally, Robespierre was overthrown the 9th of Thermidor (July 27), and was executed the next day with 20 of his partisans.

The method behind the victory

To draw a lesson from Carnot’s actions, we must look at the method employed, rather than the particular results obtained. First, as both his writings and his military victories showed, Carnot fought politically: His aim was to beat the principal enemy, the English, as rapidly as possible. That is why he concentrated so much effort on the battles of Dunkirk, Hondschoote, and Ostende—these were the northern areas controlled by the English. That is also why he later collaborated with Robert Fulton to perfect the means of destroying the British fleet and invading England; it is also the reason why he wanted to conclude a peace with Prussia and Spain in 1795.

During the battle of Dunkirk, he wrote: “We must eliminate Pitt, by winning Dunkirk.” For Carnot, not only had victory to be obtained, but the British had to be obliterated. Thus he wrote to a French general who abstained in that second necessity: “I express my deepest satisfaction to the Committee [for the victory]; however, I regret that the enemy was not pursued.”²⁰

The enemy began to feel the effect of the changes in army

18. Ibid., Jan. 12, 1793.

19. Ibid., May 26, 1793.

20. M. Reinhard, *Le Grand Carnot*.

deployments in October, November, and December 1793. Enemy troops were overcome by a deluge of artillery; they saw for the first time the reconnaissance balloons floating over their heads at the battle of Fleurus; they fought a volunteer force, whose belligerent ardor was coupled with a new organization, discipline, and competence; they endured the new cannons designed by Monge and the most powerful gunpowder that Berthollet and Chaptal could manufacture. In short, the enemy had not understood the true nature of a republican army.

How could Carnot obtain such results amidst such turmoil, when the economy and the domestic political situation were such a hopeless mess? His strategy had the following main features:

1. Instead of waging frontal battles, he chose a war of mobility, and the utilization of flanking maneuvers. He always insisted, when speaking to his generals, that it was essential to hit the enemy's weak flank, not to limit oneself to small skirmishes for show, but to go all-out to destroy the enemy.

2. He centralized all the operations under his supervision and that of his friend Prieur. He fully utilized scientists and industrialists. Their men, such as Monge and Chaptal, were placed at the head of key sectors, such as military production and mapmaking.

3. He established an inventory of all the available resources in manpower and productive capacity.

4. He reorganized the production of cannons, gunpowder, etc., by creating the psychological conditions which favored innovation and the invention of new technical manufacturing procedures, instead of simply using preexisting resources.

5. He reshaped the organization of the armies, reducing cavalry, restoring infantry, and naming quality officers at the head of the volunteers who, in any case, underwent intensive training before their assignment. He emphasized artillery and the training of artillery officers.

Carnot the "pacifist" knew that specific operations, directed with inflexible determination, would avoid prolonged and ruinous hostilities in the long run. He systematically refused to allow the plundering or destruction of civilian populations in enemy territory. "In an occupied country . . . you will not take the laborer's horses, nor the supplies necessary for his family and farm. You will pay for all the goods he would sell on the market."²¹

He also set up better coordination of artillery with infantry during the battle.

6. He created a bureau of military engineering composed of the republicans who represented the tradition of Henri IV, Colbert, and Leibniz. This bureau was made up of an operational section, a section for mapmaking and historical research, and an intelligence section.

About the latter, he wrote:

"Obtain good spies, know what is happening with the enemies, sow divisions among them: All means for crushing tyranny are good."²²

This approach brought about Carnot's well-known victories (see timeline, p. 18). Of course, when we speak of his global reorganization, we must understand it in relative terms, considering the power struggle which raged in the country and the lack of time. For example, one of the weaknesses of Carnot's organization was the difficulty in the selection and recruitment of the generals who would fully understand the new military method. If Carnot had been able to develop his model in a calmer domestic environment, it is doubtful whether there would have been a Napoleonic Empire at all.

Carnot's son Hippolyte describes the importance of the drive for a cultural revival in Carnot's approach:

"The most illustrious scientists came to place themselves at his disposal. . . . They took on the task of teaching a youth eager to pay tribute to the fatherland. After the lessons, the students would go visit the workshops to immediately get down to practice; the lessons were printed up."²³

All this was accomplished in a tumultuous period, in which many of the so-called revolutionaries sought the destruction of the country. Robespierre and Saint-Just resisted Carnot's plan: The Hébertists and the *enragés* mobilized the *sans culottes* to kill officers, under the pretext that they were not "good revolutionaries," and that only passion, and not a General Staff, is important in the art of war. It is interesting to note that Hébert combined this sabotage of the French Army with the advocacy of the doctrine of "perpetual war against the enemy." It is somewhat surprising in this context, that Carnot could not only survive, but that he won.

Carnot's Thermidorian coup d'état

Between September 1793 and April 1794, Carnot straightened out the French military situation. But this was also the height of the Terror led by the "revolutionaries." When, finally, in July 1794, Robespierre attempted to go after Carnot, the latter deployed the Army in such a way as to eliminate the partisans of Robespierre, without a bloodbath.

Carnot was free, from then on, to act as he saw necessary. However, instead of taking advantage of the situation to avenge himself by eliminating rival factions—which factions were later to eliminate him from power in 1797—he sought rather to consolidate the fragile bases of the republic.

Carnot always thought, not in terms of short-lived victory, but in terms of building institutions and ideas which in the long term would influence the development of the nation. Within a few weeks, in September 1794, he set into motion two ideas which were dear to him and which were to be the linchpin of a global development program, aiming at stabilizing the economic situation.

22. Reinhard, op. cit.

23. H. Carnot, op. cit.

21. Carnot, L., *Correspondance Générale*, July 18, 1794.

In September, he created the Ecole Polytechnique. That school constitutes, thanks to the pedagogical genius of Monge, one of the world's most beautiful monuments to the human spirit. In a few years, the best European scientists were formed there. It was to become a model for the whole world in the nineteenth century.

The creation of the Ecole Polytechnique is a most striking example of a "negentropic process." A social situation characterized by entropic disorder and miseducation is transformed, not because of a simple, formal reordering, which in any case could not have functioned, but through the concentration of the greatest possible quantity of free intellectual and economic energy. The outcome is a new and qualitatively superior solution to the problem of education.

It is interesting to cite the description which Prieur de la Côte d'Or gave of the school to Hippolyte Carnot:

"We had often discussed, your father [Lazare Carnot] and I, the necessity of creating a school for the recruitment of diverse classes of engineers; it was one of our favorite occupations. But the torrent of immediate business dragged us along, urgent matters tyrannized us. After the 9th of Thermidor [July 27, 1794], we talked about it again. Carnot had stayed in the Committee, I had left it; he told me to use my leisure time to develop that idea; which I did. As soon as the idea seemed to be ripe, we conferred with Monge, our former professor from Mézière, who took hold of it with his usual enthusiasm, and became the cog of the Commission to prepare the teaching program. . . . Its direct aim was the application of scientific studies to all the needs of the state."²⁴

24. Ibid.

Carnot: Beat the English with flanking operations

From Lazare Carnot's "General System for Military Operations in the Next Campaign," Jan. 30, 1794:

All the armies of the Republic must act offensively, but not everywhere with the same extension of their means. Decisive blows must be delivered at two or three points only; otherwise, we would have to spread out our forces rather uniformly on all borders, and the campaign would end, on each, with a few advantages that would not be enough to prevent the enemy from starting up again next year, while the resources of the Republic would be totally drained.

The point where everyone thinks we should deliver the major blows is the North [held by the British], because that's where the enemy, already master of a portion of our territory, himself is directing the largest portion of his forces; that is where he is in the best position to threaten Paris and carry off its provisions; lastly, that's where he is most easily attacked, since it is open country, far from the city, where the enemy has no strongholds, where our armies could live at his expense, and where there exist the seeds of insurrection, which successes could develop.

The army of the North is therefore where we should principally fix our attention. . . .

There remains discussion of operations that must be undertaken by the armies of the Coast of Brest and those of Cherbourg, which we should consider as acting as one. These armies have three objectives to fulfill: 1) finish the war in the Vendée; 2) guard the coastline; 3) carry out a

projected landing on the shores of England. For the first, we need light cavalry, several massed infantry corps, and very little artillery; for the second, good garrisons in the forts and good guard corps on the coasts; for the third, the same arrangements as the second, with a numerous and ever-ready flotilla.

It should be noted, on the subject of this landing, that even were we unable to carry it out this year, the preparations alone would hold all the English naval forces in check during the campaign, and would prevent them from attempting anything substantial elsewhere. They would force the English to have a considerable land army on foot, which puts their constitution in great danger, drains their finances, and prevents them from bringing help to the Low Countries. It is therefore essential to push forward the preparations with all possible vigor and to be ready to take advantage of the first opportunity to carry it out.

To the system laid out above, we need add several general rules, which had been taken as basic in all the ordinances of the Committee of Public Safety on military operations.

These general rules are to always act *en masse* and offensively, to maintain a discipline in the armies that is severe, but not nitpicking; to always leave the troops out of breath, without exhausting them; to leave behind no more than is absolutely indispensable to guard a place; to make frequent changes in the garrisons and residences of the general staff and temporary commandants, so as to break up the plots which proliferate as a result of staying too long in the same place, and which give rise to the treachery that hands the defenders over to the enemy; to exercise the greatest vigilance at the guardposts; to obligate general officers to visit these very often; to engage in bayonet combat on every occasion; and to constantly pursue the enemy to his complete destruction. . . .

The same year, on Oct. 13, 1794, the Abbé Henri Grégoire, a friend of Monge and Carnot, proposed the creation of the National Conservatory of Arts and Trades,²⁵ which, together with the Ecole Polytechnique, was to produce the qualified engineers to promote the technological progress of France. This reform in teaching was associated with the idea of creating credit for industrial development. It is thus that the Bank of Intervention came into being, under the impulse of Carnot, Monge, Dupont de Nemours, Montgolfier, and the Abbé Grégoire. That bank had the task of supplying credit to agriculture and manufactures, an idea copied from that of the American Treasury Secretary Alexander Hamilton, who in 1791 had created the First National Bank to the same end.

Carnot explicitly referred to the American model. In 1804, for example, Carnot gave a speech against Napoleon, during which he explained that the latter could have chosen America and George Washington as models, but unfortunately had preferred Rome and Julius Caesar.

To make a nation-state out of France, Carnot envisioned a European-wide peace plan that would have established either republican regimes, or monarchies with republican economic systems. That plan required, above all, the destruction of the feudal oligarchy which had led all the operations against France—what Carnot called “the worst tyranny that ever existed,” meaning England and its feudal aristocratic allies in France. Of course, the English did everything possible to sabotage Carnot’s work.

As soon as Robespierre fell, other forces or individuals tied to the English, such as Paul de Barras, used leftist or rightist groups to oppose Carnot. Barras had the Parisians under his control. In 1795, Barras and Talleyrand established an important power base of those who are commonly called “Thermidorians.” (It is important not to confuse Carnot with the Jacobins before Thermidor.) Here is what Carnot had to say about the Thermidorians:

“Barras was of Danton faction *par excellence*, like most of those called Thermidorians; but who, on the 9th of Thermidor, independently of the danger threatening them and which urgently had to be faced, thought much less about destroying one tyrant than about avenging another, and reestablishing that tyranny in their own hands. . . . Who were, in effect, those alleged avengers of humanity? . . . The men who had drenched in blood the cities of Paris, Bordeaux, Marseilles. My great crime, in their eyes, was to have signed the arrest warrant against Danton.”²⁶

And what he says of Talleyrand:

“There is in the obsequiousness of that man something beneath even a beast.”²⁷

These were the people who in October 1797 used the Paris militia against Carnot, while the armies that were loyal to him

25. *La Science de l'Éducation Républicaine*, (cf. *supra*).

26. L. Carnot, *Réponse à Bailleul*, p. 111.

27. H. Carnot, *op. cit.*

were away. Carnot barely escaped death, and had to take refuge in Switzerland, while Barras published false information which asserted that Carnot was committing treason and working in concert with the royalists!

Even at that time, the real reason behind that struggle was known to be the peace plan which Carnot wanted to offer to Prussia and Spain in order to defeat England. The monarchists, the English, and their French agents were interested in seeing the war with Prussia continue, albeit each for their own reasons. The fall of Carnot was certainly an important short-term victory for the feudal lords who manipulated the confrontations between right and left.

But it was not so easy to root out the work, the institutions and the ideas of Carnot.

Here is how Carnot described the situation under the Directorate which took power in 1795:

“Anarchy and royalism fight one another as to who will bathe in republican blood; everywhere they fall beneath the dagger of fanaticism, of the emigrés, of Babouvism. No means of repression at home, no more hope of peace abroad, the enemies go to work with a fury, the friends fall into slumber.”²⁸

Later, came the coup of 18th Fructidor (Sept. 4, 1797), led by Barras, which resulted in Carnot’s ouster from power. Here is how Carnot described the strategic situation at that time:

“Had France concluded a general peace instead of the 18th Fructidor, its prosperity would today surpass that of the happiest people history has recorded. France will plunge into ruins, if we don’t quickly look into the state of its finances, if we do not finally lay the basis for a system of political economy.”²⁹

III. The polytechnical science of Carnot and his followers

The Napoleonic period

As soon as he took power on Nov. 9, 1799 (18th Brumaire), Napoleon recalled Carnot to France, named him Inspector of War, and placed him in charge of the recruitment and training of officers, as well as of the reorganization of the French Army in Germany. But because it was impossible to orient Napoleon to republican ideas, away from a monarchical regime, because of his infantile approach to the arts of war, Carnot resigned in October 1800. During his stay in office, he still attempted to indicate the direction which reforms should take, especially in the domain of education. In 1815, he commented on the period:

“If the Republic had had time to organize public educa-

28. *Ibid.*

29. L. Carnot, *Réponse à Bailleul*, p. 111.

British sour grapes

The Encyclopedia Britannica concludes its entry on Lazare Carnot with a vicious attack on the man who mobilized France, under the most desperate conditions, for a war with England. (For what Carnot really thought of Robespierre's Terror, see de Paoli's article.)

Carnot was indeed "the Organizer of Victory" but only in collaboration with the other members of the Committee of Public Safety, with whom he shared responsibility for the Terror as well. For although the Committee of Public Safety was able to raise, equip, arm, and feed 14 armies and lead them to victory, it succeeded only by means of a mass levy, mass requisitions, and nationalization of military production—measures that were based on the revolutionary government's use of force, that is, an authority relying on the Terror. The characterization of Lazare Carnot as "the Organizer of Victory" is a legend created by the victors of the Thermidor coup, who, holding those vanquished in the coup responsible for the Terror, surrounded the survivors with all the brilliance of the victory.

tion, it have been imperishable."³⁰

Secondly, he continued to implement reforms in order to increase the power of the French Army. He created a corps of telegraphers, and, with the aid of Robert Fulton,³¹ he sought to create a special unit of naval infantry, utilizing Fulton's "diving boats" (submarines) to beat the English fleet. Napoleon opposed the project. Carnot quit the government, no doubt because of that rejection, and soon afterwards wrote to Fulton:

"If I were still Minister of War, I would not hesitate for a minute to give you the means of carrying out this effort, whose positive outcome is beyond doubt, and whose consequences for the future I deem considerable."³²

From 1800 to 1804, he worked to put his scientific ideas in writing; it was in 1803 that his excellent works on geometry and machines appeared: *Géométrie de Position (The Geometry of Position)*, *Sur la Correlation des Figures Géométriques (On the Correlation of Geometrical Figures)*, *Principes Fondamentaux de l'Équilibre de Mouvement (Fundamental Principles of the Equilibrium of Movement)*, and others.

30. H. Carnot, op. cit.

31. Robert Fulton (1765-1815), American engineer, built the first submarine in 1798 (the *Nautilus*). Taking up the work of Jouffroy d'Abbans, around 1807, he built the first steamboat, which assured a trade link on the Hudson River.

32. H. Carnot, op. cit.

While we cannot detail these contributions here,³³ let us simply underline that the methodological combination of questions of topology and technology, in the purest Leibnizian tradition, would become the main pole of interest for the republican scientists of the nineteenth century.

From 1802 to 1804, Carnot was practically alone in fighting Napoleon's imperial ambitions. He declared in a speech to the Senate:

"We are called upon to pass judgment on the formal proposition to reestablish the monarchical system and to crown the First Consul [Napoleon] with imperial hereditary dignity. I voted against the idea of consul for life. I would similarly vote against the reestablishment of the monarchy. . . . It is not on account of the nature of their governments that the great republics lacked stability: It is because, being improvised amid turmoil, it is always euphoria which led to their establishment. Only one was the work of philosophy; calmly organized, this republic persists, full of wisdom and vigor. The United States of America presents this phenomenon, and every day its prosperity grows in leaps which strike other nations with admiration and astonishment.

"Thus it was reserved for the New World to teach the Old that one can live peacefully under the reign of liberty and equality."

After that speech, one can easily understand how Carnot was able to devote himself to the education of his son Sadi Carnot, and to his work in the scientific section of the institute which he had created in 1795.

He also worked actively at the time in collaboration with Monge to form new generations of republican scientists; the names of the mathematicians Joseph Fourier, Jean Poncelet, Michel Chasles, Gustav Dirichlet, Carl Jacobi, of the inventors Wilhelm Weber and Alessandro Volta, of Abel, of Crelle, are all connected by a common methodology of scientific thought. Carnot worked in collaboration with the Humboldt brothers, Alexander and Wilhelm, on different projects aimed at creating in Prussia institutions similar to those of France.

Wilhelm von Humboldt, for example, presided over the founding of the University of Berlin in 1810, and his brother Alexander sought to create in Germany, in collaboration with Freiherr vom Stein, republican institutions at the beginning of the nineteenth century.

In 1814, when Napoleon's stupidity and the quality of the Prussian generals who had understood Carnot's teachings, brought about the collapse of the empire, Carnot saw that France was in danger. Despite his 60 years, he went back into service, and was named governor of the city and garrison of Anvers. He defended the town with such brilliance, that it alone did not fall into enemy hands. His prowess so struck the Prussians that they spared his life when he finally stopped defending the town, under orders of the new King Louis XVIII.

33. See *La Science de l'Éducation Républicaine*, (cf. *supra.*) and "Lazare Carnot and the Leibnizian Machine" (cf. *supra.*).

Napoleon, upon his return from exile on the island of Elba, named Carnot interior minister for the “Hundred Days.” Immediately, Carnot created, on April 10, 1815, the Council of Industry and Welfare, which brought together the men of the Defense Committee of 1793: Chaptal, Berthollet, and Monge, as well as the Duc de la Rochefoucault-Liancourt, Ternant, d’Arcet. The program, rapidly drawn up by Chaptal, principally consisted in gathering the scientific, technical, and industrial capacities of the nation to encourage industry by means of innovation and economic assistance. By allocating a bonus of 50,000 francs to the inventors of any new industrial machine, Chaptal and La Rochefoucault-Liancourt promoted the education of workers and peasants.

In May 1815, Carnot passed a law that called for the generalized extension of primary schools. That law (the *Enseignement Mutuel*) read, in part:

“When the Americans of the United States decided on the location for a town, or even a village, their first concern was to bring a teacher there, at the same time that they brought in the instruments of agriculture; grasping as they did—those men of good sense, students of Franklin, of Washington—that what is as pressing for the true needs of man, as clearing the land, raising a roof, and clothing oneself, is to cultivate one’s intelligence. But, when in Europe, the inequality of fortunes, the consequence of a grand society, leave men in such inequality of means, how can we invite the most numerous class of society to become educated? Education without morality would be . . . even more dangerous than ignorance. So, how can we raise the morality at the same time as the education of the largest possible number of men? Here is the problem which deserves to occupy the friends of humanity, and which Your Majesty would resolve by establishing a good primary education. In France, 2 million children clamor for that education. . . . Through those means, the greatest part of the generation moves forward in the benefits of primary education, the true means of elevating all the individuals of the human race to the dignity of man. What is in question here, is not to turn them out as small-time scientists or courtiers; it is to give to each the appropriate enlightenment. . . . In every part of political economy, great art consists in accomplishing a lot with little means. . . . Hence . . . it is to make children educators of one another for moral behavior as well as intellectual learning. . . . The master is thus multiplied by his young representatives.”³⁴

This method was that which Gaspard Monge had already adopted when founding the Ecole Polytechnique, where he had set up a system of “brigade leaders,” in which the best students were chosen to teach their comrades, in such a way that the teaching would never be passive and so as to multiply, as rapidly as possible, the number of students who could thus be trained.

34. *La Science de l’Education Républicaine*, pp. 121-136. La Rochefoucault-Liancourt was, on the initiative of Abbé Grégoire, the founder of the Conservatory of Arts and Trades.

Carnot also proposed to create a Normal School of the Mechanical Arts, and attempted to set up what would today be called social security and a retirement pension system.

Carnot thus endeavored to convince Napoleon to abandon his imperial designs and to strive instead to reinforce the economy and to simply fortify Paris and the important border towns. Then, when the economy was restored, Carnot explained to the emperor, one could envision a grand design for continental Europe. In the meantime, the enemy would not have the strength to attack France on its borders. Napoleon formally accepted that plan, but then reneged, exclaiming: “You are right, but I need a brilliant exploit,”³⁵ an exploit which he thus went to seek beyond the frontiers, on the plains of Belgium, and which he was to find, just a few days later, at Waterloo (June 18, 1815).

Hippolyte Carnot reported that the emperor even rejected Lazare Carnot’s tactical advice, that he should attack the English first, and not the Prussians.

A short while after the defeat, even though the greatest part of his Army was still untouched, Napoleon refused to continue to fight, and instead resigned. Once again, under these difficult circumstances, Carnot took full responsibility, and was elected president of the Assembly. He immediately sought to establish a constitution similar to that of the United States, and began to organize the defense of Paris. The weakest flank was north of the capital, which was totally without fortifications; Napoleon had refused to build any. While Carnot sought to remedy the situation to defend the capital, the traitor Joseph Fouché, designated head of the government by the Assembly which had betrayed Napoleon to the English, committed treason against Carnot and sabotaged his attempt to defend the capital.

For his efforts, Carnot was thanked by Louis XVIII, who arrived with the occupying English troops, with the portfolio of minister of the interior. But, despite this appointment by Louis, the first measure taken by Fouché was to set up a list of persons to be exiled. The first name on that list was that of Carnot.

Exile in Magdeburg

Carnot was forced to flee to Magdeburg, where he was well received by the Prussians. There he found again the old republican circles of the Cincinnatus Society, led by vom Stein. He met there with Alexander von Humboldt and his friends, as well as General Gneisenau. In opposition to Metternich, the friend of Talleyrand, the German republicans sought to build in Germany a republic which would be based on the ideas of Franklin and the French. As early as 1816, Prussia was ahead of the other European countries in its educational system, followed by France, where Carnot’s program was not fully applied. England was far behind.

In Magdeburg, Carnot collaborated directly with Alexan-

35. H. Carnot, op. cit.

der von Humboldt and General von Mueffling, Chief of Staff of the Prussian armies, on the project to create a school on the model of Polytechnique in Berlin. Felix Klein writes on this subject:

“Those circles encouraged enterprises; it is they who created our technical schools, and launched the idea of creating a polytechnical institute of high scientific level on the model of the Ecole Polytechnique.”³⁶

Those same Franco-German networks contributed to the creation of a group of scientists around *Crelle's Journal*, which Carnot helped to create. That group brought together the greatest names in the sciences at that time: Dirichlet, Jacobi, Abel, Gauss, Riemann, Poncelet, Liouville, and others.

The corrupt influence of Cauchy

While Germany was developing these ideas fully, in France, Charles X and his protégé Augustin Cauchy³⁷ ran a wrecking operation against the scientific community. Jean Victor Poncelet (1788-1867), the inventor of projective geometry and republican pupil of Carnot and Monge, described the demoralization of the French scientists after 1816, under the patronage of Cauchy:³⁸

“One would have to evoke the sad memory of the state of intimidation and degradation into which we had been plunged, in the period up to 1830, by reactionary, moral or political passions, which have exercised more influence than is presumed on the future of science.”³⁹

Cauchy, a mathematician close to the Jesuits, had taken the place of Carnot and Monge during the Bourbon Restoration. He deliberately attacked the “school of Monge” and, in so doing, created a deep feeling of demoralization in the schools. He used the classical oligarchical model to replace creative intuition in the sciences with pure Aristotelean formalism. Poncelet describes Cauchy’s method in the following way:

“Such a way of proceeding, while it is reminiscent of the Ancients’ without being better, gives much too much preponderance to particular facts over general facts; it breaks the link between theory and ideas, substituting a given series of theorems, recipes, so to speak, of the science of the discrete

numbers. . . . Obviously, one could not impose such a method as a model without forgetting the true aim of Mathematics, and without taking the chance of bringing us back to the scholasticism of the Middle Ages, whose narrow spirit has been . . . much too propagated in the teaching in our high schools and colleges.”⁴⁰

And further:

“Isn’t it most discouraging to see nowadays, that the most delicate geometrical discoveries under the heading of the philosophy of science, should be thus distorted, degraded by shallow minds, who have indeed contributed not a small part to throwing education into the disorder and indiscipline of which I spoke?”⁴¹

In 1826, Poncelet was forced to publish his works in Germany, in *Crelle's Journal*. He wrote:

“Finally, deeply humiliated and wronged . . . I have resolved, not without bitter patriotic regrets, to take recourse in the impartial Journal of Mathematics published . . . by the

40. J. Poncelet, *Polémique et Fragments divers*, p. 554.

41. Ibid.

36. Ibid.

37. Felix Klein, *Développement des Mathématiques au XIX^e siècle*.

38. Baron Augustin Cauchy (1789-1857) was considered by many to be the founder of the French school of mathematical analysis. In fact, he was completely attached to formalizing prior results, and, a violent royalist reactionary, to extirpating the works of the republican mathematicians. He violently opposed the genial mathematician Evariste Galois right up to the latter’s strange death.

39. Jean Victor Poncelet (1788-1867), a student of Monge, French general and mathematician, revolutionized geometry by his researches, especially those undertaken during his imprisonment in Russia. He led the Ecole Polytechnique, where he patronized a large number of great mathematicians and physicists. See Pierre Beaudry, “The Metaphor of Perspective,” *Fidelio*, Summer 1995, pp. 63-83.

British economics vs. the American System

Although after Lazare Carnot’s death, French intellectual life came increasingly under the corrupt influence of Augustin Cauchy, still Carnot’s legacy did not die out. It was continued, especially by Jean Victor Poncelet and his student Charles Laboulaye. The following excerpts from Laboulaye’s Dictionary of Arts and Manufactures give a vivid description of the approach to economics taken by the Ecole Polytechnique circles, who aligned themselves with the American System of political economy, against the English free-marketeers.

“Man can act on surrounding nature not only as animals can, but with his intelligence. The discoveries which the latter makes every day, far from perishing with the individual, on the contrary accumulate in the diverse sciences which successive generations transmit to one another. Through such progress, man . . . can satisfy his needs and desires. Compare our demands with those of the savage who has only his physical force at his disposal. . . . Well, civilization could only develop among people capable of producing a quantity of products greater than what is consumed every day. It is the surplus which, brought together in the form of buildings, machinery, etc., forms the accumulated capital which is the strength and wealth of nations,

honorable and knowledgeable Dr. Crelle.”⁴²

How can we simultaneously pass judgment in politics, geometry, mechanics, and morality? How could we accuse the famous Cauchy, the founder of the French school of mathematical analysis?

Carnot and his followers would laugh at that question. Comparing the social and methodological aims of Carnot and Monge with those of Cauchy, one can understand that there is no separation between the quality of education, the pedagogical method, and the capacity of society to progress.

Compare the quotes from “In Praise of Vauban” by Carnot, with the following text, “On the Limits of Human Knowledge,” written by the young Cauchy in Cherbourg in 1811, still under the influence of his Jesuit teachers:

“When one rapidly surveys the productions of the human mind, one is tempted to believe that human knowledge can grow and multiply to infinity. . . . However, if one observes that all our intelligence and our means are enclosed within limits from which they may never break free, one will become

42. Ibid.

convinced that our knowledge is limited . . . that if man has not been able to visit the poles, he is left in eternal despair of ever coming close to those icy regions. . . . Who will ever dig a well 1,500 leagues deep? . . . Man has risen 1,500 fathoms into the atmosphere, but the rarefied air . . . will constantly bring back to the surface of the earth those who would want undertake a bolder enterprise. . . . An undecomposable body will ultimately be found. . . . The exact sciences are the sciences which can be regarded as brought to a close. Man can by force of sophistry be brought to doubt the truths taught him, but he cannot discover new ones . . . !”

Here is the man who is considered the glorious founder of the French mathematical school! Only a generation of mindless accountants could emerge out of Cauchy’s ideas.

When Carnot died in Magdeburg in 1823, France was sinking into decadence, while Prussia was on its way to the summits. Had Carnot prevailed, it is probably not an exaggeration to say that we might have put the first man on the Moon in 1880. Just think of what the American model could have accomplished, in countries endowed with the density of scientists that France and Germany had!

and allows the individual, liberated from the imperious slavery of hunger, to develop his mind and enlarge the domain of human intelligence.

“The civilization which Aristotle considered possible only at the price of slavery, is made by progress dependent more and more on the accumulation of instruments of labor.”

Laboulaye rejects the “statism” of Louis Blanc as well as the “anti-statism” of the Anglophile economists, and shows that the role of the state is precisely to encourage progress, by fostering technological development and education. He clearly differentiates the British from the American model:

“The creation of large companies must be avoided; the British-style industrial expansion which leads to pauperization and demoralization must be stopped. . . . In England, the country which, to this day, is still the most affected by the feudal era, where the descendants of the Normans have become large landowners . . . and have permitted the building of British industry in a most aristocratic fashion . . . industry is found to be organized on the model of ever-divisible territorial property, on the model of its fully aristocratic political society, totally feudal.

“In the United States of America . . . the organization of industry is totally democratic. The worker only works today, so to speak, in the hope of being his own master tomorrow, and the industrial enterprises grow in number more than in size. In the two countries, the industrial organization is the faithful image of the political laws; it is

aristocratic in the first, democratic in the second. . . . The feeling that one’s elevation in society is impossible has indeed largely contributed to the revolution of 1848, the laboring classes always hearing talk about the increase in bankers’ wealth, in that of rich speculators, and amidst the crisis of industry, never seeing one of their own ranks rise into property through labor and innovation. Those are the unhappy seeds planted in times of demoralization, which have produced the false ideas that today pose the greatest dangers to the country. Oh, if we could get all the theoreticians to look at the beautiful American industrial scene! . . . Either the plain, dumb desire for improvement will lead us into communism . . . or it will surely lead us into a frightening equality of misery, through the degradation of everything and everyone; or we shall see an industrial democratic power with a broad base, gifted with an immense energy for productive work, well-being becoming the ensured reward of talent. . . . [This] will bring about growth in the wealth of the nation, to undreamed-of proportions.”

Laboulaye lists several prescriptions for reaching that goal, including the following:

“*Credit*. The only country with the goal of putting credit at the disposal of any capability that will make it bear fruit, is America. Thus have we seen that country, in a few years, realize undreamed-of progress. . . . Of course, the goal was sometimes missed . . . and that nearly always happened when credit was turned into an instrument of speculation, instead of a means of fostering labor.”

Iranian mission to Africa is bad news for the British

by Hussein al-Nadeem

Iranian President Ali Akbar Hashemi Rafsanjani's tour of Africa this month is turning the tables on British geopolitics in the region. Following on Turkish Prime Minister Ecmettin Erbakan's visit to Iran in August, during which he called for starting "a new era of regional relations" based on economic cooperation, Rafsanjani's diplomacy could go a long way toward ending the myriad British-instigated insurgencies and wars that have kept east Africa in turmoil. Rafsanjani and the moderate faction inside Iran realize that the only way Iran can survive as a modern nation-state, is to build economic relations based on major infrastructure projects and trade with the nations of the world, especially the Third World.

Most significant, from a strategic standpoint, was Iran's role in mediating a peace settlement, signed on Sept. 9, between Sudan and Uganda.

Rafsanjani was accompanied by a huge entourage of officials from three ministries and 300 businessmen. His itinerary included Sudan, Tanzania, Zimbabwe, and South Africa.

He started his tour in Kenya on Sept. 3. During the visit, Iranian and Kenyan officials signed a number of economic development agreements related to Iran's participation in infrastructural projects in Kenya, such as dam building, power plant development, building of new oil refineries, and rehabilitation of an old oil refinery in Mombasa, building petrochemical industries, and repairing roads. Iran will build a storage station for liquefied petroleum gas in the port of Mombasa. According to the agreements, Kenya is also to buy such Iranian products as tractors, agricultural machinery, telecommunication products, and minerals. Rafsanjani said in the Kenyan capital of Nairobi that "Iran is ready to establish transport and cultural links between the African nations and the newly independent republics of Central Asia."

During one of the last stops on his trip, in Zimbabwe, the Iranian President called for a new world order based on

justice, equality, national interests, independence, and safeguarding territorial integrity, the official Iranian daily *Ettela* reported on Sept. 12. Rafsanjani was speaking at a dinner hosted in his honor by Zimbabwe's President Robert Mugabe. He said that Iran stands ready to assist countries of the South in development and reconstruction projects.

Breakthrough in Uganda-Sudan relations

Rafsanjani arrived in the Ugandan capital of Kampala on Sept. 5, and disclosed that he was willing to mediate in the conflict between Sudan and Uganda. Uganda, as *EIR* has documented, has been controlled by the British Overseas Development Office of Lady Lynda Chalker and the World Bank, and has been used as a base to launch a dirty British operation aimed at overthrowing the government of Sudan and dividing that country, through support for the south Sudanese separatist rebels, such as the Sudanese Peoples Liberation Army (SPLA). A Uganda-based United Nations "humanitarian" operation was put at the disposal of the SPLA, to continue the war which has devastated the southern region of Sudan.

All previous initiatives to settle the Sudan-Uganda dispute have failed, because the economic side of the issue was not addressed. The simple fact is, without economic development, there can be no peace, especially in Africa. The Iranians, fortunately, did not miss this point. During Rafsanjani's Uganda visit, Iranian and Ugandan officials signed seven major economic accords in the areas of oil, industry, building dams and infrastructure projects, agriculture, and trade. The Iranian president, who visited the Nile River, told reporters that "building a number of dams on the Nile can provide 10,000 megawatts of electricity for the region. This is a great wealth, and is more precious than hundreds of oil wells. In Iran, we have been building six major dams on the Karun River, and we have the expertise to assist the African nations

in this field.”

At a press conference held by Rafsanjani and Ugandan President Yoweri Museveni, the Iranian President said: “If the African nations, since their independence, had exploited their wealth to build Africa, they would have become much stronger today. Stronger than China. The Chinese are not richer than the Africans. The difference is that the U.S. and Europe are not able to impose their will upon the Chinese people.”

On Sept. 8, the Iranian delegation landed in Khartoum, the capital of Sudan. To the surprise of reporters and foreign officials, Ugandan Deputy Prime Minister and Foreign Minister Eriya Kategaya met the Iranian President’s airplane at Khartoum Airport. Before leaving Kampala for Khartoum, Iranian Foreign Minister Ali Velayati announced that both Uganda and Sudan had accepted an Iranian plan for mediation to settle their differences.

The foreign ministers of Sudan, Iran, and Uganda met in Khartoum the same day, and on Sept. 9, a 12-point peace agreement was signed (see *Documentation*). Velayati revealed that secret talks among the three governments had already started three weeks before the date of the agreement.

The first thing the agreement will achieve is the elimination of the separatist groups and their backers from the UN and the non-governmental organizations operating in that region. It will allow stability and peace to prevail in southern Sudan, in order to bring development to that ravaged area. Iranian companies are already involved in projects for oil exploration in the south, and building power plants and building roads in various part of the country.

British plots preempted

In the days preceding and during Rafsanjani’s tour of east Africa, the British-based and -controlled Sudanese opposition started a new assault against the government. Mohammed Osman al-Mirghani and Mansour Khalid, leaders of the Sudanese National Democratic Alliance, which was created by Baroness Caroline Cox at a June 1995 conference in the Eritrean capital of Asmara, and is financed by Cox’s Christian Solidarity International, held a number of meetings in London on Sept. 5-6, with British Labour and Conservative Members of Parliament, to discuss “ways of overthrowing the Khartoum regime,” according to a press release by the SNDA. After the meetings, the SNDA issued a communiqué saying that its forces inside Sudan “will escalate the fighting against the regime in the coming few days.” Similar meetings were held in Washington, with U.S. State Department officials, and with UN Secretary General Boutros Boutros-Ghali, on Sept. 7-8. Boutros-Ghali promised to increase UN aid for southern Sudan.

These meetings coincided with a new round of destabilization of Sudan. Riots broke out in Khartoum that week, after agents of the opposition parties infiltrated peaceful demonstrations protesting a strike by bakers, which had resulted in a bread crisis. Three people were killed in the riots.

Then on Sept. 6, a gunman who was allegedly trying to

assassinate al-Sadiq al-Mahdi, the leader of the Mahdia sect and Umma Party in Sudan, was overwhelmed at the Omdurman Mosque, and was beaten by followers of the Mahdi. London-based opposition groups immediately charged that “Hassan al-Turabi’s National Islamic Front” had plotted the assassination. Al-Turabi is the chairman of the elected Sudanese Parliament. By blaming the National Islamic Front for the assassination attempt, the London-based groups aimed at intensifying the civil war in Sudan.

One week before that incident, the Sudanese government revealed that it had uncovered a military insurgency led by 15 army officers with connections to the Asmara-based SNDA. The insurgency was attempting to take over or destroy Port Sudan, the most strategic Sudanese area. Meanwhile, the Eritrea-based armed wing of the SNDA continued its attacks on Sudanese army and police posts in eastern Sudan, close to the Eritrean border.

So far, the Iranian initiative has succeeded in thwarting these attempts to destabilize Sudan, but the enemies of the nation of Sudan are reorganizing their ranks. Most of the forces of the SPLA have moved to east Sudan, Ethiopia, and Eritrea.

For the moment, the British plans aiming at destroying Sudan through an alliance among Eritrea, Ethiopia, and Uganda, and also through wrecking Kenyan-Sudanese and Egyptian-Sudanese relations, have been stalled. This gives the nations of east Africa the chance to rebuild their economies and resist the international oligarchy, which has for so long attempted to get its hands on the wealth and labor power of the African nations.

Documentation

From the Preamble of the Text of Agreement between Uganda and Sudan.

To achieve these noble and sacred goals, the two sides agreed on the following:

1. Cease immediately all campaigns of official negative propaganda against the other, bilaterally or at any other fora;
2. Cease to provide territory to be used by belligerent forces against each other’s country;
3. Refrain from providing support directly or indirectly to belligerent forces opposed to each other’s government;
4. Disarm and dismantle bases and logistics centers of belligerent groups of either of the two countries in the territory of the other;
5. Remove all belligerent groups and all refugees away from common border to a distance not less than 100 kilometers from the common border;
6. Each country should enhance and facilitate the voluntary repatriation of refugees;

7. To ensure supervision over the implementation of this agreement, a verification team comprising representatives of the two sides, the Islamic Republic of Iran and, if they accept, the Republic of Malawi and the Libyan Arab Jumhuriya, shall be established in the capitals of the two countries. The team shall present all its reports on different areas to the ministerial committee.

8. The verification team shall determine the mode of operation to ensure rapid action. The necessary facilities, such as helicopters, for the speedy dispatch of the verification team to areas where military movements are reported, shall be provided by the government of the host countries;

9. Each of the two countries shall make available areas of their territory for the stationing of the verification team;

10. In case of receipt of reports on violation of understanding in the present agreement by either side, the verification team, in the presence of the Islamic Republic of Iran, the Republic of Malawi and the Libyan Arab Jumhuriya, shall investigate and visit the reported location and present its report to the ministerial committee for [review] and decision. On its part, the Islamic Republic of Iran, the Republic of Malawi, and the Libyan Arab Jumhuriya, shall assign two military delegations at the capitals of the two countries for the purposes of carrying out this function.

11. The foreign ministers of the three countries agreed to meet during the course of the 51st session of the United Na-

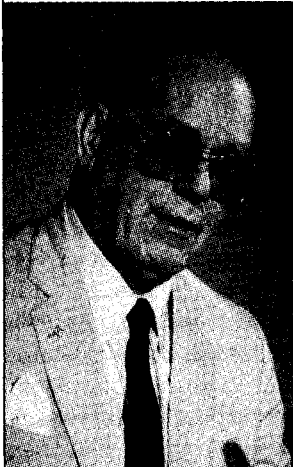
tions General Assembly in New York to review the latest situation and the progress of the implementation of this agreement. They further agreed to meet once every six months on a rotational basis in the capitals of the three countries, to review the progress of the implementation of the present agreement and to help expedite the process of normalization and cooperative relationship. The meeting after New York shall be held in December 1996 in the Republic of Uganda.

12. A three-member delegation from each of the three countries shall meet in the Islamic Republic of Iran on the 30th of September 1996 to determine mission status of the verification teams.

In conclusion, the agreement noted that the Republic of Sudan and the Republic of Uganda reiterated their resolve to implement the provisions of the present agreement and expressed their deep appreciation for the relentless and honest efforts of Ali Akbar Hashemi Rafsanjani, President of the Islamic Republic of Iran. In his tour of African nations in September 1996, in mediating, they expressed the hope that with the continuing cooperation of the Islamic Republic of Iran, they will witness lasting peace and stability in the region.

The agreement was signed on Sept. 9, 1996 in Khartoum, by Sudanese Foreign Minister Ali Osman Taha, Ugandan First Deputy Prime Minister and Foreign Minister Eriya Kategaya, and Iranian Foreign Minister Ali Akbar Velayati.

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Honolulu	1200	Tehran	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
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* Mondays

Colombia's President Samper is behind narcoterrorist insurrection

A local judge in Colombia's southern jungle province of Caquetá has ordered the arrest and month-long imprisonment of Army Commander Gen. Harold Bedoya, and of other high-level military officers, because they refused to obey the judge's order to lift military barricades around the capital city of Florencia, an action which would have permitted 20,000 or more coca farmers under the armed leadership of the FARC narco-guerrillas to storm the city.

Some 70,000 or more of these peasants, enslaved to the cultivation of coca (the raw material for cocaine) by a combination of desperate poverty and FARC terrorism, have been mobilized since July across the country's south and northeast regions, to protest the government's drug eradication program, and to demand concessions ranging from legalized coca cultivation to territorial autonomy. Their mobilization has been accompanied by escalating terrorist attacks on towns, police and military posts, airports, and oil facilities, by the FARC itself, in an all-out "Tet offensive" by the drug cartels and their terrorist allies against the nation of Colombia.

The phenomenon of "narcoterrorism"—a deadly alliance between the drug traffickers and the terrorist guerrillas—was, at long last, publicly acknowledged by a U.S. State Department spokesman on April 6, in response to an *EIR* query on the subject: "There's no doubt that guerrilla fronts are directly engaged in this coca cultivation and processing, and in protecting the fields, the laboratories, and the markets."

FARC atrocities

The FARC's greatest propagandistic coup was carried out on Aug. 30, at the military base of Las Delicias, in the southwestern department of Putumayo. Some 300 FARC terrorists took the base by storm, killing 40 soldiers and taking another 60 captive. The FARC seized one army sergeant, conducted a "trial," and hung the man by his testicles before burning him alive. The 60 kidnapped soldiers are being used as a human shield, to facilitate "peace talks" in which the FARC seeks control over half of Colombian territory, and 20% of the population.

In a communiqué, the FARC has demanded a cessation of all military operations in the country as the precondition for handing over the 60 soldiers to the International Red Cross. The announcement has turned the families of the captive soldiers into a pro-FARC pressure group, demanding an end to military operations against the narcoterrorists. At the same time, the government of pro-drug President Ernesto Samper Pizano has named a commission to receive the captive

soldiers, headed by Augusto Ramírez Ocampo, the former head of the United Nations mission for El Salvador, which turned that country into a virtual UN protectorate.

This offensive is being conducted in clear coordination with Samper's forces within the government itself. When the first anti-eradication protest demonstrations were begun, back in July, Samper tried to use these marches as a means of demonstrating to the international community that the drug trade could not be eradicated in Colombia, because it would adversely affect the "poor peasants." In this, Samper has had the backing of innumerable non-governmental organizations (NGOs), both domestic and foreign.

The Clinton administration's decision back in July to withdraw Samper's entrance visa to the United States, due to his evident collaboration with the drug cartels, prompted Samper to organize a trip to Europe, in search of backing from Great Britain and France. French President Jacques Chirac, who was involved in the 1980s Bush operation to finance the Nicaraguan Contras with drug money, attempted to give legitimacy to the cartel-orchestrated protests in Colombia, by proposing, as an "alternative to repression," the creation of "an international fund, for the purpose of buying the coca leaf from the growers, at the price the drug traffickers are paying them." This proposal, made on Aug. 1, served as a green light for launching the FARC insurgency two days later.

The Colombian military has never hesitated to define the marches, in which thousands of peasants are being used as cannon fodder by the terrorists, as a cartel ploy. The marches are not only coordinated by FARC chieftains dressed like "peasants"—arrests of some of the "peasant" leaders have already uncovered their FARC membership—but include armed commando forces who maintain the discipline of the marches, distribute food and other necessities, and keep personnel rosters. Those marchers who abandon "the cause" are punished with death. At least one case is documented, in which the FARC beheaded a child in front of his parents and siblings, because of the father's refusal to join the protests.

The opposition daily *El Nuevo Siglo*, was explicit in its Sept. 10 editorial, that Interior Minister Horacio Serpa Uribe, Samper's right-hand man, is the main promoter of the "peasant" marches inside the government. Serpa, known as "Comandante Serpa," is accused by *El Nuevo Siglo* of deliberately delaying orders to contain the marches until they had turned into a full-scale terrorist insurgency. "These are public charges that have been repeatedly made on television by mayors and civic leaders from the south of the country," says the editorial.

London terrorist meeting cancelled, but the fight has just begun

by Omar Abdul-Aziz

On Sept. 7, it was announced that the London terrorist conference known as the Islamic Revival Rally, scheduled to begin on the following day, was cancelled. Al-Muhajirun, the group which had organized the gathering of a projected 12,000 people in a London sports stadium, decided to call off the conference, reportedly in response to pressure exerted by British security authorities. But Anjem Choudary, spokesman for Al-Muhajirun, indicated that the British themselves had their hand forced; he blamed "Arab states and certain international organizations which started an adverse press campaign," for having created conditions in which the conference could not take place.

As *EIR* reported in this space on Sept. 6 and 13, the conference was to include representatives of some of the top terrorist organizations in the world, all of them with operational centers in London.

There had been an intense mobilization against it, particularly by the government and press of Egypt. The Egyptian press was filled with extraordinarily precise and harsh denunciations of the British imperialists, for allowing London to be used as a staging ground for terrorist activity. Arab press reports indicate that the Egyptians made their feelings known to Washington, and that certain pressure from across the Atlantic, may have been decisive in forcing the British authorities to pressure the sponsors not to hold the conference.

For the past nine months, *EIR*'s correspondent at the White House, William Jones, has been pressing the administration to confront the increasingly obvious role that London plays in world terrorism. On Sept. 6, at a State Department briefing, Jones asked spokesman Glyn Davies whether the U.S. administration were not concerned "that the British have allowed this thing to go forward." Jones pointed out that the conference was being financed by Saudi moneybags Osama

Bin Laden, who was planning to send a videotaped address to the gathering, calling for a *jihad* against the United States. Davies, in his reply, limited himself to a diplomatic expression of "confidence" that Her Majesty's government would do the right thing.

On Sept. 4, the London-based Arabic daily *Al-Arab* had published the full text of a message sent by Bin Laden to his followers. This was the most brazen example to date, of what atrocities the terrorists are planning. He called for "destroying and killing the Americans based in Saudi Arabia," and called

upon elements in the Saudi regime, including the Armed Forces and the Royal Guard, to join the terrorist war. "Although we know that the Saudi regime is responsible for what happened to your people," he wrote, "we should concentrate on ambushing, killing, and destroying the American enemy."

The Egyptian denunciations were typified by an Aug. 31 commentary in the official daily *Al-Ahram*, which accused the British of having a policy of "manipulation of terrorist groups, which serves as a tool for intimidation of the world's nations, and to dictate its imperial policies to the world." On Sept. 7, the editor-in-chief of *Al-Ahram*, Ibrahim Nafi, wrote that "Britain has become the number one base in the world for interna-



tional terrorism."

Egyptian newspapers continued their attacks against the British, even after the cancellation of the conference. Nafi replied to a comment sent to him by the British chargé d'affaires in Cairo, Richard Macbeth, complaining about a previous editorial written by Nafi, and saying that "British law does not ban such conferences." Nafi's reply to Macbeth was even harsher this time: "We tell Mr. Representative of the British

Crown that no one believes anymore what is being pronounced by British officials, especially about 'fighting terrorism.' It is also very difficult to trust that the guarantees they give on this issue could be the solution for the problem created for everyone by Britain through allowing the international terror conference to be held in its capital." He added that "British officials try to ignore the fact that the British field is being used, through official laws and regulations, to destabilize other nations by professional terrorists."

The daily *Al-Akhbar* also ran an editorial saying: "Where was the British bragging about democracy on the eve of Gerry Adams's visit to Washington? . . . Let's invite the IRA for a seminar in Cairo, or Gerry Adams for a conference to discuss the problem of the Irish people, and then let's see what the British have to say about democracy." The editorial demanded concrete action to deal with the British problem. "We can't keep silence in the face of the British acts which put on the cloak of democracy."

The next move

The Egyptian government has a unique chance this time to settle accounts with the British. Egypt has long suffered from the criminal acts of the "Islamic" terrorist groups whose

leadership enjoys political asylum in London. The Egyptian government has sent many warnings to the British government, demanding an end to the British support for those terrorists. The Egyptian government recently handed a detailed report to the British Foreign Office, which included information about all the Egyptians who are involved in terrorism, and who use Britain as a base. The same report was sent to the U.S. State Department, in hopes of increasing the pressure on the British, who have refused to cooperate with the Egyptian government in stopping these terrorists.

Cancelling the conference is the beginning, rather than the end, of the battle between the nations of the Middle East and Britain. The Egyptian government has decided to pursue this case until the British agree either to extradite the leaders of the Egyptian "Islamic" terrorist groups, or to "neutralize" them. Egyptian Interior Minister Hassan al-Alfi said on Sept. 7 that "Egyptian President Hosni Mubarak will propose the implementation of an international mechanism to encounter international terrorists, and stop their propaganda and fundraising activities inside the countries where they are based." Al-Alfi added that the proposal will be forwarded to the United Nations, to be discussed by the Security Council and the General Assembly.

Terrorism in Peru: the British connection

In light of the denunciations made by Egypt and other countries, it is instructive to consider the fact that the British government and the Queen herself provide protection for Peru's Shining Path "exiles" in London. The satanic Shining Path death-cult is guilty of barbaric destruction of Peru's economy, infrastructure, and the very indigenous populations it claims to be defending. Its most important foreign headquarters are in London and Paris.

Throughout Shining Path's war against the Peruvian state, the head of its London operations was Adolfo Hector Olaechea, a member of one of Peru's oldest oligarchical families, who ran an 11-language translation service. Repeated requests by the Peruvian government that the British shut down Shining Path organizing in Britain have been refused, to date. Olaechea runs the Peru Support Group (PSG), which has been identified by the Peruvian government as part of Shining Path's international network. Among the PSG's sponsors are Lord Avebury, president of the British Parliament's Human Rights Commission, and a group of British clerics that includes Michael Campbell-Johnston, England's Jesuit Provincial.

In introducing himself in London, Olaechea uses a note

from Buckingham Palace. Dated July 25, 1992, it reads: "[T]he private secretary is commanded by Her Majesty the Queen to acknowledge the receipt of the letter from Mr. Olaechea, and to say that it has been passed on to the Home Office." According to the July 2, 1996 issue of the Lima daily *Expreso*, in 1992, Olaechea succeeded in getting Queen Elizabeth to order her private secretary, Robert Followor, to investigate Olaechea's charges that he and other Shining Path exiles were being "harassed" by the Peruvian ambassador in London.

In 1992, during the worst of the Shining Path terrorist offensive, London's Independent Broadcasting Authority, a dependency of the British Office of the Interior, coordinated with Olaechea to send two journalists to Peru. These contacted Shining Path's units, and filmed a report highly favorable to the terrorists, which was then broadcast, on July 10, 1992, despite Peruvian government protests.

In December 1992, John Simpson, foreign affairs editor for the BBC, issued a televised documentary on Peru that attacked the Armed Forces which operate in the narco-terrorist zones, for "corruption" and for "violation of human rights." Lord Avebury then called on Simpson to testify before his parliamentary commission. Lord Avebury expressed his concern for the "lack of security" for civilians in the narco-terrorist zones, and denounced the "impunity" of the military and their "witchhunts" against the Shining Path networks abroad.—*Cynthia Rush*

Papal visit unleashes mad dogs

The campaign by freemasons and Zapatista-supporters has been marked by truly amazing eruptions of imbecility.

There is a Russian saying, "He who keeps a dog, need not bark himself!" Were the French "cultural elites" to stop barking at the upcoming papal visit, they might at least retain a little threadbare dignity. But evidently, this is not to be.

The pope is to visit four French cities Sept. 19-22, at the invitation of President Chirac, and in honor of the 1,500th anniversary of the baptism of King Chlodowig, known in France as Clovis.

Months ago, the daily *Le Monde* kicked off a campaign against the visit. As France plunges deeper into depression, assorted freemasonic and anarchist riff-raff fret that the notion of *Caritas* put forward by Catholic Church figures close to John Paul II, such as Cardinal Bishop Lustiger, will recruit youth to an anti-Darwinian spiritual mode.

In the Tours diocese, a group has been making the rounds to encourage people to be "debaptized"—to remove themselves from the register of baptism; several dozen have apparently done so, in what is intended by its instigators to become a nationwide movement in favor of what one might call non-existence.

In the front ranks of the slavering pack, there is the Réseau Voltaire, a collection of police provocateurs, which has taken time off from building support for the Zapatista insurgency in Mexico, to launch law suits against municipal and regional bodies that approved subsidies to the papal visit. They have now succeeded in getting the Administrative Tribunals to strike

down the subsidies. The Voltarians have announced, through their president Thierry Meyssan, that immediately after the visit, they will "go through the accounts of each town the pope shall have visited, and take to the Criminal Courts those prelates, who benefitted from the use of two military bases and from the services of thousands of officials, in order that they be made accountable to the population they have despoiled."

Meyssan, under the title "The Elysée and the Vatican Against the Republic," scribbled in *Le Monde*: "The Holy See is, by its very nature, hostile to the constitutional principle of laicity, since it is both a religious and a political power, both the Roman Catholic Church, and the Vatican State. . . . Let us denounce his diplomacy. . . . This pope . . . celebrates the Christian family, while throwing anathema upon all sorts of families: single parent families, homosexual families, etc., in the name of a single, totalitarian family." Meyssan waves off triumphantly, remarking that tens of thousands will demonstrate against the pope's visit on Sept. 22.

This will be a pretty sight! The Grand Orient Freemasonic Lodge, namely, the upper crust of the Parisian business world, will take part, alongside the Communist Revolutionary League, the Greens, and assorted violence-prone stragglers who make up the Réseau Voltaire.

Note that the Réseau Voltaire's little operation with the Administrative Tribunals would seem to have been spurred on, not by the anarchist rabble,

but by more exalted circles. Michel Tubiana, vice-president of the well-connected League for Human Rights, virtually said as much to *Le Figaro*: "The vastly inflated means put at the pope's disposal go way beyond the Republic's obligation toward a foreign head of state. The Administrative Tribunals have begun to remind us of same. . . . It is not a whit old-fashioned to recall this fact at a point in time when . . . the privileges granted a single church represent unjustifiable discrimination, bearing heavy consequences in their train."

Getting down to the bottom of things, to coin a phrase, was the Director General of Yves St. Laurent International and former head of the Opera, Pierre Bergé, who, for some reason best known to his hairdresser, is one of the most powerful figures on the French "cultural" scene. M. Bergé, who is not married to a woman, has just written a book against the unfortunate King Chlodowig. He told *Le Figaro*: "This whole business with Chlodowig shows one thing clearly: The Church still has not digested the Enlightenment, the Revolution, and the Republic. The Church has not laid down her arms."

This would all be greatly amusing, save for the fact that there have already been several assassination attempts against the pope, at least one of which, that by Father Krol in Portugal, was run through French fundamentalist networks. And the National Front's perfervid propaganda for King Chlodowig has been mounted precisely to shape an environment whereby the pope will attract hostile elements of every stripe. On Sept. 3, a powerful bomb was discovered at the Church of St. Laurent sur Sèvres, precisely at the spot where the Pope is to kneel and pray in memory of Saint Louis-Marie Grignon de Montfort, a 17th-century missionary.

Signs of sanity in foreign policy

Analyst Michael Stürmer calls attention to the potential for a Eurasian land-bridge, and the dangerous erosion of NATO.

Arethinking is going on among the German elites, about the kind of institutions required for the coming century. Michael Stürmer, the director of the Institute of the Foundation for Policy and Security Studies in Ebenhausen, the quasi-official foreign policy think-tank of the German government, recently published two essays in the Swiss daily *Neue Zürcher Zeitung*, which is widely read among German policymakers.

In the first essay, which appeared on Aug. 9, Stürmer warned the West against neglecting the strategic importance of developments in the Central Asian region, which could play a positive role as a bridge between Europe and Asia in the coming century. Especially as far as Iran is concerned, its catalytic role in the entire region—for better or worse—is not properly acknowledged in the West, Stürmer wrote. The fact is that the opening in May of the rail line between Mashhad and Tedzhen, has closed the gap in direct rail connection between Europe and China, bypassing Russia, and gives Iran, which is still isolated by the West, a “pivotal function” for Asia.

The geopolitical implications of this new rail line are immense, Stürmer wrote: “Through the link to the Iranian rail grid, the connection to the big port of Bandar Abbas on the Strait of Hormuz is established. Central Asia and South Asia are provided with a rail connection.” The West should put an end to the “carrot and stick” approach it has practiced toward Iran, and cultivate positive contacts to those Iranian elites that want to cooperate with the

West, in the project of the new Silk Road, Stürmer recommended. The alternative would be chaos and fanaticism throughout the region.

In the second essay, published on Sept. 6, Stürmer warned against not taking the crisis and erosion of NATO seriously, and called for a new concerted effort, especially between the United States and Germany, to define a Western strategy for the next century that would be oriented toward cooperation with other regions of the world.

Stürmer wrote this essay on the 50th anniversary of a speech given by then-U.S. Secretary of State James Byrnes, in Stuttgart, the “Speech of Hope” which opened the door to postwar friendship and close cooperation between Americans and Germans. Stürmer emphasized that Byrnes’s speech put an end to the “one-worldism” of the Allied elites, which had a rigid containment approach to the postwar Germans, and even strove, under the so-called “Morgenthau Plan,” to turn Germany into a deindustrialized, agrarian state.

The Byrnes speech set the tone for a conceptual shift among the Americans toward a new policy of re-industrializing Germany, and making it a reliable ally of the United States in Europe, Stürmer recalled. This new U.S. policy broke with the rigid military occupation habits of the other three wartime Allies—the British, the French, and the Soviets—and their emphasis on war reparations and dismantling of industry. This, Stürmer hinted, should serve as a model for

U.S.-German cooperation in the 21st century.

Stürmer’s remarks reportedly reflect discussions inside the German government, behind closed doors. Evidence of that was the way in which the Byrnes Memorial event was organized, the official, Sept. 6, U.S.-German commemoration of the 50th anniversary of the “Speech of Hope.” The commemoration event featured speeches by German Foreign Minister Klaus Kinkel and by U.S. Secretary of State Warren Christopher, who revealed a bit of the ongoing discussion process about the envisioned “next 50 years” of U.S.-German cooperation.

Kinkel emphasized that after the first 50 years of postwar U.S.-German cooperation, the next 50 years must see a broadening of relations, between the now-reunited Germany and the United States. He said that the unification of Europe includes the United States as “an integral part of Europe.” He said that the role of NATO would have to be modified, in order to take into account the changing world of the next century: “In the year 2020, seven out of the 15 leading industrial nations of the world will be Asian ones, and of these, number one will be China.”

Western policy in the next century must be based on a cooperative spirit toward these new centers of world policy, Kinkel said. He also referred twice to President Clinton’s visit to Germany in July 1994, when the U.S. President called for a strong U.S.-German role in the economic reconstruction of eastern Europe.

Warren Christopher compared the situation in Bosnia to the war-devastated postwar Germany of 1945. He called for the same intensity of reconstruction effort that was launched in Germany in the late 1940s, to be carried out in Bosnia today, in a joint U.S.-German project.

International Intelligence

Book charges Chirac made dirty arms sales to Iran

According to a new book *The Mitterrand Decade*, the late French President's premier, Jacques Chirac, and his interior minister, Charles Pasqua, were involved in arms-for-hostages sales to Iran and the Afghans, in the 1980s. The authors, two journalists with Agence France Presse, report a May 30, 1988 memo by Gilles Menage, then director of the Mitterrand Presidential cabinet, about his meeting at the Elysée with the "French Oliver North," Jean-Charles Marchiani, an intimate of Pasqua's, whom the latter used for special operations.

In Menage's memo, Marchiani is reported giving the details of what was negotiated, in exchange for the release of French hostages in Iran. Among the deals worked out, according to the summary in *Le Monde*, was "the delivery of weapons to the Afghan resistance, and of spare parts for Iran."

Although media reports are clearly self-serving, the fact that the story is coming out now (and perhaps coincidentally with the *San Jose Mercury News* exposé of the George Bush-Oliver North drug deals with the Colombian cartels) could be quite damaging to Chirac. It could also hurt Pasqua, at a time when he is shamelessly trying to make a political comeback, even eyeing the post of prime minister should current Premier Alain Juppé fall, which increasingly appears likely.

Dismissal rocks coalition government in Poland

On Sept. 4, Foreign Trade Minister Jacek Buchacz, of the Polish Peasant Party (PSL), was fired by Prime Minister Wladzimierz Cimoszewicz, who is allied with the former communists, now the Social Democratic Party (SLD), over what the government said was a blurring of private and public interests in granting of export guarantees. The dismissal coincided with the two coalition parties' brawl over cabinet posts during a ministerial reorganization due this year.

PSL leader and former Prime Minister

Waldemar Pawlak demanded a full explanation for Buchacz's dismissal, saying that reasons so far published by the prime minister were inadequate.

The PSL on Sept. 6 denounced the abrupt sacking of Buchacz. Some deputies said that the ouster was meant to provoke the collapse of the government, the dissolution of the Parliament, and to force early elections for Parliament in the spring (they are currently set to take place in October 1997). The SLD is said to be worried that, by October, their neo-liberal economic policies will have so damaged the economy that they cannot retain their hold in Parliament.

Despite the fact that the PSL is a coalition partner, it often opposes SLD's economic policies, especially privatization and extreme free market reforms. Many PSL deputies consider themselves more in the opposition than on the government side, but think their party is too weak now to go independent and win early elections.

New Romanian turmoil bodes ill for E. Europe

A new crisis for eastern Europe is brewing following the collapse of Romania's coalition government on Sept. 2. Romania had been ruled by a coalition of President Ion Iliescu's Party of Social Democracy (PDSR—the former communists) and the ultra-nationalist, fascistoid Party of National Unity (PUNR), headed by Gheorghe Funar. Funar, who is mayor of Klausenburg in Transylvania, is a rabidly anti-Hungarian chauvinist, in this area where 1.6 million Hungarians live. The trigger for Funar's break, was the planned signing of the Basic Treaty between Romania and Hungary concerning the rights of Romania's Hungarian minority.

Underlying the fireworks is the fact that elections for President and Parliament are set for Nov. 3, and the PUNR stands to gain from the drop in living standards, brought about by the International Monetary Fund's stranglehold over the economy. PUNR and other chauvinist parties are presenting themselves as the radical-populist alternative by accusing the government of selling out to the

Hungarians. Needless to say, the rise of such fascists in Romania would ignite bitter, new tensions with neighboring Hungary.

Netanyahu-Arafat meeting wins Israelis' approval

According to an opinion poll conducted by Israel's largest daily *Yediot Aharonot*, 82% of those polled thought the meeting between Prime Minister Benjamin Netanyahu and Palestine Liberation Organization Chairman Yasser Arafat was the "correct thing to do." A poll by *Maariv*, the other leading daily, came up with 78.3%. Netanyahu's Sept. 3 meeting with Arafat was said to have been a precondition for a meeting with President Clinton the following week.

Meanwhile, Netanyahu came under pressure at the meeting of the Likud party central committee on Sept. 6, at which he was heckled by right-wing supporters of Ariel Sharon, who was cheered. Both Sharon and cabinet minister Benjamin Zev Begin criticized any idea of a meeting between Netanyahu and Arafat. Nonetheless, Netanyahu declared, "On the principles of continuing this [peace] process according to our understanding and in the way we are steering it, all cabinet ministers will have to accept it, or they will not be ministers."

Still, Netanyahu reiterated his opposition to a Palestinian state, which he said would never be allowed.

Glazyev forms 'Truth and Order' political bloc

Sergei Glazyev, economic security adviser to Russian Security Council chief Aleksandr Lebed, and Dmitri Rogozin, held a press conference on Sept. 5 to detail the program of their newly founded "Truth and Order" political bloc, which they co-chair. Others present were Yuri Popov of "Honor and Motherland," which is joining the bloc, as well as Dmitri Galagan and Svetlana Migulya of the Democratic Party of Russia, from which Glazyev resigned his official posts when he was appointed to the Security Council. The new bloc "is an organization that will give

Briefly

support to the activities of Aleksandr Ivanovich Lebed," and would "take part in the elections of heads of the administration and the legislative assemblies."

In response to a question, the co-chairmen remarked, "The very fact that we are in the same union brought together by support for Lebed's program speaks for itself as to who we will support in the Presidential election. We will participate in the elections to the State Duma when the time comes and we will also participate in all local elections, starting at the municipal level." Popov also reported that the idea for "Truth and Order," was Lebed's. "Truth and Order" will field 23 candidates in 53 regions in the upcoming regional elections. Popov stressed that Lebed "remains a political leader, a national leader in Russia, and therefore it is only natural that those millions of votes cast for him on June 16 should be represented in one of the political organizations to become an instrument capable of exerting influence and changing the situation in Russia for the better."

For Glazyev's views, see his article in *EIR*, May 31, 1996, pp. 48-65.

Queen to descend on India for its 50th anniversary

Britain's Queen Elizabeth will make a state visit to India next year for the 50th anniversary of Indian Independence and the founding of the British Commonwealth, the *Hindustan Times* reported on Aug. 29. British Foreign Secretary Malcolm Rifkind, visiting New Delhi, noted that India's 50th year of independence coincides with the 50th anniversary of the founding of the British Commonwealth, where the Queen is head of state of most of the members.

Rifkind completed his tour on Sept. 4, which included Pakistan, India, Japan, and Mongolia. In India, Rifkind said: "The coming year is a symbolic moment for British relations with Asia. It sees transition in Hongkong, and the anniversary of independence for India and Pakistan." Sugarcoating the neo-imperial plan for keeping Asia a cheap labor and raw materials pool, Rifkind continued: "Let me underline what we in

Britain have to offer in a partnership for prosperity with India: We have a unique position in the world, active as key decision shapers in the Commonwealth, the EU, and UN; we have one of the strongest financial centers in the world; we have a modern . . . industrial base accustomed to operating globally; . . . we have a large, dynamic, and prosperous Indian community to act as a bridge between us; geographically and institutionally, we are a natural gateway to Europe and the EU, and from there to markets in OECD countries beyond."

Filipino Muslims sign peace accord with Manila

Philippines President Fidel Ramos and Nur Misuari, chairman of the Moro National Liberation Front (MNLF), signed a peace accord in Manila on Sept. 2, to put an end to a 24-year secessionist war on Mindanao, which has claimed the lives of 125,000 people in the Philippines' most resource-rich island. The ceremony was witnessed by the secretary general of the Organization of Islamic Conference (OIC), which has played the key role in pushing the accord through to this stage.

The accord establishes an interim Southern Philippines Council for Peace and Development, which will be chaired by Misuari, and will be followed in three years by a plebiscite to establish autonomous Muslim rule over 14 provinces.

At a press conference in Jakarta, Indonesia on Aug. 30, where the accord was initialed, Misuari acknowledged that he will have a "big problem" in convincing the MNLF's 30,000 guerrillas to endorse the peace. The final sticking point in the negotiations was the integration of MNLF fighters into the Philippines armed forces and police, and how to disarm those who choose not to so integrate. The MNLF is the only Muslim guerrilla group party to the accord, although the Ramos government has held preliminary talks with the second leading group, the Moro Islamic Liberation Front. Misuari added that he looked forward to the return of some 500,000 Moro refugees from Sabah in East Malaysia.

PRESIDENT MANDELA has refused to "review the death penalty" and reinstate it, despite rising violent crime in South Africa. According to the *Mail & Guardian* on Sept. 6, Nelson Mandela met with Archbishop Desmond Tutu, and declared afterward that "there is no way" the African National Congress will backtrack on its anti-death penalty position.

THE COMMUNIST PARTY challenger in the first of dozens of regional elections around Russia, to be held this fall, lost resoundingly to the incumbent in the Sept. 1 contest, in the Don region of Saratov. Gov. Dmitrii Ayatskov, won 80% of the vote, against 16% for the challenger, Anatolii Gordeev. The Communists considered the Saratov region as part of their "Red Belt," where Communist Gennadi Zyuganov received a majority in the Presidential elections.

AFGHAN PRESIDENT Burhanuddin Rabbani met with a six-man U.S. peace delegation led by Rep. Daniel Barden, in Kabul in early September. The delegation was seeking a modality for negotiations to end the civil war. U.S. interest in Afghanistan escalated in the last two months, after a mission to Kabul by Assistant Secretary of State Robin Raphel and U.S. recognition of the Kabul government.

CDU parliamentary leader Wolfgang Schäuble called for the Expo 2000 in Hanover to be a followup to the UN "Earth Summit" in Rio de Janeiro. He demagogically demanded less population growth, less industrial growth, more "global competition," and hailed the information age. Schäuble is seen as a potential successor to Chancellor Helmut Kohl.

BOTH IRISH communities "wish for the end of violence," said Pope John Paul II on Sept. 8. "They have demonstrated that peace and reconciliation are possible if everyone has the courage to embrace the path of dialogue, mutual comprehension, respect for each other's legitimate rights, and above all, for human rights."

U.S. labor movement revived as a real social movement

by Marianna Wertz

America Needs a Raise: Fighting for Economic Security and Social Justice

by John J. Sweeney with David Kusnet
Houghton Mifflin Co., New York, 1996
167 pages, hardbound, \$18.95

The importance, and uniqueness, of this book, is that its author, AFL-CIO President John J. Sweeney, is attempting to change history for the good. It is written with the avowed purpose of mobilizing that vast majority of Americans who work for a living, to stand up and fight for economic security and social justice for all Americans, and for the unions that can guarantee their rights.

Sweeney is himself living proof that it is possible, with guts and determination, to intervene in history to effect a real change. Just since last October, Sweeney has transformed the American Federation of Labor-Congress of Industrial Organizations from a moribund institution into a fighting machine, which already has under its belt the passage of a much-needed rise in the minimum wage, the defeat of numerous anti-labor measures pushed by Congressional Gingrichites' "Contract on Americans," and an unprecedented mobilization of union members for the November elections.

Because Sweeney is a tested leader, and not a Hollywood fabrication, his words have a greater ring of truth than almost anything outside of Lyndon LaRouche's political movement. In fact, readers of *EIR* will recognize the similarity in outlook between Sweeney and LaRouche: Both men are products of the World War II/Depression experience; and both were raised to believe, as Sweeney says, that "the economy exists for the human person, not the other way around."

The central premise of *America Needs a Raise* is that vibrant trade unions are the *sine qua non* of a nation that respects the rights of workers and guarantees to all its citizens a decent living standard. It has been so long since labor unions were a fighting institution in the United States, that most Americans have forgotten, or never knew, what function they are supposed to serve. *America Needs a Raise*, released on Labor Day, is a shocking reminder of what the world was like when trade unions fought for the rights of working people—and of how far we have strayed from those times.

In October 1995, John J. Sweeney won the first contested election for the AFL-CIO presidency since the labor federation was founded in 1955. He presents here, for the first time since his election, the reasons that motivated him to dare to break with tradition, to act boldly in the face of a crying need, and, what is more important, to present a new vision of the labor movement, as a broad social movement capable of representing the interests of all working people in America.

Church, family, and union

John Sweeney is no accident. The world that shaped him had three crucial elements: church, family, and union. As Sweeney writes, "Without the church, there would have been no hope of redemption. Without the family, there would have been no love. And without the union, there would have been no food on the table."

Sweeney's parents were Irish immigrants, Roman Catholics, and hard workers. His mother was a domestic worker. His father was a bus driver in the East Bronx in New York City, and was a loyal member of the Transport Workers Union. The union, Sweeney says, won his father the wage increases that let him buy a home for his family of six and a few extra days of vacation on the beach at Rockaway—something nearly unrealizable for blue-collar workers then,

or today, without a union.

Born in 1934, Sweeney grew up during the postwar industrial boom. He credits his early training to the combination of his father's trade union activism and the Catholic social teaching he got in school. "I studied Catholic social teaching. In many ways, I learned a more detailed version of the values I'd been taught at home. Since men and women are created in God's image, their dignity must be respected. Working people have the right to a living wage—in fact, we used to say that breadwinners should earn a 'family wage' so that they could support their households. And though there will always be some churning in the economy, working people should not be cast aside like disposable parts when the last drop of energy and effort has been wrung out of them.

"Human dignity," Sweeney continues, "demands that workers have a voice on the job, and the papal encyclicals we studied recognized the role of unions. Several priests and teaching brothers . . . taught me a lesson I try never to forget: A union must be a movement and a mission, not a business or a bureaucracy. In particular, they taught that organizing new members is not only an institutional necessity but an ethical imperative. It is a practical example of the fortunate helping their less fortunate sisters and brothers."

Sweeney is also careful to differentiate his own religious training from those who today claim the imprimatur of faith for the policies of the Gingrichite: "Whenever I hear the voices of prejudice and privilege claim scriptural sanction for their views, I wonder how they managed to read the Bible without coming across the words 'justice' and 'love.' "

A new social contract

The ultimate goal of a renewed labor movement, Sweeney writes, "is a new social contract, by which workers will share not only in prosperity but in power. The old social contract that made America so successful during the postwar era was based on a simple but profound truth: For the economy to grow and prosper, working people must be able to buy the goods and services they produce. . . . Business people knew that if they paid their workers fairly and plowed some of their profits back into their communities, they could count on loyal employees and loyal consumers. For companies back then, good citizenship was good business. And our leaders in government understood that, as President Kennedy said, 'a rising tide lifts all boats.' They saw their purpose as raising the standard of living for all, not accumulating enormous wealth for just a few."

As an example of the sweeping change that has occurred in the "social contract" in just the past two decades, Sweeney cites the personnel manual from the beginning of the 1980s at IBM, where he had his first full-time job: "In nearly 40 years, no person employed on a regular basis by IBM has lost as much as one hour of working time because of a layoff. . . . It's hardly a surprise that one of the main reasons people like to work for IBM is the company's all-out effort to maintain full employment."



AFL-CIO President John Sweeney: "The economy exists for the human person, not the other way around."

Tens of thousands of downsized employees later, this "social contract" reads like "an ancient archeological artifact . . . something from an earlier civilization," Sweeney comments.

Sweeney's campaign for a new social contract began long before he fought his way to the top of the labor movement. Indeed, much of what he is implementing today has been tested since 1980, when he won the presidency of the Service Employees International Union. The SEIU represents the most menial workers in America—the janitors, hospital workers, custodians, busboys—and the lowest paid. A large percentage are African-American and Hispanic, and many are recent immigrants. They are the people who most need a union.

As president of the SEIU, Sweeney conducted the most sweeping union organizing drive in the nation. While overall union membership declined during the 1980s, from a low 22% of the workforce to only about 18%, the SEIU doubled its membership. Its strategy was simple: "to make every contract battle into a campaign that would inspire our allies and embarrass our adversaries."

The question of wage rates

Because he's in touch with real people, Sweeney provides statistics which actually approximate the reality of falling wage and benefit levels since the 1970s (see box). The 20% drop in real wages which he cites is closer to what *EIR* has published than most other sources.

However, to set the record straight, we quote briefly from Lyndon LaRouche's Sept. 4 interview with "EIR Talks," on how to determine what the drop has really been. "We do what's called a Market Basket Study. We look at per capita, per household, per square kilometer of area. We look at infrastructure, we look at industry, we look at agriculture, we look

Why America needs a raise

The following is a selection of key statistics from America Needs a Raise.

- Between 1978 and 1995, the buying power of workers' hourly earnings fell 12%.
- Hourly wages for nonsupervisory employees have fallen (in 1995 dollars) from \$12.85 in 1978 to \$11.46 in 1995, a drop of 11%.
- Over the last 20 years, the real incomes of workers without four-year college degrees dropped by at least 20%. From 1979 to 1995, average weekly earnings dropped by 17% in construction, 16% in transportation, and 7% in manufacturing. Retail workers' earnings dropped by 22%.
- Corporate profits jumped by 205% between 1980 and 1995, and executive salaries have soared. In 1960, the average CEO earned 41 times more than the average worker. By 1995, the average CEO earned 145 times more

than the average worker.

- In 1990, 59% of mothers with young children held jobs outside the home, compared with 45% in 1980.
- From 1979 to 1989, the number of workers with more than one job jumped from 4.7 million to 7.2 million. Today, more than 6% of all American workers (8 million) hold two or more jobs.
- The total "contingent workforce" (including temps, part-timers, and independent contractors) has increased 193% from 1985 to 1995. About 25% of all workers are part of the "contingent workforce." Contingent workers generally earn low wages, lack health insurance and pension benefits, and have few, if any, basic legal protections for their health and safety on the job, their retirement security, their right to overtime pay, and their right to organize unions and bargain with their employers.
- At their high-water mark in the mid-1950s, unions represented 35% of all American workers and 80 to 90% of those in major industries, such as auto, steel, and coal mining. Unions represented only 28% of American workers in the mid-1970s. Today, they represent only 15% of the entire workforce and a mere 11% in private industry.

at services such as education, medical care; and scientific services generally. We count the physical and service ingredients of these categories: we count them in market baskets.

"What does it take to keep investment in that shop, to employ one employee? What does that employee get for his family, in terms of market basket of goods, including education, leisure, and all these kinds of things that are needed to maintain the quality of life of that household? Then, all the way down.

"Now, if you look at those figures, the United States today, per capita, per square kilometer, per household . . . (remember, it takes two or three incomes in a household, where one would suffice, or one and a half would suffice before)—per capita, per square kilometer, the income and productivity of the United States today, is about *half* of what it was in 1969, 1970, that period."

The danger of weak unions

Beyond providing the evidence of decline in living standards, and reviewing the "war on labor" which the Carter, Reagan, and Bush administrations waged over the decade of the 1980s, Sweeney actually begins to tell the truth about labor's misleadership in this period. He charges that the weakness of the labor movement has itself been a major contributing factor to declining wage levels, and warns that the weakness of labor, and the absence of a progressive social movement, have created "a dangerous vacuum that's being filled by demagoguery and division."

John Sweeney ran for the presidency of the AFL-CIO to fill that vacuum. As for the cause of the vacuum, Sweeney points, in words far too polite, at his predecessor, Lane Kirkland, who assumed the presidency of the AFL-CIO from George Meany in November 1979. "While Meany's AFL-CIO had brandished power, the AFL-CIO of the 1980s and early 1990s too often seemed content to generate position papers—thoughtful ones, to be sure, but with little effect on workers' lives beyond the Washington Beltway. . . .

"Our sense of alarm increased with the November 1994 elections, when Republicans, intent on repealing 60 years of social progress, captured control of both houses of Congress. Working Americans had come to a critical point—with corporations downsizing, wages stagnating, unions declining, and our enemies seizing control of Congress. We waited for the top leader of the AFL-CIO to raise his voice or sound his trumpet—but the silence was deafening."

What Sweeney doesn't say, is that Lane Kirkland was an asset of the bankers' Trilateral Commission. While the labor movement was smothered for 16 crucial years under Kirkland's misleadership, Lyndon LaRouche, often alone, waged a battle for social justice in America, a battle which often pitted him directly against Kirkland.

It is thus a truly welcome occurrence to have organized labor once again directed by a fighter for social justice. Perhaps, as Sweeney concludes in this book, his leadership will indeed help inspire a social movement that can, as the Irish poet Seamus Heaney wrote, "make hope and history rhyme."

Britain's legacy to Thailand: 150 years of Dope, Inc.

by Michael O. Billington

Thailand: Economy and Politics

by Pasuk Phongpaichit and Chris Baker
Oxford University Press, Kuala Lumpur, 1995
449 pages, hardbound, \$59

This past summer, a research team at Thailand's prestigious Chulalongkorn University released a study, demonstrating that the annual illegal proceeds within Thailand from drug trafficking, prostitution, contraband oil sales, traffic in illegal labor, and illegal arms sales surpasses the kingdom's total annual budget. While drug money was calculated (rather modestly) at approximately \$4 billion (100 billion baht) per year, the proceeds from prostitution were found to be a staggering \$20 billion (500 billion baht) annually. These figures reveal the truth behind the hype in the leading Western financial press, portraying Thailand as the showcase success story of the "globalization" process.

One of the leading members of the team that produced the report, Dr. Pasuk Phongpaichit, head of the Political Economy Center at Chulalongkorn, also recently co-authored, with her husband, Englishman Chris Baker, a comprehensive political and social history of the country, called *Thailand: Economy and Politics*. This review will focus on certain aspects of Thailand's history as presented by Pasuk and Baker, which tend to provide some explanations for the disturbing facts revealed by the Chulalongkorn study on illegal money flows.

A second recent development, which will guide this review, is the special role that Thailand is playing in the ongoing reconstruction of the British Empire, a process which has been covered exclusively by *EIR* over the past months.¹ In March, the British and their "Entente Cordiale" partners in France, in collaboration with British satrapy Singapore, orga-

nized a meeting in Bangkok, called the Asia Europe Meeting (ASEM), to forge a European-Asian alliance, explicitly leaving out Russia and the United States, to the purpose of imposing British colonial-style "free market" control over all of Asia, including China. An included objective of the "New Empire" policy is to *prevent* the emergence of European/Asian collaboration around the "Eurasian land-bridge" concept, based on high-speed rail corridors from Europe, through Russia and Central Asia into China, bringing about the physical development of the entire Eurasian landmass. Such development is viewed as a deadly threat to the continued financial control over nations by the London-based international financial oligarchy.

To prepare for the Bangkok ASEM meeting, the entire Thai financial leadership, including leading ministers and the directors of the central bank and the stock exchanges, spent a week in London, receiving training and direction from the very banking institutions that ran the British colonial empire and the global drug traffic over the past 150 years. While Malaysia and, especially, Indonesia, have maintained some nationalist control and protection over their economies during the last decade of "globalization," Thailand has, by and large, allowed untrammled speculation, deregulation and money laundering under the direction of the international financial institutions. This review will look at Dr. Pasuk's book for clues as to why Thailand has been so malleable in performing such a self-destructive role in the service of the British Empire.

Never a colony

Thailand is very proud of the fact that it was never colonized. However, authors Pasuk and Baker demonstrate that since the 1840s, the Thais have repeatedly allowed the de facto colonization by "Dope, Inc.," the name ascribed by Lyndon LaRouche to the British-centered financial oligarchy which has used the drug trade and related dirty-money operations to maintain control over the world financial system. I will reference four periods of Thailand's acquiescence to Dope, Inc., or its surrogates, over the past 150 years: the acceptance of British dictates in the 19th century; the adoption of fascism in the 1930s and early 1940s; Anglo-American narco-military operations between the 1950s and the 1970s;

1. See especially, "The Coming Fall of the House of Windsor," *EIR*, Oct. 28, 1994, and "The Sun Never Sets on the New British Empire," *EIR*, May 24, 1996; as well as, "London Sets the Stage for a New Triple Entente," *EIR*, March 24, 1995; "London Launches International Terrorism," *EIR*, May 12, 1995; "The New International Terrorism," *EIR*, Oct. 13, 1995; and "Britain's 'Dope, Inc., Grows to \$521 Billion," *EIR*, July 26, 1996.



LaRouche Campaign Is On the Internet!

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

TO REACH the LaRouche page on the Internet:

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

TO REACH the campaign by electronic mail:

larouche@clark.net

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

and, finally, submission to the "globalization" of international financial operations since the mid-1980s. Although not presented in this manner in Dr. Pasuk's book, the evidence is all contained therein.

Modern Thailand was founded in Bangkok in 1782, following the seizure of the old capital in Ayutthaya by the Burmese. The Chakri dynasty, still reigning today, was established at that time. The kingdom has always been, and is still today, Dr. Pasuk points out, both underdeveloped and underpopulated. It was a frontier colony, constantly but slowly expanding the cultivated land area outwards from Bangkok. Until the mid-19th century, the peasantry were either slaves or indentured servants, but in the 1840s and 1850s, immigrants from southern China, fleeing the Opium Wars and the Taiping Rebellion, flooded into Thailand, and coolie labor replaced corvée labor in the building of canals and other construction projects.

The British had already, in the early 19th century, targeted Siam (as Thailand was called until 1939) as "second only to China" as a market for their Indian-grown opium, say Pasuk and Baker. In the 1840s, as Britain began deploying gunboats to force their opium down the throats of the resistant Chinese, the Thais resisted the killer trade. However, Siam's trade with China was the mainstay of its foreign trade, and when that trade collapsed due to the chaos of the Opium Wars and the

Taiping revolt, Siam acquiesced to the British demands. In 1851, King Mongkut (Rama IV) ascended to the throne, with the support of the leading trading family in Siam, the Bunnag family, descendants of Persian traders during the Ayutthaya period. The Bunnags were closely allied with the British East India Company and the opium trade, and Mongkut moved quickly to legalize opium and the British trade, setting up an opium tax farm under Bunnag's direction. By 1855, with the holocaust in China unfolding, Mongkut signed the Bowring Treaty with the British, granting essentially the same concessions which were only extracted from the Chinese through warfare! The British were granted residency rights with extra-territoriality, trading rights equal to the Thai and Chinese traders, and a pact to "maximize their mutual profits from opium," with zero taxes on opium imports. Opium rapidly became the major source of income for the Siamese government.

In the last quarter of the 19th century, Siam was threatened by territorial demands from British Burma and British Malaya on the west and south, and from French Indochina on the east. Various border negotiations resulted in a shrinking nation on all fronts. An effort to mount an army of corvée soldiers against French troops in Laos in 1893 collapsed in disaster, with the French sending a gunship up the Chaopraya River to Bangkok, forcing yet another humiliating treaty.

Ironically, the only way that Siam retained a semblance of independence was by *preventing* the development of certain industries and certain infrastructure. The western shore of the southern peninsula, near Phuket, was rich in tin, but the government refused to allow the construction of a rail route to Phuket, knowing that the British would have soon extended their Malaya tin operations northward, using Chinese coolie labor, and eventually simply seize southern Siam as part of British Malaya. Similarly, the government refused to change laws which limited the size of land holdings and forbid foreign ownership of land, thereby *preventing* the development of a rubber industry in the south, for the same reason they prevented the development of a tin industry. Of course, this independence was purchased with a level of backwardness in the south, which would plague Thailand with insurgency born of poverty, even still today. In general, foreign investment in Thailand was only one-third of that in Malaya, and one-tenth that in Indonesia, during the 19th century.

The end of the absolute monarchy

By the early 20th century, the king had closed down the tax farms in favor of government monopolies, including over the opium trade. Many of the families who had run the tax farms, mostly of Chinese descent, set up trading business. Most of these businesses, both government and private, collapsed in the 1929 depression. The blame was placed primarily on the monarchy. The Chakri kings in the 20th century had gathered virtually all power in the hands of the extended Chakri family (Mongkut had sired 82 children of 35 wives,

and his heir, Chulalongkorn, had 76 children by 36 wives—it was a big family). In 1910, nine of twelve cabinet posts were royalty, as were all of the generals.

In 1932, the absolute monarchy was overthrown in a bloodless coup, led by a “People’s Party,” which implemented a constitutional monarchy (although the king was to live in exile for the next 14 years). The People’s Party had been founded secretly in Paris in 1927, later allying with certain military leaders with German training. Two factions emerged, led by Pridi Bhanomyong and Phibun Songkhram. Pridi was a nationalist and a republican, using his various cabinet positions during the 1930s to renegotiate the unequal treaties, establish a protective tariff to promote national industrial development, form a national bank, and establish a new university, Thammasat, to counter the royalist Chulalongkorn.

But power ended up in the hands of Phibun, who carried out three further coups over the 1930s, such that by 1938, he held the posts of prime minister, minister of defense, minister of interior, and chief of staff of all three branches of the military. Phibun modeled himself on the fascist movements in Germany, Italy, and Japan. His leading ideologue, Wichit Wathakan, wrote a book glorifying Mussolini, and headed the Japan-Siam Society, which promoted *bushido*, or military honor, and Japanese militarism. Fascist-style institutions were established, such as youth movements and military parades, while Phibun began to refer to himself as “The Leader,” and promoted the need to “Believe in The Leader.” An irridentist mentality led to an effort to create a “Greater Thailand,” claiming that the Lao, the Cambodians and the Shan in northern Burma were all Thai. The country’s name was changed to “Thailand,” and military operations were launched against Indochina in 1940, and against the Shan states in Burma and southern China in 1942. Anti-Chinese sentiment was riled up. Wichit revived the racist movement of the early 20th century, calling the Chinese the “Jews of the Orient.”

On the same day as the attack on Pearl Harbor, the Japanese armies occupied Thailand, without resistance. Phibun retained his position as prime minister, and the Thai military operations in the north and the east continued. While officially an “ally” of the Japanese, Thailand had once again negotiated its own submission to an imperialist power, one which could usefully be viewed as the temporary local administrator of Dope, Inc. During the war, Japan occupied most of the opium-producing areas in China and in the “Golden Triangle” of northern Thailand and Burma, expanding the production and marketing operations, while also taking over the Dope, Inc. financial centers of Shanghai, Hongkong, and Singapore.

Truman reverses FDR anti-colonial policy

Pridi did not collaborate with Phibun’s fascist movement, nor the Japanese occupation, but created a clandestine “Free Thai” movement in opposition to the Japanese, with support from the Navy, from some regional leaders in the Northeast,

and from some of the Chinese in Bangkok, including the communist networks. Following the war, Pridi and his Free Thai movement took over the government, but this was short-lived, for two principal reasons. First, U.S. President Truman totally reversed the course established by President Franklin Roosevelt before his death, and followed instead Winston Churchill’s lead in calling for an anti-communist crusade. Although Pasuk and Baker do not discuss the import of that shift in U.S. policy, it is essential to discuss it briefly in order to understand the character of the U.S. presence in Asia over the next three decades.

Roosevelt had been dedicated to ridding the world of the shards of 19th century colonialism, once telling Churchill that the U.S. did not fight World War II in order to preserve the British Empire. He was committed to maintaining the war-time collaboration between the United States, Russia, and China in order to bring about an American-led economic transformation of the ex-colonial world. The British intention to rebuild their imperial power depended upon preventing the realization of Roosevelt’s global development outlook, by maintaining a divided world, a world characterized by Winston Churchill’s “Iron Curtain.”

Upon Roosevelt’s death, Truman adopted Churchill’s policy, announcing American support for any government which would fight the communist threat as defined by Truman’s controllers in London. For most of the next 30 years, the United States, against its own true interests, largely functioned, as the “brawn directed by British brains,” especially in Asia,

This meant, in practice, U.S. support for the re-establishment of colonial regimes in all of Thailand’s neighbors. Within Thailand, it meant U.S. support for the 1947 coup by Phibun, and a return to the fascist-like dictatorship of the 1930s. Pridi was forced into exile. He returned in 1949 to attempt a coup of his own, with the support of the Navy and the old Free Thai networks, but the effort was crushed.

Returning to the immediate postwar period, there was a second factor militating against Pridi and his Free Thai allies’ efforts to create a government; namely, the existence of the Northern Army, which had led the pre-war and war-time invasion of the Shan states in Burma and China. This Army, under the leadership of Phin Choonhaven and his son-in-law Phao Sriyanond, had disbanded after the war, but its officers soon allied with Phibun for the seizure of power in 1947.

The book’s authors do not discuss the interconnections of Thai and other foreign interests in the drug business in the Shan states, but it is well documented elsewhere. Generals Phin and Phao established themselves as the coordinators of the opium-trafficking routes through Thailand during their northern expeditions, and continued that role into the late 1950s. The drug trade was still legal in Thailand, and remained so until 1957. Following the 1949 Communist Revolution in China, remnants of the defeated Chinese Nationalist Army settled in northern Burma, taking over much of the drug

trade in the region, supported by networks of covert U.S. intelligence agents. These U.S. agents and their operations can be traced forward in time directly to those of the George Bush, Gen. Richard Secord, and Ollie North gun and drug deals in the next generation, the dirty "Royal" faction of American intelligence.

Phibun, by 1951, had consolidated his dictatorship, while son-in-law Phao, as head of the national police, used U.S. support and training to turn the police into a highly mechanized counterinsurgency force, which also controlled the (still legal) drug traffic in the north.

A 1957 coup by another officer, Sarit Thanarat, who had served in Phin's Northern Army, led to martial law and the banning of political activity altogether. The U.S.-trained Sarit officially banned opium, but it was during this era of U.S. warfare in Southeast Asia, and the virtual U.S. military occupation of Thailand, that drug production and sales exploded.

The only significant infrastructural developments which took place in Thailand during the Vietnam War years were those which were necessary for the functioning of the several massive U.S. air bases in the northeast. An enormous amount of money flowed through the economy, including U.S. military assistance, the exploding drug proceeds, and the profits from the vast expansion of prostitution to service the foreign military. The same officials who negotiated the U.S. military presence in Thailand also arranged for U.S. forces in Vietnam to use Thailand as their primary location for "R&R," thus effectively contracting a good portion of the female children of Thailand as sex slaves.

Some progress was made in the 1960s and 1970s in expanding education and other basic services in the provinces, and in increasing the amount of land under cultivation, although even these developments were motivated primarily by real and imagined counterinsurgency concerns.

The globalization of Dope, Inc.

This postwar era of Dope, Inc.'s dominance in Thailand, generally connected to the U.S. military presence, came to an end soon after the conclusion of the war in Vietnam. A new generation of military leaders came to power in the late 1970s, who had a greater concern for the economic development of the country, and were more willing to establish civilian government, provided there was a role for the military, both in government and in the strategically important industries. Gen. Prem Tinsulanond became prime minister after the 1980 elections, and, with the exception of a military government in 1991-92, the governments have been coalitions of various parties, all of which represent a mix of military, businessmen and bureaucrats.

But the economy suffered badly from the combination of the abrupt end of the U.S. military spending, and the general economic crisis, precipitated by the two oil shocks of the 1970s, which saw Thailand's terms of trade fall from 100 in 1970 to 56 in 1982. Following the 1979-80 oil price crisis,

Thailand was forced to borrow heavily from the International Monetary Fund, which then presented Bangkok with a typical list of demands for austerity, cutbacks in social programs, privatizations, and an emphasis on exports, rather than the development of domestic industries. Bangkok at first resisted this IMF effort to sabotage its potential industrialization. However, in order to obtain the foreign exchange needed for debt payment, without succumbing to the transformation into an export economy, Thailand pushed two other, equally dangerous policies: the export of labor, with several hundred thousand workers sent to the Middle East, workers who were desperately needed at home; and tourism, which, to a great extent, meant the "globalization" of their female children for "sex tours." By 1985, "tourism" was the largest source of foreign exchange.

In 1984, Bangkok gave in to the "technocrats" from the IMF, and the era of the primacy of hot money began in earnest. The baht was allowed to float, resulting in a 25% devaluation, tariffs and taxes were cut, deregulation and privatization were pursued, and a flood of foreign investment in cheap labor, export-oriented process industries began to pour in. The sixth Five-Year Plan of 1987 stated: "The government will withdraw from activities which can be better and more effectively carried out by the private sector, and allow privatizations of some parts of the economy."

One of the most important programs launched during the late 1970s, the Eastern Seaboard Scheme, was the centerpiece of an effort to disperse industrial growth away from Bangkok. Bangkok had become infamous as one of the most congested cities in the world, with a massive deficit in the infrastructure necessary for a city of its size. The plan to develop the Eastern Seaboard east of Bangkok, along the Gulf of Thailand, depended upon centralized government direction of investment policies, as well as direct government investment in infrastructure in the region. In 1988, the government adopted the proposal of one of the technocrats to abandon the entire plan, allowing the location of investments "to be decided by free-market principles." Infrastructure projects were privatized, while labor, zoning, and other regulatory policies were dropped, and the Eastern Seaboard Scheme was drastically scaled back, all to facilitate the needs of the hot-money speculators in Bangkok real estate and process industries. Over the 1980s, economic growth in Bangkok doubled that of the rest of the country, and the population leapt from 5 to 9 million, leaving the city, in the minds of many, virtually unlivable.

In the 1988 elections, Chatichai Choonhavan, the son of the Northern Army chief Phin Choonhavan, became prime minister, in a working alliance with military chief, Chavalit Yongchaiyudh, and Boonchu Rojanastien, the head of Bangkok Bank. Bangkok Bank, which dominates banking in Thailand, has functioned as the primary laundromat for drug money since the war, while Boonchu has been in the forefront since the early 1970s of the technocrats demanding capitulation to the IMF demands. Under Chatichai's regime, the tech-

nocrats were in full control, and hot money flowed through the economy. The level of corruption became so massive and so overt, that the country generally heaved a sigh of relief when Gen. Suchinda Kraprayoon led a military coup in 1991.

Suchinda wanted to reverse the loss of sovereignty over the economy without a return to the dictatorial methods of the 1960s. He appointed a civilian foreign service officer, Anand Panyarachun, as prime minister. Anand, however, quickly proved to be out of Suchinda's control, and fully committed to the Dope, Inc. agenda. He continued the hot-money reforms, making the baht convertible and ending exchange controls.

In the following year, Suchinda held elections, which his own party won. But things had changed since the days when Dope, Inc. depended on military strongmen to run their operations. The new Dope, Inc. technocrats in the international financial institutions found that military leaders were often prone to defend national interests against the "globalization" of London's speculative bubble economy. The internationally created and controlled non-governmental organization (NGO) apparatus was mobilized to denounce Suchinda's legitimate election, resulting in mass demonstrations, violence, and a bloody military response. Suchinda was forced out of government. As an interim head of state, however, the technocrat Prime Minister Anand was kept in power! He immediately began dismantling the military

presence in the strategic industries, while continuing the financial deregulation.

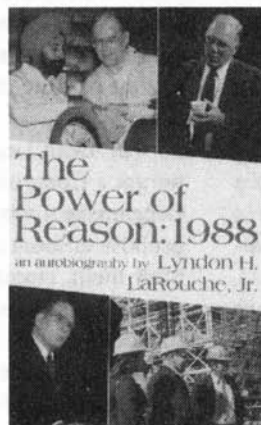
Although the various governments of the 1990s have come from opposing sides of the political spectrum, they have all been run by the technocrats dedicated to globalization. This is where Dr. Pasuk's book leaves off, and the report from her team at Chulalongkorn comes into play. Does Thailand truly wish to be another Hongkong? The Hongkong model survives as a laundromat for hot money, with no agriculture and no large industry, only because of its small size. The results of treating a nation like Thailand in the same manner are devastating. In fact, the population of Thailand is itself threatened with collapse due to the most severe AIDS epidemic in Asia, spread by the fact that the government, the monarchy, the military, the Buddhist establishment, and the population at large tolerate the virtual sexual enslavement of (by some estimates) one-third or more of its female children.

As the current global financial collapse strikes Thailand and the rest of Asia, Thailand must take the opportunity to break from its historical economic dependence on London's Dope, Inc. As the strategic hub of Southeast Asia, Thailand could then lead the integration of the region into the grand project for rail-centered development of the entire Eurasian landmass, as a lasting contribution to world development and peace.

Books by Lyndon H. LaRouche, Jr.

The LaRouche case "represented a broader range of deliberate cunning and systematic misconduct over a longer period of time utilizing the power of the federal government than any other prosecution by the U.S. Government in my time or to my knowledge."

—Former U.S. Attorney General
Ramsey Clark

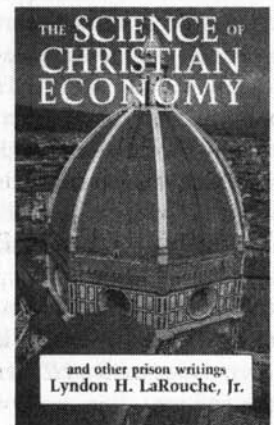
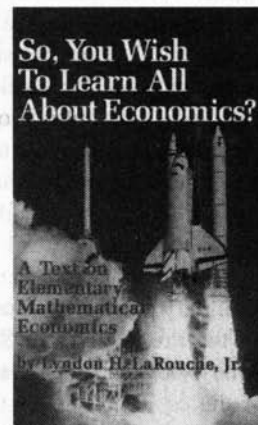


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LaRouche: Decisive election issue will be George Bush

by EIR Staff

In a tour of Texas and Louisiana Sept. 5-9, Lyndon H. LaRouche, Jr. called for a national mobilization to break the power of "CIA knuckle-dragger" George Bush, whose role as a kingpin in the Contras' crack cocaine-trafficking operation was exposed in *EIR* last week.

"George Bush and his operation with drugs will become the dominant issue of the Presidential and Congressional election campaigns in many parts of the country, during the coming 60 days and less before the elections," LaRouche said in a radio interview to "EIR Talks" on Sept. 11. "This will be a decisive factor, not only in bringing a Democratic majority into control of the House of Representatives, but also in taking the Senate, which otherwise the Democrats would have a tough time taking. George Bush is *the* issue (even though he's out of office) of the Presidential and Congressional campaigns."

As we go to press, *EIR* is rushing to print a *Special Report*, titled "Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?" It will be available soon from this news service.

On Sept. 5, speaking in Austin before political activists and supporters from central Texas, LaRouche challenged them to change the course of history in the next 60 days. What is needed, he said, is to use the method of French military strategist Lazare Carnot: Attack the enemy on the flanks, hitting a few selected targets. "You can defeat a superior force with Carnot's method, as Alexander the Great did, as Hannibal did, as General Sherman did." LaRouche pointed to his still-ongoing campaign to impeach Gov. Tom Ridge of Pennsylvania as an example of this, and showed how the drive to oust President Clinton's "Rasputin" Dick Morris and Democratic National Committee National Chairman Don Fowler had worked in the same way (Morris resigned in disgrace

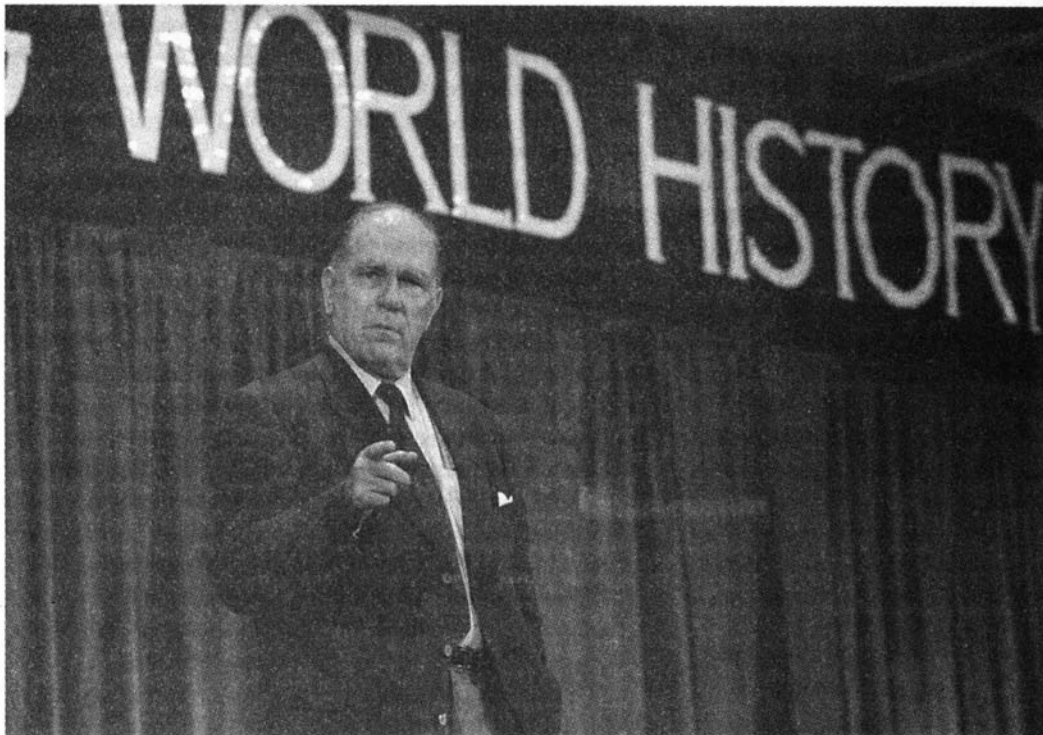
on Aug. 29, while Fowler has announced that he will resign in January).

LaRouche cited the *San Jose Mercury News's* exposé of how the Nicaraguan Contras brought crack cocaine onto the streets of Los Angeles, to gangs such as the Bloods and the Crips. This was done while George Bush was vice president of the United States, overseeing the entire operation, along with his henchman, Oliver North. As a result of what they did, we now have 100,000 to 200,000 people in America's prisons on drug charges—and they're doing George Bush's time!

The Bush Leaguers *can* be defeated, said LaRouche, if we get a Congress in a stampede mood. There are 60 to 70 Congressmen who are just no good. We may not be able to get 50% or more of the vote, but we can take 5 to 10% away from them, enough to defeat them. "That will change the correlation of forces in Congress. If we get Congress into a stampede mood . . . and a President willing to go along with it, you can get something done. You can change the country—you can get rid of the Bush League."

Building a 'third force'

On Sept. 6, LaRouche spoke before the annual meeting of the Texas Conference of Black Mayors in Austin, to an audience which included eight mayors, city officials, and representatives of the National Conference of Black Mayors. "What I'm concentrating on," he told them, "is to build a coalition of forces to change politics in the United States. This coalition especially includes members of the civil rights movement, who have been involved with me. We can take enough votes away from people in Congress who don't want to make the changes which must be made, to get those in who can and will act."



Lyndon LaRouche addresses the 1996 Labor Day conference of the Schiller Institute and International Caucus of Labor Committees in Reston, Virginia. He told the audience, "We are going to do to George Bush and what he represents, and to the Confederacy and its tradition, what must be done to get the soul of this nation back."

LaRouche explained that he had the credentials—"the scalps on my belt"—to get the job done. He pointed to the defeat by his associates of Oliver North in the U.S. Senate race in Virginia in 1994, and the current campaigns against Ridge, Fowler, and Morris.

"Concentrate on the right target," urged LaRouche. "Take enough votes away from the worst Congressmen, knock them out of office. Show, that if you don't like something, if it is evil, you will change it. And that will change the country."

The major problem facing city officials today, said LaRouche, is the collapse of the tax revenue base. "In terms of what a tax dollar will buy today," he said, "the tax revenue base is collapsing, it has done so over the last 25 years.

"The reason is that the economy, as measured in physical terms, is collapsing. Jobs that pay decent wages are gone, the infrastructure is no longer there, water systems in major cities are 80 to 100 years old, as in Washington, D.C. We are faced now with power shortages. We can't afford the medical care we could in the past." He explained that the only competent way to measure this collapse is the way he does, by looking at the market basket, per capita, per family, per square kilometer, which shows that 60% of the American population is sliding into destitution.

"People are desperate. We have to have a turnaround, now," he said.

The collapse of U.S. cities, LaRouche pointed out, is part of a global collapse. The financial and banking systems of every major nation are collapsing, he said. "Mexico is going to blow up, it may not make it until December 1. Argentina is

disintegrating, Brazil is about to blow up, Colombia is in deep trouble, Peru, all of Central America. . . . This is not only happening below our southern border. The French banking system is gone, Italy, gone, Germany is gone, the conditions for people in Russia and eastern Europe are catastrophic."

LaRouche said that he was hopeful that the tide could be turned away from the "Contract on America."

'The enemy is not invincible'

On Sept. 9, LaRouche met in Monroe, Louisiana, with supporters and plaintiffs in his lawsuit against DNC Chairman Fowler. On Aug. 2, LaRouche and co-plaintiffs from Arizona, Louisiana, Texas, Virginia, and Washington, D.C. had filed suit against Fowler and several Democratic Party state officials, charging them with violating the 1965 Voting Rights Act, for their refusal to admit elected delegates pledged to LaRouche's Presidential campaign to the Democratic National Convention. Fowler instructed state party officials that LaRouche was not a "bona fide" candidate—an absurdity, particularly in view of the fact that LaRouche won the support of over 600,000 Democratic voters in his campaign for the Democratic Presidential nomination. In a hearing on Aug. 15, Judge Thomas Penfield Jackson, of the U.S. District Court in Washington, D.C., ruled in Fowler's favor, on the basis of "Jim Crow" precedents from the period of the civil rights movement's battle against segregation—thereby effectively overturning the Voting Rights Act. LaRouche's legal fight is still continuing.

Those attending the meeting in Monroe included two of

his co-plaintiffs and a number of LaRouche supporters from northeast Louisiana, and from the 6th Congressional District, where LaRouche won 16% of the vote, as well as a prominent civil rights activist and his wife, from Mississippi.

LaRouche was introduced by Rev. Richard Boone of Montgomery, Alabama, a veteran of the civil rights movement, who emphasized that the movement is not dead, that it lived on through LaRouche, and that he was convinced that now is the time to move forward.

LaRouche again underlined the collapse of the global financial and monetary system. "The IMF is committing mass murder," he said. "In the United States, we have growing destitution. We have increasing numbers of homeless in the cities, people who cannot afford a place to live, who are cut off from medical support. . . . We have a dangerous social crisis looming in the United States."

He continued, "We have to show people the enemy is not invincible. We don't have money, but we have the scalps to prove it. And we're going to get another one, a bigger one—George Bush."

To those who say that it is too dangerous to go after Bush, LaRouche said that the key is leadership: "We have to give people courage. Leadership sometimes means you have to put yourself forward, to take the first shot yourself—I know, because I have done it—to show that victory is possible. Once you show that Bush is vulnerable, you can bring him down. What dooms people is their fear. . . . We have a people in the U.S. who can be redeemed, but they have to have some courage, some leadership, and a few eccentrics like me."

LaRouche in Louisiana

The U.S. Constitution and the American System

Lyndon LaRouche addressed the annual Constitutional banquet of the Monroe, Louisiana chapter of the Sons of the American Revolution on Sept. 9. He was introduced by local Schiller Institute representative Fred Huenefeld as the founder of the EIR, co-founder of the Schiller Institute with his wife, and a leading economist who has met with leaders around the world. The following are substantial excerpts from LaRouche's speech.

I'll start back a bit, because the point I want to address, to put this into focus, is the fact that we're facing the worst disaster globally we've known in some centuries, right now; not down the line, but right in the coming period. We have, for example, an ongoing disintegration of the international banking system.

The French banking system, the German banking system, the British banking system, Italian banking system, Japanese banking system; Mexico probably is going to blow up before Dec. 1, and so on. And the U.S. banking system is already bankrupt, as a whole.

In terms of our economy, if you measure things, as you can see in the state of Louisiana, in physical terms of the economy, plus education, plus health care—you take the market basket of these things required not only for households, for infrastructure, such as water systems, rail systems, power systems, investment in agriculture, that is, the capital improvement of land in physical terms, manufacturing, the percentile of the labor force which is productively employed, you come up with a calculation of a market basket which says that the average person who is working today, is receiving a household market basket about half that a person in the same occupation would have received 25 years ago. There's more money, but in terms of real purchasing power, we're about half what we were. The same thing is true generally of infrastructure. We're dealing with old, rotten infrastructure, water systems, rail systems, transport systems in general.

For example, take the airline industry, what deregulation has done. Take the ValuJet crash, which is a sign of the times. Take what's happened to the railroad system, what happened to interstate trucking, these kinds of things. Gone! Manufacturing: We've lost manufacturing, we've lost a lot of agriculture, we're no longer food self-sufficient as a nation. We may grow some grain for exports, but we actually depend upon import of leafy vegetables from some of the hungry nations of the world, such as Mexico, because we don't grow in the United States what we used to grow.

So, we're poor. We're facing a crisis. Right now, in terms of income, the people in the lower 60% of the income brackets are sliding into destitution. People in the top 10%, most of whom are not earning anything, but they are getting a lot, from speculation on Wall Street by a bunch of yuppies, who are selling people's pension funds down the road to finance international speculation—they're getting large incomes, they're not suffering. But the lower 80%, in terms of income are suffering. It takes two to three jobs in the family to maintain a household with the same standard of living as it did 25 years ago.

So the household income has not dropped as much as the per-capita employee income, because families are being broken up. We see the effects in many aspects of social life. We have Baby Boomers who were fairly well educated in terms of opportunities, but they didn't work out too well, sometimes, as we see in managing the economy these days.

And Generation X, the people under 35, are very poorly educated relative to what, in my generation, public school education, or university education represented. They're suffering, they don't know what's going on. Then you have Generation Y coming up after them, which may be Generation Yahoo, unless we change this.

Russia is about to explode. It can not continue in this way, you will get chaos and bloody civil war, or you'll get a new kind of dictatorship probably, the way things are going now. China is in fairly stable condition. Africa is dying, Central and South America are dying.

Europe is disintegrating, Italy is no longer an organized integrated nation, it's being dismembered, Spain is being dismembered and destroyed. France is going through a great social crisis this year, and we come back to the United States. We have this social crisis, a disparity between the income of those who are rich, and the lower 60%; we can have social explosions in this country.

I've been talking to Fred [Huenefeld] about the people who come through his trade shows. These are people with all kinds of backgrounds, who are travelling around the country going from place to place to sell, to keep body and soul together. We have people who are migratory workers, who often sleep under bridges at night, to get some shelter, who travel from one part of the country to another, with a pack on their back, with no permanent residence. We have the increase in the number of homeless in our cities, which is not people who are absolutely destitute, but whose incomes are so low they can not afford to find a place to live, and have no place to go. These are often people who are pensioners, people who are dying.

We have a terrible social crisis, throughout the world.

And this is all going to come to a big crisis very rapidly, which a lot of people don't want to talk about.

There's only one nation in the world, which might be able to reverse this, with its leadership. And that nation is the United States. We are broken, we are shattered, we are a junkheap compared to what we were at the end of World War II, or 30 years ago, but we still have something imbedded in us which gives us, in addition to the margin of power we represent, something imbedded in our national character which, if we can bring it forth, can be the means of not only saving ourselves but, in doing so, can prevent our world from going into some sort of Dark Age.

Building a Commonwealth in the United States

It is very important, therefore, at this time, that we not only celebrate the Constitution, but we look into its significance from this standpoint. So, we take a brief excursion in modern history, to situate the United States and what we represent, and what the principle is involved, and look at this from the standpoint of physical economy, that is, real economy, not money economy, not credit economy, not finance economy, not debt economy, but real economy.

Up until the middle of the 15th century in Europe, there were no nation-states on this planet. There had been a few city-states in Ionia and Greece, but there were no nations.

The world, from ancient China into the 15th century, was dominated by empires, and nobody owned anything. Even a feudal lord did not own the land which he possessed. Everything, including the land and its people, was controlled by something like an emperor. The emperor owned everything,

Simon the Bungler, the Texas angel

The following is the opening of Lyndon LaRouche's Sept. 5 speech in Austin, Texas.

By way of introducing the topic that I'll bring to your attention, I'll tell you a story. I don't know if you ever heard of it. Have you ever heard of an angel who was called "Simon the Bungler?" Well, you should know about it, because, this fellow is the angel who was downgraded for allowing Truman to drop the nuclear bombs on Japan in 1945, in August 1945. And so, to punish him, they sent him down to be the guardian angel of Texas.

After that experience, Simon was rather cautious; he didn't want to report upstairs, he wanted to keep away from the head office as much as possible for a while, because of the mess he'd made. But, as luck would have it, you know, these Houston millionaires were sending up big prayers, and so, he, very reluctantly, went up to the head office and

he talked to his old swordsmanship teacher, the Archangel Michael. And he said, "I hate to bother you, but, I'm getting strong prayers, with a lot of money behind them, from Houston. And, they're upset about this Sequoia Forest in California. They want us to give them a sequoia forest, larger than that in California, next to Houston."

And so the Archangel looked at Simon, and said, "They get a couple of Bushes."

Then time passed, and, Simon didn't go up there very often, you know—bad experience, bad relations, with these Houston people, as a result of the last time he went upstairs. But then, he had to go up again. He said, "Look, uh, Archangel, I hate to bring this up, but, remember those Bushes?" Archangel Michael said nothing, just looked at him, said, "Well, one became the President of the United States!" The Archangel didn't say anything. "The other became the governor of Texas!" The Archangel didn't say anything. Well, he said, "The people in Texas think, it would be a fine thing, if we arrange to have some national sport named after the Bush family."

The Archangel said, "Granted—golf!" Simon was happy. "What are we going to call it?" "Goofball."

he owned the land and he owned the people. There were constraints on emperors, such as local custom, but there was no nation.

For all of human history, until the 15th century in Europe, 95% of mankind lived as slaves, as serfs, or worse. With the 15th century in Europe, western Europe in particular, there began the birth of the modern nation-state. The first such nation-state was established in France in 1461, under King Louis XI. It was the first nation in which people were citizens, that they were not chattel, that they were not owned. It was the first nation in which the first step toward general public education was provided by the state.

What had happened, what led to this development, was that various religious orders, including in the 14th century, the Brotherhood of the Common Life, would take boys, to a large degree orphans, or boys from poor families, and give them a secondary education which was very good, a Classical education. They would make their own textbooks: They were given a manuscript, and they would copy the old manuscript in their own handwriting. They would reenact, in the writing of the manuscript, under the direction of their teacher, the act of discovery, the act of creating knowledge which that document represented.

And this produced a number of geniuses who were recruited from the ranks of the poor, people who had been slaves, or serfs, or a low condition of life, as well as some others. This produced in Europe an intelligentsia, a product of this tendency toward what we now call universal education, where, instead of man being treated as a beast, just doing what his father and grandfather and great-grandfather did before him, without learning anything new, without any change, we had a nation in which an intelligentsia became, under Louis XI, the leadership of a nation.

From that period on, this spread throughout Europe.

But then a Dark Age came, a setback. The power which was opposed to the nation-state made a comeback, and people began to look in new directions. They began to look, even in the 15th century, toward establishing a civilization on the other side of the Atlantic.

Columbus made a voyage, under the sponsorship of Isabella, to these shores, which started the process of colonization. In the course of the 15th century, people from England and elsewhere, as well as Spain and Portugal, began to think of creating new societies on this side of the Atlantic. As things grew worse in England toward the end of the 16th century, more and more people thought of moving to these shores.

These were not vagabonds, these were not castoffs of society, these were citizens, representing some of the most educated communities of Europe. Whole communities moved here, with ideas, ideas about the just society, ideas about building a nation-state; and the common term for that in those days was Commonwealth in the English language.

And they built in this area of the world, societies in colonies based on charters, from the king. These colonies had no

obligations to the British Parliament, though they did have a charter from the monarchy. And they set up semi-self-governing societies here, in what became the United States.

Then, toward the end of the 17th century, a great war was going on inside England, in which Britain was taken over totally from the top in 1714, by the wrong side. A great number of people in the British Isles, and on the continent of Europe, decided that they had lost the cause in Britain, and they concentrated on trying to do something here, in North America, to build up a form of Commonwealth which, by increasing in strength, would become a bastion, and a springboard, for retaking Europe, for the cause of the nation-state.

So our forefathers were not dumb frontiersmen, hacking out of the wilderness, and living like marginal frontiersmen. Our forefathers, for example, in 1790, had achieved in this country a per-capita productivity of labor twice that of England. The literacy among the English in the British Isles was about 40%, while in the U.S. it was about 90 to 95% literacy. The American farmer in the late 18th century was referred to in Europe as the Latin farmer, because many of the farmers had some degree of Classical education and knew some Latin from the Classical education.

It was our ingenuity, the education of our people, which enabled us to do things, to solve problems and to achieve high degrees of productivity and improvement.

The power of the U.S. to do good

In the course of this, our leaders in the 18th century began to realize that we were going to have a war with the British monarchy, and we began to prepare. We relied increasingly on our allies in Europe. For example, people like Cotton Mather, up in the Massachusetts Bay Colony, was one of these people; Jonathan Logan in Pennsylvania, who is now celebrated in the Logan Library at the University of Pennsylvania, was one of these leaders; Benjamin Franklin was a protégé of both Cotton Mather and of Jonathan Logan.

There was a man who came over from Scotland, who was an enemy of the Duke of Marlborough, who became the lieutenant governor of the Commonwealth of Virginia, who was a fellow who set up a postal system in the United States, and Benjamin Franklin got the postal system from him. So our people were always in contact with the leading thought in Europe.

Our country was divided into two groups. One group, which was very closely tied to and had affection for the British monarchy and British ways, followed a philosopher called John Locke, who taught "life, liberty, and property," that is, that the individual was motivated to seek property, motivated by greed, that slavery was perfectly right, that a man could be another man's property. Locke was the philosopher who put forward the argument in defense of slavery in the United States.

But most of the people in leadership, including the Founding Fathers, in particular, were not followers of Locke, they

despised Locke. They were followers of Leibniz. For example, when you read the phrase, "Life, liberty, and the pursuit of happiness" in the Declaration of Independence, that's Leibniz, that is the formulation used precisely in opposition to Locke.

The Preamble of our Constitution, which is the essential law of our country, our Constitutional law, comes from Leibniz. The rest of it, the articles which define the structures of government, the rights of the institution of citizenship, the branches of government, how laws shall be made, how things should be ordered, and also implicitly in economic policy, this is strictly the secondary law.

The primary law is located right in the Preamble of our Constitution, which is pure Leibniz.

What is the issue here? The issue is: What is the nature of man? What is the kind of society which agrees with the *true* human nature?

So two concepts of human nature, that of Hobbes and Locke on one side, and that of Leibniz on the other, define the issues of the U.S. Constitution. Now, Leibniz, and I, among others, and the Founding Fathers, believe that man being made in the image of God, is the basis for defining human nature.

What is it that makes us in the image of God? What sets us apart from, and above, the beasts that we raise and breed and slaughter? We have the power to create. If we were a beast, there would never have been on this planet more than 3 million people, under conditions which we know to have existed on this planet during the past 2 million years. If man were what Prince Philip says he is, a higher ape, we would never have had more than several million individuals on this planet, and they would have behaved pretty much as rock fans behave. Their life expectancy would have been very low, less than 20 years, the infant mortality rate would be high, as you would expect.

But, man is not in that condition. Already by the 15th century, the human population had reached the level of 300-odd million; today it's over 5 billion. How did we do that? How did we increase the power of man over nature? We did it through the power we have, that no animal has, the power to change our behavior in ways which increase our power over nature. We have a power which is typified by fundamental scientific discovery, discovery of principles, an amplification of those discoveries, by which we understand the laws of the universe better, and by using those laws and that understanding, we are able to control more and more of the universe. We are able to get more sustenance for more people out of the same area of land. By development of manufactures and other forms of industry, we are able to increase the yield of a land area.

We have this power, the power which we used to be proud of, in the United States, the power to use scientific and technological progress, the power to go to a bank and get some credit to make an improvement, knowing with confidence that with that improvement, you can increase productivity and pay back the loan out of the proceeds from that gain in productivity.

You can make things better. Wealth comes not from buying and selling, wealth comes from increasing the productive powers of labor, which improve the standard of living.

And, that was our nature. Hamilton expressed this perfectly in his three famous reports to the Congress on the subjects of credit, the national bank, and manufactures. You could find the economic history of U.S. progress almost prophetically written by Hamilton, as he describes it in the *Report on the Subject of Manufactures*. There's nothing remarkable in that document if you look at the Constitution.

If you read the correspondence of the Founding Fathers,

Two concepts of human nature, that of Hobbes and Locke on one side, and that of Leibniz on the other, define the issues of the U.S. Constitution. Now, Leibniz, and I, among others, and the Founding Fathers, believe that man being made in the image of God, is the basis for defining human nature.

including the *Federalist Papers*, you see the same mentality.

Therefore, what we achieved in this country, because we had no nobility, we had no monarchs, we had no aristocracy (though we tend to get one now or then, at least people who think they are aristocracy), we got a country which was designed to agree with that which is in the true nature of man.

What is our nature? In addition to this power, we are born, and we die. And death is very important for us, for death reminds us of what life must be. Every time you go to a funeral of a friend, or a relative, you are reminded of what life must be. You are reminded that fooling around for greed and all these petty things doesn't mean anything, because once you are laid in the ground, it's what you did with your talent, as you passed through life, and how you increased that talent, and did something for mankind, so you can say to yourself on dying, "My life has been necessary. Mankind has benefitted from the fact that I passed by here, and did my mission, and I didn't shrink and shirk from my mission, and I have done well."

The idea of a society is one which utilizes that creative talent, that fosters it, creates institutions which protect it, creates the opportunity for people who live in that way, and then protects the good they contribute for the benefit of society as a whole into the future.

And that's why we have, implicitly in our Constitution, in the history which is imbedded in the Preamble of the Constitution, and in the practice as we can see it in our best Presi-

dents and our best leaders from earlier times, we have something which most of us can recognize if we discuss it and remind ourselves of it. We have, in our history, something that is exceptional.

If you look around the world, you look below our borders, you look into Africa, you look into Europe, you look into Russia today, other parts of Asia, you can see that we have something in our tradition which others want. Therefore, if we are true to ourselves, we evoke from within ourselves a power to do good. Not a power *to be a power*, but a power to do good as a nation, in which we can become proud of our nation, such that our patriotism, expressed as strengthening our nation in that respect, becomes part of the talent we leave behind, when we surrender the talent at the end of life. That's a power.

Rebuilding a broken nation

We're coming into a time of trouble. We have lived through the greedy generation, the "me generation," and the generation which says "I want to be stupid." We lived through these mistakes. We've turned our country, which up until the middle of the 1960s was still dedicated to scientific and technological progress, to the betterment of the condition of the community and the nation and the world—we were proud of our contributions to the world, we cheered when man landed on the Moon for the first time in 1969, we were happy with this. We have changed. The post-Depression veterans who returned with me from the war . . . betrayed what many of them believed, together with me, when we were coming back on the boats, they betrayed that, out of fear, and economic insecurity, and greed.

They gave up thinking for themselves, to worry about what the neighbors were thinking about them. They lost confidence in the power to make their own decisions. They became people who would believe what they read in, say, for example, *U.S.A. Today* or something like that, let that make up their opinion, or television news—they gave up thinking for themselves.

Now, we've come to a point where what we are told from Washington, from leadership of major parties, is bunk. We are told the country is more prosperous . . . the bankruptcy rate in the U.S. just hit 1 million this past year, the highest rate in U.S. history. You know it here, you've seen it. The suffering here in this state, in these communities, which wasn't here before, is a reflection of this.

So, we as a nation have done wrong. We have come to the time when we are going to have to redeem ourselves. We are going to have to recognize what we've done which is wrong; we are going to have to correct it. Not only are we going to have to correct it for ourselves, but we're living in a very dangerous world.

We now have major terrorism loose in the United States, which we never had before 1993, which reminds us of how dangerous the world is. The speculation around TWA flight

800 reminds us of how dangerous the world is. What if there are powers using covert capabilities, which take weapons which are a little more sophisticated than a Stinger, to shoot down commercial aircraft? That's what we're worried about in Washington. That's the nightmare. That's the kind of world we live in. The people that George Bush used, together with the British, to run the Afghanistan war, the so-called Islamic mujahideen, are now the major international terrorist operation, they are killers for hire. . . .

There are desperate people in this country, who feel that government does not respond to the reality of what's happened to this country and to themselves. They are angry. They're blinded often by anger and rage. These are people who used to be our honest citizens. They still are, in large degree, redeemable. But, if we redeem them, and say, "We have done wrong, we have made mistakes in our policy, we have been wrong, we are going to correct the mistakes, come home," they *will* come home, still. Not much longer—they'll go mad with desperation.

We have to fix the world, too. Not by telling the world what to do. But, we have something precious, which has been given to us historically, in our Constitutional tradition, which comes not from some accident of North America, but because some courageous people came here, in times of trouble in Europe, trying to set up the kind of society which they thought they could not succeed at that time in setting up in Europe. They kept in touch with Europe, they were an extension of the best of Europe, they brought the best of Europe here.

And the best of our leaders in the past have given us that, it's imbedded in our tradition, if we know how to recall it.

We can build an economy which meets our needs. We got out of the Depression for wartime; in 1939 to 1943, we achieved what the world considered miracles in growth in that period. We took people whose faces were grey, whose skills had eroded, we took about 14 to 16 million of them and put them in uniform. I was in Texas, training recruits from all over the U.S., and each time a new batch came through and I had a new platoon to train, I would say it's hopeless, we've scraped the bottom of the barrel. But, somehow, it worked. We rebuilt a broken nation.

We now again have a broken nation. We can rebuild it. If we can simply recapture an understanding—maybe the fear, maybe the shock, of realizing that we have been living a fantasy life.

What I want to emphasize to you, is that we do have something, which is not often referenced, behind the Constitution: *the reality which gives true meaning to the words in the Preamble*. And, if we can recognize that something has been transmitted to us through our national experience, we can recall that, not as words, but as something we know, that we understand, then this nation can pull itself together, and fulfill what I think is its mission, to save the world from chaos.

And the world will welcome our leadership in this time of crisis.

Maria Milton wins Arizona Dem primary

LaRouche Democrat Maria Elena Milton won a smashing, upset victory on Sept. 10, taking 53.5% of the vote in the Democratic primary in Arizona's Fourth Congressional District, which includes part of Phoenix. Running in a two-way race against Dr. Stuart Turnansky, who was endorsed by the Democratic Party, she will now take on Newt Gingrich ally, Rep. John Shadegg, in the Nov. 5 general election. Turnansky has offered her his support in the November election. Shadegg, a freshman Republican who heads Gingrich's national fundraising outfit, GOPAC, won the Republican primary.

Milton is one of the co-plaintiffs in a federal Voting Rights Act suit by Lyndon LaRouche's Presidential campaign, which names Democratic Party National Chairman Donald Fowler, Arizona Democratic Party Chairman Sam Coppersmith, and others, for their illegal attempt to stop LaRouche's campaign. In their defense, Fowler and Coppersmith cited exclusively "Jim Crow" legal precedents. In Arizona, Coppersmith resorted to slander and dirty tricks to stop Milton's campaign.

In her victory statement, Milton thanked "all of the constituents of the Democratic Party, who with their vote have given me the mandate to defeat 'Congressman ValuJet' Shadegg and destroy everything that Newt Gingrich, Gov. Tom Ridge of Pennsylvania, and Gingrich's GOPAC stand for.

"I am going to continue to tell the truth: that Shadegg, Gingrich, and GOPAC have put out a Contract on Americans. I am going to mobilize all of the voters and citizens of this district, Republican and Democrat, for a great crusade to destroy that Contract on Americans. . . . This vote is a mandate for the fight that Lyndon LaRouche has led nationally to defeat Newt Gingrich, Pennsylvania Gov. Tom Ridge, and their Contract on Americans. . . . I'm going to tell the truth that Shadegg finds so offensive: He is 'Congressman ValuJet,' because his policies kill.

"Shadegg is the head of Newt Gingrich's GOPAC. He is responsible for Gingrich's attempts to steal hundreds of billions of dollars from Medicare. These Medicare cuts will kill. These cuts in Medicare threaten the lives of millions of our senior citizens. GOPAC's hero, Gov. Tom Ridge of Pennsylvania has already pushed cuts in medical care that are expected to kill 3,500 innocent people by denial of medical services. This is exactly the crime for which we hung the Nazis at Nuremberg. . . . I'm going to lead the



LaRouche Democratic Congressional candidate Maria Elena Milton and Lyndon LaRouche are out to stop the "Contract on Americans."

crusade against these Nazi-style economic policies that threaten the lives of sick and elderly Americans, by defeating 'Congressman ValuJet' Shadegg in the November elections."

Back to the FDR tradition

LaRouche, commenting on Milton's "uphill battle," in a radio interview with "EIR Talks," stressed how "frightened and enraged" most constituencies are, after seeing what "is more fairly, under truth-in-advertising principles to be called . . . Contract on Americans" in action.

"The fact is," he continued, "that most people, real, living, breathing people out there, are *frightened* of what Newt Gingrich and all of his friends, like Tom Ridge and . . . Governor Wilson out in California, or Weld in Massachusetts, represent. And, given a shot, if there are citizens of the lower-income brackets, if there are members of a so-called minority group, like Hispanic-American or African-American, they *know* that these guys are racists, and they're going to go against them. If they're poor, they're going to go against them."

LaRouche urged Democrats to follow the lead of Milton, whom he characterized as "a fighter," who took on the Establishment. "And, that should be a signal to other Democratic candidates around the country, not to be wishy-washy. Go with the core vote, go back with the Franklin Delano Roosevelt tradition."

Starr Chamber overexposes itself

by Edward and Nancy Spannaus

With great fanfare, special prosecutor Kenneth Starr sent Susan McDougal, one of the three former associates of President Bill Clinton who was convicted in the Whitewater trials, to prison on Sept. 9. Shackled in chains and leg irons, McDougal was hauled off to prison for contempt of court, because she refused to give testimony against the President and First Lady before a grand jury.

Starr may have overexposed himself this time. By coming down so hard on Mrs. McDougal, he has shown his political animus, if not desperation, to get "information" that will lead him to the real targets of his investigation, President and Mrs. Clinton.

According to news reports, the offices of both Whitewater special prosecutor Starr, and of the federal judge who ordered her to jail, were bombarded with calls of protest, after McDougal was taken to jail in Faulkner County, Arkansas. McDougal's lawyer's office has also been receiving numerous calls from people who support her, and are horrified at what the special prosecutor is doing.

In the days following McDougal's jailing, Starr's office began issuing more leaks about alleged illegalities committed by Mrs. Clinton, concerning legal records from about a decade ago. These types of improper and unethical leaks to the media, are obviously designed at this point to try to dampen the growing public sympathy and support for Susan McDougal. This kind of character assassination, using the press, has been a consistent *modus operandi* of the Whitewater investigation, which was instigated by political operatives working with British Intelligence.

McDougal spills the beans . . . on Starr

While it is not unusual for prosecutors, including federal prosecutors, to try to coerce testimony from people, in order to get what they want against their political targets, the action is usually not caught in the public eye. And it is highly unusual to attempt to coerce testimony *after* conviction and sentencing.

In the case of Susan McDougal, however, a spotlight has been shone on the prosecution's thug tactics.

McDougal was convicted in the Whitewater trial, along with codefendants Jim Guy Tucker, the just-resigned governor of Arkansas, and McDougal's former husband, James.

The trial itself was the result of Starr's inability to get Tucker and the McDougals to collaborate with him in his witchhunt against the Clintons. After the convictions, Starr renewed his pressure for such collaboration, in exchange for leniency in sentencing. This didn't work for Governor Tucker, but it did succeed in the case of James McDougal, who is currently talking to federal prosecutors, in anticipation of a lighter, more comfortable prison sentence.

Starr, however, was set on getting the cooperation of Susan McDougal. After she was sentenced to two years in prison, he demanded that she cooperate, and then summoned her to a grand jury to testify against the Clintons.

Speaking to national TV audiences on both "Prime Time Live" (Sept. 4) and "Larry King Live" (Sept. 6), Susan McDougal exposed the pattern of threats and intimidation she had gotten from the office of the independent counsel.

On ABC-TV's "Prime Time Live," McDougal told host Diane Sawyer: "They want anything that can be used against the Clintons. There is not one thing the independent counsel wouldn't do, wouldn't use, wouldn't try to get me to say to hurt them." "Starr and his staff hound you, they twist your words," she added. "I told them from the beginning I never saw Bill or Hillary Clinton do anything illegal."

McDougal told "Larry King Live" two days later, that she had decided to go to jail, rather than be intimidated in such a way. She said she feared that, if she were to go in and testify, she believed prosecutors would hit her with perjury charges, if she did not tell them what they wanted to hear, in order to falsely implicate the Clintons.

When host King asked her if she was scared about going to jail, she said that "I'll get to scared, . . . but right now I am really angry. . . . I can't believe this is happening in America."

Starr is stung

Starr's office issued a press release after McDougal's TV appearances, on Sept. 7, accusing McDougal and her attorney, Bobby McDaniel, of making "outrageous and unethical" attempts to deceive the public. Starr denied that he had offered a specific sentence reduction, if she collaborated—although McDaniel says he has witnesses to the offer of probation. When McDougal declined to cooperate, Starr's assistant Ray Jahn recommended a sentence of 20 years in prison.

After McDougal was sent to prison, her attorneys filed a motion with the federal court, seeking her release, on the grounds that keeping her in jail is not going to force her to change her mind.

Starr asked the court to deny McDougal's motion, saying that the notion that she had already had "sufficient time to reflect upon her position," should be rejected outright. "Her motion should be denied and her incarceration—and her reflection—should continue until such time that she complies with the law," Starr said.

Does Dole have his own Dick Morris problem?

by Mark Sonnenblick

Just as mobster Roy Cohn's kissing cousin Dick Morris was forced out of President Clinton's re-election campaign, another operative from the Roy Cohn crowd took over Senator Dole's campaign.

"Paul Manafort, the man who managed the successful Republican National Convention last month, has taken over strategy, planning, and media for Bob Dole's sputtering campaign," the *Washington Times* reported on Sept. 6. The Dole campaign and the media spun this news as a wholesale purge of Dole's campaign staff. Dole's campaign attributed his trailing in the polls to his strategists' failure to properly tailor Dole's message and his TV commercials to the "facts" discovered by his pollsters. Most of the major dailies barely mentioned Manafort; none remind readers that he is a known co-conspirator of Dick Morris.

Manafort is a protégé of Bush confederate and former Treasury Secretary James Baker III. He has been the quintessential public-relations man for the Colombian drug cartel, and for irregular warfare run by the British in Kashmir, Angola, Kenya, and elsewhere, with the aid of Sir George Bush. His public-relations and lobbying firm, Black, Manafort, Stone and Kelly, was composed of top-dollar sleazeballs from both parties, including Charles R. Black, who is managing Dole vice-presidential running mate Jack Kemp's campaign, and Roy Cohn's boy-chick Roger Stone, who affirms, "I have done some volunteer work for the Dole campaign."

In January of this year, the ever-manipulative Morris leaked to Manafort, already a Dole campaign operative, White House polling data, along with a memo arguing that Dole would gain Republican primary votes if he cut a budget deal with Clinton. When the press found the leak, Morris blamed George Stephanopoulos and James Carville for the leak. Later, when the truth came out, Clinton spokesman Mike McCurry announced that Morris was "in the doghouse."

Clinton campaign deputy director Harold M. Ickes forced Morris to disclose that, in 1994-95, he had been paid \$18,500 in bounties by Black, Manafort, Stone and Kelly, for sending lobbying contracts their way.

Dole, according to Bob Woodward's book *The Choice*, was perplexed by Morris's back-room perfidies. Morris, scheming on behalf of his obsession with luring Clinton into a balanced-budget agreement, had plotted secret deals with Dole through the channel of his crony Manafort, and through

his long-term client, Senate Majority Leader Trent Lott (R-Miss.). Woodward reports Dole wondering to Lott about Morris: "Why would he send us that? It's too tricky for me, I guess. I never was a CIA guy."

Who is Paul Manafort?

Manafort, a lawyer, broke into the big time in 1978 by helping James Baker III be elected as Texas Attorney General. He helped Baker elect Reagan in 1980, and was rewarded by being made director of Overseas Private Investment Corporation (OPIC). That was good for business.

Manafort is a registered foreign agent. From 1980 until the partnership dissolved in 1995, he was in charge of the up to 15 lobbyists working on the international operations of Black, Manafort, Stone and Kelly, one of the most expensive and most blatant influence-peddling lobbying firms in Washington. During the Reagan and Bush years, its three founders, and 1986-90 partner Lee Atwater, had free run of the White House, since they had managed Reagan's and Bush's campaigns. At Congress, Republican Senators Phil Gramm (Tex.), Jesse Helms (N.C.), and Strom Thurmond (S.C.) were among those beholden to their (and Morris's) campaign "magic."

Kemp's manager Charles Black is listed on the Dole roster as "senior consultant." He also managed Kemp's 1988 Presidential bid.

Together with partner Roger Stone and flaming homosexual Terry Dolan, he founded the National Conservative Political Action Committee (NCPAC). NCPAC employed the rubric of semi-secret "fundraising for the Contras" as a cover story for the Contras' real sources, including cocaine trafficking.

Roger Stone started out his career as Roy Cohn's young lover and confidant. He was toastmaster at the AIDS-stricken Cohn's last over-opulent New Year's bash. Stone makes no bones about having "learned everything I know from Roy Cohn." He goes to great lengths to look and act like the reincarnation of Senator McCarthy's slimy counsel. Stone even calls himself "The Prince of Darkness." (*EIR* has not tried to confirm tabloid stories that he and his second wife Nikki solicit group sex on their Internet site.)

Stone earned notoriety as the youngest trickster in the Watergate scandal in 1972. He served as Richard Nixon's

mouthpiece, when the former President was in Kissinger's thrall in New Jersey during the 1980s. Stone managed the 1982 Senate campaign of George Bush's Connecticut brother (Prescott Bush, Jr.), largely funded by NCPAC. Stone used NCPAC funds to hire his fellow Cohn boy, Morris, to do some polling. A junior staffer later discovered that Morris had faked the poll. Bush lost.

Lee Atwater, who died in 1990, will be remembered as the modern master of "negative politics," the contemporary art of trashing your opponent for some alleged personal defect or lapse of "ethics," while making sure the voters do not consider any of the important matters facing the nation. This earned him a place in Dick Morris's pantheon of heroes, next to Margaret Thatcher and Franklin Roosevelt political assistant Louis Howe.

Atwater, as Reagan-Bush deputy political director from 1981 to 1984, brought in New Age futurist Alvin Toffler and various rock stars to advise the White House. In 1986, he became a partner in Black, Manafort's political consulting wing. As such, he ran George Bush's 1988 election and was Bush's top political adviser until 1990, when he died of brain cancer.

Manafort's high-profile international operations included:

- In the late 1970s and early 1980s, the Bahamas was the chief transshipment point for the flood of cocaine entering the United States, and its casinos were a key money-laundering machine. In 1982, the late Fred Wills, the former Guyanese foreign, justice, and trade minister, told this author that he had received a lucrative offer from Bahamian Prime Minister Lynden O. Pindling to become his justice minister. Wills, though penniless, turned down the offer, since he knew of Pindling's collusion with the very same British criminal interests which had been trying to kill Wills. (EIR's book *Dope, Inc.* first exposed Pindling as a wholly owned property of the Meyer Lansky syndicate.)

Black, Manafort and Stone, on the other hand, relished the aroma of cocaine dollars. Manafort proposed in 1984 to Pindling that the Bahamas government pay \$800,000 for lobbying in Washington. The Bush-linked firm would protect Pindling from U.S. government evidence that he took bribes from major drug traffickers. He got the contract. In their proposal, Black, Manafort suggest that the "personal relationship" between its partners, then-Defense Secretary Caspar Weinberger, and Edwin Meese, then-nominee to be attorney general, could get Pindling off the hook. And so, instead of a long jail term—or a U.S. invasion—Sir Pindling KCMG got U.S. taxpayer aid for his "anti-drug" efforts.

In September 1988, when Bush was running for President, Rep. Edward F. Feighan (D-Ohio) distributed copies of the Black, Manafort proposal to the press. Feighan asked, "How are these guys who surround the vice president going to lead the drug war when, until recently, they've been on the other side?"

Manafort's terrorists and assassins

- Manafort is registered foreign agent for the Kashmiri American Foundation, which arranged Bush administration approval for British-run terrorist Amanullah Khan to be safehoused in the United States. On April 10, 1990, at the United Nations, Khan ordered the execution of Indians which his terrorist group had kidnapped. Manafort arranged Washington press conferences for Khan, and protected him from extradition to India (see *EIR*, May 4, 1990, "Bush Administration Is Sheltering Kashmiri Terrorists").

- Black, Manafort, Stone and Kelly were paid \$600,000 for arranging the public side of a mid-1980s visit to Washington by Angolan Unita guerrilla leader Jonas Savimbi, "the Pol Pot of Africa." Savimbi had been put out of business ten years earlier by the Clark Amendment, which forbids covert U.S. activity in Angola. The firm arranged two long sit-downs with Secretary of State George Shultz, who once opposed helping him, a meeting with Senate Majority Leader Dole, and an Oval Office photo opportunity. "Some time during the visit, the decision to give Savimbi \$15 million in covert aid was made," columnist Mary McGrory reported. In 1992, when Unita continued the genocidal civil war after losing in free elections, "Black, Manafort, Stone and Kelly gets a \$1.3 million annual retainer for representing Unita," the *Wall Street Journal* reported.

- Manafort has been known to throw elections. In 1985, he was given \$950,000 to protect the Washington flank for Philippines President Ferdinand Marcos. He did get President Reagan to make one pro-Marcos comment, but did little to stop the National Democratic Institute (NDI) ("Project Democracy") from overthrowing Marcos in February. NDI's treasurer was his partner, Peter G. Kelly. Once Marcos was toppled, Manafort pocketed the unspent funds in Marcos's account.

- Manafort made headlines at a 1989 congressional hearing on a \$326,000 consulting fee his partners Roger Stone and Gregory Stevens had received for obtaining a Housing and Urban Development Department contract which brought a New Jersey client \$43 million in rent subsidies on former migrant worker barracks. He testified, "I would stipulate that for the purposes of today you could characterize this as influence peddling." After that, Manafort retired from consulting on domestic political campaigns.

One of the three new media consultants whom Manafort brought in for Dole is HUD-fixer Gregory Stevens. Another is Alex Castellanos, who, in Helms's 1990 race against Harvey Gantt, paired with Morris to produce the infamous racist "hands" TV commercial. Dole's campaign is also blessed with Art Finkelstein, a thug from the Roy Cohn stable who choreographs the antics of Senator Al D'Amato (R-N.Y.), and used negative campaigning to elect Benjamin Netanyahu as Prime Minister in Israel (see *EIR*, Aug. 2, 1996, " 'Dirty Dick' Morris Assets Helped Wreck Peres Re-election").

Jefferson Beauregard Sessions: Bush's Alabama 'knuckle-dragger'

by Suzanne Klebe

Alabama's Attorney General, Jefferson Beauregard Sessions III, is currently the Newt Gingrich Republican crowd's candidate for U.S. Senate in Alabama, vying for the open seat left by retiring Sen. Howell Heflin. Sessions is running against Democrat Roger Bedford.

Sessions, 49, is running a campaign for the "Lost Cause"—a return to plantation politics of the racist Confederacy at its most vicious. His campaign and wished-for career threaten not only Alabama, but the entire nation, on three fronts:

First, Sessions fully backs the "Contract on Americans" agenda of massive cuts into the bone and marrow of the American economy, including deadly cuts in health care.

Second, Sessions is an outspoken proponent of the "Lost Cause" of the Confederate rebellion, echoing the would-be aristocrats of the Old South, who were used to attack the Union in the interests of the British Empire's colonial policies of the 19th century—policies which have continued deep into the 20th century in a new form.

Third, Sessions is a thug. He has used his career, as it was promoted by the Bush Justice Department, to attack political enemies, ranging from the Alabama Civil Rights movement, to his political opponents in the state. As a U.S. Attorney from 1981-93, when the Justice Department was dominated by Bush's minions, he attacked members of the Alabama Civil Rights movement as part of a nationwide Department of Justice (DOJ) policy to run African-Americans out of political life. This policy, code-named "Frühmenschen" ("primitive men"), was overseen by such corrupt members of the DOJ's permanent bureaucracy as Deputy Assistant Attorney General John Keeney, who backed Sessions's unsuccessful attempt to get himself appointed as a federal judge.

And, typical of the hypocrisy of the Bush Justice Department, Sessions, while trumpeting the need to combat white-collar crime and corruption, has remained in close association with those forces in the Bush apparatus that in fact *created* the worst drug epidemic in U.S. history.

Sessions is now campaigning to "curb the power of federal courts" altogether—a message which he propounds not merely out of sour grapes over his lost judgeship. He

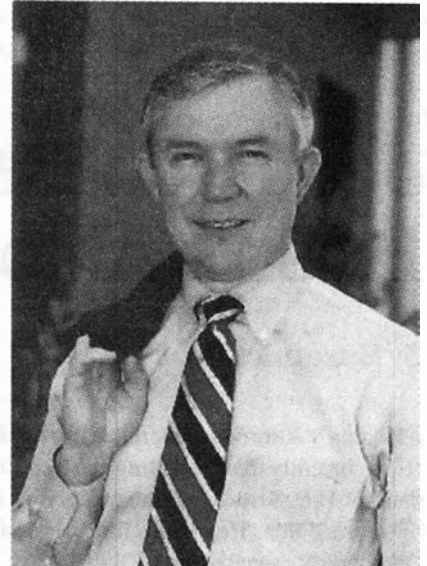
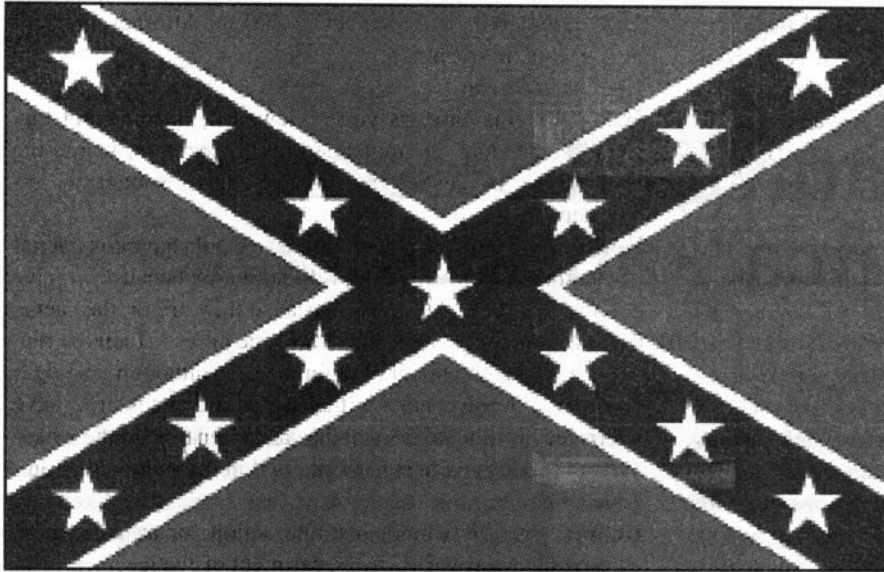
focussed on this issue as a speaker at a May 1995 "states' rights" conference. That conference was billed as a "National Leadership Summit" of the American Legislative Exchange Council (ALEC), a group which includes leading advocates of secession and destruction of the federal government. The conference's theme was "State Sovereignty: The Next American Revolution," and took place in Richmond, Virginia—a site which, as the conference's organizers pointed out to the *Richmond Times-Dispatch*, was selected because it was once the capital of Jefferson Davis's "Confederate States of America."

Sessions's Gingrichite economics

Like his fellow Confederates in the Gingrichite Conservative Revolution, Sessions wants, in effect, to do away with the "General Welfare" clause of the U.S. Constitution, which reads: "We, the People of the United States, in order to form a more perfect Union, establish Justice, ensure Domestic Tranquillity, provide for the common Defence, *promote the General Welfare*, and secure the Blessings of Liberty to ourselves and our Posterity. . . ." The old Confederate constitution not only struck that clause, arguing against any idea of national well-being as a responsibility of government, but also outlawed any national investment in infrastructure, with the one exception of improvements in the harbors, which the British cotton traders were demanding.

Over the 19th century, the free trade cotton-trading policies the British Empire demanded of the Old South, impoverished black and white alike; yet, these policies are fully back on Sessions's agenda, as he campaigns in support of the North American Free Trade Agreement. As a direct result of such free trade policies, for example, 21 factories left Alabama in 1995 alone, seeking even lower wages than available from this very poor state. Many areas in Alabama are still without running water, and the state ranks near the bottom of all economic categories, with fully one-third of the state's adults lacking a high school diploma.

Alabama's poor people, however, are irrelevant to Sessions, who states that he is campaigning for the rights of the middle class—a class that is disappearing under the economic



Jefferson Beauregard Sessions III, candidate for Senate in Alabama, and an outspoken advocate of the "Lost Cause" of the Confederacy.

policies of the get-rich-quick speculators who dominate the Conservative Revolution.

And, watch out when even middle-class people become sick or elderly: Sessions is fully in line with the Gingrichite philosophy of eliminating the weak and the elderly through medical cuts. He has not only called for cuts in Medicare and Medicaid (reorganizing the system at "the lowest possible cost," and advising that senior citizens go into health maintenance organizations), but has endorsed a call to privatize those programs altogether. This spells trouble for anyone whose illness is not a profitable one in the eyes of health providers (or, "health refusers," as is more frequently becoming the case nowadays).

Sessions chants the Gingrich mantra, calling for a balanced budget amendment, major reductions in the size of the federal government, and shutting down the U.S. Department of Commerce. In the same breath, he calls for supporting Alabama's defense installations and NASA programs—promises he clearly has no intention of keeping, given the Conservative Revolution's budgetary assaults on NASA, defense, and research and development budgets in last year's Congress.

On "church and state" issues, Sessions calls for prayer in the schools, and runs as the poster-boy of the so-called Christian Coalition. But on the actual *practice* of Christian charity (or *agapē*), Sessions is immoral, having this to say about what he would do for the average Alabama citizen: "We need to quit taking money from them and giving it to people who don't work and don't do right. It's not good for the person who receives the money . . . over a period of years to receive benefit after benefit, with no demands being made on them, and then giving nothing in return."

Sessions considers his bashing of welfare as politically correct in the view of his Conservative Revolution cronies. But, even as he contends that his top two legislative priorities include "enhanc[ing] the economic security of middle-class Alabamans," he seems oblivious to the fact that many of those individuals are themselves within only a couple of paychecks of falling into dire economic straits. And, if a victim complains, Sessions will tell him or her to blame someone even worse off than they are, and not the London-centered financial interests, the real culprits in pushing the world economy into the abyss.

Unfit for federal judgeship

Sessions has been Alabama Attorney General since 1994. Before that, he was U.S. Attorney in Alabama's Southern District from 1981-93, functioning as a crucial player in, and protégé of, the Bush-era Justice Department. Earlier, during the Ford and Carter administrations, from 1975-77, he was Assistant U.S. Attorney in the same district.

Ironically, Sessions's current Senate run is an attempt to replace the man who denied him an earlier ambition: a coveted federal judgeship, which he lost after rancorous U.S. Senate hearings in 1986. The Reagan-Bush administration nominated Sessions in 1986 for a position as district court judge. Outgoing Sen. Howell Heflin, who, before his Senate career, had been a chief judge of the Alabama State Supreme Court, voted that Sessions's character rendered him incapable of being trusted with a lifetime appointment to the federal District Court. According to the *Congressional Quarterly Weekly Report*, at the time, the rejection of Sessions was only the second such rejection in 48 years.

The 1986 hearings concerning Sessions's nomination fo-

cussed heavily on racist statements Sessions had made, including his claim that he had supported the Ku Klux Klan until he found out that they smoked marijuana, and his assertion that the National Association for the Advancement of Colored People (NAACP) and the Southern Christian Leadership Conference (SCLC) were “un-American organizations with anti-traditional American values.”

Sessions, who is from Wilcox County, near Selma, was 18 years old when Martin Luther King led the famous March from Selma, across the Edmund Pettus Bridge, to the state capitol in Montgomery. That march was for the right to vote. In the Senate hearings, Sessions was quoted as having asserted that “the Voting Rights Act is an intrusive piece of legislation, and black and white people could work out any problems without having civil rights forced down their throats”—a typical argument used at the time by racist politicians intent on “getting the Feds off our backs.”

The Montgomery march, and the 1965 Voting Rights Act, were directly associated with another episode that dashed Sessions’s hopes for joining the federal bench. In 1985, Sessions led a federal prosecution in Perry County of three civil rights leaders. One of the defendants was Albert Turner, who had been a state leader of the SCLC in Alabama in the 1960s, had been in the second row of the march that attempted to cross the Edmund Pettus Bridge on “Bloody Sunday” on March 7, 1965, and had led the mule train that pulled Dr. King’s coffin at his funeral in 1968. The other two defendants were Turner’s wife Evelyn, and well-known activist Spencer Hogue. The defendants were charged with vote fraud.

Sessions ultimately lost the case, amid defense charges of selective prosecution, FBI intimidation of witnesses, laws that support “proxy voting,” and questions as to why the federal government had brought suit in a case involving a local, not a federal, primary, in which the candidates backed by the defendants had been defeated.

The real reason why the DOJ pursued the case, was revealed in part at the Senate hearings, from the mouth of Deputy Assistant Attorney General John Keeney. Testifying in support of Sessions’s appointment, Keeney said that “at every stage of this process [the Perry County prosecution], the Department of Justice, Criminal Division, Public Integrity Section was involved. We approved the investigation, as we are required to do. We approved the indictment. As a matter of fact, one of our people was down there and worked on the indictment and presentation.”

In an exchange, Senator Heflin queried Keeney as to the responsibility of his section of the Justice Department in the decision to prosecute:

Heflin: . . . Now, in order to properly put it in perspective, what is the procedure when you start one [move toward prosecution], and the relationship of the U.S. Attorney and the Department of Justice? You say you receive complaints.

These could have been received by the U.S. Attorney, or could be received in Washington.

Keeney: Yes, sir. . . .

Heflin: In this case, as you reviewed it, in the event that Mr. Sessions had recommended no prosecution, would the Department of Justice nevertheless have sought an indictment?

Keeney: I do not know. Certainly, we would have considered it, whether or not we would, I do not know because we give deference to U.S. Attorneys, because they are on the scene, they know the witnesses, they know the juries in their district, and we give a great deal of deference. So although we might consider it, I could not say that we would necessarily have overruled him and taken over the case, even though the strike-over allegations were significant, and in my judgment pretty good evidence.

Heflin: Well, he cannot institute action for an indictment without the approval of the Department of Justice?

Keeney: That is right.

Heflin: In other words, if he desired on his own to do something, under the procedures that you have outlined, he could not do it unless the Department of Justice put the stamp of approval on it?

Keeney: That is right, Senator.

Later in his testimony, Keeney defended the DOJ’s pursuit of the ill-fated Perry County prosecutions, and gave Sessions his full endorsement:

“In answer to your question, there is no question about my dealings with Mr. Sessions. They have been first-rate. He is a good lawyer, and every dealing I have had with him has been fine. I know nothing derogatory about Mr. Sessions, except obviously I read the papers in the last few days.” (Source: Hearings for Jefferson Beauregard Sessions III Appointment as District Judge, Y4.J89/2:S.hrg.99-1047, p. 179.)

DOJ ‘permanent bureaucracy’

Keeney’s admission places the Perry County case in the same box with the other dirty tricks run by the “permanent bureaucracy” of the Justice Department with which Keeney was associated during those years. Keeney, a 44-year veteran of the Justice Department, is a key player in units that have been used to intimidate, prosecute, and in some cases, eliminate perceived political enemies.

In the 1970s, this same corrupt unit ran the Abscam and Brilab prosecutions, in which hardened criminals were hired to entrap and attempt to bribe targeted lawmakers (and later, labor leaders), thus ushering in a reign of terror against the entire Legislative branch. Then, beginning in at least 1977, this Justice Department unit began to target black elected officials for selective prosecution and removal, in a campaign code-named “Operation Frühmenschen.” In 1979, the same

unit established the Office of Special Investigations (OSI), which began a witchhunt against retired Cleveland auto worker John Demjanjuk, accusing him of being the Nazi criminal "Ivan the Terrible," *even though the DOJ knew that they had the wrong man*. An appeals court subsequently deemed the prosecution "false and malicious," but only after Demjanjuk had been deported to Israel to face trial and execution.

In 1984, this unit escalated their judicial railroading of Lyndon LaRouche, first in Boston, and later, in the prosecution against LaRouche in 1988, which took place over the signature of John Keeney.

In 1992-93, Keeney et al. were deeply involved in the massacre against the Branch Davidian group in Waco, Texas, and, earlier in 1992, the murder of Randy Weaver's son and wife at Ruby Ridge, Idaho.

The operations against LaRouche continued into 1996, as John Keeney's son represented Democratic National Committee Chairman Donald Fowler in a Voting Rights Act suit, in which several duly elected delegates pledged to LaRouche in the Democratic primaries, are suing Fowler and other Democratic officials for their refusal to seat them at the Democratic National Convention.

And, to top it off, in 1995, Sessions re-opened the old voting rights cases in Perry County, Greene County, and elsewhere, in conjunction with the same DOJ Criminal Division, in an effort to exact revenge for his 1986 defeat, and to disenfranchise black voters in western Alabama.

Inside a reactionary mind

More light is shed on Sessions's continued pursuit of these cases, by reading an author whom Sessions has described as a major influence on his thinking, Russell Kirk. In his 1990 book, *The Conservative Constitution*, Kirk writes: "The American Constitution and the American economy were analyzed acutely by a Christian thinker of remarkable endowments, Orestes Brownson. . . . As for the Fifteenth Amendment, which deprived the states of power to determine who should vote and who should not, Brownson thundered that this 'is to destroy the state as a body politic.' "

The Fifteenth Amendment is the Reconstruction amendment, which gave freed slaves the right to vote, and mandated Congress to ensure that right. It reads: "The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any state on account of race, color, or previous condition of servitude. . . . The Congress shall have power to enforce this article by appropriate legislation."

Sessions dreams of a nation of prison-camps

As a true Conservative Revolution advocate, Sessions believes that government has little responsibility for the welfare of the population—*except* in cases of surveillance and incarceration. During his campaign for attorney general, according

to the April 6, 1994 *Mobile Press Register*, Sessions stated that "the number-one civil right of Americans to be safe in their homes and on the streets, is a fundamental responsibility of government." The article explains that, "Some reforms he proposes are reducing time from arrest to trial to less than 90 days, locking up repeat offenders, doing away with unnecessary delays in the death penalty, eliminating early release from prison and lowering the juvenile criminal age." Sessions also supports lessening controls of evidence in trials, and denial of bail in cases still on appeal.

There is nothing unique in these "reforms." They were all outlined in a series of proposals made for the Bush Justice Department by William Barr, who went from a career as a CIA lawyer (put through law school by the CIA to write decisions that "legalized" their exploits), to becoming U.S. Attorney General during the last phase of George Bush's Presidency. Since 1994, Barr has been criss-crossing the country, calling for ending parole and "cracking down" on criminals. Barr is a major promoter of private prisons, and Barr's friends plan to personally gain from imprisoning more people for longer terms. Privatized prisons, currently listed on the New York Stock Exchange, are set to make windfall profits from the burgeoning prison population that Barr's Justice Department policies helped to create. Barr's "no-parole" collaborator and Justice Department associate, Richard Cullen, led a group of lawyers in endorsing Oliver North's 1994 ill-fated campaign for the U.S. Senate in Virginia, perhaps in recognition of North's co-responsibility for the drugs-for-guns Contra trade that has created so much of the prison population in the first place.

More dirty operations

Keeney and Barr's backing of Sessions puts the latter smack in the middle of the Bush "knuckle-dragger" faction in the Justice Department. His career parallels and intersects those of Bush-era U.S. Attorney General Richard Thornburgh, who also spoke at the aforementioned May 1995 states' rights conference in Richmond; and William Weld, the scion of the White Weld financial interests, who went directly from being head of the Criminal Division of the Justice Department to the governorship of Massachusetts. These prosecutors-turned-politicians have been able to use the Justice Department crusade against "white-collar crime" (which they substituted for any serious fight against the upper echelons of the drug trade) to run surveillance and indictments against their political enemies.

During his 1994 campaign for Alabama Attorney General, Sessions was responsible for "breaking a story" a month before the election, in which an investigator for Sessions flew to the Cayman Islands, and returned with flight records showing that the incumbent Democratic governor, Jim Folsom, had been flown to the islands in a jet owned by dog track owners operating in the state. Folsom's campaign con-

tended that his family had paid to lease the jet, but the corruption charges that were broadcast in the press built upon months of other charges and innuendos. Gubernatorial candidate Fob James, Jr. attacked the governor, and Sessions attacked the incumbent attorney general for covering up. The resulting corruption scandal swept James and Sessions into office.

On July 30, 1996, however, a 15-page motion was filed in the Circuit Court of Montgomery, calling for recusing Sessions from any involvement in the subsequent corruption case, and calling for a separate grand jury investigation of the Folsom trip. The motion includes documentation that witnesses against Folsom had been paid and offered jobs by the James-Sessions campaign (and, later, administration), in return for their testimony and statements; also, charges are made that Sessions used FBI agents from the Mobile office to conduct investigations of Sessions's political opponent (Sessions was no longer U.S. Attorney at the time).

According to the document, on July 12, 1996, U.S. Attorney Pitt confirmed to the press that he had asked for an internal investigation to determine whether Mobile FBI agents were involved in investigating Folsom's Cayman trip for the political gain of Sessions. Pitt is quoted as saying, "If this is true, this is the gravest violation of the public trust. It actively undermines our constitutional government and courts of law." The motion also states that the "investigator" whom Sessions had dispatched to the Cayman Islands, Gene Tibbets, had "enlisted the help of Meno Habib, a former Israeli Intelligence Agent, who had met Tibbets while working as a mercenary in South Africa."

Sessions is currently refusing to cover the investigator's trip as a campaign expense, feigning ignorance of how the investigator got there. Retired FBI operatives who were involved in the surveillance against their opponents, were later given positions in the Attorney General's office under Sessions, despite the fact that drastic cuts in personnel was one of his stated accomplishments in his first year in office.

'The Governor's Gestapo'

Meanwhile, the existence of a secret surveillance and intelligence-gathering unit operating out of the Office of Public Safety has been revealed—a unit which State Rep. John Knight has dubbed "the Governor's Gestapo." This unit, formally called the Special Services Group, was recently involved in overseeing a selective tax audit of 24 out of 144 state legislators.

One legislator being audited was State Senate President Michael Figures, who had not only moved to strip funding from the Special Services Group, but whose brother Thomas had been a critical witness in the 1986 hearings that sank Sessions's judgeship nomination. During the period leading up to those hearings, Thomas Figures was an Assistant U.S. Attorney working with Sessions. According to an article in

Atlantic Monthly, Figures considered himself "a marked man" after his testimony. Ten weeks before Sessions left his post as U.S. Attorney following the election of Bill Clinton, Figures was indicted by a federal grand jury on a drug charge. It took until 1996, after his money and reputation had been exhausted, to overturn the indictment.

After the Special Services Group unit was uncovered, Sessions quipped that whoever had formed the clandestine group "probably had a good intention," but "I don't suggest it's the way to do investigations."

Protecting Dope, Inc.

Sessions was an active member of the Justice Department's anti-drug task force in the Southeast—a task force that somehow never noticed the plane loads of cocaine being run into the United States during this period, as part of the gun-for-drugs Contra operation run by Oliver North under George Bush's Special Situation Group (see *EIR*'s Sept. 13, 1996 feature, "George Bush: 'Crack' Kingpin of the 1980s"). In 1992, Sessions was presented the "U.S. Attorney General's Award by Attorney General William P. Barr for Significant Achievements in the War Against Drug Trafficking."

Barr was a unique authority on sabotaging any real war against drugs. It was his "Thornburgh Doctrine" which allowed the capture of Panama's Gen. Manuel Noriega—a move which was in violation of international law. At the time, the Bush administration described the war against Panama, dubbed "Operation Just Cause," as an assault against a major drug runner. But, since the kidnapping and imprisonment of Noriega, the drug trade has exploded in and through Panama, and, at the trial against Noriega, testimony came out—much to the chagrin of the Bush crowd—which opened up the question of drug running by the U.S.-backed Nicaraguan Contra guerrillas. Specifically, Carlos Lehder, the imprisoned head of the Medellín Cartel, shocked the court by testifying that he possessed letters from George Bush thanking him for his and the Medellín Cartel's support of the Contras. Lehder was quickly shut up by the judge, and it was suddenly suggested that he was "mentally incompetent," even though it had been the government which had called him as a witness.

From 1990-94, Sessions sent 728 African-Americans to prison from Mobile County on drug-related conspiracy charges, in compliance with the Bush policy of going after the small-fry user and dealer. But, as has been recently shown in court cases in California, the crack epidemic in this country, which took off during the Reagan-Bush years, had its source in the Bush deals to finance the Contras, despite a congressional ban on such activities. Recent exposés in the *San Jose Mercury News* in California on the use of the Los Angeles Crips and Bloods drug gangs to distribute crack cocaine imported by Bush's special operations, prompted Lyndon LaRouche to ask: "Why are all these people in prison doing George Bush's time?"

During the 1986 Senate hearings on Sessions's appointment as federal judge, as Sessions was trying to explain his designation of the NAACP and SCLC as "un-American," he stated it had nothing to do with these groups' domestic policies, but only with their "foreign policies." When asked to be specific, he cited their opposition to "the Contras."

Warped mentors

In a recent campaign questionnaire, Sessions was asked to list books he had recently read. According to the May 16 *Birmingham News*, he responded: "Just finished *The Downing Street Years* by former British Prime Minister Margaret Thatcher, and recently read *Bus Ride to Justice* by Fred Gray; cites *Enemies of the Permanent Things* by conservative writer Russell Kirk as a formative influence on his thinking."

The second book shows Sessions's continued obsession with his lost appointment: Fred Gray was the head of the National Bar Association, which personally helped sink Sessions's judgeship nomination in 1986.

As for the first book listed, Sessions's interest in Margaret Thatcher is understandable, given that Bush served as Thatcher's puppet during the Gulf war and other British-manipulated geopolitical exploits.

As to the third book, Russell Kirk's "formative influence" on Sessions is indicative of Sessions's Confederate, Conservative Revolution philosophy. Quotes from Kirk's book *The Conservative Constitution* give some background to issues Sessions has championed. Consider Kirk's comment concerning the federal courts: "Dr. James McClellan . . . looks upon the Reconstruction Amendments [Fourteenth and Fifteenth] much as Brownson did. 'Beginning with the Reconstruction Amendments,' McClellan writes, 'which enlarged the powers not only of the federal courts but of Congress as well, the radical Republicans cut the heart out of federalism by stripping the states of their sovereignty respecting citizenship, state criminal procedures, and voter qualification.'"

Consider, also, the hostility to the very idea of industrial economic progress, as Kirk again quotes Brownson: "The great fault of our statesmen has been to make what should be a great agricultural and commercial people *unnaturally* a great manufacturing people." Kirk comments, "These being Brownson's convictions, we need not wonder that . . . the *Fourteenth and Fifteenth Amendments made him almost despair for the American republic*. He perceived in the measures of the Radical Republicans a design to crush the agricultural South; to employ the power and resources of the federal government for the stimulation of heavy industry; to concentrate power in a central government" (emphasis added).

During Sessions's 1986 judgeship hearing, no one questioned him on his theory of law. If they had done so, they would have gotten a real scare. The Alabama electorate would therefore be well advised to make sure that the Sessions campaign becomes another in a long series of his "lost causes."

Britain's Media Sewer

Newhouse, Roy Cohn, and 'Union Jackie'

by Stuart Rosenblatt and Anton Chaitkin

Random House President Harold Evans announced on Sept. 3 that he will publish a "tell-all" book by fired White House consultant Richard S. "Dirty Dick" Morris. Though the announcement came five days after Morris was purged, this anti-Clinton book deal had been in the works for many months, while Dirty Dick was being lavishly paid to advise the President he was betraying.

The Lyndon LaRouche-commissioned exposé, published in *EIR* and elsewhere, that Morris is an asset of the Roy M. Cohn criminal apparatus and of related British Empire-linked assassins, forced Morris to come out of the shadows and procure favorable media coverage. In the open, Morris was easy prey for his many enemies, and he only had to be finished off by British Empire publisher Rupert Murdoch in a sex scandal aimed at hurting Bill Clinton.

Morris's publisher, Random House, is part of the Newhouse family's \$12 billion media holdings. This is, not surprisingly, an empire largely created by Morris's cousin Roy Cohn. And Random House president Harold Evans, the former editor of the *London Times*, typifies the decadent British feudalists whom owner Si Newhouse and his lawyer-fixer Cohn imported to run their show.

Last July, Evans stood with another of his scribblers, Joe Klein, at a press conference to reveal that Klein was the author of the anti-Clinton book *Primary Colors* which Evans and Newhouse had earlier issued as "by Anonymous."

Among Newhouse's newspapers are the *Cleveland Plain Dealer*, the *Newark Star-Ledger*, *Portland Oregonian*, the *New Orleans Times-Picayune*, Alabama's *Birmingham News*, the *Syracuse Post-Standard* (New York), the *Harrisburg Patriot* (Pennsylvania), and the *Staten Island Advance*. Newhouse owns *Parade* magazine, the national Sunday newspaper supplement. Random House subsidiaries include Random, Little Random, Ballantine, Crown Publishing Group, Alfred A. Knopf, Pantheon Press, and Vintage. Newhouse's Condé Nast, the Anglophile upscale magazine group, includes *The New Yorker*, *Vogue*, *Vanity Fair*, and *Self*.

Tawdry beginnings

This empire originated with Newhouse ownership of the *Bayonne Times* (New Jersey).

The Newhouses moved up quickly through the auspices of Henry Garfinkle, a distribution czar originally bankrolled by the Newhouse family. Garfinkle got the Newhouses precious newsstand placement, with help from organized crime figures reportedly linked to the Joe Bonanno criminal gang. Everything was arranged by Roy Cohn, Bonanno's business partner. Sponsored by the Anglophile powerbrokers John Foster Dulles and Allen Dulles, Roy Cohn went from disgrace as Sen. Joe McCarthy's counsel and hatchetman, to being chief counsel to Garfinkle and to Newhouse, with whom he was a close friend.

Henry Garfinkle regularly extorted large sums from the papers he distributed. The Federal Trade Commission filed a civil lawsuit against Garfinkle in 1971, which went nowhere. Garfinkle's Union News eventually controlled about half of the newsstands in the United States.

Thomas Maier, author of the family biography *Newhouse*, described the new bosses who came in to run this media empire: "In Newhouse publications . . . [m]any of these prize editors were influenced more by Fleet Street and England's rigidly class-conscious society than by the traditional schools of American journalism, whose practitioners, they pointed out, blather on incessantly about ethics. At times, the Newhouse headquarters at 350 Madison Ave. seemed like a boarding school for transplanted Brits, who recognized only one journalistic crime: being boring. They would waste no time postulating about media's responsibilities."

The British editors turned Newhouse magazines into sex-filled, glossy versions of British tabloids.

Among the British editors at Condé Nast were Anthea Disney (who ran *Self* magazine), Anna Wintour, and Tina Brown. Harold Evans's wife, Tina Brown now runs *The New Yorker*. Brown originally came to the United States to write some stories for London's *Punch* magazine. During her assignment she reportedly worked as a striptease dancer in New Jersey, with the stage name "Union Jackie."

It was downhill after that. Brown took over *The Tattler* in England—which was bought by Newhouse—and she specialized in both attacking and promoting the royalty and the jet-setters. She was a typical, cynical daughter of the British aristocracy. Brown married Harry Evans after working at the *London Times*; they were married at the summer home of *Washington Post* editor Ben Bradlee and Sally Quinn in 1981. Brown poured degenerate sex, glitz, and the British royal family into the American publications she edited for Newhouse and Cohn.

Meanwhile, Evans and William F. Buckley co-edited the memoirs of Henry Kissinger.

Britain's Erroll MacDonalld took over the Pantheon imprint. London's Sonny Mehta, who now runs Alfred A. Knopf, Inc., published a string of criminal-Satanic best-sellers (including *American Psycho*, and *Stripper*, launched with a Newhouse striptease party), capped with the British/Kissinger anti-German provocation, *Hitler's Willing Execution-*

ers, written by Harvard's Daniel Goldhagen (see *EIR's Investigation* of June 14, 1996).

In 1981, the *Cleveland Plain Dealer* exposed Cleveland Teamsters Union leader Jackie Presser as an informant for the Federal Bureau of Investigation. But the mob associated with Tony Salerno wanted Presser to be named Teamster International President. They had to have a retraction or Presser would be dead in the water. So Salerno's lawyer, Roy Cohn, worked with the ownership of the *Plain Dealer*, whose lawyer was also Roy Cohn, and obtained a retraction printed on the front page. The newspaper's reporters were beyond shock over the retraction, which they knew came from Newhouse and Cohn. The day after, 50 *Plain Dealer* reporters, editors, and staffers picketed the newspaper, protesting its capitulation. But the deal stuck, and Presser was elected president of the International Brotherhood of Teamsters.

Dirty media defend their own

With the death of the Newhouse family patriarch in 1979, it was expected that the estate would have to pay an enormous amount in estate taxes. But Si's father Sam Newhouse had prepared for this, by continuously changing the papers of Advance Publications in such a way as to confuse ownership, controlling stock interests, and liability. The tax scheme was typical of the company's lawyer, Roy Cohn.

The Newhouses gave a lowball estimate to the IRS of the estate's worth based on a theory of ownership that the empire was shared among the family members. Sam Newhouse only had to pay \$48 million based on the analysis of mass/joint ownership. The IRS said it was a lie, that the estate was worth \$1.2 billion and that the payment should be at least \$600 million. They added a further charge, that the return was deliberately stated so as to lie, and so the IRS added 50% for civil fraud, and, with further penalties, the total came to over \$1 billion by the time of trial in 1989.

When the case finally came to trial, the media—not surprisingly—hushed up all coverage. The Justice Department, of course, threw the case, and key Newhouse competitor (i.e., cohort) Rupert Murdoch testified in Newhouse's defense. Newhouse got off scot free, with the minimal payment of \$48 million, a cool \$1 billion heist!

One joke press release that appeared anonymously after Newhouse had flexed his muscles in reorganizing both Random House and *The New Yorker*, kicking out longtime editors and others, sums up the widespread fear and awe of this gangster operation. It was printed on company letterhead, exactly in the Newhouse public relations style. It announced that Random House had purchased the Catholic Church. The pope would remain in the Vatican; the Bible would be added to the company's properties. The public was reassured, "We don't expect to tamper with the Church's management team. . . . The Church will thus operate as an independent division within Random House, and the pope will report directly to Si Newhouse."

Bumpers again tries to shut down space station

Sen. Dale Bumpers (D-Ark.) made his annual attempt to shut down the NASA space station, during debate on the Veterans Administration, Housing and Urban Development, and Independent Agencies appropriations bill on Sept. 4. Bumpers, putting himself into the straitjacket of budget politics, argued that cancelling the space station is the only way to save other discretionary spending programs, such as education, which will otherwise be devastated in order to provide the \$100 billion in funding the station will require to the year 2012. "The more money you pour into wasteful spending, like the space station," he argued, "the less you are going to have for the thing you love the most, your children."

Bumpers predicted that the space station will be a financial disaster. He ridiculed the notion that the space program has had any scientific benefits, heretofore, and said he would answer any such arguments by saying, "Ask the Russians. They have had a space station for 25 years. Ask them. What have they gotten? I will tell you the answer: nothing."

A number of senators got up to defend the space station, including John Glenn (D-Ohio) and Kay Bailey Hutchison (R-Tex.). However, the most spirited defense came from Barbara Mikulski (D-Md.). Mikulski began her remarks by noting "how ironic it is, at this time of great space discoveries like the possibility of life on Mars, that my colleague wants to eliminate one of NASA's greatest programs." She pointed out that thousands of jobs are at stake in the program, and suggested that in an era of defense conversion, "the space station is an opportunity to retain our high-tech manufacturing skills for a civilian economy."

On the scientific side, Mikulski said, "The thinking behind the Bumpers amendment is the same kind of thinking that would stifle our understanding of bacteria and germs that cause disease. It is the kind of philosophy that would have stopped Madame Curie from discovering radium, from which the field of radiology developed, or Jonas Salk from finding the cure for polio."

The space station isn't just about science, but also technology, she said. "By the mere fact of building the station and by the mere fact of doing medical and life science and crystal development, in order to do the research, we have to develop new technology," she said. Bumpers's amendment was tabled by a vote of 60-37.

Armed Forces to stay under U.S. command

On Sept. 5, the House passed, by a vote of 299-109, the so-called "Armed Forces Protection Act," to limit the placing of U.S. military forces under any foreign command (meaning the United Nations) and to prohibit the wearing of any foreign insignia by U.S. military personnel, unless authorized by Congress.

The bill is nearly identical to a provision in last year's defense authorization bill, which was one of the reasons that President Clinton vetoed that bill, a fact seized upon by the Republican backers of the bill. Rules Committee Chairman Gerald Solomon (R-N.Y.) said the veto "fits a pattern established by this President of allowing our military forces to be dragged into multinational and other missions which have little or no bearing on our national security."

Jim Saxton (R-N.J.) added, "It is particularly frustrating if not down-

right dangerous to see the growing tendency of this administration to cede operational control of U.S. forces to the ill-equipped, ill-prepared bureaucratic United Nations." This was as close as anybody came to attacking the UN.

Opponents questioned the constitutionality of the bill, and criticized it as putting too much of a limit on the President's authority as commander-in-chief. Ron Dellums (D-Calif.) said it will restrict the President from "establishing command relations that best meet the military situation our troops may face." He added that it sends the wrong message to potential allies "that we do not trust your officers," resulting in greater likelihood "we will go it alone" rather than participate in coalition efforts.

Senate Dems push through agenda, with GOP help

Senate Democrats, with considerable support from the Republican caucus, succeeded in passing three of their Families First agenda items as amendments to the Veterans Administration, HUD, and Independent Agencies appropriations bill on Sept. 5.

The first item was the "Newborns' and Mothers' Health Protection Act of 1996," requiring insurance companies to pay for hospital stays of at least 48 hours for women giving birth vaginally, and 96 hours for deliveries by caesarean section. The second was an amendment that provides for parity between mental health policies and physical health policies. The third, and the only one that faced a threat of being killed, provides veterans benefits for the children of Vietnam veterans exposed to Agent Orange during the Vietnam War who are suffering from birth defects.

Kit Bond (R-Mo.) tried to get a parliamentary ruling that the amendment, sponsored by Minority Leader Tom Daschle (D-S.D.), was in violation of Senate rules, because it was a legislative matter that could not be attached to an appropriations bill. His motion was defeated by a vote of 62-35. Daschle said the next day that their passage "sets a prototype for the appropriations bills that will be coming up for the balance of the month."

Daschle indicated that when the Treasury-Postal Service appropriations bill comes to the floor, Democrats would be offering amendments on education, pension security, and runaway industries. He said that he expected the amendments passed with the VA-HUD bill to get to the President's desk, even if funding ended up being taken care of in a catch-all continuing resolution.

Lott willing to adjourn before end of business

The Republican majority in Congress has set Sept. 27 or 28 as their target date for adjournment of the 104th Congress. Senate Majority Leader Trent Lott (R-Miss.) said on Sept. 4 that it is his intention to finish up all the appropriations bills before then, but that a continuing resolution will be ready by Sept. 23 if there is still disagreement on any of the funding bills at that time.

Two days later, however, Senate Minority Leader Tom Daschle (D-S.D.) indicated that the Democrats might be willing to keep Congress in session well into October in order to finish the legislative agenda. "For the Republicans to leave town just to campaign is something that I think will take some explaining, and this is a good reason why: All these bills [in-

cluding other legislation besides the funding bills] have worked their way through the process. They're waiting to be considered, and now for us to just close the door, lock the box and say, 'Better luck next year,' to me, is not what the American people expect."

Brown says Dole budget would 'devastate R&D'

In a statement Sept. 5 to the Senate Democratic Policy Committee Forum, Rep. George Brown (Calif.), the ranking Democrat on the House Science and Technology Committee, said that the proposed Dole tax cuts and budget would harm federal research and development investment "even more than the original Gingrich 'Contract with America' budget would have. I estimate that the Dole plan would result in a reduction of at least 40% in federal non-defense R&D spending, from the levels of those programs in fiscal year 1995."

Brown said, "Cuts of this magnitude would have a drastic impact on our nation's economic progress and competitiveness in global markets, would devastate research infrastructure that has taken 50 years to develop and which is the envy of the world, and would result in the closure of many national research facilities, especially those funded by the Department of Energy, NASA, and the Department of Commerce. In short, it would be a giant step backward for this nation."

"When President Reagan proposed a supply-side approach 15 years ago," he continued, "it was characterized by some as voodoo economics. Mr. Dole's plan could be better labeled vampire economics, because it sucks the lifeblood from our nation's future by devastating our science and technology efforts."

Brown, who has been the only outspoken Democratic critic of the White House's proposed cuts in R&D, and who has ridiculed the goal of a balanced budget, said: "Over the last several years, I have objected to economic proposals that fail to distinguish between outlays and investments. . . . Our research and development programs are an investment in our future and should not be sacrificed as offsets for an election year tax cut."

Brown, one of the few engineers in the Congress, concluded: "I plan to make the science, engineering, and academic community aware of the threat that this plan poses to their valuable activities, and working with them, hope to ensure that it is never given the opportunity to become a reality."

Ethics panel taking heat on Gingrich probe

On Sept. 5, two Democrats took to the House floor to demand a report on the Gingrich ethics investigation. Harold Volkmer (D-Mo.) reported that the special counsel hired by the ethics panel filed a report a month ago, but "it has disappeared." Volkmer surmised that if the report had exonerated Gingrich, "we would have seen it. . . . My guess is that it is maybe not real bad, but bad enough that they want to submerge it."

Pat Schroeder (D-Colo.) reported that she saw a newspaper article reporting that the special counsel's report might not be considered until after the election. If true, she said, "I think this body should all be aware of that, and we ought to put people on record as to whether they agree with that decision, because I do not think the American people would agree with that decision and I think it is a real violation of our trusteeship."

National News

White House orders review of aircraft

The White House ordered a "top-to-bottom" safety review of all executive support aircraft, the day after a Marine Corps CH-46 operating in support of a Presidential campaign trip in Florida flipped over and burned at the Orlando Executive Airport. The accident follows by only 20 days the crash of an Air Force C-130 transport in Wyoming, which killed all eight persons aboard, who were also doing support functions for the President. Also, simultaneously with the Orlando incident, another Marine Corps Presidential support helicopter made an emergency landing in a field south of Orlando, because of a failure indication in its hydraulic system.

While the safety review covers only military aircraft that are used in support of travel by the President and cabinet officers, the military services have also been experiencing a rash of aircraft accidents this year.

Pennsylvania lawmakers demand Bush drug probe

Pennsylvania State Rep. Harold James, chairman of the Pennsylvania Legislative Black Caucus (PLBC), has joined a number of elected officials across the nation who are concerned with media accounts that the Central Intelligence Agency has been involved in the illegal drug trade in the United States.

At a news Sept. 11 conference in Philadelphia, James expressed his outrage at the allegations, and, along with the PLBC, called for a vigorous Congressional investigation and urged the U.S. Justice Department to look into reports that the CIA and its operatives have been trafficking drugs and weapons since the 1980s.

The *San Jose Mercury News* published a series of articles last month that alleged that the U.S. government allowed the sale of weapons and illegal drugs to African-American

communities on the West Coast.

"As a retired undercover Philadelphia police officer who worked on narcotics cases," said James, "I know we can better impact the flow of drugs if we stop drugs from coming into this country, arrest those at the top levels of control and punish the white-collar dealers who try to keep their hands clean while they run the entire operation. On this occasion, we must not allow anyone to use the pretext of national security to accomplish another cover-up.

"We need an investigation that goes right to the top, that gets the people responsible for the devastation," James said.

Governor Ridge commits new crimes

In his next step beyond eliminating health services for the indigent, Pennsylvania's Gov. Tom Ridge announced on Sept. 4 that state health service centers in Berks, Butler, and Dauphin counties will be turned over to private contractors for at least one year, as part of a pilot project. The centers are vital to fighting infectious disease outbreaks. They work to immunize children and test people for tuberculosis and sexually transmitted diseases.

According to a report in the Sept. 5 *Philadelphia Inquirer*, Ridge had wanted to privatize all 60 state health centers, but the legislature resisted, out of "concern that profit-conscious contractors might scale back services."

Acting Secretary of Health Daniel F. Hoffman said that 22 public health nurses and clerks would be laid off as a result.

The project is scheduled to begin on Nov. 1. By December 1997, the Ridge administration will submit a report to the legislature, which will then decide whether to put all centers under private contract.

As he continues his campaign against living standards, Ridge also plans to pour generous funds into stadiums where people will be encouraged to drown their misery in mindless sports orgies. According to the same issue of the *Philadelphia Inquirer*,

Ridge has proposed to sell off the state's liquor monopoly, and to use the proceeds—estimated at \$600 million to \$1 billion by Ridge—to build major-league sports stadiums throughout the state.

Ed Cloonan, president of the Independent State Store Union, which represents clerks and managers in the liquor stores, said Ridge was proposing selling a major state asset "to buy luxury boxes for millionaires and corporations."

Reward offered for assassins of Alex Odeh

The Federal Bureau of Investigation and the Arab-American Anti-discrimination Committee (ADC) held a joint press conference on Aug. 27, offering a reward for the arrest of assassins of ADC regional head Alex Odeh in 1985. The timing of the announcement suggests possible moves against the networks also involved in bringing the current Israeli government to power.

The 1993 raids upon California Anti-Defamation League (ADL) offices revealed that ADL infiltration and dirty tricks specialist Roy Bullock was spying on Odeh and frequently visited his office, in the days before the booby trap bomb murder. Washington ADL anti-LaRouche case officer Mira Lansky Boland and New York City's Irwin Suall both threatened to quit the ADL, unless Bullock were fully defended against the investigation into his sales of police documents to foreign governments.

At the same time as Odeh was receiving threats prior to his murder, ADL-backed extremist Mordechai Levy was making telephone death threats against Lyndon LaRouche. Congressional hearings documented that, at the exact same time, Levy was threatening the New York City ADC representative.

The Odeh assassination team was sent to the United States from Kiryat Arba, Israel by Meir Kahane, and was based in a network of Jewish Defense League-connected private detective offices, in part set up by ADL-Cult Awareness Network operative Galen

Kelly. Kelly used members of the Lubavitcher sect for his kidnappings, included his attempted kidnapping of LaRouche associate Louis du Pont Smith.

The assassins of Yitzhak Rabin came out of this same milieu, and, Lubavitcher Rabbi Hecht personally authorized the right to kill a Jew who gives away the land of Israel.

Meanwhile, a lawsuit against the ADL for its illegal spying, was settled out of court on Sept. 3. The ADL has agreed to submit to an injunction restraining it from obtaining information from state employees or officers who are forbidden by law to disclose such information.

Other legal action, however, is still pending against the ADL by others among the hundreds of groups and individuals known to have been victimized by ADL spying. One suit, also filed in 1993, by former U.S. Rep. Paul N. McCloskey, involves a half-dozen LaRouche associates from California among its plaintiffs. That suit is still in the discovery phase.

Senator calls on Clinton to renew Nigeria ties

Sen. Carol Moseley-Braun (D-Ill.), who recently returned from a visit to Nigeria, brought back a letter to President Clinton from Nigerian President Sani Abacha, at Abacha's request. But according to the *Washington Informer*, the administration (presumably the State Department) did not deliver the letter. Not only that, but the State Department and elements in the Democratic National Committee have attacked Senator Moseley-Braun for her visit.

The *Informer* quotes Senator Moseley-Braun: "When I met the President in Chicago recently, he indicated that he has not received the letter. I'm expected to meet with him shortly, and I will ask him about it again."

In Abacha's Aug. 12 letter, which is quoted by the newspaper, the Nigerian head of state wrote that it is "important that contacts be restored between officials [of the United States and Nigeria] at the highest lev-

els" and that "we are disappointed that Nigeria remains decertified by the U.S. government" as regards its anti-drug efforts.

But Moseley-Braun's visit has drawn the ire of elements of the Democratic Party that are under the sway of British geopolitical operations against Africa's most populous country. The *Informer* quotes an unnamed Democratic National Committee staffer: "The senator had no business going to a country that is at odds with ours. And she did so without the knowledge of her staff and she did it just before the Democratic National Convention."

Slave labor policies pushed in prisons

An article in the Sept. 4 *Philadelphia Inquirer* promotes bills introduced for next year's session in both houses of the Pennsylvania legislature, to reopen the issue of allowing private companies to run factories in Pennsylvania's prisons. Similar bills were defeated in the 1995-96 session. According to the article, the state AFL-CIO has withdrawn its opposition to the bills, after amendments were added requiring a committee, including labor representatives, to study whether any such enterprise would displace regular workers.

Meanwhile, nationally, a bill was introduced this year by U.S. Sen. Bob Graham (D-Fla.) that would permit private companies to pay inmate workers less than the minimum wage. Gwyn Smith-Ingley, executive director of the national Correctional Industries Association, is quoted that the advantages of employing prisoners include: no health insurance to provide, security guards come free-of-charge, and firms are often given a lower lease rate on prison space.

Like the Justice Department's recent report adulating private prison labor, the *Inquirer* notes that firms are beginning to move business out of foreign countries, and are reopening them in U.S. prisons, where the costs of transportation are much lower, there are no import or export tariffs, and "it helps sales if products are made in America."

JACK KEVORKIAN'S chief aide, lawyer Geoffrey Fieger, will be given a red-carpet welcome in Britain at the Royal Society of Medicine this November. His trip is sponsored by the British Voluntary Euthanasia Society, "which regards him and Kevoorkian as heroes," reported the Sept. 1 London *Sunday Express*.

THE FIREFIGHTERS UNION has earmarked nearly \$250,000 for an initiative to combat privatization of the nation's fire and emergency medical services. Firefighters President Alfred Whitehead told a national union convention that for-profit corporations in this field are an emerging threat to the living standards, economic security, and professionalism of firefighters—not to mention those whom they protect.

JOHN HINCKLEY, the would-be assassin of President Ronald Reagan, claims he is now cured of his mental illness, and is therefore requesting week-end leave from the hospital where he has undergone treatment since his conviction. The hospital is within walking distance of the White House.

A MISSILE flew near an American Airlines 757 aircraft on Aug. 29, according to the plane's pilot. The jet was flying over Wallops Island, Virginia, and was flying twice as high as TWA 800 when the latter exploded on July 17. The National Transportation Safety Board is investigating the report.

HOOVER DAM, which tamed the Colorado River, celebrated its 60th birthday on Sept. 8. Once known as Boulder Dam, the giant project was designed to make cheap electricity available to develop the western United States. The structure is so large that it had to be interlaced with ice to set the concrete, which otherwise would have taken 100 years.

Editorial

Keep the heat on Ridge

With the latest revelations on the role of drug kingpin George Bush, it would be a mistake to forget for a single minute, the campaign to unseat Pennsylvania's own Nazi Governor, Tom Ridge. Both are genocidalists.

Both are also guilty of menticide, of destroying the minds and morality of Americans. For, those who connive and conspire directly to turn the United States into a parody of Hitler's Germany, are guilty of heinous crimes. Those who have allowed the Bush networks to penetrate the federal government, and who hold back from impeaching Pennsylvania's Nazi governor, are complicit as well.

The fact that a President of the United States would foster the spread of drug addiction in his nation's cities—particularly among black and Hispanic populations—is like something out of Aldous Huxley's *Brave New World*, where *soma* was applied as a means of social control. And teachers and other school personnel are implementing an equally horrible policy: feeding the drug Ritalin to America's schoolchildren.

An outgrowth of this policy is the release of mental patients into city streets, without any provision for their supervision. In Pennsylvania, as a result of the Ridge budget cuts, the policy has taken an extreme turn. Mentally disturbed young people over age 16 are being released to their own supervision, against the wishes of their parents—even when the parents are willing and able to pay for their care.

Thus, as we have warned, policies which at first appear to be directed only against the indigent, are in reality calculated to reduce the standard of living of all working people. This is precisely the kind of slave-labor society which existed in Nazi Germany.

What is happening in Pennsylvania, illustrates precisely how this works. A case in point was the suicide of an unemployed mentally disabled Cuban immigrant, Wilson Lescay, who hanged himself after his welfare subsidy was eliminated. Without the restoration of \$250 million annually to repair all of Ridge's cuts in the state medical assistance program, many more innocent people will suffer and die.

And now we find a second case—this time of murder—which can be directly attributed to Ridge's drive to eliminate the mentally ill. Markeis Baylor was a young man who suffered from severe depression. He had repeatedly been hospitalized for this. His mother, Carla West, had medical insurance which covered that part of his treatment not covered by the state funding. However, in 1995, the 17-year-old Baylor was reclassified as an adult.

The mentally disturbed teenager was then given the option of taking mood-altering drugs, and being released back on the streets. No supervision was enforced to ensure that he took the drugs on a regular schedule. Predictably, Markeis stopped taking his "medication," and tragedy followed when, on July 9, of this year, he shot and killed an elderly couple, Lillian and James Wilson, who were almost like grandparents to him.

This is not a case where welfare benefits had been withdrawn, but an even more ominous outcome of Ridge's Nazi program. Hospital rules had been changed in order to discourage the provision of in-patient treatment for the mentally ill.

As we have said, repeatedly, when a society turns against the elderly, the very young, the poor, and decides that these elements of the population are no longer to be protected, then the society itself will self-destruct.

This autumn, the Commonwealth of Pennsylvania is facing a massive moral crisis, and potential financial catastrophe as well. The nature of the crisis is typified by the destruction of health infrastructure, and is exemplified by the suicide, and, now, murder, directly attributable to the governor's Nazi agenda.

But, what is happening in Pennsylvania, is happening everywhere. The moral rot is not limited to just one state, nor one nation even. As Lyndon LaRouche has repeatedly stressed, the human race itself is faced with a crisis perhaps more grave than at any time in the past that we know of. This notwithstanding, there must be accountability. George Bush should stand trial for his crimes, and Governor Ridge should be driven from public office.

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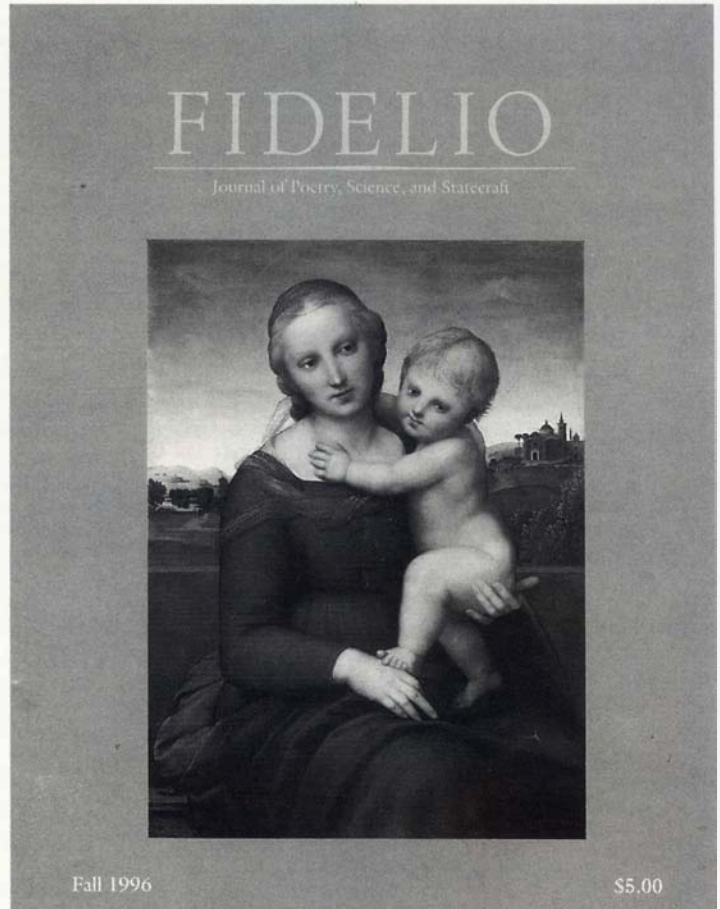
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