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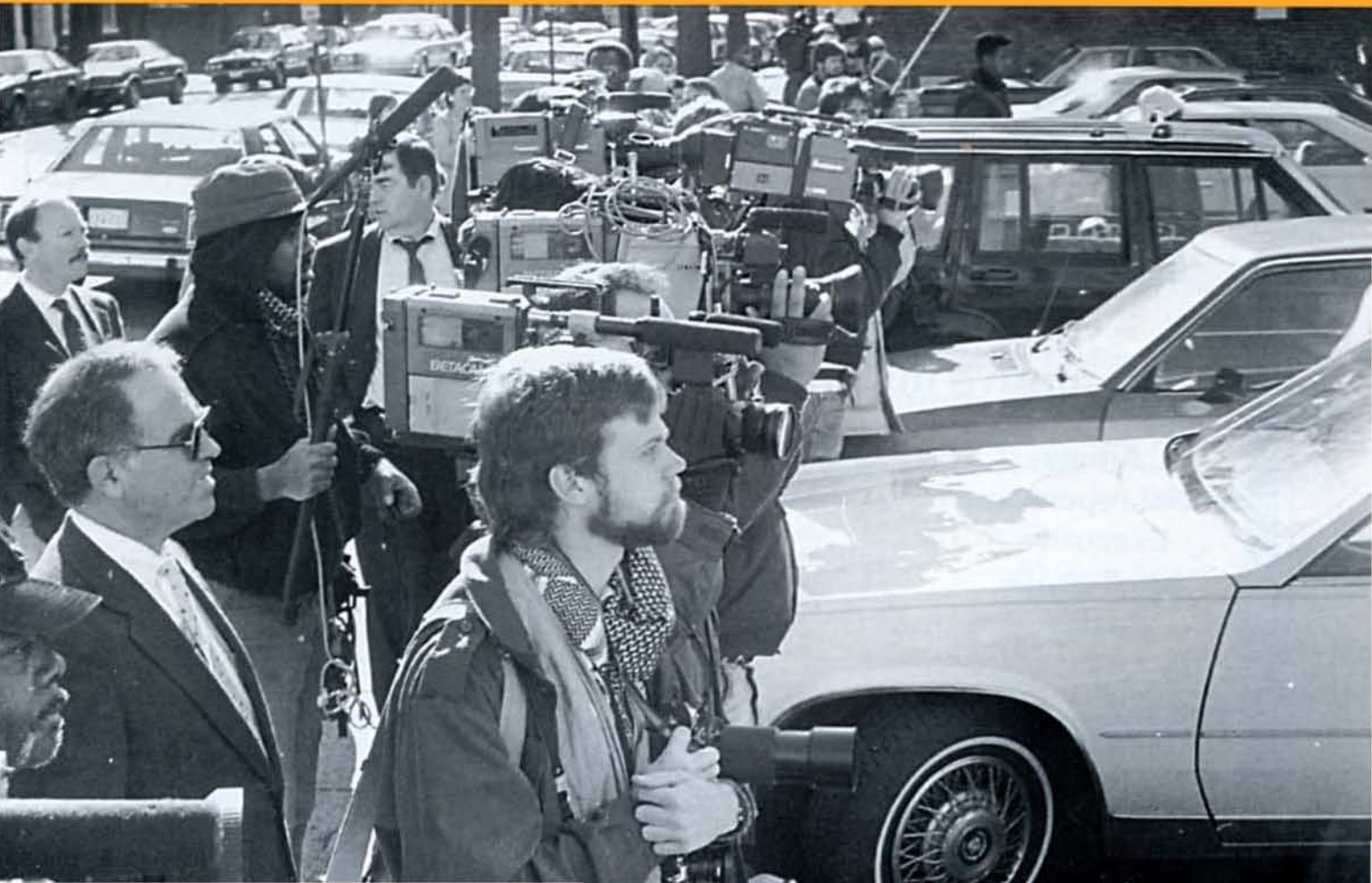
Executive Intelligence Review

January 17, 1997 • Vol. 24 No. 4

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Progress toward the Eurasian land-bridge  
Laurent Kabila: London's cutthroat in Zaire

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controls what you think**





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Available from:

**EIR News Service** P.O. Box 17390 Washington, D.C. 20041-0390

# EIR

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

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

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

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

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

## From the Associate Editor

Many people will tell you that they hate “the media.” Yet, they watch an average of 1,340 hours of television every year, according to the U.S. Bureau of Census; and, they rely on a small clique of wire services and newspapers to find out what their “opinion” is on the issues of the day. “I’m an independent thinker,” your neighbor will say. “I have my own opinion.” He does not even realize, that his opinions have been carefully crafted by the psychological manipulation experts of the media cartel.

Our *Feature* gives a comprehensive picture of how this works; how America’s “hometown” newspapers and other media are controlled, top-down, by the British oligarchy and its fellow-travellers in the U.S. establishment.

As we go to press, it is good news to see that the Clinton White House has issued a 331-page report, striking out at the British-run press cabal (see highlights on p. 17).

A most egregious example of how the media operate, is the case of Lyndon H. LaRouche. On our cover, you see the media mob turned out in force for his sentencing, on Jan. 27, 1989, following the railroad trial that condemned him to 15 years in prison (he was released, on parole, in 1994). The “Get LaRouche” task force could never have succeeded, without the role played by the media. As far back as 1974, the *New York Times* issued a front-page attack on LaRouche, before most people had even heard of him. In 1986, some 8,000 libellous attacks against him appeared in the national press, and the epithet “political extremist” was glued to LaRouche’s name, by universal agreement of the media moguls. Even many people today who know that LaRouche is innocent of the charges against him, are afraid to say so publicly, because of the hostile environment created by the media.

This underlines the importance of the campaign for LaRouche’s exoneration. Close to 750 current or former state legislators, and many other dignitaries and citizens, have signed an open letter to President Clinton and Congress, calling for all measures to be taken to exonerate LaRouche. But, that exoneration has not yet occurred. The efforts of *EIR*’s readers will be essential to make sure that it does, in 1997.

*Susan Welsh*

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## New strides forward in Eurasian land-bridge policy

by Muriel Mirak Weissbach

In a period in which organizations, alliances, and structures are crumbling under the impact of economic and financial crises, it is lawful that new institutions should arise, as the result of efforts to build stable foundations for the future. Such is the case of the new union which came into being on Jan. 4-5, in Istanbul, known as the D-8, or "Developing 8." Following on the initiative of Turkish Prime Minister Ecmettin Erbakan, the foreign ministers of Turkey, Iran, Indonesia, Malaysia, Nigeria, Bangladesh, Pakistan, and Egypt (represented by its deputy foreign minister) met, and agreed to create a new economic and political union. Erbakan opened the two-day meeting by announcing that the new grouping of Islamic states would pursue a "combative cultural-political aim," according to the *Neue Zürcher Zeitung*, the organ of Swiss banking and intelligence circles. The D-8, he said, should "put an end to the Western industrial nations' domination over the developing sector." The pre-condition for this is a "powerful economic and political union," in the *Zeitung's* understanding.

Iranian Foreign Minister Ali Akbar Velayati made clear that the new union, initially constituted of eight Islamic nations, would welcome further members, as soon as procedures for membership were finalized, and that it would soon emerge as a major factor on the world economic scene. Velayati said that the aim of the initiative, was to promote development. "Macro-economic issues and international trade remain . . . the main concerns of the developing states," he said. "A large number of developing countries continue to face an uneven development due to the immense problems related to their terms of trade, external debt, insufficient development resources, widespread poverty, impediments in transfer of technology and limitations for human resources development."

Velayati recommended that the D-8 develop new strategies in the context of the globalized economy, and that it strengthen the Organization of the Islamic Conference (OIC), which groups more than 50 Islamic nations. Velayati said that the D-8 should use the lessons gained in the OIC to create new areas of cooperation. In the context of the increase, in past years, of cooperation among neighboring developing countries, he said, "the new alliance is required to encourage regional and sub-regional cooperation as a basis for broader cooperation among developing countries," and named the Association of Southeast Asian Nations (ASEAN), the Economic Cooperation Organization (ECO), the South Asian Association for Regional Cooperation (SAARC), and the South African Development Community (SADC) as bodies to be mobilized. This means, that the D-8 sees itself as the seed crystal for a larger combination of national economies, representing the totality of the developing sector.

### Origins of the D-8

As Lyndon LaRouche pointed out in a radio interview with "EIR Talks" on Jan. 8, the Erbakan initiative was "an attempt to fill a vacuum which was left by the post-1989 final dissolution" of the Non-Aligned Movement. It came in response to the actual injury being done to Iran, Turkey, and other countries, by the Samuel Huntington "clash of civilizations" policy pursued by London and particularly the Republicans in the United States. Velayati made a similar point, euphemistically saying that the "current international environment is not supportive of the development process" among the so-called Third World, although developing countries have tried to remove obstacles to progress. Velayati explained that the D-8 would be able to aid economic and social



development of members by expanding multilateral cooperation in various fields, as well as through political consultation. He said the group, which represents almost 800 million people, should encourage cooperation among the private sectors and central banks of member countries, and should launch joint ventures in third countries.

The union, as presented at the Istanbul meeting, is, however, not to be considered a closed body, concentrated on the internal economic needs of the member countries only. As both Erbakan and Velayati underlined, the D-8 is to be a negotiating vehicle in relations with other organizations. “[The] principle of cooperation instead of exploitation would guide us to work for a favorable international environment,” he said, according to reports in the Persian press. The D-8, as a new economic pole, is to form organized relations with groups like the G-7 (Western industrial nations plus Japan), because, according to the report issued by the Iranian press agency IRNA, “without cooperation with other economic groups, there would be no chance of progress.” The *Zeitung* understood this to signify that the D-8, as interlocutor of the G-7, would “represent the rights of the developing countries in Asia and Africa, which are identical to the Islamic world. In the name of these developing countries, the D-8 should even co-determine the birth of a new world order.” As LaRouche put it, the D-8 initiators are essentially announcing to the G-7, “Okay, we have our clout, we have our club, you have your club. Let’s get together, and, now, renegotiate the deal.”

Erbakan’s idea for such an Islamic union is not new. According to the *Zeitung*, “The vision of a Muslim union had been proposed at the beginning of the 1960s by the Turk Erbakan and the Indonesian B.J. Habibi, at the Aachen University in Germany.” Habibi is known today as the “architect of the booming Indonesian economy.” Reportedly, the two hatched the idea of such a union, in recognition of the fact that “the underdevelopment of many countries was the result of Western imperialism and the world order which had been proposed by the U.S.A., Great Britain, and the U.S.S.R. after the Yalta conference of 1945.” Erbakan has been quoted recently to the effect that the West created “artificial tensions in the Islamic world, in order to dominate it.”

It was Erbakan’s accession to the prime minister position in Turkey, which brought the vision closer to realization. For his first trip abroad, Erbakan broke with tradition, which would have him visit a power in the West, and travelled to Iran, Pakistan, Malaysia—all the countries which have since become D-8 members. During that tour last summer, the Turkish prime minister held detailed consultations with his interlocutors on the new formation.

Although this design was not publicized at the time, what did make news was the groundbreaking agreement Erbakan signed on his first stop, in Teheran, on Aug. 10-11, 1996 (see *EIR*, Aug. 23, 1996). The agreements involved gas, transportation, and electricity deals, which enhanced the infrastruc-

ture links between Turkey and Iran. Erbakan stressed that this signalled a cooperative effort between Ankara and Teheran—which the British geopoliticians had been pitting against one another in a contrived “race for influence” over the Central Asian republics. At the center of the August agreements was a \$20 billion deal, over 23 years, for Iranian and Turkmen gas supplies to Turkey, via a pipeline to be built by 1997, along with Iranian electricity supplies and an extension of rail connections.

### Foreign sabotage, domestic opposition

Plenty of obstacles have been placed in the way of this Iranian-Turkish cooperation, but both governments seem determined to see their grand design through. The most obvious obstacle has been the sanctions policy adopted by the United States against Iran, which threatens to punish third parties for economic relations with Teheran. Responding to questions on such hostility, Velayati said, “Iran and Turkey have common history, religion, and traditions, and the Western countries’ views toward Teheran-Ankara relations are not the same. For example, the European states welcomed development of cooperation between the two countries.” During a visit to Turkey in December, to sign seven economic agreements, Iranian President Ali Akbar Hashemi Rafsanjani told journalists that

## EIR on the Internet

EIR News Service has announced the launching of a new World Wide Web site, [www.larouchepub.com](http://www.larouchepub.com). The site will include a repository of some of Lyndon LaRouche’s writings, which were kept at his Presidential campaign’s website, which has now shut down.

Once it is fully operational, the new website will contain many new features, including:

- Table of Contents and selected articles from the latest issue of *EIR*.
- A search engine, allowing visitors to search the entire website for keywords and phrases.
- Links to all other LaRouche-related Internet sites, including a transcription of LaRouche’s interviews with the weekly “EIR Talks” radio broadcast.
- On-line subscriptions to *EIR*, *New Federalist*, and other items, with secure, encrypted credit card transactions.
- A searchable index of *EIR* articles by title, subject, and author, eventually going back to the magazine’s first issue over 20 years ago.
- Special services for subscribers to *EIR*.

the deals were not to be read as an anti-U.S. gesture, though he acknowledged U.S. attempts to spoil relations—attempts he said were doomed to fail. On the same occasion, Turkish President Suleyman Demirel defended his country's policy, saying, "To those who criticize Turkey for purchasing Iranian gas, we can only respond that Turkey is an independent country. We are determined to develop our cooperation with Iran further."

Inside Turkey, the critics have been loud. First, Erbakan was attacked for the itinerary of his first foreign tour, which was considered too "Islamicist"; now, following the D-8 meeting, some press have accused him of delusions of grandeur, dreams of re-establishing Turkish hegemony in the region. Countering these attacks, both he and Foreign Minister Tansu Ciller have ridiculed the charge that the D-8 is an "Islamic" formation, any more than the European Union is exclusively Christian.

The hysteria which has broken out in response to these developments, is not only a reaction to closer Iranian-Turkish ties or to a new Islamic grouping, but is part of the continuing attempt to sabotage the Eurasian land-bridge economy, of which these developments are an integral part. All the nations in the D-8 lie along the Eurasian land-bridge routes (even Nigeria would be linked to the land-bridge, once the transportation grid is extended into Africa, via Egypt). During Rafsanjani's visit to Turkey, he and Demirel "also made agreements on introductory measures for the reconstruction of the Silk Road," according to *Iran Report*. There is no doubt that the Turkish and Iranian foreign policy is consciously part of the grand design for revival of the Silk Road, which the Beijing government has been implementing for the last decade.

Russian foreign policy is increasingly orienting toward this reality, as the economic and political center of the future world. The latest indication is a statement on Jan. 6, by Russian Deputy Foreign Minister Grigory Karasin, to the effect that Moscow will look more to Asia in 1997. As LaRouche explained in "EIR Talks," the Russians have been supporting Iran for some time, because they realize that "there is no such thing as development of Eurasia, without Iran," because the most convenient route from China, Central Asia, to the Indian and Pacific oceans, to the Mediterranean, the Black Sea, and to Europe, passes through Iran. Russia has gone ahead with plans to help build the Bushehr nuclear power plant in Iran, which is to be completed in three years, despite pressures from the West not to.

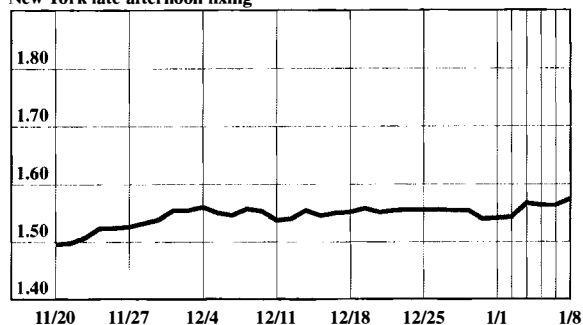
For its part, Iran is intervening to prevent the Afghan war from destabilizing the entire region, which threatens Russia. In fact, it was in the context of the D-8 meeting in Istanbul, that the Iranians and Turks met with the Pakistanis, to seek a solution to the crisis.

In June, there is to be a summit meeting, during which the D-8 is to become a reality. It can be expected, that many more steps will be taken in the interim, to establish that reality on the ground.

## Currency Rates

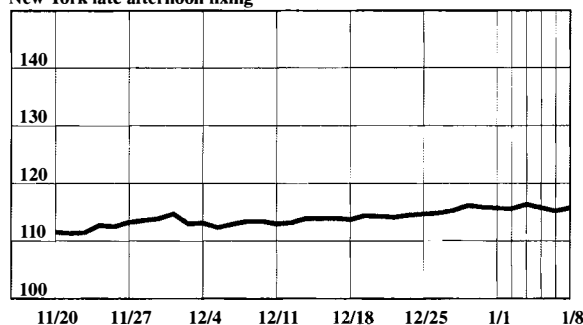
### The dollar in deutschmarks

New York late afternoon fixing



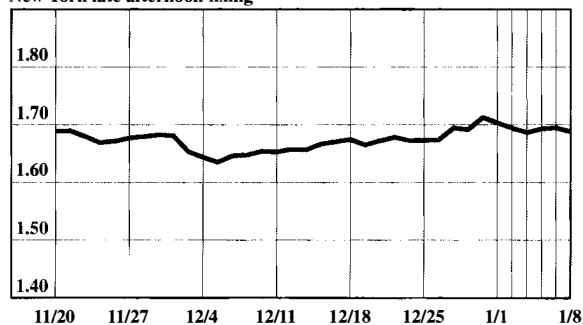
### The dollar in yen

New York late afternoon fixing



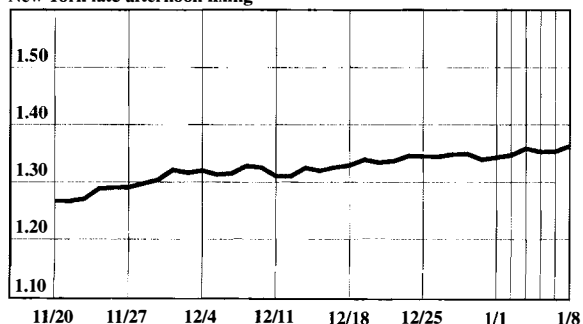
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing





## Falling milk prices bankrupt farmers

*Southern states are calling for federal action to save farms and the milk supply, as cartels manipulate prices.*

Since October 1996, when the milk price to the American farmer went into free fall, going down by 30% as of the new year, all kinds of farm protest actions have been staged in the remaining dairy regions of the country.

In Madison, Wisconsin, there was a rally in December at the state capitol. On Jan. 24, farmers in several states, including Wisconsin, Texas, Pennsylvania, and others, are preparing to stage a one-day "milk dumping" action, in protest over the low farm milk prices now ruining dairy farmers, and threatening public milk supplies.

On Dec. 8 in Memphis, Tennessee, representatives of 15 Southern states called for a regional "compact," to set a floor under farm milk prices. "Some kind of price stabilization is needed to save the dairy industry from collapse," said Louisiana Agriculture Commissioner Bob Odom, the initiator of the effort, according to the Jan. 8 *Times-Picayune*, the New Orleans daily.

The "bull's eye" target for all protesters—including any non-farmer who happens to like to eat—is Philip Morris, the largest company in the United States for prepared foods and beverages, and the owner of Kraft Foods, Inc., the world's largest cheese company.

Through a "market price updater mechanism," the Basic Formula Price (BFP) for most farm milk is calculated, based on the price of wholesale cheese bought and sold at the Green Bay, Wisconsin, National Cheese Exchange. At the weekly cheese sales, Philip Morris/Kraft accounts for 90% of the transactions. "Vel-

veeta-gate" is the name in Wisconsin for the many exposés of the pattern of Kraft's rigging of the cheese exchange prices.

In October 1996, the Wisconsin cheese exchange prices dropped drastically, and fluid milk prices to farmers began dropping accordingly. As described in a Jan. 7 U.S. Department of Agriculture (USDA) press release, "The Basic Formula Price for milk for November fell to \$11.61 per cwt [hundredweight], a \$2.52 drop from the previous month, and a decline of more than \$1.25 per cwt, compared with one year ago. The BFP declined further in December to \$11.34 per cwt, \$1.57 below the same month last year."

The elements of the current dairy crisis exemplify the crisis situation in all other U.S. food/farm sectors, and throughout the entire U.S. economy. Under the rationalization of "global sourcing," the United States is dependent on food imports for everything from fruit juice to onions—all giving the food cartel companies record profits and political control. Besides Kraft/Philip Morris, the other prominent names in the world dairy cartel are Nestlé, Unilever, and Grand Metropolitan/Good Humor.

The names in the beef cartel are IBP (the world's largest butcher company, and politically associated with George Bush's networks), Cargill, ConAgra, and a few others; the top four beef companies control 87% of all the beef slaughtered in the United States.

The policy demand of the South-

ern states is to dump the cartel-serving "market" pricing for farm milk, and have the federal secretary of agriculture use his regulatory authority to establish a floor of \$13.50 per hundredweight of milk, to last for a specified period.

This demand points in the right direction, toward the kind of national-interest policy responses needed in 1997, to roll back the years of "free-market" swindles and practices, now resulting in a takedown of the economic base of the nation. In particular, reinstating commodities' "floor prices," or cost-of-production, or percent-of-parity prices, starts the process of dumping the 1996 seven-year free-market "Freedom to Farm Act."

One of the reasons for the precarious situation in milk, is that the family dairy farm is a highly skilled, capital-intensive operation, producing a high-protein, perishable product.

There are only about 100-120,000 dairy farms left in the United States, down by hundreds of thousands in the last 25 years. In the whole state of Texas, for example, there are only 1,600 dairy farms. In Louisiana, in 1985, there were 1,000 dairy farms; today there are fewer than 590. When the farm goes, whole "dairy counties" go, too.

On Jan. 7, Agriculture Secretary Dan Glickman specifically opposed a floor for farm milk prices, saying that it goes against the 1996 farm law. He said he wants to "strengthen farm-level milk prices," by upping "market" demand. The USDA will purchase an additional \$5 million worth of cheese for domestic food assistance programs; accelerate cheese purchases for 1997-98 National School Lunch Program; and buy more milk powder for international food relief. Glickman also said he will have the USDA review the National Cheese Exchange and cheese pricing.

# Bid to privatize air traffic control meets opposition in Great Britain

*Douglas McLean is the U.K. public relations officer for the Air Traffic Controllers Branch of the trade union IPMS. He is a working controller with 25 years experience in Great Britain; he worked at many Scottish and English airports before taking up his present position at the Scottish and Oceanic Air Traffic Control Center in Prestwick, Scotland. He was interviewed on Dec. 4, 1996 by Katharine Kanter.*

**EIR:** Who is proposing to privatize air traffic control (ATC)?

**McLean:** It was considered five times during the Thatcher governments of the 1980s. None of those plans came to public consultation. In late 1993, the present Conservative government proposed privatization and published a White Paper sketching out their plans.

The time-scale for consultation was six weeks. For such a radical change and so many problems to address, this figure was roundly condemned by politicians and airspace users alike. For example, a British Airways spokesman said: "The proposed method of privatization to a profit-making body is consistent with the Eurocontrol Convention that ATC services should not make a profit, and with international practice generally. . . . The department's proposals do not do anything to advance the important objective of creating a unified system of ATC for Europe." And a spokesman for the British Airline Pilots Association said, "Privatization is at best, pointless; at worst, it could have severe implications for the safety of the travelling public."

The House of Commons Select Committee on Transport was most concerned to hear of the opposition and safety concerns. They called government and interested parties to give evidence on the matter. Their eventual report slated the government for rushed consultation and poor planning. They were not convinced of the need for privatization.

In November 1983, the Chancellor of the Exchequer, Kenneth Clarke, had announced that the government favored privatizing the National Air Traffic Services (NATS) in the long term. It was recognized that finance was needed to expand and upgrade ATC facilities in the U.K. He therefore announced that the planned new Scottish ATC Center would go ahead, but not be government-funded. Instead, it would be built, owned, and operated by a private company under the government's Private Finance Initiative (PFI). The ATC Cen-

ter would then be operated by NATS staff on behalf of the U.K. government, and lease payments would be made to the private company. This idea came as a complete shock to NATS management and staff. It took over a year to understand what the PFI rules were and to put the project out to tender. Two major consortia have bid for the project. One is led by Hughes Aerospace of Canada and the other by Lockheed Martin of the U.S.A. A contract is supposed to be awarded by January 1997.

There are two elements to this contract. One is to re-equip the Oceanic ATC Center at a cost of some £30 million. This is for air traffic control of all flights from Europe to North America, with the control extending out to halfway across the Atlantic Ocean. The other is to build a new U.K. domestic ATC center that will also house the Oceanic center and control many of the aircraft flying in or over the U.K. This would include all of Northern England, all Scotland and Northern Ireland (Ulster). This larger project was costed at some £200 million.

The present ATC centers are combined under one building and cost some £24-25 million per year to operate. All of this cost is recovered from the civil and military flights using the services. In early summer 1996, stories began to emerge that the PFI method of funding and building the ATC center was going to be more expensive than government funding. It was said that over a 20-year period, the costs of being run by private companies would be upwards of £1.5 billion, with a possible cost twice or more than that amount. This would put annual running costs at well over £70 million per year. These figures cannot yet be confirmed, as they are still deemed "commercial in confidence." At this point, discussion took place between NATS management and the U.K. Treasury Department. Having seen the cost of the PFI, and not wishing to invest any public money in this vital aviation infrastructure safety service, the suggestion was again made that privatization be considered.

For the seventh time, privatization was examined. The very fact that the U.K. runs a joint civil/military ATC service, sharing common equipment and facilities, made privatization difficult. Our commitments to European and North Atlantic ATC harmonization mean there are commitments to the ATC service that may not produce immediate returns on capital

spent. No other country in the world runs a national ATC system that is fully privatized and 100% owned by shareholders with shares traded on the stock market. The U.K. would also have to explain its conduct to the European ATC body Eurocontrol, whose rules state that ATC services should not be run for profit. Charges may be made to cover costs with a reasonable return on capital employed. It would also have to explain to foreign airlines why a British company was allowed to make profit for shareholders when the airlines were forced to use this monopoly safety service.

As an election must be held by May 1997 at latest, the government, with a Parliamentary majority of one MP, decided not to press ahead with privatization during this Parliament. The transport secretary, Sir George Young, stated to the House of Commons on Oct. 25, 1996, "that the government intend to introduce a privatization bill early in the new Parliament. The National Air Traffic Services face continuing demands for additional investment in the latest and most sophisticated equipment. The government believes that these demands can be most effectively met in the private sector, freed from the constraints of public expenditure control."

NATS staff now know a return of this government will mean a launch into a privatization that no other country in the world will countenance.

**EIR:** What private interests lie behind ATC privatization?

**McLean:** This question has never been answered, because no government has ever fully privatized an ATC system in the way proposed here in the U.K. Even here, with privatization proposed, there are no obvious queues of investors for a private company. Our fears are that shareholders would seek to maximize returns on investment and that the long-term integration of ATC services would suffer. There would often be no shareholder advantage in investing in equipment that would save airlines money because most flights have no choice about their routes. If they need to fly over Scotland to get to the U.S.A., then the monopoly ATC supplier will get their money, even if the flight is delayed.

Because ATC equipment is so specialized and relatively expensive, there are only a number of international companies which can manufacture and install equipment. They may be attracted to buying into the ATC service so that orders for equipment come to their own companies. . . .

Interestingly, the international ownership of airlines is tightly controlled. I cannot buy an airline in the U.S.A. Regulations never envisaged ATC being sold off to shareholders. It is perfectly feasible that a privatized ATC company would bid to run ATC in other countries. How would the residents of Florida feel about Air Traffic Control over Florida being done from Scotland or Russia? The technology is available to make this possible. Why not move operations to areas where labor costs are lower? Already, we see a major British airline moving major parts of ticketing and reservations to India to take advantage of costs! Technological advances mean that

air traffic control could be done by this third-party method.

**EIR:** What effect would there be on flight safety and job security?

**McLean:** You can only increase profits by cutting costs or increasing traffic throughput. At least 75% of the cost of running an air traffic control service is staff. People make the decisions which matter. Cutting staff would increase pressure on individual ATC operators, who are already under great pressure. Attempting to increase the number of flights handled would have the same effect. Without an increase in the number of highly trained and experienced staff, safety would suffer. We are already running at maximum capacity over much of each day, in all weather. It could only need a small increase in traffic levels, and something unusual to happen to produce a potentially catastrophic result.

We would expect to see some of the safety services we provide for private fliers ended because they do not make money. We would expect to see radar services provided to aircraft over remote areas, being reduced or abandoned. At the very least, a huge increase in charges that would make no economic sense for airlines operating such routes.

The travelling public presently have the protection of a safety service run with equal priority for all who wish to use the airspace. If that priority was turned around to maximize profits at the minimum risk, we would alter our processes. Business aircraft would be far less likely to get access to busy areas of our system. They may have to settle for a lower standard of service or even no ATC service at all. They certainly would not have equal priority to a B-747 full of passengers who were able to pay hundreds or thousands of pounds for priority service.

We believe that a privatized ATC company would not take the decision to build a new Scottish ATC center, but would instead try to centralize all ATC services in one major center. This all sounds like good economics, until you look at the threat of that center being put out of operation. The U.K. and North Atlantic would have no ATC service available. Airlines would go broke in weeks. Trade between Europe and North America would plummet. Companies relying on international business would suffer. All because one company was allowed to attempt to maximize profit by putting all its eggs in one basket.

**EIR:** What would be the economic impact on the Scottish economy?

**McLean:** The Scottish ATC center employs 650 people. A local government survey was published in November 1996, which said that our ATC center contributes £27 million annually to the local economy. These are some of the highest skilled jobs in Scotland. Because of the relatively high average salary, estimated at £34,200 per annum, the 644 jobs here are estimated to generate another 284 jobs throughout Scotland. . . .

# Business Briefs

## Europe

### Germans warn: Maastricht will cause a depression

The Maastricht agenda will throw Europe into a 1930s-style depression, warned Wilhelm Hankel, a former German banker who is now a financial consultant to Russian banks and enterprises in the Tyumen region, in an interview with the Sunday tabloid *Welt am Sonntag* on Dec. 29. Hankel forecast that the so-called "stability pact" signed at the European Union summit in Dublin on Dec. 5, will not bring stability, but, just the opposite, will add an intra-European globalization to the international process of globalization and its effects on the labor markets in the EU.

Hankel warned, "With the method of [Finance Minister] Theo Waigel applied, all of Europe will stumble into a crisis of the kind there was in 1930-31. With that, he has made the euro into a depression currency."

Hankel attacked the European Central Bank as an institution that only serves the monetary realm, and no longer assists European governments in their fight against unemployment and to maintain the social welfare system.

Similarly, André Kostolany, a financial market specialist, warned in an interview with *Deutsche Presse Agentur* published in Munich on Jan. 1, that the "highly nonsensical" Maastricht Treaty means more joblessness, turbulence, and massive outflow of capital. He estimates that Maastricht will trigger a flight of capital from Germany in the range of 300-400 billion marks (\$190-250 billion).

## South Asia

### Bhutan joins regional water-sharing project

The king of Bhutan has agreed to join a regional plan for sharing river water and power with India and Bangladesh, Indian External Affairs Minister I.K. Gujral said, the *Times of India* reported on Dec. 16, 1996.

Under the plan, it is envisaged that Bhutan will divert 12,000 cubic feet per second

of water from the Sankosh River, discharging it into the Tista River, and from the Tista into the Ganga (Ganges) River at Farakka, to be shared by India and Bangladesh, which have just concluded a treaty on sharing of the Ganga water. The Sankosh River water will ease the situation at Farakka, because the treaty provides for equitable sharing of water, particularly during the dry season when it is difficult to prevent the port of Calcutta from filling with silt, and will irrigate parts of Bangladesh.

The plan also envisages India purchasing power from Bhutan. Four thousand megawatts are proposed to be added to the national grid for the benefit of the northeastern region.

Bhutan, Bangladesh, and the Indian northeast form a single geophysical entity and, thus, a trade zone. Once accepted by Bhutan, the regional plan would become an integral part of the Indian Ninth Plan, said Gujral.

## Germany

### Budget cutting is bad policy, says Späth

Lothar Späth, the head of the Carl Zeiss Jena optical manufacturing firm and former governor of the German state of Baden-Württemberg, attacked the cost-cutting mania and called for investment in new technologies to create jobs, in a commentary in the daily *Hamburger Abendblatt* on Dec. 21.

Späth, unlike most top German managers, politicians, and economists, sharply attacked cost-cutting as the wrong policy to overcome the present crisis. Our situation is like being on a ship that has been severely damaged in a storm, Späth said. There are two options: We could bring together our most skilled and experienced people, find out what went wrong, and repair the damage. Or, just to throw everything overboard, again and again, thereby hoping to survive by good luck.

German managers and politicians today favor the second option. "Cutting budgets has become the remedy for all economic problems in Germany," he said. Each week, another budget-cutting measure is announced for the health care system. The de-

bate on cutting labor costs has become a "virtual reality discussion." But the problems in the pension system cannot be solved by cutting expenditures, he warned.

Minor corrections, such as cutting costs, could perhaps "buy some time," but they cannot "win the war," he said. "We can only win the war by regaining something that we seem to have lost: a power, that once had been so prevalent in Germany during the last century, that we surpassed England as the leading technology nation, that is, by innovations and creativity. To recover this strength is the only way we can go." Späth called on Germans to become "more aggressive" against the anti-technology propaganda, such as that against the Transrapid maglev rail system and nuclear technology.

## Ibero-America

### British to compete, not cooperate with U.S.

British Chancellor of the Exchequer Kenneth Clarke arrived in Mexico with a delegation of top officials on Jan. 1, and announced that Great Britain intends to compete, not coordinate, with the United States in Ibero-America, the *Journal of Commerce* reported. "Historically the British had strong connections in Latin America, but in modern times we have made the mistake of regarding this as a kind of United States-dominated part of the world. That is a mistake," Clarke told a news conference.

Clarke made a point of emphasizing that he had "singled out Mexico as a country of particular interest" to visit, on what will be his last foreign trip before new British elections, and blabbered that Mexico "seems to be taking off again. It could be one of the big success stories in the global economy." The ongoing wave of British-sponsored terrorism did not impress this shark; Clarke said violence and a kidnapping epidemic have "not shaken international investor confidence in Mexico."

Travelling with Clarke was the head of Britain's privatization program, Harry Bush, who plans "to preach" the success of Britain's program (which, in fact, has been an economic disaster), and a contingent of potential investors, mostly from the banking

and finance sector.

Bilateral trade between Britain and Mexico is about \$1 billion per year, and Britain is the second-largest investor in Mexico, with a \$4 billion portfolio, according to the British embassy.

## South Korea

### IMF, OECD globalists provoke strike wave

"Free trade globalization demands by the IMF [International Monetary Fund] and the OECD [Organization for Cooperation and Development] are behind the harsh new labor laws which workers are protesting in South Korea," a South Korean source told *EIR* on Dec. 30, concerning the strikes which erupted in December. "Ever since President Kim Young-sam rammed through South Korea's participation in the OECD last fall, measures such as this new labor law have been part of IMF-OECD conditions."

The new law, which President Kim Young-sam rammed through Parliament, allows mass layoffs for the first time in the postwar period; "flexible" work hours, meaning workers must accept less than a week's work; and scabbing, i.e., it gives employers the right to replace striking workers with scabs.

President Kim's ruling New Korea Party chairman, Lee Hong-koo, said on Dec. 28 that Korea's labor law needed to be overhauled "to meet the demands of globalization and an information-driven society." Prime Minister Lee Soo-sung, in a televised speech on Dec. 30, said that the law was the only way to keep Korean export prices competitive with global slave labor wages. "We chose the law to prevent our offspring from falling behind developing countries," Lee said. "We could not watch companies go bankrupt and corporations move offshore, causing major job losses."

"The new labor act will have a very positive impact on the economy," crowed Tae Chung, economist for Jardine Fleming Securities branch in Seoul, a firm which is part of Britain's Dope, Inc.

Some 375,000 workers have so far responded to strikes by Korean trade unions, which together claim membership of 1.7

million. "We will take our strikes to a higher level and prolong them, starting in the new year," said Kwon Young-kil, head of the outlawed Korean Confederation of Trade Unions. The much larger Federation of Korean Trade Unions, which called its 1.2 million members out on strike until the end of the year, was planning "an escalated second stage which would include the public sector."

## Energy

### India moves to tap potential in northeast

India's Prime Minister Deve Gowda has initiated steps to tap the hydroelectric power potential in India's northeastern region, estimated to be around 40,000 megawatts. So far, less than 2% of that potential has been developed, the *Asian Age* reported in early January.

The Central Electricity Authority has been asked by the Power Ministry, on the initiative of the prime minister, who also holds the power portfolio, to identify projects to be taken up by state-sector firms, including the National Hydel Power Corp. and North Eastern Electric Power Corp., for development and execution, according to Power Ministry sources. These utilities have been shortlisted to execute and develop hydroelectric power projects in the region. A power grid will be set up to transport the generated power.

"The electricity boards of the seven states are facing a severe financial crunch, and will not be able to take up the projects on their own. Therefore, the Power Ministry has asked central power utilities with experience in the hydroelectric power sector to take up these projects," one source said.

On Jan. 2, India was hit by a 16-hour power failure, affecting hundreds of millions of people, caused by the breakdown of one power facility. It was the fourth failure within a month. On Dec. 21, a power failure also brought normal life in the five northern states of India to a standstill, when the power grid collapsed. A potential crippling of the Rajasthan Atomic Power station was barely averted.

## Briefly

**CHINA** has signed a deal to build turbines for Iran's hydroelectric plants, the Dec. 22 *Teheran Times* reported. In 1996, Iran and China signed contracts worth millions of dollars for projects including mining and transport.

**THE POLISH** government announced price hikes for natural gas, electricity, and heat by 18%, 17%, and 10%, respectively, as of Jan. 1. The hikes were a condition to join the European Union. The head of the Solidarnosc trade union warned that the hikes will lead to social unrest.

**RUSSIA'S** population continued to decline in 1996, dropping another 430,000, to 147.5 million, according to data released by Goskomstat, the State Statistics Committee. The difference between deaths and births was 661,600, but the net inflow of migrants partially offset the loss. The death rate fell from 15.0 to 14.4 per 1,000, but the birth rate dropped from 9.5 to 9.0 per 1,000.

**ISRAEL** is faced with labor strikes, which began on Dec. 26 against budget cuts and subsidies to Jewish settlements in the Occupied Territories, Reuters reported. Histadrut labor federation leader Amir Peretz charged that the tax increases and budget cuts would cost workers between \$750 and \$918 a year.

**PAKISTAN** has been told by the International Monetary Fund to reduce the number of its Haj pilgrims, according to the Rawalpindi *Nawa-i-Waqt*. "We hardly spend a few million on Haj, and the IMF is trying to stop even that. This kind of pressure from these organizations can neither be accepted nor approved."

**FRANCE'S** privatization of state assets is proving to be a total flop, the Austrian daily *Die Presse* reported Dec. 27. Some firms aren't selling, and investments are not being made to put others into shape for sale. Others, such as Thomson, are absorbing any funds from sales into their cash flow.

## The media cartel that controls what you think

by Jeffrey Steinberg

In 1996, the 104th Congress, with overwhelming bipartisan support, and with the backing of the White House, passed a telecommunications bill that removed the last remaining obstacles to the complete cartelization of America's mass media and "news" industry. The door was opened for a handful of predominantly British and British-allied media giants to take over the newspaper, radio, and television markets in the major urban centers of the United States. The legislation that Congress passed was a several-thousand-page digest of modifications of existing laws and federal codes, that was unintelligible to all but the most informed experts in the complex field of telecommunications law. Hardly any members of Congress read through the legislation that they passed, yet scores of congressmen, and Vice President Al Gore, jumped into the media spotlight to claim credit for the new law that heralded yet another downward shift into the post-industrial "information age."

Perhaps one reason that the sweeping deregulation of the communications, entertainment, and news media took place with hardly a whimper of opposition from any factions in government, is that the process of corporate cartelization and mass-media tyranny has already advanced so far, that the new law merely represented a codification of something that had already been consolidated.

What, then, is the state of the American news media today? Unbeknownst to most Americans, a handful of multinational, multimedia conglomerates dominates the airwaves, cable, and the print media, through which the daily news is disseminated into every community in America. Gone are the days when the "local newspaper" was truly locally owned. In a rapidly growing number of cases, these media giants are not even American companies. Many of the most influential media conglomerates are directly British owned and operated.

The Hollinger Corporation, a direct outgrowth of World War II British Secret Intelligence Service operations, housed in Canada and the United States, owns more than 100 daily and weekly newspapers in the United States, concentrated in the Midwest. The Hollinger board heavily overlaps that of the food cartel company



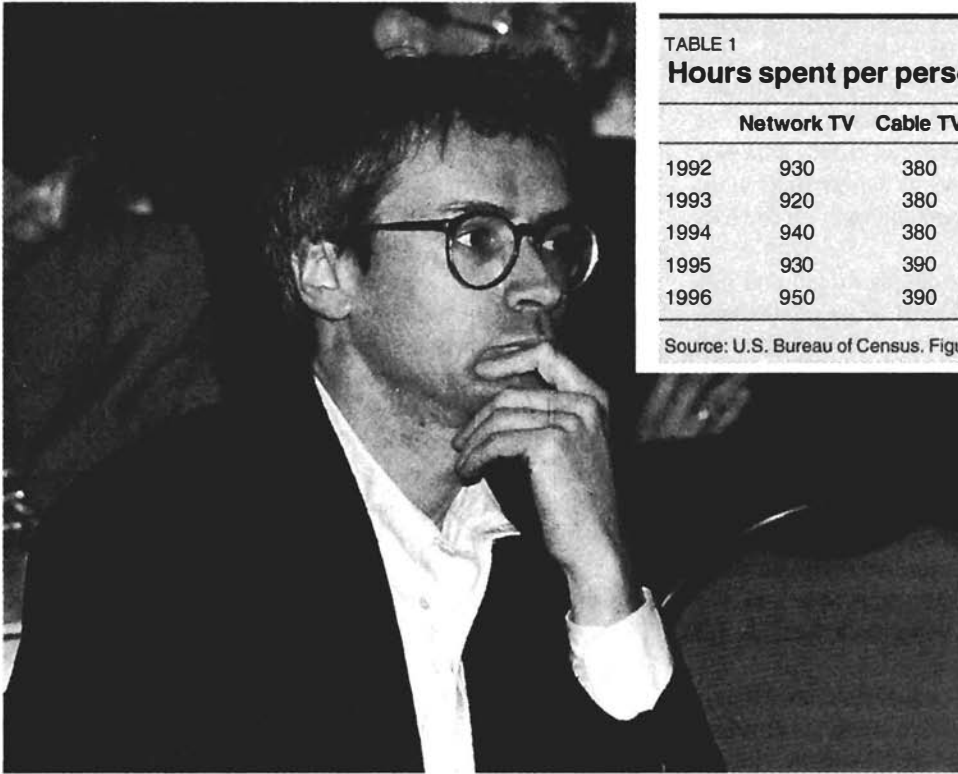


TABLE 1  
Hours spent per person per year, U.S.A.

	Network TV	Cable TV	Newspapers	Magazines	Books
1992	930	380	170	100	95
1993	920	380	165	100	95
1994	940	380	165	100	95
1995	930	390	160	105	95
1996	950	390	160	105	95

Source: U.S. Bureau of Census. Figures for 1993-1996 are estimates.

*Ambrose Evans-Pritchard, Washington, D.C. correspondent of the Hollinger Corporation's Sunday Telegraph, and a prominent member of what the White House has aptly called the "media food chain," regurgitating slanders against the President. On a higher level than Evans-Pritchard, the British-steered media cartel has top-down control over what Americans receive as "news."*

Archer Daniels Midland (which was recently indicted on multiple price-fixing charges). So, in parts of the American heartland, where ADM has replaced the family farmer with its vertically integrated food-processing operations, we are seeing the reemergence of the company town, complete with a controlled media, now centrally managed from London.

Hollinger owns the London *Daily Telegraph*, the flagship publication of the British Conservative Party's Mont Pelerin Society-Thatcherite wing. A few years back, Hollinger bought the *Jerusalem Post*, and turned that internationally circulated newspaper into a mouthpiece for the Ariel Sharon "Greater Israel" wing of the Likud party, which is devoted to blowing up the Middle East peace process. It now owns the *Chicago Sun Times*, one of the dominant news voices of the Midwest. Courtesy of a large cash infusion of Hongkong "hot money," Hollinger has taken over much of the media in Canada and Australia in the past several years, giving it unbridled press control over much of the English-speaking world. The Hollinger Corp.'s international advisory board, which shapes the policy of all of the Hollinger media organs, reads like a Who's Who in the hierarchy of the British Club of the Isles oligarchy. But, seated along with Lords Keswick, Rothschild, Weidenfeld, Hambro, and Carrington, and Baroness Thatcher, are U.S. "conservative" pundit William F. Buckley, Jr., self-confessed British agent Henry A. Kissinger, TV news anchorman David Brinkley, and syndicated columnist George Will.

The Hollinger Corp. has been the driving force behind the

campaign to destroy the institution of the U.S. Presidency, through what has come to be known as "Clintongate." Hollinger has been acting as a branch of British intelligence in this effort, employing the most advanced methods of psychological warfare, and deploying its own resources as well as those of allied media organizations, private tax-exempt foundations, and wanna-be Tory factions of the U.S. Republican Party, to sink the Presidency.

The role of Hollinger in the media feeding frenzy against the Clinton Presidency has not gone unnoticed by the White House. In fact, as this *Feature* was going to press, the White House Legal Office issued a 331-page document, lambasting what they described as the "Communication Stream of Conspiracy Commerce," an apparatus of American right-wing publications, linked to British tabloids, and private tax-exempt organizations, that has conducted a media war against President Clinton. At the center of the "media food chain" churning out smears on the President, the report listed the Hollinger Corporation's *Sunday Telegraph*, and its Washington bureau chief, Ambrose Evans-Pritchard. The White House report documented, through hundreds of pages of newspaper clippings, how stories, originating with nutty, obscure anti-Clinton propagandists, are funneled through the British press, back into the United States, where right-wing news outlets, such as the *Washington Times* and the *Wall Street Journal*, repeat the lies, citing "credible" British news sources. Then, the Congressional Republicans launch "investigations" into the bogus allegations, which are then reported as "news" by the major es-

establishment dailies and TV news shows.

Hollinger is at the forefront of the Redcoat media invasion of America, but they are not alone.

The Thomson Group, another British media conglomerate with long-standing ties to the British monarchy and British intelligence, owns over 100 newspapers all across America. Pearson, another Fleet Street giant, owns a large stake in the London *Economist*, the chief propaganda organ for the City of London financial establishment.

Rupert Murdoch, the Australian media mogul and personal protégé of Britain's World War II propaganda chief, Lord Beaverbrook, has spread his News Corporation all across the United States, in print media, radio, and television, while at the same time owning the semi-official organ of the British monarchy, the London *Times*. Fox-TV, Murdoch's pornography-laden television network, has recently launched its own 24-hour-a-day, all-news TV channel, which is already up and running in many parts of the United States. The Pearson and Rothschild-owned London *Economist* now owns *Roll Call*, the "newspaper of record" on Capitol Hill; and also the *Journal of Commerce*, the most important trade daily for America's industrial sector.

Even the legal community is not exempt from the Redcoat invasion. Reed-Elsevier, an Anglo-Dutch merger of Reed International PLC of Britain and Elsevier NV of the Netherlands, owns the Congressional Information System, a data source on the activities of the U.S. Congress; Lexis-Nexis, the largest information retrieval database service in the world; and Martindale-Hubble, the standard directory of the U.S. legal profession.

## A near total monopoly

Among the American-owned media giants, a half-dozen companies share, with their British cousins, a near-total monopoly over the news. The Associated Press, the *New York Times*, the *Wall Street Journal*, and the *Los Angeles Times* (Times Mirror Corp.) are, along with Reuters and the British Broadcasting Corporation (BBC, and its U.S. de facto subsidiaries, National Public Radio and the Public Broadcasting System), almost the sole sources of news for the overwhelming majority of Americans. Except, that is, for the four television news departments at NBC, CBS, ABC, and CNN.

But, these four companies are themselves subsidiaries of even larger multimedia conglomerates: General Electric owns NBC, Time Warner recently absorbed CNN, Disney/Capital Cities owns ABC, and Westinghouse owns CBS. Each of these mega-media entities owns local TV and radio stations in major urban centers throughout the United States, magazines, motion picture companies, and record companies (in addition to their more familiar product lines).

Pickup your daily newspaper—especially if you live outside New York City, Los Angeles, or Washington, D.C. Look at the bylines on every one of the major news stories that appear on the front page, and in the international and national news sections. How many read "Reuters," or "AP," or "com-

bined wire services"?

Read a little further and you find that your "public opinion" is being measured, on an hourly basis, by polling organizations that are joint ventures of ABC, CNN, *USA Today*, the *New York Times*, and Gallup. The *International Herald Tribune*, the English-language "newspaper of record" abroad, is a joint venture of the *Washington Post* and *New York Times*. The Washington Post Corporation owns *Newsweek*; CNN of "New Age" Anglophile Ted Turner, is now a division of Time-Warner, which publishes *Time* magazine. It's an incestuous world at the top of the news business. Whereas, not too long ago, various trade journals used to compile a profile of the 100 most powerful media executives, the list has now dwindled down to no more than 20 multimedia CEOs.

Several years ago, *Vanity Fair*, another ostensibly American publication that was given a make-over by British editor Tina Brown (whose husband, Harold Evans, another transplanted British national, is the president of Random House—which, like *Vanity Fair*, is part of the S.I. Newhouse media organization), published a series of cover stories on the "New Establishment," media moguls and their bankers who gather every year at the Sun Valley, Idaho ranch of investor Charles Allen, Jr. for several weeks of wheeling and dealing that often shapes the next big corporate consolidation, buyout, or purge. This group, *Vanity Fair* asserted approvingly, is the new power center of American life.

With the average American reportedly spending more time in front of the television set than at the workplace, *Vanity Fair* may, unfortunately, be onto something. Americans may love to complain about the media, but they keep coming back for more. And the net effect is an accelerated "dumbing down" of the population, which, conveniently for the British-led oligarchy, parallels the disastrous collapse of public education in America at every level.

## Mass media, mass brainwashing

It's not as if this were unintentional. In the early 1950s, Theodor Adorno, the Frankfurt School social engineer, wrote enthusiastically that Americans' ability to think would be destroyed, once the majority of them had been induced to spend all of their leisure time in front of the one-eyed babysitter, a.k.a. "the TV." (Adorno had worked on the Rockefeller Foundation-funded Radio Research Project at Princeton University, and spent years in Hollywood developing a sense of the mass-brainwashing potential of the mass media.) Nearly a half-century later, America is addicted to television; current history is reduced to sound-bytes of carefully screened and "spun" national and international news "factoids," buried by a barrage of graphic scenes of real-life violence and perversity, which take up well over half of the nightly diet of "the day's news."

Even the live coverage of car crashes, gang murders, rapes, natural disasters, wars, and terrorist acts, is served up on the basis of careful studies conducted at the neurological divisions of the leading medical schools. In recent decades,

psychological warfare experts have unveiled a new pseudoscience called “victimology,” developed by the London Tavistock Institute, which is premised upon the theory that individuals can be put through trauma by being exposed to shockingly graphic visual accounts of violence. To be a victim of a tragic event, you no longer have to “be there” as an observer or participant. You can watch it on TV, during the nightly news hours, or see the graphic pictures on the front page of the newspaper. The disruption of your neurological system, according to the practitioners of victimology, can be nearly as severe, through TV or other news exposure, especially if the victim—you—keeps coming back for more.

### **Three stories most Americans missed in 1996**

The “American” media elites practice a brutal, albeit well-concealed, form of “wartime” news censorship, but the mechanisms of this control are now openly acknowledged. John Chancellor, the longtime NBC-TV news anchorman, in his recent autobiographical account of life in the news room, *The New News Business* (with Walter R. Mears, New York: HarperPerennial, 1995), admitted that, through formal structures such as the Associated Press, informal “clubs” such as the New York Council on Foreign Relations, and the Sun Valley clique, decisions are made, on a daily or weekly basis, about what the American people will be told, and what stories will never see the light of day. The crime of omission, in many instances, can be the far more deadly.

Unless you were a subscriber to *EIR*, or the weekly newspaper *New Federalist*, or possessed the resources to conduct your own exhaustive research, there were three profoundly important news stories that you missed during 1996, that have particularly grave implications for the future of this country and the world. The blackout of these stories by every major news outlet, is symptomatic of the larger pattern of the “crimes of omission” on the part of the news cartel.

The first, was the 1996 Democratic Party Presidential campaign of Lyndon LaRouche. Despite the fact that LaRouche was on the ballot in 26 states, and garnered about 600,000 votes, his campaign was completely blacked out of the national television, radio, and print media—to the point that the standard media line was that “President Clinton ran unopposed” for the Democratic Presidential nomination. LaRouche averaged 6.5% of the vote in the states in which he was on the ballot, and received well over 10% of the vote in a number of those races—far more votes than were garnered by the widely publicized Presidential bids of Republicans Lamar Alexander, Phil Gramm, Bob Dornan, and Pete Wilson. Had LaRouche received proportional media news coverage, his vote totals would have increased significantly; and, more to the point, his policy input into the Presidential debate process would have shaped a very different kind of national election, one that would have, in all likelihood, led to a larger Clinton victory, and a Democratic Party sweep of both Houses of Congress.

The fact that a candidate who fully qualified for federal

matching funds, received over 160,000 votes in California alone (Ralph Nader, the Green Party candidate, who received significant nightly news coverage, got 20,000 votes), and aired four nationwide prime-time half-hour TV campaign broadcasts, received *zero* mass media news coverage, says volumes about the top-down control the media exerts over what the American public is allowed to know.

In stark contrast to the 1996 campaign media blackout of LaRouche, in March 1986, when two LaRouche-backed candidates won the Democratic Party nominations for lieutenant governor and secretary of state of Illinois, the major news networks launched a round-the-clock slander campaign, branding LaRouche “a political extremist,” and demanding (and finally getting) a government frame-up/prosecution. In the span of four weeks, over 8,000 separate media slanders, all bearing the identical ID format “political extremist Lyndon LaRouche,” appeared in the U.S. press. The groundwork had been laid for this systematic attack over several years.

In 1983, after LaRouche played the principal role in convincing President Ronald Reagan to adopt the Strategic Defense Initiative, which LaRouche designed, a secret public-private task force was created, at the behest Henry Kissinger, and with the active support of the George Bush apparatus within the White House, to organize a media slander campaign against LaRouche, to force the President to sever all ties to him, and to shape “public opinion” for an eventual assassination or frame-up against him.

### **George Bush, crack kingpin**

The second story that you didn’t read about, unless you had access to LaRouche publications during 1996, also involved George Bush. On Aug. 18-20, 1996, the *San Jose Mercury News* in California published an important series of articles, revealing that members of a Nicaraguan Contra organization, the Democratic National Front, had bankrolled the war against the Sandinista regime in Managua by dumping tons of crack cocaine onto the streets of Los Angeles. The *Mercury News* story, by investigative reporter Gary Webb, provoked an angry reaction from the *Los Angeles Times*, the *Washington Post*, the *New York Times*, the *New York Post*, the *Wall Street Journal*, and the rest of the media cabal. The publishers, editors, and writers at the *Mercury News* had violated the censorship code, by allowing a story to be published that was beyond the pale of “acceptable,” i.e., toothless, investigative journalism. Ironically, Webb was able to focus national attention on the Contra-cocaine story, by putting the text of the series, along with hundreds of pages of “raw” documentation, on the *Mercury News*’s Worldwide Web site. (Occasionally, even the “information revolution” backfires on its boosters.)

But, the real story behind the *Mercury News* scandal was the dimension of the Los Angeles Contra-cocaine tale that never appeared in the pages of the *Mercury News*: the story of the role of Vice President, and, later, President George Bush, in supervising the cocaine-for-guns operations in Cen-

tral America, that placed segments of the federal government in bed with the Colombian cocaine cartel.

As *EIR* detailed in a September 1996 *Special Report*, "Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?" A series of Presidential orders issued in early 1982 placed Vice President Bush in charge of the entire crisis management, covert operations, counter-terror, and counter-narcotics program for the Reagan administration. He was in charge of the Central America "secret war," and he was personally aware of the drug operations, which ran through the chain of command that he directed.

The Bush role in the Contra-cocaine business was a perfect instance of rock-solid news. The government documents specifying Bush's role in the Central America program, were all declassified, and publicly available at the Library of Congress and the National Archives. There were thousands of pages of court transcripts, FBI and Drug Enforcement Administration affidavits, and other legal evidence of the Contra-cocaine links. And, an agent who headed the DEA's El Salvador operations at the height of the Contra drugs-for-guns effort, publicly testified that he had personally briefed Vice President Bush, during a diplomatic reception in Guatemala, about the Contra drug trafficking. He even had a photograph of himself with the vice president at the event. Further, the final report of Iran-Contra special prosecutor Lawrence Walsh contained additional damning evidence about Vice President Bush's intimate ties to former CIA officer Felix Rodriguez, the man publicly identified as in charge of the El Salvador supply route, linked to the drug flights.

Yet, no news organization apart from *EIR* saw fit to break the story as a high-priority item. When one investigator, Prof. John Newman, assembled extensive evidence for publication, he was turned down by several major daily newspapers, before finally getting a scaled-back story published in a regional daily.

Does the possible involvement of a vice president, later a President, in the launching of the crack cocaine epidemic, not represent the kind of story that should win Pulitzer Prizes, and lead to criminal prosecutions of "citizens above suspicion"?

### A foreign-directed coup plot

The third story that never appeared on the front page of the *Washington Post*, or as the lead item on NBC Nightly News, involved the media itself. From the day of Bill Clinton's inauguration as President of the United States, on Jan. 20, 1993, the London-centered Club of the Isles, utilizing British intelligence assets, among other resources, has been running a covert operation, aimed at bringing down the Clinton Presidency. Using a recipe that has been applied over and over again in Africa and in other parts of the Third World, the Hollinger Corp., BBC, Reuters, the *Times* of London, the *Economist*, and other British "news" organs, in league with such U.S. outfits as the *Wall Street Journal*, CNN, the *New York Times*, the *Washington Times*, and the *American Spectator*, have conducted a non-

stop black propaganda campaign against the President and his closest advisers. Millions of dollars have been covertly provided to an underground of newsletter publishers, radio "talk-jockeys," "Christian" broadcasters, and tax-exempt think-tanks, to keep up the "Clintongate" drumbeat. As in the decade-long campaign to railroad Lyndon LaRouche, the Clintongate effort has also drawn on the resources of a permanent bureaucracy inside the Criminal Division of the U.S. Department of Justice, which, in this case, has been operating as a fifth column for the British assault on the Presidency. And, the "Get Clinton" effort has also seen the biggest upsurge in terrorism on American soil in a generation, which, at one point, featured a series of attempts upon the life of the President, and attacks against the White House grounds.

The idea that a foreign apparatus, run by a purported leading American NATO ally, is conducting a covert war against a U.S. head of state—as if the United States were a banana republic—should warrant news coverage. Particularly when one key player in the effort, *Sunday Telegraph* correspondent Evans-Pritchard, boasts frequently about his role in the drive to bring down the U.S. President, and admits to working closely with the MI-6 station "wherever he is assigned." But, the news editors at NBC, CNN, the *Washington Post*, and so on, have chosen, instead, to black out that story, and devote countless front-page stories to a regurgitation of the made-in-London Clintongate baloney.

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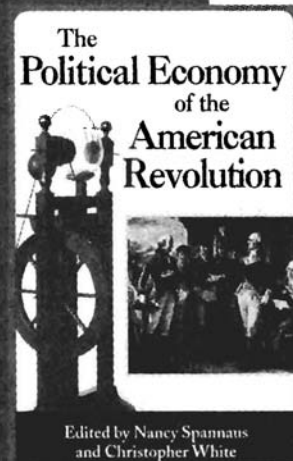
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# White House report exposes media cabal

by Jeffrey Steinberg

On Jan. 6, the White House Office of Legal Affairs released a 331-page document, titled "Communication Stream of Conspiracy Commerce," which profiled the operations of a "Get Clinton" apparatus of British press organizations, and American right-wing think-tanks, tax-exempt foundations, newsletters, and daily newspapers, that have funneled a steady stream of slanders and disinformation about Bill Clinton into the newspapers of America, since the 1992 Presidential campaign.

The White House document fully backs the charges in this *EIR* report, that the Hollinger Corporation and other British news organizations have been conducting a foreign intelligence "dirty-tricks" campaign to destroy the Clinton Presidency. The White House report, a version of which, according to news accounts, was prepared in July 1995, but was first made public in January 1997, highlights the role of the Hollinger Corporation's *Sunday Telegraph* dirty-trickster Ambrose Evans-Pritchard, the *London Times*'s Lord William Rees-Mogg, Reverend Moon's *Washington Times*, the *American Spectator*, Rupert Murdoch's *New York Post*, the editorial page of the *Wall Street Journal*, Pat Robertson's 700 Club, and the National Taxpayers Union/*Strategic Investment* newsletter, as the chief culprits.

Richard Mellon Scaife, the heir to the Pittsburgh Mellon fortune and the publisher of the *Pittsburgh Tribune-Review*, was also cited as the Daddy Warbucks of the effort, particularly for his financing of Newt Gingrich's GOPAC political action committee. The report charges that, after Mellon Scaife poured over half a million dollars into GOPAC, and the Landmark Legal Foundation, a favorite Gingrich "charity," Speaker Gingrich began peddling this apparatus's disinformation about the death of White House deputy counsel Vincent Foster. Sen. Alfonse D'Amato (R-N.Y.) was also identified as one of the leading Congressional Clinton-bashers, who has regularly launched probes, based on the products of the disinformation sewer, thereby abetting the conduiting of phony allegations into the media. The White House report labeled this method "blow-back."

## 'The media food chain'

What follows are some excerpts from the White House document.

"The media food chain is the system by which right-wing activists feed conspiracy theories and innuendo from the

fringes into the mainstream media. The 'food chain' starts with activists such as Willie Horton creator Floyd Brown, Sheffield Nelson and Larry Nichols. These activists feed the partisan conservative press, publications such as the *American Spectator*, the *Washington Times* and the editorial page of the *Wall Street Journal*. The mainstream press then picks up on these reports. . . .

"One specific 'food chain' strategy is the 'blow-back.' The blow-back starts with conservative groups feeding material to the British tabloids, such as the *Sunday Telegraph*. Conservative American tabloids and mainstream American media then report on the British reports.

"For example, recently the *Washington Times* reprinted Ambrose Evans-Pritchard's *Sunday Telegraph* response to a *Washington Post* article on Vince Foster conspiracy theorists. Pritchard, who took offense to being lumped in with conspiracy theorists, has been a leading reporter of various conspiracies—most recently accusing Vince Foster of secretly being a spy. (*Washington Times*, 7/10/95 and *Washington Post*, 7/4/95)

"In addition to use of the media food chain and blow-back strategies, conservatives have another tie—their source of funds. A number of groups that have been peddling conspiracy theories (mainly questioning the suicide of Deputy White House Counsel Vince Foster) are funded by Richard M. Scaife.

"Richard Scaife is an heir to the Mellon fortune with an estimated net worth of \$750 million. In addition to his financial support of purveyors of Vince Foster conspiracy theories, Scaife also is a Newt Gingrich insider—backing many of the groups that support and defend Newt Gingrich, including contributing \$60,000 to GOPAC and \$450,000 to the Landmark Legal Foundation."

## Case studies

The White House dossier highlights six instances, in which such unsavory types as Floyd Brown and Larry Nichols floated phony "revelations" about the First Family, which were then given front-page attention in the *Daily Telegraph*, the *Daily Mail*, and other British propaganda organs, only to then be laundered through U.S. newspapers, as stories covered by "mainstream" British newspapers. Often, from there, the allegations would become grist for the Congressional Whitewater probes, or for Whitewater special prosecutor Kenneth Starr. Once there was a color of "government probe," the rest of the media would then run with the stories—as if they were proven fact.

Within hours of the White House release of its report, the *Washington Times*, the *Pittsburgh Tribune-Review*, and the *Wall Street Journal* were already on the counter-offensive, branding the Clinton White House "more paranoid than Nixon." Stephen Hess, of the Brookings Institution, joined the ranks of protesters, but warned that the American people will probably believe that, in this instance, President Clinton is right.

# How the British use the media for mass psychological warfare

by L. Wolfe

I know the secret of making the average American believe anything I want him to. Just let me control television. . . . You put something on the television and it becomes reality. If the world outside the TV set contradicts the images, people start trying to change the world to make it like the TV set images. . . .

—Hal Becker, media “expert” and management consultant, the Futures Group, in an interview in 1981<sup>1</sup>

In the 15 years since Becker’s comment, Americans have become even more “wired” into a mass media network that now includes computer and video games, as well as the Internet—an all-surrounding network whose power is so pervasive that it is almost taken for granted. As the standup comic said, “We are really a media conscious people. I know a guy who was run over by a car in the street. He didn’t want to go to the hospital. Instead, he dragged himself over to the nearest bar, to check out whether he made it onto the evening news. When it wasn’t on, he said, ‘What does a guy have to do, get killed, to get on television?’ ”

In the highest circles of the British monarchy and its Club of Isles, this great power is not taken for granted. Rather, it is carefully manipulated and directed, as Becker describes from a limited standpoint, to create and mold popular opinion. In a 1991 report published by the Malthusian Club of Rome, entitled “The First Global Revolution,” Sir Alexander King, top adviser on science and education policy to the royal family and Prince Philip, wrote that new advances in communications technology will greatly expand the power of the media, both in the advanced and developing sectors. The media, he proclaimed, is the most powerful weapon and “agent of change” in the fight to establish a “one-worldist,” neo-Mal-

thusian order that will transcend and obliterate the concept of the nation-state.

“It is certainly necessary to engage in a broad debate with the journalists and the top media executives involved to study the conditions for them to be able to define this new role,” King wrote.

In this project, the Club of Rome can count on cooperation from the media cartel, which is a British asset, as documented in our report. It can also call on the capabilities of a mass psychological warfare machine, also run by the British and their assets, which extends into key phases of media production, and includes writers and psychiatrists who help shape the content, and the pollsters who fine-tune and analyze the impact on targetted populations. Beyond this interacting network, there are millions of participants involved in the production, distribution, and transmission of media messages, whose thinking, in turn, has been shaped by the content of the media product, and who are, effectively, self-brainwashed by the culture within which they live.

### The Tavistock ‘mother’

The historic center of this mass psywar apparatus is based outside London, in the Tavistock Center.<sup>2</sup> Established in the aftermath of World War I under the patronage of the Duke George of Kent (1902-42), the original Tavistock Clinic, led by John Rawlings Rees, developed as the psychological warfare center for the royal family and British intelligence. Rees and a cadre group of Freudian and neo-Freudian psychiatrists, applied wartime experience of psychological collapse, to create theories about how such conditions of breakdown could be induced, absent the terror of war. The result was a theory of mass brainwashing, involving group experience, that could be used to alter the values of individuals, and through that, induce, over time, changes in the axiomatic assumptions that govern society.

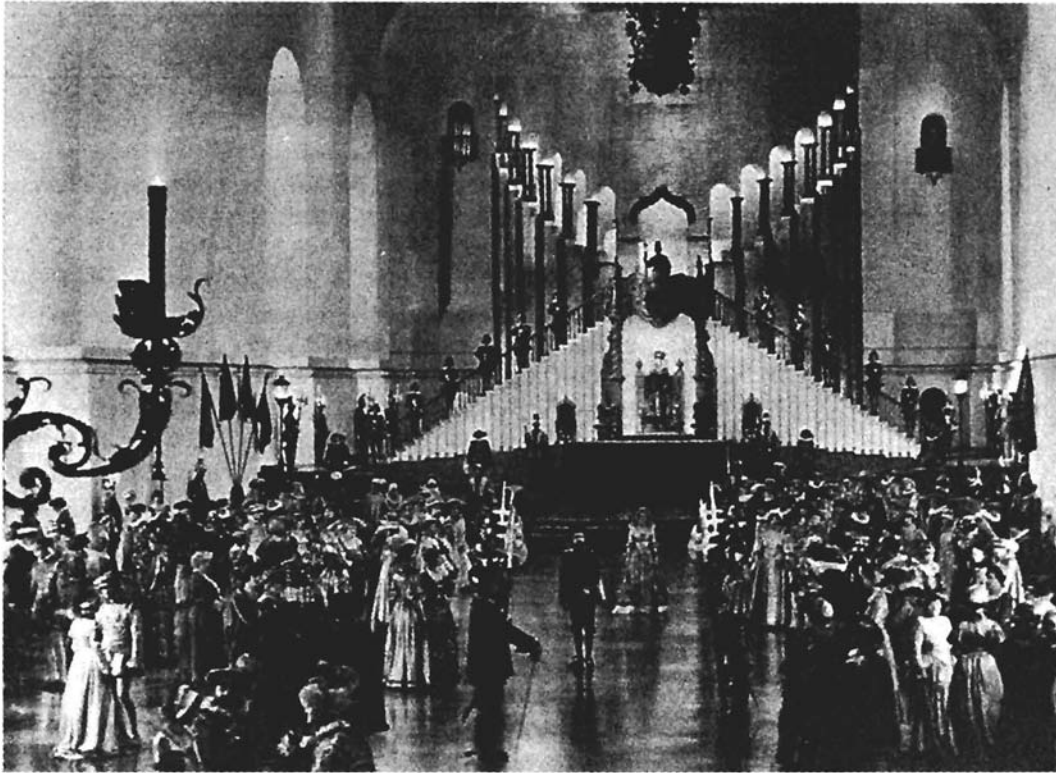
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1. The Futures Group, a private think-tank, was one of the first organizations to specialize in the use of computer interfaces in psychological manipulations of corporate executives and political leaders. In 1981, it pioneered the RAPID program for the U.S. State Department, which used computer-driven graphics to brainwash select developing sector leaders into supporting International Monetary Fund conditionalities and population control programs. It was also involved in extensive profiling of the U.S. population for major multinationals.

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2. The LaRouche movement undertook groundbreaking work on the Tavistock network in 1973-74, and published the results of its investigations in *Campaigner* magazine (Winter 1973, Spring 1974 issues). Additional work has been published in *EIR*, most recently in the May 24, 1996 issue, a *Special Report* entitled “The Sun Never Sets on the British Empire.”





A scene from a 1940s movie, "In the Palace of the King," produced by Goldwyn Studios. Movies have a tremendous power to shape public opinion, much more than the written word. As Walter Lippmann wrote, "the whole process of observing, describing, reporting, and then imagining has been accomplished for you."

In the 1930s, Tavistock's extended networks developed a symbiotic relationship with the Frankfurt Institute for Social Research, created by European oligarchical networks, which focussed on the study and criticism of culture from a neo-Freudian standpoint. In the late 1930s, with its operations transferred from Germany to the New York area, the Frankfurt School coordinated the first analysis of the impact of a mass media phenomenon, i.e., radio, on culture—the Princeton-based "Radio Research Project."<sup>3</sup>

With the outbreak of World War II, Tavistock operatives took effective control of the Psychological Warfare Directorate of the British Army, while its allied network in the United States embedded itself in the American psychological warfare apparatus, including the Committee on National Morale and the Strategic Bombing Survey.

By war's end, the combined influence of Tavistock (which became the Tavistock Institute in 1947) and of the former Frankfurt School operatives, had created a cadre of "psychological shock troops," as Rees called them, and "cultural warriors" numbering in the several thousands. Today that network numbers in the several millions around the world, and it is the single most important factor in determining the design and content of mass media product.

3. For a comprehensive report on the Frankfurt School and its network, including its role in shaping mass media policy and cultural warfare, see Michael Minnicino, "The New Dark Age: The Frankfurt School and 'Political Correctness,'" *Fidelio*, Winter 1992.

### Manipulating the 'pictures in your head'

In 1922, Walter Lippmann defined the term "public opinion" as follows: "The pictures inside the heads of human beings, the pictures of themselves, of others, of their needs and purposes, and relationship, are their public opinions. Those pictures which are acted upon by groups of people, or by individuals acting in the name of groups, are Public Opinion, with capital letters."

Lippmann, who was the first to translate Sigmund Freud's works into English, was to become one of the most influential of political commentators.<sup>4</sup> He had spent World War I at the British psychological warfare and propaganda headquarters in Wellington House, outside of London, in a group that included Freud's nephew, Eduard Bernays.<sup>5</sup> Lippmann's book *Public Opinion*, published one year after Freud's *Mass Psychology*, which touched on similar themes, was a product of his tutelage by the Rees networks. It is through the media, Lippmann writes, that most people come to develop those "pictures in

4. Lippmann, who migrated from Fabian Socialist networks to the circles of the Thomas Dewey and the Dulles brothers, became the spokesman for an American imperialist faction that was controlled by the British, and deployed against the anti-imperialist policy outlook of President Franklin D. Roosevelt. See Lyndon LaRouche, *The Case of Walter Lippmann* (New York: Campaigner Publications Inc., 1977).

5. Bernays is important in his own right, as the person who created "Madison Ave." advertising, based on the tricks of Freudian psychological manipulation.



*Walter Lippmann, trained by British psychological warfare operatives during World War I, became one of the most influential American political commentators.*

their heads,” giving the media “an awesome power.”

The Rees networks had spent World War I studying the effects of war psychosis, and its breakdown of individual personality. From their work, an evil thesis emerged: Through the use of terror, man can be reduced to a childlike and submissive state, in which his powers of reason are clouded, and in which his emotional response to various situations and stimuli can become predictable, or in Tavistockian terms, “profilable.” By controlling the levels of anxiety, it is possible to induce a similar state in large groups of people, whose behavior can then be controlled and manipulated by the oligarchical forces for whom Tavistock worked.<sup>6</sup>

Mass media were capable of reaching large numbers of people with programmed or controlled messages, which is key to the creation of “controlled environments” for brainwashing purposes. As Tavistock’s researches showed, it was important that the victims of mass brainwashing not be aware that their environment was being controlled; there should thus

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6. All Tavistock psychology (as well as Freudian psychology) proceeds from the image of man as a sensate beast. It explicitly rejects, with great malice, the Judeo-Christian view of man as created in the image of God, meaning that man, and man alone, is endowed by his Creator with creativity. Tavistock, which claims that all creativity derives solely from sublimated neurotic or erotic impulses, sees the human mind merely as a slate on which it can draw and redraw its “pictures.”

be a vast number of sources for information, whose messages could be varied slightly, so as to mask the sense of external control. Where possible, the messages should be offered and reinforced through “entertainments,” which could be consumed, without apparent coercion, and with the victim perceiving himself as making a choice between various options and outlets.

Lippmann observes in his book that people are more than willing to reduce complex problems to simplistic formulas, to form their opinion by what they believe others around them believe; truth hardly enters into such considerations. Appearance of reports in the media confer the aura of reality upon those stories: If they weren’t factual, then why would they be reported? Lippmann says the average person believes. People whose fame is in turn built up by the media, such as movie stars, can become “opinion leaders,” with as much power to sway public opinion as political figures.

Were people to think about this process too much, it might break down; but, he writes, “the mass of absolutely illiterate, of feeble minded, grossly neurotic, undernourished and frustrated individuals is very considerable, much more considerable, there is reason to think, than we generally suppose. Thus a wide popular appeal is circulated among persons who are mentally children or barbarians, whose lives are a morass of entanglements, people whose vitality is exhausted, shut-in people, and people whose experience has comprehended no factor in the problem under discussion.”

Stating that he saw a progression to ever-less-thought-provoking forms of media, Lippmann marvels at the power of the nascent Hollywood movie industry to shape public opinion. Words, or even a still picture, require an effort for the person to form a “picture in the mind.” But, with a movie, “the whole process of observing, describing, reporting, and then imagining has been accomplished for you. Without more trouble than is needed to stay awake the result which your imagination is always aiming at is reeled off on the screen.” Significantly, as an example of the power of movies, he uses the D.W. Griffith propaganda film for the Ku Klux Klan, “The Birth of a Nation”; no American, he writes, will ever hear the name of the Klan again, “without seeing those white horsemen.”

Popular opinion, Lippmann observes, is ultimately determined by the desires and wishes of an elite “social set.” That set, he states, is a “powerful, socially superior, successful, rich urban social set [which] is fundamentally international throughout the Western Hemisphere and in many ways, London is its center. It counts among its membership the most influential people in the world, containing as it does the diplomatic sets, high finance, the upper circles of the army and navy, some princes of the church, the great newspaper proprietors, their wives, mothers, and daughters who wield the scepter of invitation. It is at once a great circle of talk and a real social set.”



*The 1990s version of what Lippman called “the picture inside the heads of human beings”: a virtual reality apparatus, with fiberoptic gloves and a computerized visual display.*

In a typical elitist fashion, Lippmann concludes that coordination of public opinion is lacking in precision. If the goal of a one-worldist “Great Society” is to be realized, then “public opinion must be organized for the press, not by the press.” It is not sufficient to rely on the whims of a “super social set” to manipulate the “pictures in people’s heads”; that job “can only be managed by a specialized class” which operates through “intelligence bureaus.”<sup>7</sup>

### **The ‘Radio Research Project’**

As Lippmann was writing, the radio, the first major mass media technology to invade the home, was coming into prominence. Unlike the movies, which were viewed in theaters by large groups of people, the radio provided an individualized experience within the home, and centered on the family. By 1937, out of 32 million American families, some 27.5 million had a radio set—a larger percentage than had cars, telephones, or even electricity.

That same year, the Rockefeller Foundation funded a project to study the effects of radio on the population.<sup>8</sup> Recruited

7. This is similar to the notion, put forward by Rees in his book *The Shaping of Psychiatry by War*, of the creation of a elite group of psychiatrists who will, on behalf of the ruling oligarchy, ensure the “mental health” of the world.

8. The Nazis had already extensively used radio propaganda for brainwashing, as an integralelement of the fascist state. This was observed and studied by the Tavistock networks.

to what became known as the “Radio Research Project,” headquartered at Princeton University, were sections of the Frankfurt School, now transplanted from Germany to America, as well as individuals such as Hadley Cantril and Gordon Allport, who were to become key components of Tavistock’s American operations. Heading the project was the Frankfurt School’s Paul Lazerfeld; his assistant directors were Cantril and Allport, along with Frank Stanton, who was to head the CBS News division, and later become its president, as well as chairman of the board of the RAND Corporation.

The project was presaged by theoretical work done earlier in the studies of war propaganda and psychosis, and the work of Frankfurt School operatives Walter Benjamin and Theodor Adorno. This earlier work had converged on the thesis that mass media could be used to induce regressive mental states, atomizing individuals and producing increased lability. (These induced mental conditions were later dubbed by Tavistock itself as “brainwashed” states, and the process of inducing them called “brainwashing.”)

In 1938, at the time he was head of the music section of the Radio Research Project, Adorno wrote that listeners to radio music programs “fluctuate between comprehensive forgetting and sudden dives into recognition. They listen atomistically and dissociate what they hear. . . . They are not child-like, but they are childish; their primitivism is not that of the undeveloped, but that of the forcibly retarded.”

The Radio Research Project’s findings, published in 1939,

backed up Adorno's thesis of "enforced retardation," and serve as a brainwashers' handbook.

In studies on the serialized radio dramas, commonly known as "soap operas" (so named, because many were sponsored by soap manufacturers), Herta Hertzog found that their popularity could not be attributed to any socio-economic characteristics of listeners, but rather to the serialized format itself, which induced habituated listening. The brainwashing power of serialization was recognized by movie and television programmers; to this day, the afternoon "soaps" remain among the most addictive of television fare, with 70% of all American women over 18 watching at least two of these shows each day.

Another Radio Research Project study investigated the effects of the 1938 Orson Welles radio dramatization of H.G. Wells's *The War of the Worlds*, about an invasion from Mars. Some 25% of the listeners to the show, which was formatted as if it were a news broadcast, believed that an invasion was under way, creating a national panic—this, despite repeated and clear statements that the show was fictional. Radio Project researchers found that most people didn't believe that Martians had invaded, but rather that a German invasion was under way. This, the researchers reported, was because the show had followed the "news bulletin" format that had earlier accompanied accounts of the war crisis around the Munich conference. Listeners reacted to the format, not the content of the broadcast.

The project's researchers had proven that radio had already so conditioned the minds of its listeners, making them so fragmented and unthinking, that repetition of format was the key to popularity.<sup>9</sup>

### Television: the one-eyed babysitter

Television was beginning to make its entrance as the next mass media technology at the time the Radio Research Project's findings were published in 1939. First experimented with on a large scale in Nazi Germany during the 1936 Berlin Olympics, TV made its splashy public appearance at the 1939 New York World's Fair, where it attracted large crowds. Adorno and others immediately recognized its potential as a mass-brainwashing tool. In 1944, he wrote, "Television aims at the synthesis of radio and film . . . but its consequences are enormous and promise to intensify the impoverishment of aesthetic matter, so drastically that by tomorrow, the thinly veiled identity of all industrial culture products can come triumphantly out in the open, derisively fulfilling the Wagnerian dream of *Gesamtkunstwerk*—the fusion of all arts in one work."

9. It is important to note that there is nothing inherently evil with radio, television, or any form of technology. What makes them dangerous is the control of their use and content by the Club of Isles networks for evil purposes, to create habituated, and even fixated listeners and viewers, whose critical capacities are thus seriously impaired.

As was obvious from even the earliest clinical studies of television (some of which were conducted in the late 1940s and early 1950s by Tavistock operatives), viewers, over a relatively short period of time, entered into a trance-like state of semi-awareness, characterized by a fixed stare. The longer one watched, the more pronounced the stare. In such a condition of twilight-like semi-awareness, they were susceptible to messages both contained in the programs themselves, and

## Tavistock's language project: the origin of 'Newspeak'

At the start of World War II, Tavistock operatives, including Brig. Gen. John Rawlings Rees in the Psychological Warfare Directorate, were busy at work on a secret language project. The target of that project was not the "enemy," but the English language itself, and the English-speaking people.

The Tavistock crowd had picked up on the work of British linguist C.K. Ogden, who had created a simplified version of the English language using some 850 basic words (650 nouns and 200 verbs), with rigid rules for their use. Called "Basic English," or "Basic" for short, the product was ridiculed by most English-speaking intellectuals; Ogden's proposal to translate Classic literature, such as Marlowe and Shakespeare, into Basic, was rightfully attacked as an effort to trivialize the greatest expressions of English-language culture.

But in the bowels of the psywar directorate, the concepts behind Basic were key to large-scale control of dangerous "thought." A simplified English language limits the degrees of freedom of expression, and inhibits the transmission of meaning through metaphor.<sup>1</sup> It is then easy to create a "reality" that can be massaged through the mass media, such as radio. A reduced language is a straitjacket for the human mind.

The British Ministry of Information, which controlled all broadcasting and news dissemination, decided to experiment with the effectiveness of Basic. The British Broadcasting Corp. was asked to produce some newscasts in Basic, which were broadcast in a number of foreign sections of the BBC, including the Indian Section, which included among its operatives 1984 author George Orwell and his close friend Guy Burgess, who later was to be

1. For a more detailed discussion of language and metaphor, see Lyndon LaRouche, "On the Subject of Metaphor," *Fidelio*, Fall 1992.

through transference, in the advertising. They were being brainwashed.<sup>10</sup>

Television moved from being a neighborhood oddity, to

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10. For a more comprehensive discussion of television, its programming, and its brainwashing of the American population, see the 16-part series "Turn Off Your Television," by this author in the *New Federalist*, 1990-93. It is available in reprint from *EIR*.

involved in Britain's biggest postwar Soviet spy scandal.<sup>2</sup> The results were carefully monitored.

Those involved quickly discovered that, with some modification, the language was ideal to present a censored, edited version of the news. Since it lent itself to simple, declarative statements, it gave those statements the character of *fact*, even though the information being reported was heavily censored or even self-admitted propaganda.

### British 'empires of the mind'

Following the presentation of a special report on these findings in 1943, the Basic project was placed on "highest priority" in the War Cabinet, at the insistence of Prime Minister Winston Churchill. The project, now-declassified papers reveal, was to be expanded to include work in the United States. While not revealing the secret research on the psychological implications of Basic, Churchill became its cheerleader, promoting the new language as the basis for a renewed bond between Britain and its former colony, America. On Sept. 6, 1943, in a speech at Harvard University, Churchill called for "a new Boston Tea Party," to overturn the English language and replace it with Basic. Telling his audience of Anglophiles that they were at the "headstream" of a mighty cultural sea change that would have a "health-giving effect," he declared that the power to control language "offer[s] far better prizes than taking away people's provinces or lands or grinding them down in exploitation. The empires of the future are the empires of the mind."

But the public side of the project met resistance from the British and American public, who, while not neces-

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2. Some historians have claimed that Orwell's "Newspeak," in his *1984*, is a simple parody of Basic. To the contrary: Orwell was one of the most avid supporters of the Basic concept of reduced language. What appealed to him most was its simplicity and its apparent ability to abolish "jargon." He also thought that anything without real meaning, when reduced to its Basic translation, would be easily seen to be absurd. A utopian, Orwell, in his letters, expressed concern over the power of the Ministry of Information (Miniform, as it was known) to control and manage the news. It was that aspect of the process, not Basic's degrading of the English language, that he parodied in *1984* with his "Newspeak," controlled by Minitrue, the Ministry of Truth.

mass penetration of especially urban areas, during approximately 1947-52. As Lyndon LaRouche has observed, this coincided with a critical period in the nation's psychological life. The dreams of millions of World War II veterans and their high hopes of building a better world, crashed to earth in the morally corrupt leadership of the Truman administration and ensuing economic depression. These veterans retreated into family life, their jobs, their homes, their living

sarily grasping the full implications of Basic, nonetheless resented being told how to speak. And there was no support forthcoming from the U.S. President, Franklin Roosevelt, who considered Basic "silly."

However, reports from the Ministry of Information to the special War Cabinet committee said that the language was unwieldy. Rather than overturn the English language, the reports argued, it were easier to simplify the latter's usage by example of the mass media news broadcasts. Radio newscasts, which had been made up of long descriptive commentaries before the war, took on the shorter formats that are featured today. The long sentences, often with literary overtones, gave way to shorter, more direct sentences and simple vocabulary.

Television news has adopted this linguistic style: simple direct sentences, with a very, very limited vocabulary. Television newscasts, never too informative and erudite, have become less so in recent years, as they were forcibly dumbed down. When Roone Arledge, the former head of ABC sports, took over its poorly rated news division in the mid-1970s, he demanded that news broadcasts be simplified and made easier to understand.

In a 1979 article in *Washingtonian* magazine, media expert and political scientist John David Barber supported Arledge's approach to the news, arguing that its language "passes right over the head of the great lower half of the American electorate." He compiled a list of 31 words that he thought should be excised from a CBS news broadcast; included was the term "political conspiracy." Wrote Barber, "There is no way that [that] vocabulary can catch and hold the average high school graduate." Most news directors agree with that assessment: Vocabulary analysis of newscasts reveals that, other than specialized terms, names of places, and proper names, far less than Basic's 850-word vocabulary is employed.<sup>3</sup> Recent studies have shown that the vocabulary of the average American, while not quite at the Basic level of 850 words (excluding proper nouns and specialized terms), is plunging toward that level.

—L. Wolfe

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3. The vocabulary of non-news television is even more degraded and limited.

rooms. And, in the center of those living rooms was their new television set, whose banal images provided assurance that the corrupt moral choices they had made were correct.

The earliest programming fell back on the tested models of radio, as described in the Radio Research Project: the situation comedy, or “sitcom,” the game shows, the variety shows, sports, and the “soaps.” Many were in serial form, with interlocking characters, if not stories. All were banal, and deliberately so.

The children of these unhappy veterans, the so-called baby boomers, became the first generation to be weaned on what LaRouche calls “the one-eyed babysitter.” Television viewing was encouraged by parents, often as a means of controlling the children, who would stare at whatever was on the screen for hours on end. The content of the first children’s programs was banal (but no more so than the television programming in general), and mentally destructive; even more destructive was the replacement of real family interaction by television viewing, as the dinner table was replaced by the “TV dinner” in front of the tube. Not surprisingly, the children fixated obsessively on the items advertised by the media, demanding that they be given such items, lest they not be like their friends.<sup>11</sup>

In the mid-1970s, Eric Trist, who, until his death in 1993, headed Tavistock’s operations in the United States, and Tavistock’s main media “expert,” Fred Emery, reported on their findings of the impact of 20 years of television on American society. In Emery’s 1975 work, *Futures We Are In*, they reported that the content of programming was no longer as important as the sheer amount of television viewing. Average daily viewing time had risen steadily over the two decades since the introduction of the medium, such that by the mid-1970s, it ranked as a daily activity only behind sleep and work, at almost six hours a day (since then, it has risen still further, to more than seven hours, with the addition of video games, home videos, and so on); among school-age children, the time spent viewing television ranked just behind school attendance. These findings, Tavistock indicated, strongly suggested that television was like an addictive drug. Similarly, Emery reported on neurological studies which, he claimed, showed that repeated television viewing “shuts down the central nervous system of man.”

Whether this claim holds up under scientific scrutiny, Emery and Trist present persuasive argument that general, fixated television viewing lowers the capacity for conceptual thinking about what is being presented on the screen. The studies show that the mere presence of images on television, especially within appropriate news or documentary format, but also within general viewing, tends to “validate” those images, and imbue them with a sense of “reality.”

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11. One of Tavistock’s specialties is the study of the psychological manipulation of children, and the impact of advertising on young minds. Such advertising is carefully crafted to lure children into desiring the advertised product.

Trist and Emery find nothing wrong with such developments, which indicate that television is producing a brain-dead generation. Rather, they show how this development fits into a larger global plan for social control, implemented by Tavistock and its allied networks on behalf of its sponsors. Society, they state in *A Choice of Futures*, a book published in the same time period, has been plunging through progressively lowered states of mental awareness, to a point where even the Orwellian fascist state is not attainable. At this point, thanks to television and other mass media, mankind is in a state of *dissociation*, whose political outcome will be manifested in a “Clockwork Orange” society, named for the book by the late Anthony Burgess, in which roving youth gangs habitually commit acts of random violence, and then return home to watch the news about what they have done on the “tube.”

The brainwashers point out that this development, for which they say the violence of Northern Ireland is a model, was not induced by the effects of television alone. Society has been put through “social turbulence” in a series of economic and political shocks, which included the war in Vietnam, the oil price shocks, and the assassination of political leaders. The psychological impact of those events, for whose responsibility they neglect to properly ascribe to the Anglo-American establishment, were magnified by their being brought into homes, in gory and terrifying detail, by television news broadcasts. Under the Trist-Emery scenario, one can imagine hearing the tag line for a future late news program: “The end of the world. Details at 11.”

### **The Golden International’s Brave New World**

In a 1991 anthology of the work’s of Tavistock which he edited, Trist wrote that all of the international “nodes” or centers of the institute’s brainwashing apparatus were deployed for the central purpose of consolidating the paradigm-shift to a “post-industrial world order.” Their goal, he stated, was to make the shift irreversible. In this work, and in other locations, Trist, like Alexander King, urges a mass “reeducational” campaign to break the last vestiges of national resistance, especially within the United States, to this new, one-world order.

Approximately 10 years earlier, another of Tavistock’s minions, Bertram Gross, in a paper delivered to a 1981 World Future Society conference attended by Al Gore, provided a glimpse of what this “new world order” might look like. Gross argued that in the period ahead, the world would be offered what Tavistock likes to call a “critical choice”—a set of options, all of which appear to be bad, but, because of applied terror and pressure of events, a choice is nonetheless forced and the “less bad” option taken. Western industrial society will break down into chaos; this chaos can, he said, either lead to a fascism of the authoritarian type that the British helped install in Nazi Germany, or to a more humane and benevolent form of fascism, which Gross called a “friendly fascism.” The



choice, Gross proclaimed, is to attempt to go back to the old industrial paradigm, under which there will be Nazi fascism; or, to embrace post-industrialism, where there will be a “friendly fascism.” The latter, he said, is clearly preferable, since it is merely a transition to a new “global information world order,” which will involve more personal choice and freedom, a true open and participatory mass democracy.

For Gross, the choice is clear: In any case, there will be pain and suffering; but only the “friendly fascism” of the global information order, of a society wired together by cable television, satellites, and computer lines, offers hope for a better “future.”

Who shall administer this “friendly fascist” world order? Gross explained that there now truly exists a “Golden International,” a term that he credited to the late Communist International (Comintern) leader Nikolai Bukharin. It is an enlightened international elite, based within the powerful European-centered oligarchy that controls the global multinational communications industry, as well as other critical resources and global finance. This elite must be instructed and informed by the intelligence of the Tavistock networks; they must be shown that the great masses of television-fixated mental zombies can be won easily to this brave new world, through inducements of entertainments and the endless supply of “information.” Once the masses are won over, through “education,” then the resistance within national sectors will collapse.

In 1989, under the initiative of Trist, Tavistock convened a seminar at Case Western Reserve University to discuss the means to bring about a “stateless” international fascism—a new global information world order. In 1991, Tavistock devoted its journal, *Human Relations*, to the publication of the papers from that conference. In several of the papers, the call went out for the deployment of the mass media on behalf of this project.

In addition, since 1981, there was now a new technology at the disposal of the brainwashers—the Internet. According to Harold Perlmutter, one of the participants at the Case Western seminar, the Internet represented a subversive means to penetrate national borders with “information” about this new world order; it also serves as a glue for a network of non-governmental organizations, all circulating propaganda for the new world order. These NGOs are to be the superstructure upon which the new world order is to be built. Perlmutter, and other conference participants, argued that their movement cannot be beaten, because it doesn’t exist, in a formal sense. It resides in the minds of its conspirators, minds informed by Tavistock’s mass-media brainwashing machine. As television was the information drug during the last half of this millennium, so the Internet, with its glut of mostly useless chatter and “information,” with its subversive, programmed messages, is to be the new “drug” of the next millennium, Tavistock boasts.<sup>12</sup>

12. There has been a massive investment in the infrastructure of the Internet,

“Americans don’t really think—they have opinions, feelings,” said the Futures Group’s Hal Becker in a 1981 interview. “Television creates opinion, then validates it. Are they brainwashed by the tube? It is really more than that. I think that people have lost their ability to relate the images of their own lives without television intervening. This really is what we mean when we say we have a wired society. We are headed for an Orwellian society, but Orwell made a mistake in *1984*. Big Brother doesn’t need to watch you, as long as you watch it. And who can say that this is really so bad?”

### The fly in the ointment

But, even within the elitist circles of Tavistock’s international networks, there is a faint glimmer that something might be seriously awry in their plan. It was expressed by an author quoted by Emery back in 1973, who wondered aloud what might happen when the television-addicted baby-boomer generation fully takes over the reins of leadership. Have we really prepared them to lead? Can they think and solve problems? Emery dismisses the problem, indicating that there is enough time yet to train such leadership cadre.

But the questions linger. In 1981, at the World Future Society event at which Gross delivered his paean to the “friendly fascist” “global information order,” Tony Lentz, an assistant professor of speech at the Pennsylvania State University, observed that he had witnessed destruction of oral and written skills, by the mass media and television; not only could most students not write coherently, but they could not even speak intelligently. This was not merely a function of miseducation, he stated in his paper, “The Medium Is Madness,” but also because they had no desire to think. Arguing that Plato states that our knowledge of the world must be based on knowing the mind of someone who knows something about it, Lentz said that television has left people with the idea that mere images represent knowledge. There is no questioning, no effort to get inside the mind of someone, merely dialogue and image, sound and fury, that certainly signify nothing.<sup>13</sup>

“Allowing ourselves to be influenced by the subtle but powerful illusions presented by television,” wrote Lentz, “leads to a kind of mass madness that can have rather frightening implications for the future of the nation. . . . We will have begun to see things that aren’t there, giving someone else the power to make up our illusions for us. The prospect is frightening, and given our cultural heritage we should know better.”

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disproportionate to available near-term, or even intermediate-term return. This leads one to speculate that such investment is in fact a “loss leader,” for the intended psychological impacts of the new technology.

13. While such expressions are an echo of Platonic thinking, they are merely that—an echo. For a better understanding of the problem of education, see Lyndon LaRouche, “On the Subject of Metaphor,” *Fidelio*, Fall 1992.

# For whom the polls toll

by L. Wolfe

In the 1996 national political conventions, ABC television unveiled what it called the latest “breakthrough” in polling—the “Insta-poll.” A small “focus group” of selected individuals, supposedly a statistically valid demographic representation of the American population, sat in a room watching live telecasts of the Dole and Clinton acceptance speeches. In their hands, they held a rheostat-like device with which they registered their pleasure or displeasure with statements made by the candidate as he was speaking. These responses were fed into a computer, which then converted the aggregate responses into graphic representations, fluctuating on the screen as opinions instantly changed. The ABC commentators proclaimed that this “new” technology enabled them to break down the speech, to analyze what parts of it “played in Peoria.”<sup>1</sup>

Graphic representations aside, the technology was hardly new. Some 60 years ago, a similar device had been developed as part of a Rockefeller Foundation-funded project, using the U.S. networks of Freudian brainwashers from the Frankfurt School’s Institute for Social Research<sup>2</sup>, and other operatives allied with the London Tavistock Institute, to study radio’s impact on society and its potential for mass brainwashing. Directing the so-called Radio Research Project, based at Princeton University, was one of the fathers of public opinion polling, Paul Lazarsfeld, along with three others who were to become prominent in that “black art”: the Tavistock-linked Gordon Allport, from Harvard; Hadley Cantril, who established one of the leading polling-profiling operations out of Princeton; and Frank Stanton, then the director of research for the CBS radio network, who was later to rise to head CBS’s News Division, and still later to head both CBS network and the RAND Corporation.

The crowning achievement of the Radio Research Project was the Stanton-Lazarsfeld Program Analyzer, the so-called “Little Annie”—a rheostat-like device with which test audi-

ences could register the intensity of their likes and dislikes of radio programs, or commercials, on a *moment-to-moment* basis; the brainwashers were able to determine what particular characters or situations produced the desired, momentary feeling states in the target audience.<sup>3</sup>

## In the beginning . . .

All public opinion polling has its origins in “sociometrics,” or statistical sociology, as developed in the early part of this century by Frankfurt School-linked operatives, including Max Weber.<sup>4</sup> It is based, as with ABC’s Insta-Poll, or the Radio Research Project’s “Little Annie,” on the measurement of momentary feeling states, or *opinions*, on given subjects. This provides a detailed profile of the *prejudices* and *assumptions* of a targetted population; as such, polls can be useful for mass brainwashing campaigns to shift opinions to those desired by those who run them. The mass media, as they developed through this century, from print, to radio, to television, became the principal vehicles for the promotion of such shifts.

*Creative thinking* defies measurement in quantifiable terms. It is impossible to come up with a statistical correlation, based on polling, that could determine whether one creative idea is better or more valid than another, whether it can be accepted by society as useful, important, or true. As those involved with the Radio Research Project, and such American pollsters as George Gallup and Lou Harris, or Elmo Roper, “proved,” *opinions* can be easily counted; other-directed Americans, always concerned about what their neighbors think, as determinant of what they should think about given subjects, were shown to be readily susceptible to manipulation by poll results, accepting the poll numbers as true, and being guided in their own actions by the perceived “major-

1. While the commentators had clearly hoped for some dramatic results, the graphic data showed hardly any “connection” between the focus group, split between “Democrats,” “Republicans,” and “Independents,” and the acceptance speeches: The graphs were mostly horizontal lines, similar to the “flat-liner” readings of the vital signs of dead patients.

2. See Michael Minnicino, “The New Dark Age: The Frankfurt School and ‘Political Correctness,’” *Fidelio*, Winter 1992.

3. To this day, CBS maintains “program analyzer” capabilities in both New York and Hollywood; other networks and production studios use similar devices. It is said that they correlate 85% to A.C. Nielsen polling-ratings for television viewership.

4. While the concept of public opinion was discussed during the last century, the idea of statistically measuring it with polls is new to the twentieth century. The first interpretive public opinion poll was conducted in 1912, with the advice of Max Weber, to determine for a German trade union leader what his members thought about certain subjects, so that he could take the position on them that the majority would favor.



The polling process, as seen in the newspaper *New Federalist*.

ity opinion.”

Polling of the type that most Americans are familiar with began in the 1930s, becoming featured material on radio and in newspapers. At that time, most polls were conducted by national polling agencies, such as Gallup, Roper, or Harris, with specialized contracting handled through Cantril’s operation at Princeton and, later, Allport’s at Harvard. By the late 1940s and early 1950s, the key U.S. nodes of Tavistock were conducting specialized polling operations, under contract from government agencies and the private sector. In the 1960s, the television and radio networks linked up with major newspapers, such as the *Washington Post* and the *New York Times*, to run their own polling operations; they are now a staple of the nightly television news broadcasts on all networks, including the cable news channels, such as CNN.<sup>5</sup>

### Shifting policy

There has always been a more covert, secret side to these polling operations. The results of the Radio Research Project had demonstrated the effectiveness of public opinion polling for *profiling* populations, to determine their subjective weaknesses, for purposes of manipulation. This was put to work during World War II, as Tavistock-linked brainwashers conducted extensive polling of the enemy and allied populations,

5. It was Frank Stanton who introduced polling as a component of the “Evening News” during his reign at CBS.

operating from the Army’s Psychological Warfare Directorate and the Committee on National Morale, to determine the effectiveness of brainwashing propaganda.<sup>6</sup> The findings became the basis of detailed country and regional population profiles that were used by the British oligarchy and its American lackeys to shape post-World War II policy.<sup>7</sup>

6. One of the key profiling operations revolved around the study of war bond sales, and the effectiveness of the various promotional campaigns. Among its findings, was that the American population had little belief in anything that political figures said, with the exception of President Franklin Roosevelt; however, they tended to look favorably upon the same statements made by movie stars and similar figures of popular culture.

7. Some of the results of the polling was published in journals, such as *Public Opinion Quarterly*, edited by Cantril, and directed toward pollsters and their controllers. These and other classified data revealed that Americans, while still fearing “communism,” looked forward toward working with Russia as a continuing ally in President Roosevelt’s proposed postwar “grand design” for peace and prosperity. There was also a great deal of distrust of the colonial powers, most notably the British Empire, and support for a policy of emancipation for all colonial peoples, and an accompanying economic improvement—provided that American prosperity could be insured; the overriding fear of a new depression was noted, as well. After Roosevelt’s death, British-inspired efforts split the potential alliance between the Russians and the United States, and a new wave of anti-communist hysteria was cranked up leading to the obscenity of McCarthyism. Simultaneously, the country was plunged into a new depression, and its profiled response had Americans retreating into their own fearful lives, giving up, for that crucial moment, the hopes for a better world, free of colonialism, that had been inspired by Roosevelt and the victory over fascism.

Immediately after World War II, the most extensive profiling of the American population to date took place under the auspices of a project run jointly through the Tavistock-Frankfurt School networks, ostensibly to study “prejudice” in the United States. The study, whose most notorious volume was titled *The Authoritarian Personality*, was used to promote the still-widely-held belief that fascism derives from certain “personality types,” and its quack measurements and description of this personality type have since been used to target any enemy of British policy interests.<sup>8</sup> The database assembled from the tens of thousands of interviews, provided a compilation of manipulable proclivities and fears of Americans, that was used in the following decades.<sup>9</sup>

Another major polling-profiling operation was undertaken by Tavistock networks in the 1960s, under a NASA grant, ostensibly to examine the impact of the space program on the population. The findings of the semi-secret Rapoport Report, of which only one volume was published, found that the space program had produced a “dangerous” outbreak of cultural optimism and belief in the capability of creative scientific thinking to solve problems; this was dangerous to the British policy of post-industrialism, then beginning to be implemented.<sup>10</sup> The reports, which found their way into the highest policy circles of the British Empire, led to a decision to shut down the U.S. space program as rapidly as possible, even as it was achieving its crowning success with the 1969 manned lunar landing.

To build public support for this shutdown of the space program, starting in that same period, an effort was launched through public opinion polling, by agencies such as Gallup and Harris, and promoted in the media, including television, to “show” that Americans were opposed to the continued expenditures for manned space flight; the fraudulent results of these polls helped shape the 1970-72 election campaigns, in which such a scale-back was debated.<sup>11</sup>

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8. The Anti-Defamation League of B'nai B'rith and the British-controlled and -influenced U.S. media have used this method against Lyndon LaRouche.

9. Interestingly, Frankfurt School-directed profiling of the German population in the 1930s found that anti-Semitism was not a feature of the German character, that Germany was not anti-Semitic as a nation, nor was anti-Semitism even the most important feature of Nazism. Those findings proved a great embarrassment, that had to be covered up, for the “authoritarian personality” hoax to play out.

10. A portion of the so-called Rapoport Report was published under the title, *Social Change: Space Impact on Communities and Social Groups* (see also *EIR*, Jan. 12, 1996, “The Tavistock Roots of the ‘Aquarian Conspiracy’”).

11. The cited polls usually asked questions that compared expenditures for the space program to funds needed for mass transit, new housing, and similar “down to earth” programs. At first, there was no direct question about support for the space program itself, or even for the lunar landing; those questions were asked later, after the initial poll results were publicized, and after various “scientists” were brought into public view to claim that unmanned space exploration was the cheaper and more effective use of funds. Never was anyone told about the vast benefits to the domestic economy caused directly and indirectly by the Apollo program.

## Big business

Today, public opinion polling is a multibillion-dollar industry, involving tens of thousands of operatives, and hundreds of thousands of polls annually. Aside from the daily appearance of poll results in the media, corporate and business leaders use polls to guide their decisions on everything from when to best announce layoffs, to what color next year’s cars should be.<sup>12</sup> Political figures, from the President on down, unfortunately rely on polls and pollsters to determine what they should say and how they should act; in the most recent election campaign, approximately 15% of the vast sums of money spent went to pollsters and their analysts.<sup>13</sup>

“Polls prove that people are stupid,” said Hal Becker, who headed the Connecticut-based Futures Group, an outfit which specialized in sophisticated polling of the U.S. and other national populations. “If you want an American to believe something, then all you have to do is get a poll taken that says it is so (and believe me, that is an easy thing to do, if you know how), and then get it publicized. You can tell somebody the Moon is made of green cheese—if the poll numbers say it is so, then the jerk reading them or watching them on the boob tube will believe it. Guaranteed.”

Becker made those comments in 1981. They are just as true today. However, no matter how many people believe that something is true, this doesn’t make it true, but only the prevailing *opinion*. Ted Turner, the media magnate now conjoined with Time-Warner, believes that the future of U.S. politics lies in the instant polling of Americans, which he calls the ultimate form of participatory democracy; new forms of interactive cable and the Internet, he says, will make all this possible.<sup>14</sup> He is not alone in such professed beliefs; a 1991 Tavistock-initiated study on, among other things, new forms of world government, reached a similar conclusion.<sup>15</sup> Our Founding Fathers, in their infinite wisdom, designed a Republican government, based on seeking the truth, and resisting the whims of ill-informed or manipulated “mass democracy.” We have already come too far down the path plowed by the pollsters, and their backers such as Turner—a path which leads straight to fascism.

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12. Walter Lippmann’s associate at the British Wellington House psychological warfare unit during World War I, Sigmund Freud’s nephew Eduard Bernays, was the first to emphasize the value of polling data for determining public taste. Bernays is generally regarded as the father of “Madison Avenue” advertising.

13. Much of the political polling is complete fabrication. As some of the work of Roy Cohn-linked Dick Morris demonstrated, it is intended to manipulate candidates into spending money for media, with the appropriate kickbacks to the pollsters.

14. Turner’s partner, Warner Communications, had experimented with mass interactive democracy during the 1980s, using its interactive cable system, Qube, to provide instant referenda for local governments.

15. The 1989-91 Case Western Reserve-directed study on mass participatory democracy, proposed using technology that became the Internet, as a mechanism for doing away with the nation-state. See *EIR*, May 24, 1996, “Tavistock’s Imperial Brainwashing Project.”

# A case study: The news media robbed American citizens of an election

by Dana S. Scanlon

The morning after the Feb. 24, 1996 Democratic Presidential primary in the state of Delaware, many Americans read in their local paper a national wire story by Associated Press's Wilmington correspondent, which reported that President Bill Clinton had "won the primary unopposed." Less than one week into the Presidential primary season, which opened officially with the New Hampshire election on Feb. 20, the Associated Press had already left its mark on what was to become the Big Lie of the campaign.

Not only was Lyndon LaRouche on the ballot in Delaware's primary, but he received nearly 10% of the vote. He campaigned in the state, and gave a press conference on Feb. 15, which AP chose not to attend.

After being contacted by a number of callers, AP eventually issued a correction to its story. Did the correction report the facts? Not at all. Once again, AP played fast and loose with reality, and reported simply that "Clinton had won the primary."

Weeks later, when LaRouche garnered 12.7% and 11.7% of the vote in Oklahoma and Louisiana, respectively, AP was at it again. "Clinton had won unopposed," it said. When a Washington, D.C.-based representative of AP was contacted about retracting this outright lie, he scoffed that the LaRouche vote was not significant, because there were indications that the Democratic National Committee would not recognize LaRouche as a legitimate candidate (a major story which should have been covered, in and of itself). Perhaps, he added, if LaRouche were to have received 55% of the vote, it would be worthy of coverage—but he wasn't even sure about that.

AP was not alone in perpetrating this Big Lie. The *Washington Post*, among other news organizations, also ignored the Delaware results, and lied about LaRouche's presence in all the primaries—except for perfunctory, after-the-fact mention of the local (Virginia, Maryland, and District of Columbia) races. LaRouche's March 12 results in Oklahoma and Louisiana were also deceitfully ignored, and readers were treated to the following analysis: "Clinton, facing no opposition in his party, was poised last night to clinch the Democratic

nomination mathematically."

News of LaRouche's more than 35% in North Dakota's Feb. 27, 1996 "beauty contest" (Clinton was not on the ballot) was also ignored, while readers were bored with such platitudes as: "While North and South Dakota had a longer history of primaries than Arizona, they drew relatively little attention from the candidates—in part because Dole was heavily favored."

Had the news media of a developing sector country, say, in Africa, committed such outrageous acts of political thuggery against a maverick candidate, and favoritism toward its establishment candidates, the stage would be set for another round of cries against "tin-horn dictators" controlling their nation's news media. Some outraged lawmakers would almost certainly call for financial assistance to be cut off against such a renegade nation, until it learned to accept the rules of the democratic process.

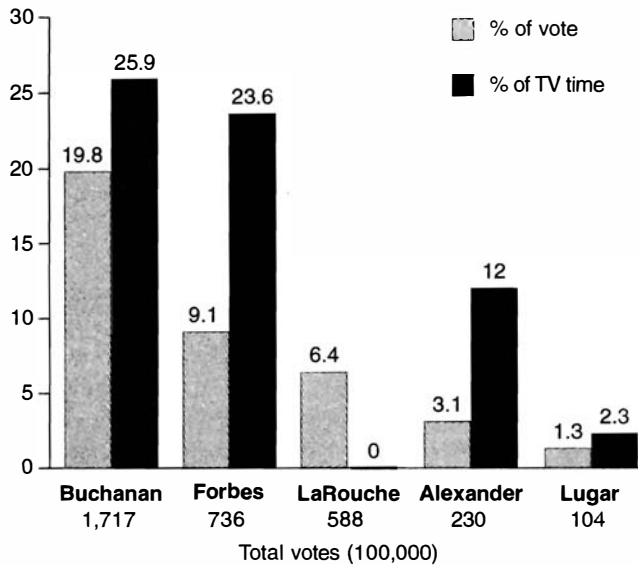
Yet, in the United States of America, such an act goes without notice.

### The case of television

Despite the claims that Americans have grown cynical about their evening news programs, they remain overwhelmingly dependent on the national prime-time newscasts to tell them what to think. Although LaRouche was on the ballot in about half of the Democratic Party primaries, his name was not mentioned one single time on any of the network evening news shows. The content of those programs is controlled by the media cartel. **Figures 1 and 2** starkly show the extent to which the national networks attempt to influence the outcome of elections. The results are so striking that it is impossible not to conclude that when the media cartel decides to promote a candidate, such as the insignificant Lamar Alexander, the former governor of Tennessee, they bestow a disproportionately high amount of coverage on that candidate, trying to manipulate the outcome of the election. And conversely, when the same media want to crush a candidate, such as LaRouche, a complete blackout is imposed—evidence of popular support notwithstanding.

FIGURE 1

**Voter preference vs. media preference in the Presidential primaries**



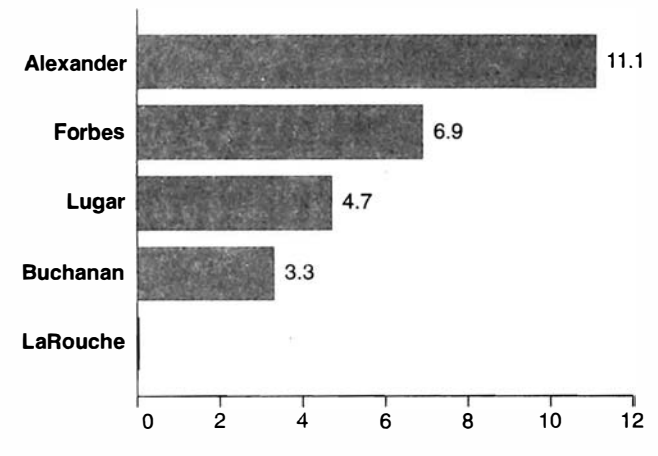
LaRouche's vote totals in Democratic Presidential primaries in states where funny business did not occur in the vote count, ran as high as 7 to 13%. The average, 6.5%, is shown in Figure 1. LaRouche received not a single second of coverage on the nightly newscasts of the Big Three networks (NBC, ABC, CBS) during the first four months of 1996, during which most of the primaries were concentrated, and for which data have been compiled for the other candidates. Compare for a moment LaRouche's "media preference" to that of Forbes and Alexander. Keeping in mind that with 6.5% of the vote LaRouche received no national TV coverage at all, Alexander, who received less than half of LaRouche's vote totals (3.1%), was given 12% of the total minutes of prime-time network coverage. Forbes, who received 9.2% of the vote, received 23.6% of total coverage.

When the data were compiled to show minutes of network TV coverage per 100,000 votes received (see Figure 2), the picture that emerged was worth a thousand words. Alexander tops them all as a media darling, with 11.1 minutes of free TV time for every 100,000 votes received. Forbes is also way up there, with 6.9 minutes, followed by Lugar, with 4.7, and Pat Buchanan, with 3.3. LaRouche comes in dead last, with 0.

According to data assembled by the Washington, D.C. Center for Media and Public Affairs, from Jan. 1 through the March 26 California primary, the Big Three networks broadcast 573 stories on the 1996 Presidential primaries. During that period, LaRouche was not mentioned in any of those stories, despite the fact that during that time frame he scored results that could only be described as "shocking"

FIGURE 2

**Minutes of network TV coverage per 100,000 votes received**



for a non-establishment candidate: 9.6% in Delaware, 34.5% in the North Dakota beauty contest, 12.7% in Oklahoma, 8.3% in Ohio, 7.6% in Mississippi, 11.7% in Louisiana, 11.2% in Colorado, and 7.0% in California.

Also not reflected in Figures 1 and 2 are the countless hours of coverage devoted to the candidates on "talking head" programs such as ABC's "Nightline," morning news shows such as "Good Morning America," and the Sunday morning interview shows such as "Meet the Press." None of these invited LaRouche to participate.

If "non-person LaRouche" received 6.5% of the vote on average in the primaries, what would he have garnered if his presence had simply been acknowledged by the media? His vote count could easily have doubled.

**'Getting around' the FCC**

In a rare admission, a top executive of national television programming matter of factly asserted in front of rolling cameras on May 23, 1996, that "getting around" the Federal Communications Commission's equal access provisions is a basic trick of the trade, when it comes to Presidential campaign coverage. The statement was made at a symposium at the National Press Club in Washington, D.C., sponsored by the American University's School of Communication and the giant Denver-based cable TV company, Tele-Communications, Inc. (TCI).

The symposium, "New Media, Old Media and the Future of Campaign Television: What Next on the Free Air Time Issue?" was styled as a debate in which liberal and conservative views concerning the universally recognized inadequacy of campaign coverage would be aired. Only the repeated interventions of this author (also a representative of LaRouche's Presidential campaign committee) made it clear that the solutions envisaged by the panelists were premised on the corrupt



notion that the ladies and gentlemen of the news media, both so-called left-wing and right-wing, arrogate solely to themselves the right to determine which candidates the voting public shall be allowed to take seriously.

The proceedings revealed that, when they think they are among their own, leading members of the news media *acknowledge* their participation in a conspiracy to manipulate the political process and evade the laws of the FCC.

Throughout the proceedings, there was much self-serving congratulatory talk about the twin efforts of TCI News and former *Washington Post* political reporter Paul Taylor to launch the "free TV time" bandwagon. Taylor has been joined by former CBS national news anchor Walter Cronkite and former Sen. Bill Bradley (D-N.J.), in the Free TV for Straight Talk Coalition, a group which has successfully persuaded the television networks to donate free air time to the "principal" candidates for President during prime time in the final months of the campaign. TCI News has been credited with being the first major news organization to do this, with its daily "Race for the Presidency" program. (Rupert Murdoch of Fox-TV was the first national network owner to agree to this the previous winter.) But the notion that now, with these initiatives, the problem has been "fixed," was exposed as a hypocritical sham during the symposium.

The most telling statement about how the "fix" will continue to exclude significant national candidates such as LaRouche, was by Robert Thomson, senior vice president of communications and policy planning for TCI, and its primary liaison on Capitol Hill.

Thomson described the efforts involved in getting Race for the Presidency off the ground, and in getting other cable stations to carry it. Race for the Presidency was even singled out by Vice President Al Gore as helping to "elevate the dialogue of democracy," with its showing of candidate videos. Thomson described the various FCC regulations and fairness laws that are on the books, and said that "in order to get around those laws, we had to style it as a news show even though we are really giving free air time."

"Styling" it as a news show meant that TCI News became exempt from having to offer the same time to *all* qualified candidates. In this particular case, and, *with the sole exception of Lyndon LaRouche*, TCI News provided free access to *every single major Republican and Democratic candidate*, and some not so major ones, including individuals with less than a snowball's chance in hell to obtain their party's nomination, such as Illinois businessman Morry Taylor, Jr.

### Partners in crime

The TCI News editorial decision to exclude LaRouche from its "free TV time" offer was no isolated incident. Fox-TV, which made a much-publicized offer of air time to candidates last winter, asked the FCC to rule that its proposals would be exempted from the Communications Act fairness laws. In late August, the FCC did just that, in a unanimous 4-

0 ruling. Its actions in the weeks just prior to that ruling, however, demonstrated that having the FCC keep watch over the TV networks to enforce fairness in campaign coverage is like appointing a fox to guard the hen house.

The FCC made itself into a partner in crime with the television networks by intervening in summer 1996 to sabotage the LaRouche campaign committee's efforts to purchase television time in Pennsylvania, in order to air its hard-hitting exposé of Pennsylvania Gov. Tom Ridge's killer budget-cuts. Weeks after numerous stations had agreed to air the ad, they began cancelling, citing a memo from the president of the Pennsylvania Broadcasters' Association, which was sent to all the electronic media in the state. The memo affirmed that they were under no obligation to sell air time to the LaRouche campaign because the chairman of the Democratic National Committee, Donald Fowler, had declared that LaRouche was not a *bona fide* Democrat. The president of the Pennsylvania Broadcasters' Association produced a July 30, 1996 FCC ruling which argued that the stations did not have to air the LaRouche ads unless LaRouche could produce a document from Fowler certifying him as an authentic Democrat.

Serving as censors and king-makers is not the only function of the news media cartel's dictatorship. Many states, including Michigan, for example, use "coverage by the news media" as a standard for determining eligibility for ballot status in the primaries. Thus, the deliberate decision of America's news media to lie about LaRouche, making him a non-person, was used by the authorities in several states as the pretext to keep him off the ballot.

## The power of AP

In his recent book, *The New News Media* (New York: HarperPerennial, 1995), former NBC news anchor John Chancellor described the power exerted by Associated Press over the flow of news to the American public:

"The AP and the other wire services are the great engines of newsgathering and distribution, at the center of the news business. 'The Wires,' they're called in newsroom shorthand. The AP wire provides both the text and the context of the news. Every daily news organization sorts and sifts the day's events to decide what will be published or broadcast, how much space or time it will get, and where it will be placed in relation to the rest of the news. The AP is central to the process of decision. . . . It is a non-profit organization, owned by the U.S. newspapers it serves. They aren't customers, they are members, served by a staff of more than 3,100."

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## Book Reviews

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# How the news media invented Whitewater

by Edward Spannaus

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### **Fools for Scandal: How the Media Invented Whitewater**

by Gene Lyons and the editors of Harper's magazine  
Franklin Square Press, New York, 1996  
224 pages, paperbound, \$9.95

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### **Blood Sport: The President and His Adversaries**

by James B. Stewart  
Simon & Schuster, New York, 1996  
479 pages, hardbound, \$25

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Almost everything you think you know about Bill and Hillary Clinton, the President's libido, and the couple's allegedly seamy business dealings in darkest Arkansas—from Gennifer Flowers to the entire Whitewater affair—rests on “facts” that are somewhere between the highly dubious and demonstrably false. Far from being the result of muckraking reporting by a vigorous and independent press, what the “Clinton scandals” amount to is possibly the most politically charged case of journalistic malpractice in recent American history.  
—from *Fools for Scandal*

Gene Lyons's *Fools for Scandal* is an extremely useful book, written by a reporter and columnist for the *Arkansas Democrat-Gazette* who has watched the national, and international news media trample into Arkansas, and then put out stories which are often patently false and laughable to those who have some familiarity with Arkansas politics.

For example, would you know from the national news

coverage that Bill Clinton and Gov. Jim Guy Tucker were political rivals, and not friends or cronies, who never had any private business dealings? Or that when he was governor, Bill Clinton had a running feud with the chicken and trucking lobbies (including Tyson Foods), and that those industries considered Clinton to be their bitter enemy? Not from the *New York Times*, you wouldn't.

The *New York Times* comes in for a well-deserved drubbing in *Fools for Scandal*, because it was the *Times*'s Jeff Gerth who wrote the first nationally prominent “Whitewater” story in March 1992, and the *Times* has stuck to its lies ever since.

The so-called “Clinton scandals” didn't just happen, Lyons writes, and he explains:

“They are also a result of one of the nastiest and most successful political ‘dirty tricks’ campaigns in recent American history. Aided and abetted by a small group of Arkansas Republicans whose hatred for the Clintons knows no bounds, they originated in a planned, coordinated smear campaign underwritten by right-wing organizations such as Floyd Brown's Citizens United, a California outfit called Citizens for Honest Government [producer of *The Clinton Chronicles*], Reed Irvine's Accuracy in Media, and evangelists Jerry Falwell and Pat Robertson. The *American Spectator* magazine, the *Washington Times*, and the *Wall Street Journal* editorial page pitched in enthusiastically. Self-styled ‘conservative’ talk-show hosts from Rush Limbaugh on down have disseminated hysterical falsehoods to an audience of millions.

“But,” Lyons adds, “the role of the *New York Times* and, to a somewhat lesser extent, the *Washington Post* in creating and sustaining the Whitewater hoax can hardly be overstated.

“Having bungled the Whitewater story to begin with, both newspapers' goal for months, indeed years, has been to protect themselves and their damaged credibility. With a few rare but honorable exceptions, the rest of the media pack has obediently followed.”

### **‘All the lies that fit, we print’**

The initial *New York Times* story—which provided the template for all future stories about Whitewater-Madison per se (as distinguished from “Troopergate,” and so on)—ran on March 8, 1992, which was in between the New Hampshire primary and the Super Tuesday primaries. The story more or less just sat there until the end of 1993, after Clinton had been President for almost a year, when it was revived under very different circumstances.

Regular readers of *EIR* know what those circumstances were, and they know that the impetus in late 1993 and early 1994 came from London—not New York or Washington. We will return to that shortly. But first, let's follow Lyons's dissection of the March 1992 *New York Times* story.

In a 1994 forum at the National Press Club in Washington, Lyons pointed out that the *American Journalism Review*

had stated that 80 to 90% of what the press knows about Whitewater, had come from Gerth's March 1992 article. Lyons told the Press Club audience that, on the contrary, "80 to 90% of what you think you know about Whitewater is, in fact, provably and demonstrably false based on hard evidence that was simply suppressed or ignored in the writing of the story."

The lead sentence of Gerth's *New York Times* article read: "Bill Clinton and his wife were business partners with the owner of a failed Savings and Loan Association that was subject to state regulation early in his tenure as governor of Arkansas, records show."

The truth of the matter is that Bill and Hillary Clinton entered into their real estate deal with Jim McDougal in 1978, when McDougal was not involved in any banking or savings and loan business at all; he didn't buy into Madison Guarantee Savings and Loan until five years later. Nor was Clinton governor at the time. And Gerth's article was downhill from there; almost every factual assertion was either outrightly false, or false in respect to the implications and inferences drawn therefrom.

The centerpiece of the Gerth article was the assertion that, after federal regulators had found Madison to be insolvent, Clinton had appointed a new state Securities Commissioner, who, rather than shutting the S&L down, as she was obligated to do under state law, instead approved two novel proposals to raise money to keep the S&L afloat; but then, federal regulators ultimately had to take over Madison anyway and shut it down.

In reality, as Lyons thoroughly documents, federal regulators had *not* found Madison to be insolvent in their report of January 1984, nor did the appointment of the new Securities Commissioner, Beverly Bassett Schaffer, *a year later*, have anything to do with the January 1984 report—which was, incidentally, a confidential, not public, report, about which Bill Clinton would have known nothing.

Furthermore, Schaffer did *not* have the power to shut down ailing S&Ls. She did urge *federal* regulators (the Federal Savings and Loan Insurance Corp.) to take over Madison in 1987, which they did not do until 1989. The reason? With the nationwide S&L crisis, there were far bigger problems, even in Arkansas.

To hear the *New York Times* or Sen. Al D'Amato (R-N.Y.) tell the story, you would think that Madison was a gigantic taxpayer bailout. In truth, Madison ranked number 196 in terms of its cost to taxpayers. And, although Lyons doesn't mention it, it came out during Senate hearings in 1996 that had federal regulators seized Madison when Schaffer asked them to, it would have not even cost taxpayers \$65 million, but only \$5 million.

As Lyons points out, in Gerth's interviews with Schaffer, the issue of the Whitewater Development Corporation never came up! The first time she ever heard of Whitewater, was when she read Gerth's *New York Times* article.

## Ambrose Evans-Pritchard: British agent

Gerth's 1992 story came and went, and nothing of significance happened around the Whitewater scandal until the end of 1993. In the intervening period, occurred the death of deputy White House counsel Vincent Foster, ruled a suicide. In light of all the fantastic stories which were later spun around Foster's death, it is essential to remember that Whitewater was simply not an issue at the time.

But suspicions around the death of Foster, whose body was found by Park Police in Ft. Marcy Park, were a big issue in one section of the news media—the British press, and in particular for Ambrose Evans-Pritchard of the London *Sunday Telegraph*. The role of the British press is a crucial element of the media-Whitewater story, which is underplayed in Lyons's account (not to mention Stewart's and all the other Clinton-Whitewater books)—although Lyons is, to some degree, aware of it. As readers of *EIR* know, Evans-Pritchard has been the most tireless in pumping and orchestrating the Clinton scandals, and has even acknowledged having sat in on legal strategy meetings involving Paula Jones's "sexual harassment" lawsuit against Clinton.

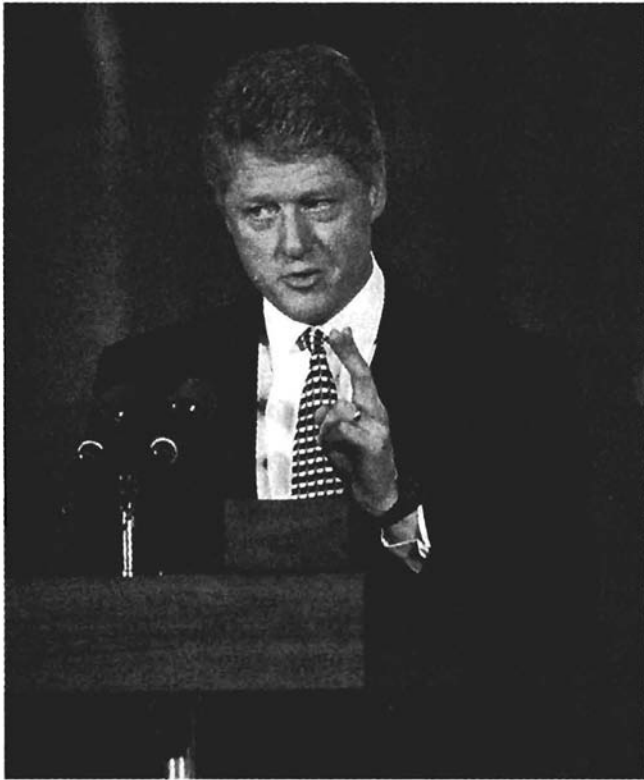
Lyons does display some awareness of the *Sunday Telegraph*'s role. To his credit, he brings to his readers' attention what he calls the "now familiar route" by which many of the wildest anti-Clinton stories made their way into the U.S. press: "crackpot newsletter to the London *Sunday Telegraph* to the *Wall Street Journal* editorial board to the world."

On July 25, 1993, in an article entitled, "Death in Clinton Clique: In Italy and America, Scandal and Peer Pressure Surround Suicides at the Top," Evans-Pritchard wrote that Foster's death "has set off a flurry of conspiracy theories," that some people think it was murder. Evans-Pritchard commented on Foster's role in Travelgate, and he raised the question of whether Foster "had been drawn ineluctably into something that had got out of hand."

British intelligence stringer Evans-Pritchard was no fan of Bill Clinton's, from the beginning. Throughout 1993, his columns invariably attacked the new Clinton administration, particularly on foreign policy matters. Already by the end of June 1993, Evans-Pritchard was showing signs of concern that Clinton might break with the British in a way no U.S. President had done for decades. Evans-Pritchard worried out loud that a "special relationship" was emerging between Washington and Bonn, and that this "pro-German tilt" in Washington would end up "relegating Britain to the status of a secondary ally."

Adding to the fears of the British and the international financial oligarchy by the end of 1993 were the signs of a potential U.S. break with International Monetary Fund policies, with Clinton administration officials attacking the "shock therapy" being applied to Russia, and calling for "less shock, more therapy."

From the British standpoint, things went from bad to worse during early 1994. When Clinton invited Sinn Fein



The “crimes” of which President Bill Clinton is charged by the media, are shown to be “somewhere between the highly dubious and demonstrably false.”

leader Gerry Adams to the White House in March, the Brits went ballistic. On March 19, the *Sunday Telegraph* screamed, “The United States is no friend of Britain.” It charged that Clinton was seeking the breakup of the United Kingdom. When Clinton stood at the Brandenburg Gate in Berlin in July, and called for a new German-American partnership, the British accused Clinton of betraying the mother country and killing off the “special relationship” between the United States and Great Britain.

This is the essential context for understanding how and why “Whitewater” went from nothing in 1993, to a dominant feature of the political environment around the Clinton administration in 1994.

### The revival of ‘Whitewater’

Gerth took another shot at scandalizing Clinton in the summer of 1993—because, according to Stewart’s account, the *New York Times* was hot to come up with their own story after the death of Vincent Foster. David Hale, a low-level municipal judge in Little Rock, was indicted in September as a result of his dealings with the Small Business Administration—before the appointment of any Whitewater special prosecutor—and was attempting to peddle a tall tale linking Bill Clinton, James McDougal, and then-Gov. Jim Guy Tucker, to criminal activity. Gerth’s story, lacking in

confirmation and coming from someone facing indictment, was too much, even for the *Times*, which killed it—for the time being.

Meanwhile, a Clinton-hating bureaucrat in the Resolution Trust Corp., Jean Lewis, was desperately trying to cook up a criminal case against the Clintons around the Madison S&L case. She filed a number of referrals to the Justice Department seeking criminal charges, and then apparently leaked the referrals to the *New York Times* and the *Washington Post*. The *Post* went with the story on Oct. 31, 1993, and followed up with three more stories the next week. Gerth, having been scooped, went with a more-elaborated story three days later, on Nov. 2, which also rehashed much of his March 1992 article.

Predictably, on Nov. 7, the *Sunday Telegraph* and Evans-Pritchard jumped in, with a piece entitled “Land Slips Away Beneath Clinton House of Cards.” Evans-Pritchard argued that Clinton’s election in 1992 was “an anomaly,” that liberalism, i.e., “permissive quasi-socialism,” is dead, and that “the self-righteous baby-boom liberalism of the Clintons is not even honest”; his evidence was the *Washington Post* articles of the previous week, alleging that there were federal investigations into the Clinton’s real estate deals.

On Nov. 11, NBC-TV’s *Nightly News* ran a story attempting to link Whitewater to the death of Vincent Foster, asserting that Whitewater-related documents had been taken from Foster’s office on the night of his death. James Stewart’s *Blood Sport* describes the NBC story as the result of a secret collaboration between NBC “investigative reporter” Ira Silverman, and David Bossie, an assistant to talk-show host Floyd Brown, the head of a get-Clinton outfit called “Citizens United,” also the publisher of the *Slick Willie* tract from the 1992 campaign, and of a newsletter called *ClintonWatch*. Bossie’s principal source was a segregationist Arkansas judge named Jim Johnson, an opponent of Clinton’s since 1966. (It was Johnson who launched David Hale as a professional witness against Clinton.)

Meanwhile, the “Troopergate” story, which flooded the news media at the end of 1993, was already in the works, being coordinated by Arkansas lawyer Cliff Jackson, a long-time associate and competitor of Clinton’s. (*The Irish People*, a pro-Sinn Fein paper published in the United States, identified Jackson as a British agent.)

Jackson had worked out arrangements with a couple of disgruntled Arkansas state troopers to have them tell their stories to two media outlets—the *Los Angeles Times* and the *American Spectator*. (On this aspect of the Whitewater story, Stewart’s account provides a great deal of heretofore unpublished material, although its reliability is sometimes open to question.)

The “Troopergate” story broke on Dec. 19, 1993, triggering a media uproar which soon resulted in President Clinton’s Jan. 12, 1994 request for the appointment of an independent counsel.

## The 'un-American Spectator'

What is the *American Spectator*? Not very American. "There has always been a strong British connection to the *American Spectator*," boasted the *Sunday Telegraph* of London on Feb. 13, 1994, in an article praising the "Troopergate" story. "The present Washington correspondent, Tom Bethell, is English, and Mr. [Paul] Johnson and Sir Peregrine [Worsthorne] are on the editorial board."

There was a certain reciprocity in this. Two days earlier, the *American Spectator's* editor-in-chief, Emmett Tyrrell, had written: "Much more so than the American media, the British media are alive with reports on the Clintons' scandals; and Mr. Evans-Pritchard, who is equal parts scholar, journalist, and adventurer, has been particularly tireless in examining those scandals."

Although both the *Los Angeles Times* and the *American Spectator* were competing on the story, the *Los Angeles Times* was a bit more cautious in rushing into print. David Brock finished his story first, in the *American Spectator*; when Jackson and the troopers read it, they were (according to Stewart) shocked at how sexually detailed and explicit it was, and they desperately wanted the *Times* to go first, to give their story credibility. But, to no avail; advance copies of the lurid *American Spectator* story were provided to CNN and ABC, and then the *American Spectator* issued a press release on Sunday, Dec. 19. CNN immediately began round-the-clock coverage, using film footage provided by Jackson. ABC and NBC quickly followed suit on Dec. 20. The *Los Angeles Times* story, by now downplayed, appeared on Dec. 21. The *Washington Post* went with it, prominently, the same day, and the talk shows went wild.

As the "Troopergate" frenzy was erupting, the *New York Times* and *Washington Post* both reported that Whitewater files had been removed from Vincent Foster's office on the night of his death. The *New York Times* solemnly called for a Congressional investigation. On Jan. 1, 1994, Rep. Jim Leach (R-Iowa), in a *Washington Post* commentary, called for the appointment of a special prosecutor. The *New York Times* then editorialized for a special prosecutor on Jan. 4, as did the *Washington Post* on Jan. 5.

Finally, the embattled White House announced on Jan. 12 that the President would ask Attorney General Janet Reno to appoint an independent counsel. (The independent counsel statute had been allowed to expire.) On Jan. 20, Reno announced the appointment of Robert Fiske—who was unceremoniously fired by a three-judge panel and replaced by Bush-leaguer Kenneth Starr in August 1994, after the independent counsel law was reenacted.

Clinton's concession only fed the media's appetite, which tried to come up with something new every day for the next few months. There was little new to be discovered about Whitewater as such—indeed, there was nothing there in the first place. But a succession of new "scandals" was cooked up almost weekly, many of them by the British press, which

then laundered them into the U.S. media. Already, on Jan. 2, 1994, Evans-Pritchard was complaining that most of the U.S. news media had "diluted" the Troopergate story, and he suggested that the American public "probably knows less detail than the British public at this point."

On Jan. 23, Evans-Pritchard scored his first "exclusive" scandal story, with a front-page *Sunday Telegraph* spread about a former Arkansas beauty queen who claimed that Clinton had threatened to maim and kill her. This fairy-tale soon made its way across the Atlantic into the *Washington Times* and other U.S. media outlets. By Feb. 6, Evans-Pritchard was in Little Rock, predicting that Bill Clinton would be forced out of office by the end of the year. On it went, week after week. At the end of March, Evans-Pritchard was again in Little Rock, trumpeting the Paula Jones suit against the President.

By March 27, Evans-Pritchard was a star. The *Sunday Telegraph* headline read: "Sunday Telegraph Reporter's Revelations Put Him in America's Media Spotlight: Why America Is Turning to an Englishman for Answers." The story opened with Evans-Pritchard describing how he was appearing on U.S. radio talk shows on a daily basis.

## The 'Troopergate 2' fairy tale

The function of the British press and their American imitators has been to keep feeding raw grist into the popular rumor mills, which provide the underlying impetus for the official Whitewater investigations. Lyons provides a useful example of how this works in his description of what he calls "Troopergate 2."

This commenced with an April 9, 1995 story by Evans-Pritchard in the *Sunday Telegraph*, which alleged that the White House had falsified both the time and the place of Vincent Foster's death. It was based on a claim by an Arkansas state trooper that Helen Dickey, a friend of the Clintons', had called the Governor's Mansion two hours before the Park Police in Washington had called the Secret Service.

Within days, Lyons says, the *Sunday Telegraph* story was reprinted in a full-page ad in the *Washington Times*, paid for by Richard Mellon-Scaife (publisher of the *Greensburg Tribune Review* in Pennsylvania and well-known to *EIR* readers for his seminal role in John Train's "Get LaRouche" salon in 1983). "Soon enough," writes Lyons, "the Internet was buzzing with conspiracy scenarios; letters and faxes began to pour into the offices of senators on the Whitewater committee." By August, *New York Post* columnist John Crudele was publicly advising Senator D'Amato to call the trooper and Helen Dickey as witnesses. D'Amato announced he would do so, and insinuated that Foster had been murdered. "On cue," Lyons continues, "independent counsel Kenneth Starr sent FBI agents to search Ft. Marcy Park with metal detectors for the third time."

When Dickey finally testified before the Senate Whitewater committee, her story was very different from that told by

the troopers to Evans-Pritchard: in fact, she had learned about Foster's death a couple of hours *later*, after the news was already public. The whole thing was a hoax, yet Evans-Pritchard had managed to pump the story into the U.S. media, and even into the Senate hearings and the independent counsel's office.

### **Fraudulent coverage of hearings**

Lyons also does a useful job in showing the completely fraudulent character of most news media coverage of the Congressional hearings on Whitewater. Lyons had the same experience that this reporter had during the hearings: after either watching the entire hearing on C-SPAN, or reading the full transcript, one readily sees that the next day's coverage in the *Washington Post* or *New York Times* bears no resemblance whatsoever to what actually took place. What I had concluded is that most of the reporters only hung around for the opening statements by the senators or representatives, and at best an hour or two of testimony, and then hightailed it back to their offices to write their stories—without any regard for what was going on in the hearing room.

Lyons puts it this way, regarding the Senate hearings run by D'Amato:

“Amid the glare of TV lights and the clicking of camera shutters, one Republican senator or another would make sweeping charges of corruption, malfeasance, and cover-up reaching all the way to the White House. The media would gravely report each accusation. Subsequent evidence or testimony would then reveal it to be either purely speculative or altogether groundless. Accusers would then either harangue witnesses for lying or quietly drop the charge and proceed to another witness. Sometimes the press would report the collapse; most often it wouldn't. But it never failed to jump on the newest charge, as people say in Arkansas, like a chicken on a June bug.”

### **Dry holes**

The truth of the matter is, that after three years of intensive and exhaustive investigations, no one has been able to come up with any evidence of illegalities committed by President Clinton—or Mrs. Clinton—with respect to the Whitewater-Madison affair. Months and months of Congressional hearings came up dry. Independent Counsel Kenneth Starr has coerced a number of guilty pleas and even won a couple of jury verdicts from Arkansans, but if anyone examines the cases closely, rather than simply relying on newspaper headlines and television sound bites, it is clear that these do not involve the Clintons. In even the most celebrated trial, that of Susan and James McDougal and Governor Tucker, the prosecutor threw a lot of mud in the direction of Bill Clinton, but ultimately he had to tell the jury that the President was not on trial, and that he was not accusing him of any illegal conduct.

As Lyons points out (and as readers of *EIR* already

know), the story of what actually happened around Whitewater and Madison Guarantee is available for anyone who wants to see it: This is the report issued by the Resolution Trust Corp. at the end of 1995. The report showed that it was Jim McDougal who was running the Whitewater Development Corporation into the ground, and that he was keeping the Clintons in the dark as to what was going on. The Clintons *were* passive investors who lost money on the project, as they had said. The Resolution Trust Corp. report, prepared under the supervision of a prominent Republican former prosecutor, found no evidence of wrongdoing by the Clintons, and recommended against the RTC bringing any civil action against them. As Lyons notes, it also showed “that every single one of Jean Lewis's reckless allegations had been proven false.”

As to James Stewart's *Blood Sport*, little need be said; it in fact stands as an exhibit demonstrating the truth of Lyons's thesis. This is supposed to be *the* definitive account of Whitewater. The obvious faults of Stewart's book have been widely pointed out: presenting fictional reconstructions of conversations as real; and painting a character favorably or unfavorably depending on whether or not they cooperated with him in providing information for his book. For all of its detail, occasionally interesting but for the most part tedious, Stewart leaves out crucial incidents when they don't serve his purpose—such as the story of Jean Lewis's “magic” tape recorder which just happened to go on when she was discussing Whitewater with someone from RTC headquarters.

The most telling feature of Stewart's book is his own epilogue, where he is compelled to conclude that Whitewater was a minor affair compared to the S&L frauds, or insider trading scandals on Wall Street, and that there is no evidence that the Clintons did anything illegal. All he can really attack them for, is what he calls “the pattern of evasions, half-truths, and misstatements that have characterized the Clintons' handling of *the story*” (emphasis added). Since there was no sinister conspiracy, Stewart pontificates, “the Clintons needn't have reacted in ways that alienated the mainstream media.” There you have it.

Lyons concludes with the following, true anecdote about Stewart. While on tour promoting his book, Stewart was pressed by ABC anchor Ted Koppel to say directly just what it was that the Clintons had done wrong, since Stewart had already said there were no major crimes committed. Finally, what Stewart came up with, was they had failed “to abide by financial requirements in obtaining mortgage loans.” His evidence? That Hillary Clinton had failed to make full disclosure on a personal financial statement for a 1987 loan renewal. The document in question was reproduced in the Appendix to *Blood Sport*. But, as one enterprising reporter had discovered, Stewart had only examined—and reproduced—*one side* of the document; all of the supposedly withheld information was on the back, which he never obtained or looked at.

Such are the “crimes” of Whitewater.

# Media covered up Bush's cocaine connection

by Jeffrey Steinberg

Sometimes, the exception is the clearest demonstration of the rule. The rule, in this case, is an uncompromising top-down press censorship of crucial stories by a cabal of the major daily newspapers, wire services, and TV news departments. The exception of 1996 was the *San Jose Mercury News's* excellent series on the role of the U.S. government-backed Nicaraguan Contras in launching the crack cocaine epidemic in South Central Los Angeles in the mid-1980s.

In a three-part series by Sacramento-based reporter Gary Webb, published on Aug. 18-20, 1996, the West Coast flagship newspaper of the Knight-Ridder syndicate blew the story on a pipeline that ran from Colombia to San Francisco to Los Angeles. That pipeline poured tons of cheap, high-grade cocaine onto Los Angeles ghetto streets, fueled a drug turf war among a slew of street gangs, and funneled portions of the drug proceeds to the Nicaraguan Democratic Forces (FDN), the primary Contra military force waging a Reagan administration-sponsored surrogate war against the Sandinistas.

In a discussion with this writer shortly after the series was published, Webb acknowledged that his investigation had not

focused on the chain of command, in Washington, over the Contra program. He freely admitted that he had labeled the Contra program a "CIA-run" covert operation, without studying the documentation which had become available on the command structure of the FDN.

Thus, Webb never found, and, therefore, never reported on, the role of Vice President George Bush in supervising the entire "Central America Program" for the Reagan administration. Bush was, in effect, the commander-in-chief of the Contras, and, through a very clearly delineated chain of command involving less than a half-dozen people at the White House and on the ground in Central America, he maintained hands-on control over the operation, including the arms-for-drugs pipeline.

As *EIR* exclusively reported in a series of articles, and in a 120-page, multi-client *Special Report* entitled "Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?" Bush was the crack kingpin of the 1980s. With the exception of *EIR* and a handful of regional newspapers and talk-radio jockeys, the Bush story has been blacked out of the U.S. media. In contrast, when the editors of *EIR* held a Washington, D.C. press conference releasing the September 1996 *Special Report*, a dozen international news organizations turned out, and stories appeared all over Ibero-America, and in other parts of the world. South of the border, the notion that a former U.S. President had presided over a massive illegal drug operation, was deemed "newsworthy."

## The media gang up

Even though Webb's stories never touched on the Bush



*President George Bush signs a DARE (Drug Awareness Resistance Education) proclamation, Sept. 13, 1989. If he really wanted to "keep kids off drugs," he shouldn't have sponsored the cocaine Contras, who flooded America's cities with crack.*





*Rep. Maxine Waters (D-Calif.) addresses the Congressional Black Caucus Foundation, Sept. 12, 1996, in Washington, D.C., on the subject of "Cocaine, Contras, and the CIA: How They Introduced Crack into the Inner City." The establishment newspapers call African-American leaders "paranoids" who think the "white power structure" is out to get them.*

angle, and could have inadvertently led to a cover-up, based on a mistakenly exclusive focus on "the CIA," the big establishment newspapers responded to the series with a vengeance, launching a *jihad* against the *San Jose Mercury News*, its editor, and the reporter who dared to reopen ten-year-old wounds about the suspected role of U.S. government agencies in peddling crack in the ghetto.

Two developments ensured that the *Mercury News* story rapidly evolved into something "too big to bury." First, U.S. Rep. Maxine Waters (D-Calif.), whose district includes the South Central area of Los Angeles, immediately launched a high-visibility probe of the *Mercury News* allegations, and organized the Congressional Black Caucus to take up the issue of whether the U.S. government had helped establish the crack cocaine epidemic.

Second, *EIR* took responsibility for correcting the error of omission in Webb's original, otherwise excellent, investigative work, publishing and widely circulating the hard documentation that it was actually George Bush, operating out of the White House, and *not* the CIA, that ran the Contra supply-line, including the guns-for-drugs operations that were run in California, Arkansas, Central America, and many other parts of the hemisphere.

How did the rest of the media respond to the Webb series? Initially, there was silence; but, when Representative Waters wrote to CIA director John Deutch, demanding a probe of the allegations by the agency's Inspector General, and filed a similar demand with Attorney General Janet Reno; and when *EIR* began cranking out the details of the Bush involvement, a unified counterattack was launched by the Fourth Estate. It

was a most revealing bit of "self-policing."

The campaign to discredit the *San Jose Mercury News* story, and all the broader revelations that flowed from it, was kicked off by the *Washington Post* on Oct. 4, 1996, with a front-page broadside, "The CIA and Crack: Evidence Is Lacking of Alleged Plot." Authored by the *Post*'s "CIA beat" reporter, Walter Pincus, and Roberto Suro, the story asserted: "A *Washington Post* investigation into [Ricky] Ross, [Danilo] Blandón, [Norwin] Meneses and the U.S. cocaine market in the 1980s found that the available information does not support the conclusion that the CIA-backed Contras—or Nicaraguans in general—played a major role in the emergence of crack as a narcotic in widespread use across the United States."

The *Post* story took up more than two pages, aimed at nit-picking at specific pieces of the Webb account. At one point, the *Post*'s investigative team even argued, that since the West Coast Contra cocaine ring "handled a total of only about five tons of cocaine," it could not possibly have been responsible for single-handedly launching the crack epidemic.

### **'A uniquely egalitarian phenomenon'**

The *Washington Post*'s sophistry was more than matched by the *Los Angeles Times*, which took its crack at the *San Jose Mercury News*, beginning on Oct. 20, 1996, with a lengthy three-part series. The *Los Angeles Times* brought their chief Washington, D.C. correspondent, Doyle McManus, back to the West Coast, to participate in their fine-tuned bit of damage control.

The lead-off article, "Tracking the Genesis of the Crack

Trade in L.A.,” made clear its contempt for the *San Jose Mercury News* probe: “Cocaine: The epidemic was not sparked by a single conspiracy, but by an array of suppliers, dealers, and networks. They followed their own agendas, driven by changing tastes and cold economics.” The article went on: “The crack epidemic in Los Angeles followed no blueprint or master plan. It was not orchestrated by the Contras or the CIA or any single drug ring. . . . Instead, a *Times* investigation has found that the explosion of cheap, smokable cocaine in the 1980s was a uniquely egalitarian phenomenon, one that lent itself more to makeshift mom-and-pop operations than to the sinister hand of a government-sanctioned plot.”

The second part of the series, penned by McManus, continued the same theme. It was entitled “Examining Charges of CIA Role in Crack Sales,” with the subhead, “Cocaine: Extensive interviews and review of records undercut contention that Nicaraguan-supplied ring in L.A. sent millions of dollars to CIA-backed Contras.” While the first of the series tried to debunk the idea that the Contra cocaine ring was a major early supplier of cocaine to the gangs in South Central Los Angeles, the second article tried, with similar sophistry to disprove the links between the known cocaine traffickers Meneses and Blandón, and the Contras.

### **Blatant racism**

The final part of the trilogy featured a flagrantly racist attack against the leadership of the African-American community, characterizing black leaders as raving paranoids who look for every excuse to spread the lie that the “white power structure” is out to commit genocide against them. After citing a string of recent books on the subject of racial injustice, the *Times* wrote, “It is this history that explains why allegations of government involvement in the Los Angeles crack cocaine trade have resonated so powerfully and with such credibility among African Americans. . . . The fact that the *Mercury News* did not uncover any direct link between CIA officers and crack trafficking in the United States has not diminished the suspicion—particularly since crack hit first, and hardest, in black neighborhoods.” The article rambled on for thousands of words, citing one psychiatrist or sociologist after another, rebuking the *San Jose Mercury News* for playing on the deep-seated paranoia of African Americans, and blaming the government and the CIA for a problem that ghetto blacks actually brought upon themselves.

Even as the *Los Angeles Times* was delivering its poison-pen attack, the East Coast “newspaper of record,” the *New York Times* was making its own, remarkably similar indictment of the Gary Webb articles. On Oct. 21, 1996, the *New York Times* ran a front-page, 3,000-word assault under the headline, “With Little Evidence to Back It, Tale of CIA-Drug Link Has Life of Its Own.” After starting with their own bit of armchair psychiatry, about the inherent paranoia and anti-government phobias of the black population in America, the meat of the *Times* story turns out to be leftovers from the *Post*

and the *Los Angeles Times*: “Court documents, past investigations and interviews with more than two dozen current and former [Contra] rebels, CIA officials and narcotics agents, as well as other law-enforcement officials and experts on the drug trade, all indicate that there is scant proof to support the paper’s contention that Nicaraguan rebel officials linked to the CIA played a central role in spreading crack through Los Angeles and other cities.”

### **Damning new evidence ignored**

Once the three “flagship” newspapers issued their attacks, many others followed suit, building to a crescendo by the middle of December. On Dec. 13, 1996, for example, the *Omaha World-Herald*, a newspaper closely allied to the George Bush political machine, uncorked a lead editorial, “CIA and False Rumors,” which picked up on phony media reports about a just-released study by the Los Angeles County Sheriff’s Department, which also attempted to trash the *Mercury News* documentation. The *World-Herald* opined: “A report by the Los Angeles County Sheriff’s Department should have helped to lay to rest one of the most explosive and irresponsible accusations ever leveled against the Central Intelligence Agency.” The Los Angeles Sheriff’s report cited by the *World-Herald*, in fact, provided damning new evidence that other agencies of the federal government, including the Pentagon and the White House, were linked to one of the key players in the cocaine pipeline, precisely the point that *EIR* had been making for months.

The *Omaha World-Herald* article, like hundreds of almost identical news stories and editorials that appeared within the next few days, introduced another element into the cover-up: a personal attack against Gary Webb, accusing him of “corruption.” “A significant by-product of the investigation,” the *News-Herald* editorialized, “was the discovery of copies of letters from a New York literary agent to ‘Freeway’ Ricky Ross, a former crack dealer now serving a life sentence. The agent sought the rights to stories by Ross in which he claimed to have worked with the CIA. One of the literary agent’s letters was sent to Ross in care of Gary Webb, the writer of the stories in the San Jose paper. The literary agent told investigators that Webb was offered the same deal as Ross. . . . Indeed, the air has been let out of this conspiracy balloon. Sad to say, true believers have been known to embrace conspiracies long after the life has gone out of them, especially if there is something to gain.”

If there was any question that the national media cartel was imposing top-down discipline on one of its own, the final message was delivered by the *Washington Post*. When the editor-in-chief of the *San Jose Mercury News* wrote a letter to the editor of the *Washington Post*, protesting the *Post*’s persistent mis-characterizations of the *Mercury News* series, and the “unprofessional” editorial and managerial policies of the paper, the *Post* refused to run the letter. The editors determined that it was not “newsworthy.”

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### III. Corporate Profiles

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## Who's who in the media cartel

The brief profiles that follow illustrate the point that has been made throughout this report: that an increasingly British-dominated, highly centralized group of powerful individuals and multinational companies dominates the American news media. The rate of consolidation of power is escalating—and,

if not stopped, will escalate even more rapidly, as the result of the federal government's capitulation to the "deregulation" frenzy. Deregulation spells cartelization, and a growing tyranny of censorship and manipulation of how you think and what you know.

For purposes of clarity, we have grouped the corporate profiles into two categories: those companies under direct British control, and those controlled by British-allied, American entities.

Clearly, there are genuine differences of policy, among these media giants. There have also been substantial policy differences between the Clinton administration and the British interests, which have periodically exploded into the media. Media control and manipulation, as we have shown, does not mean that a monolithic "Big Brother" serves up one, and only one distorted version of reality. The media cabal defines the boundary conditions of the "news," and, therefore, shapes

### New communications bill furthers cartelization

On Feb. 1, 1996, the U.S. Congress passed the comprehensive Telecommunications Reform Act of 1996, which, at a stroke of a pen, eliminated most federal safeguards against the concentration of the media in the hands of a few British-dominated conglomerates. The bill, the product of several years of backroom maneuvering, had the overwhelming support of both party leaderships in Congress, as well as of the White House (it had been a pet project of Vice President Al Gore). When it was signed by President Clinton, the legislation struck down or emasculated critical regulatory powers of the Federal Communications Commission (FCC), effectively deregulating the industry.

While there was some recognition among mostly smaller media outlets of the dangers inherent in the bill, such opposition was, for the most part, muted; the most vocal opposition centered upon likely higher costs to the consumer, as a result of the consolidation process.

Among its most invidious features, relevant to the topics under consideration in this report, are the following:

- Current federal limits that prevent any one company or network from owning TV stations that reach more than 25% of the U.S. population, would be lifted to 35%. A group of network affiliates (local TV stations) had lobbied hard against the bill, warning that they would lose their autonomy from the networks, with the loss of much local

broadcasting; they apparently succeeded in eliminating the provision in the House version that would have raised this particular limit to 50% after one year.

- The federal limit on no one entity owning more than 20 AM plus 20 FM radio stations has been eliminated entirely. Caps are placed on four levels of local markets; for example, in a market with 45 or more radio stations, no one entity may own more than 8. However, the FCC is instructed to provide exceptions to these local caps, if there is an increase in the number of stations operating in that area.

- Current federal limits that prevent one entity from owning all the major newspapers, TV stations, and cable TV providers, in the same city or locality, or at the same time, would be greatly relaxed.

- The seven Regional Bell Operating Companies (RBOCs), formerly all subsidiaries of AT&T, will be allowed to offer long-distance service, provided that they can demonstrate that they have opened their local phone market to a level of competition to be determined by the FCC, within six months of the bill becoming law. Cable TV providers, for example, will be allowed to offer local phone service. The RBOCs will also be allowed to begin manufacturing telecommunications equipment, which they are currently banned from doing under the judicial provisions of the AT&T 1984 breakup.

- The RBOCs will also be allowed to offer cable TV and other services.

Predictably, the legislation has triggered a new wave of mergers, acquisitions, and takeovers, the most notable being the merger of the vast Time Warner empire with Ted Turner's Turner Communications.—*L. Wolfe*

the terms of the public discourse and the range of policy options available for debate. It disinforms, misinforms, and dumbs-down the citizenry, by providing what the Tavistock Institute brainwashers refer to as "critical choices." It determines what's in the deck of cards and gives you the "freedom" to pick a card, any card.

These profiles were researched by Charles Tuttle, Scott Thompson, Anton Chaitkin, Anthony Wikrent, and Stuart Rosenblatt.

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## Direct British Control

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### The Hollinger Corporation

**Headquarters:** London (formerly, Vancouver, Canada)

**Media ownership:** Since 1992, Hollinger has doubled its holdings in the United States, owning 80 daily newspapers and over 300 weekly newspapers in 1995, in both large city and smaller markets, including the *Chicago Sun-Times*, the eighth largest daily in the United States. The estimated circulation of these U.S. holdings is 10 million.

**History at a glance:** Conrad Black's Hollinger Corporation started as a privatized asset of British intelligence in North America, known as the Argus Corporation. Originally created as a means to conduit munitions to Britain during World War II, Argus, as it became known after the war, served as a base of British subversive operations directed against the United States, using more than \$1 billion in loot accumulated during the war to fund them. Black's father, George, ran Argus, overseeing interests in munitions, Canadian liquor distillations, and amassing a media conglomerate with newspapers in Britain, the United States, British colonies in the Caribbean, and Australia.

In 1985, Argus was reorganized into the Hollinger Corporation, and under the chairmanship of Conrad Black, launched a furious media takeover drive within the English-speaking world. With the help of the British branch of the Rothschild banking interests, Hollinger bought 83% ownership of the holding company that owns the London *Daily Telegraph*; in 1994, the *Sunday Telegraph* became the vehicle for launching the "Whitewatergate" assault on the Clinton Presidency, in which the *Sunday Telegraph's* Washington, D.C. correspondent, Ambrose Evans-Pritchard, has played a pivotal role. Hollinger also bought up the British establishment journal *The Spectator*, which in 1990, led attacks on German reunification. In 1989, Hollinger took a 98.9% interest in the *Jerusalem Post*, which has been used to undermine the Middle East peace accords. During this same period, Hollinger vastly increased its holdings in most

major U.S. markets. Intelligence sources report that some of the funds for these recent purchases, which have often cost several times the book value of the newspapers, may have come from Li Kai Shing, who, until he was recently replaced by his son, was on the board of the Hongkong and Shanghai Banking Corporation (now known as HSBC Holdings, based in London); this bank has been identified in *EIR's* book *Dope, Inc.* as a long-standing controller and money launderer for Asian dope trafficking.

#### Key personnel:

Hon. Conrad Black—chairman and chief executive officer; Canadian Privy Council; member, Trilateral Commission; director, Canadian Imperial Bank of Commerce.

Rupert Hambro—with Hambros Bank 1964-; group managing director 1986-94, chairman 1994-, J.O. Hambro & Co.

Baroness Margaret Thatcher of Kesteven—British prime minister and First Lord of the Treasury 1979-90.

Giovanni Agnelli—member, Trilateral Commission; advisory board, European Roundtable of Industrialists; chairman 1966-, Fiat; member, World Wide Fund for Nature, 1001 Club.

Sir James Goldsmith—chief executive officer, Goldsmith Foundation 1991-; member, World Wide Fund for Nature, 1001 Club.

Dwayne Andreas—chairman, Archer Daniels Midland; member, Council on Foreign Relations, Trilateral Commission; formerly with Cargill Inc.

Sir Henry Kissinger—Hon. KCMG; chairman, Kissinger Associates Inc. 1982-; assistant to the President for national security affairs, 1969-75; U.S. secretary of state, 1973-77; chairman, National Bipartisan Commission on Central America 1983-84; member, President's Foreign Intelligence Advisory Board 1984-90.

Lord Peter Carrington—Grand Cross Order of St. Michael and St. George (GCMG 1988); Chancellor of Order of St. Michael and St. George 1984-94; director, Kissinger Associates; chancellor, Order of the Garter 1994-; British secretary of state for defense, 1970-74, for foreign and commonwealth affairs, 1979-82; secretary general, NATO 1984-88.

Henry Keswick—chairman, Matheson & Co. Ltd., 1975-; chairman, Jardine-Matheson Holdings (Hongkong), 1972-75; director, Rothmans International, 1988-94; member, London advisory committee, Hongkong and Shanghai Banking Corp.

Peter Bronfman—chairman, Edper, the Bronfman fami-



Conrad Black

## The British invasion at a glance

Here are some of the highlights of the British media takeover of America:

**Hollinger Corporation**, which owns the London the *Daily Telegraph* and *Sunday Telegraph*, the *Spectator*, and the *Jerusalem Post*, also owns the *Chicago Sun-Times*, the eighth largest daily newspaper in the United States, and over 100 other daily newspapers, and 300 weekly newspapers, concentrated primarily in the U.S. farm belt. Total U.S. circulation is over 10 million copies per day. The Hollinger Corp.'s International Advisory Board, which shapes editorial policy for all of the Hollinger publications, is chaired by former British prime minister Baroness Margaret Thatcher of Kesteven, and is co-chaired by Sir Henry Kissinger and Lord Peter Carrington. Other members include Henry Keswick of the Jardine-Matheson holdings, Lord Jacob Rothschild, Sir Jimmy Goldsmith, and Dwayne Andreas of Archer Daniels Midland.

**Thomson Corporation**, which sold the London *Times*

to Rupert Murdoch, owns 105 daily newspapers and 26 weekly newspapers in the United States, many of them in the smaller media markets. The company is headed by Rt. Hon. Lord Kenneth Thomson, who is also director of the Hudson's Bay Company.

**Pearson PLC** (*Financial Times*, *The Economist*) owns *Roll Call*, the "newspaper of record" for the U.S. Congress, and the *Journal of Commerce*. The *Financial Times* is now published in the United States, for circulation throughout the country. The company is chaired by Viscount Blakenham, a member of the House of Lords. Among the directors is Sir Simon Hornby, director of Lloyds Bank. Rupert Murdoch is a leading shareholder.

Rupert Murdoch's **The News Corporation** (London *Times*, *The Sun*, and the *Australian*) owns 80 newspapers around the world. It also owns 20th Century Fox, which has spawned the "fourth TV network," Fox Television. Fox-TV has now launched its own 24 hour-a-day all-news TV network, which has already begun broadcasting in test markets across the United States. The News Corp. also publishes the *New York Post* and *TV Guide*; owns the large publishing company, HarperCollins; and has a 20% stake in Reuters, which is the number-one international news feed to the media in the United States, and the largest wire service in the world.

ly's real estate conglomerate, died in December 1996.

Lord Jacob Rothschild—president, Institute for Jewish Affairs, which combines the Anti-Defamation League and World Jewish Congress.

### The Thomson Corporation

**Headquarters:** Toronto, Canada

**Media ownership:** Owns 105 daily and 26 weekly papers in the United States, mostly in smaller markets, not dominated by large city press; for example, it owns several papers in smaller cities in Wisconsin, with an estimated circulation of 2.1 million.

**History at a glance:** The Thomson Corporation is tied through interlocking directorates with London's dope money apparatus in Canada, which dates to the days of the Hudson's Bay Company and more recently to the Bank of Montreal. The founder of this empire, Roy Thomson, moved from acquisitions in Canada and the United States to, in 1957, the purchase of the London *Sunday Times*, along with regional British press. By 1964, Thomson had been raised to a peerage, as Lord Thomson of Fleet. Two years later he purchased both the London *Times* and the *Times Literary Supplement*,

funding their losses through profits from partnerships in the North Sea oil bubble; in 1981, he sold the *Times* to Rupert Murdoch. In 1978, Thomson moved his headquarters back to Toronto, establishing the International Thomson Organisation, beginning a buying spree of newspapers and publishing companies in North America. Aside from his regional and local paper holdings, Thomson has emerged as one of the key purveyors of financial information to investors, as well the largest legal research publisher in the United States. More recently, the Thomson empire has emphasized electronic data services, including Internet services. In 1995, Thomson sold 23 of its smaller daily papers to Hollinger Corporation.

**Key personnel:**

Rt. Hon. Lord Kenneth Thomson—director, Hudson's Bay Company.

Richard Thomson—chairman, Toronto and Dominion Bank, 1978-; director, Eaton's of Canada; director, Inco Ltd.

John Tory—deputy chairman, Markborough Properties Inc.; director, Royal Bank of Canada; director, Hudson's Bay Company.

John Fraser—chairman, Federal Industries Ltd. 1992-; director, Bank of Montreal; director, Coca-Cola Beverages Ltd.; director, Ford Motor of Canada Ltd.; director, Shell Canada Ltd.; president, Empire Freightways Ltd., 1953-62.

## Pearson PLC

**Headquarters:** London

**Media ownership:** The \$3 billion Pearson empire, along with Hollinger and Thomson, is one of the most powerful media influences in the British Empire and the world. It owns several papers, with its flagship being the City of London's most important journal, the *Financial Times*; it holds half-ownership in *The Economist* magazine; both provide wire service stories and features to newspapers throughout the world. Pearson owns half of the U.S.-based Economist Group, which publishes a number of specialized journals aimed at corporate leaders and other influentials, including *CFO*, directed at financial executives; it also owns Capital Publications, which prints 41 newsletters nationally, while its Federal Publications specializes in U.S. government procurement and immigration law. The most important Capitol Hill journal, *Roll Call*, is published by the Economist Group. In 1995, Pearson took controlling interest in the daily *Journal of Commerce*, and its related services and publications. Pearson also owns the Penguin publishing house and the major supplier of U.S. textbooks, Addison-Wesley.

**History at a glance:** The Pearson empire evolved from nineteenth-century building and contracting relationships, for which the British Crown and government were big clients; among its many construction projects in the United States were the subway and other tunnels under New York's East River. Pearson became a major player in overseas petroleum-looting operations, under the direction of its chairman, Weetman Dickinson Pearson; after oil was discovered on its vast holdings in Mexico, it established Anglo Mexican Petroleum in 1912, supplying the British government with oil during World War I. The discovery helped push Pearson into Britain's oligarchical circles; he was made Viscount Cowdray in 1917, and moved in circles of British intelligence. In 1919, the firm's Mexican holdings were purchased by Royal Dutch Shell/Transport Group. Also in 1919, Pearson set up a financing arm, Whitehall Trust, Ltd., which acquired a substantial interest in the London branch of the merchant bankers Lazard Frères, Lazard Brothers & Co. During World War II, Pearson made a killing as the British government purchased its strategic assets, including the takeover of the Amerada Hess Petroleum interests in the United States.

Pearson moved into media interests early in this century, and has continued acquisitions ever since. The third Lord Cowdray became Pearson's chairman of the board in 1954 and began reshaping the company, selling its industrial and contracting-engineering operations, and placing emphasis on its publishing and financial services operations. In 1969, its accountants reorganized the company into a publicly held enterprise, for tax and fiscal purposes. However, control of the firm remains in the hands of oligarchs, with the Cowdray family maintaining a 20% interest; the company is headed by

Viscount Blakenham, a descendant of Viscount Cowdray. Rupert Murdoch of News Corp. is the next leading shareholder.

### Key personnel:

Viscount Blakenham—with Lazard Brothers, 1961-63, partner, 1984-, director, 1975-; director, Sotheby's Holdings Inc. 1987-; director, U.K.-Japan 2000 Group, 1990-; member, House of Lords Select Committee on Science and Technology, 1983-86; member, Nature Conservancy Council, 1986-90.

Pehr Gyllenhammer—see biography under Reuters.

Frank Barlow—CBE; chairman, British Sky Broadcasting, 1991-; Financial Times Group, 1993-; with Nigerian Electrical Supply Corp., 1952-59; director, Economist, 1983-; Westminster Press, 1975-83; director, Elsevier (U.K.), 1991-; director, Press Association, 1985-93.

Michel David-Weill—senior partner, Lazard Frères (New York), 1977-; deputy chairman, Lazard Brothers & Co. (London), 1991-; partner, Lazard Frères et Cie. (Paris), 1965-; with Brown Brothers Harriman (New York), 1954-55; with Lehman Brothers (New York), 1955-56.

Sir Simon Hornby—director, 1974-94, chairman, 1982-94, W.H. Smith Group; director, Lloyds Bank 1988-; Lloyds Abbey Life plc, 1991-; council, Royal Society for the Arts, 1985-90; member, Court of Assistants, 1990-; Goldsmiths' Co.

## The News Corporation Ltd.

**Headquarters:** London and New York.

**Media ownership:** Rupert Murdoch's News Corp. owns some 80 newspapers in key U.S. and international markets, and 11 magazines, including the London *Times*; the *New York Post*; Britain's leading tabloid, *The Sun*; *TV Guide*; and Australia's leading tabloid, *The Australian*. The combined international readership of Murdoch's publications is several score millions. In addition, Murdoch owns 20th Century Fox, from which he spawned the fourth national television network, Fox-TV, which has outlets in all major U.S. markets and has the contract for coverage of the National Football League's National Conference, as well the contract for Major League Baseball and the National Hockey League; previously Murdoch had purchased the Metromedia television operation of John Kluge, which gave him access to several markets. Murdoch has also purchased the American publishing house Harper & Row, merging it with the British house William Collins, to create the world's largest publisher, HarperCollins. Murdoch also owns a 20% share of the Reuters news service. Other ventures include BSkyB, a satellite television service, which has 4 million subscribers in the United Kingdom and Ireland; STAR TV, a Hongkong-based satellite operation, with feeds to 220 million viewers in 53 countries; and,

in partnership with the Globo television empire in Brazil, a satellite service aimed at all of Ibero-America and the Caribbean Basin.

**History at a glance:** The Australian Rupert Murdoch (he didn't become a U.S. citizen until 1985, when he purchased Metromedia), comes from a family of press barons. His father, Sir Keith Murdoch, was the most influential of Australian media owners until his death in 1952. By the time of the elder Murdoch's death, the family's press empire was in a state of decline, with only one remaining paper. The young Murdoch, who took over from his father, had been apprenticed under Lord Beaverbrook, the British press lord, at the London *Daily Express*, where he learned what Beaverbrook referred to as the "black art of journalism." Rupert Murdoch took the declining family empire in Australia, revived it, and expanded its operation. But Murdoch was not satisfied with being a power in Australia: He started buying up papers in the United States, then Britain, and finally in Asia. While Murdoch, like his father, has had a love-hate relationship with the British monarchy, he is to his core a British imperialist, and was an ardent supporter of Margaret Thatcher; like Prince Philip and Prince Charles, Murdoch calls himself a "one-world citizen" of the new post-industrial, Information Age. In America, Murdoch affixed himself to the dirty side of British operations, becoming close with the late mob lawyer and homosexual political fixer Roy Cohn and his machine in New York.

Murdoch's purchase in 1985 of Metromedia marked his first major steps into broadcast media; his purchase of 20th Century Fox opened the door for the creation of a new television network, pandering to the declining moral values of the baby boomers. But Murdoch's rapid expansion, highly leveraged as it was, brought him to the brink of bankruptcy in the early 1990s. By 1991, he faced the need to roll over some \$7.6 billion in notes that had come due; more than 146 financial institutions around the globe were owed large sums of money by Murdoch. Rather than allow this British asset to go under—and possibly bring down several financial institutions with him—a bailout was arranged through Citibank, then itself under federal supervision. The mechanisms of the bailout were similar to the tranches that are used to bail out bankrupt countries—after all, Murdoch's debt dwarfed that of several countries. News Corporation lived, to pour out its daily doses of British propaganda.

**Key personnel:**

Keith Rupert Murdoch—AC, chairman and chief executive officer, The News Corporation Ltd.; chairman, News American Publication, 1974-; chairman, News International Ltd. Group; managing director, News Ltd. Group & Associated Companies;



Rupert Murdoch

chairman, 20th Century Fox Productions, 1985-; chairman, chief executive officer, News Corp. Ltd., 1991-

## Reuters News Agency

**Headquarters:** London

**Media ownership:** Reuters operates the largest newswire service in the world, with the world's most extensive international private satellite and cable communications network. Its news services are produced in 19 languages, with nearly every major news media outlet in the world taking one or more of its feeds. In addition, Reuters provides packaged coverage to hundreds of thousands of media outlets worldwide, providing features as well as news materials. Reuters Television is the world's largest international television news agency, reaching 500 million households, through 650 broadcasters in over 80 countries. To support this operation, Reuters has an infrastructure that includes 198 branch offices in 86 countries, with over 4,000 intelligence-gathering data contributors and 1,600 news service journalists, with direct coverage in 149 countries.

**History at a glance:** Reuters had its beginnings when Julius Reuter moved to London from Germany in 1850, to what had become the financial and communications center of the Victorian world. As changes in British law promoted the expansion of daily newspapers, Reuter approached this market with subscriptions to a news service that could provide them with coverage beyond their physical and financial means. When the transatlantic cable was laid in 1866, Reuter seized control of that medium to such an extent that he was exposed to charges of seeking a monopoly over news supply. Through the 1930s, Reuters provided virtually all news of the world, outside of North America, with its London office becoming a clearinghouse for international news.

Reuters was always under the control of the Crown and its allied intelligence agencies, with its correspondents often serving double roles as British Secret Intelligence officers. During World War I, Reuters was charged with being in the direct pay of the British government—a charge difficult to deny, since its managing director, Roderick Jones, served as head of the Ministry of Information's Department of Propaganda. In 1925, the British Press Association, which was dominated by the "Lords of Fleet Street," took majority control of Reuters. During World War II, the Crown sought to distance itself from its press agent by having a Reuters Trust established, ostensibly to preserve the news agency's "independence, integrity and freedom from bias." The trust was jointly owned by the Press Association and Newspaper Proprietors Association; later, some Commonwealth representatives were added.

Reuters moved into the Information Age in the mid-1960s, gaining a strong foothold in the emerging computer-

ized information market; this helped transform the company, with greater emphasis placed on real-time financial services. In 1984, Reuters was floated as a public holding company, with Reuters Founders Share Co., Ltd. formed to maintain control by the trust's principals. Lately, Reuters has moved heavily into satellite-based distribution with its Integrated Date Network becoming the delivery medium for many Reuters services.

#### **Key personnel:**

Sir Christopher Hogg—non-executive chairman, 1985-; director, Bank of England; former chairman, Courtaulds plc, Courtaulds Textiles plc; director, SmithKline Beecham plc; member, international council, J.P. Morgan; trustee, Ford Foundation.

Sir David Walker—director, 1994-; director, Bank of England; chairman, British Securities and Investments Board; chairman, Morgan Stanley Group (Europe) plc; deputy chairman Lloyd's Bank plc.

Pehr Gyllenhammer—director, 1984-; member, Trilateral Commission; director, Kissinger Associates; chairman, Volvo 1983-93; advisory board member, Chase Manhattan Bank 1962-.

Charles Sinclair—director, 1994-; group chief executive, Daily Mail and General Trust plc; director, Euromoney Publications plc; director, Schroders plc.

Rt. Hon. the Lord McGregor of Durris—trustee; chairman, British Press Complaints Commission, 1991-94; University of London, professor of Social Institutions, 1964-85.

Rt. Hon. the Lord Browne-Wilkinson—trustee; called to Queen's Council, 1972; vice-chancellor of the Supreme Court, 1985-91.

Rt. Hon. the Viscount Rothermere—trustee; president, Commonwealth Press Union, 1983-89; president, London Press Club 1976-81; president, Euromoney Publications plc; director, Power Corp. (Canada).

David Cole—CBE; trustee; former deputy managing director, International Thomson Organisation plc; chairman, Thomson Foundation, 1986-.

Arthur Ochs Sulzburger—trustee; former chairman, publisher, the *New York Times*.

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## London's Fellow-Travellers

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### **The New York Times**

**Headquarters:** New York

**Media ownership:** The \$3.4 billion *New York Times* empire has its anchor with the nationally and internationally distributed newspaper, whose domestic circulation is 1.2 million. The *New York Times* has the largest news-gathering

force in the world and is twice as big as its nearest competitor. It owns nearly two dozen other papers in both major and smaller markets, especially in Florida, including the *Boston Globe* (the 12th largest daily in the United States). The *Times* also owns the *International Herald Tribune*, which is sold in 164 countries, with a daily circulation of several million. It also owns several specialty magazines, geared mostly to the upper crust's sporting instincts, such as *Golf World*, *Snow Country*, and *Tennis*. The *Times* owns several radio stations, including New York City's last remaining Classical music station, WQXR. The New York Times News Service is the largest supplemental news service in the world, providing wire stories, features, and each day sending the entire *Times* newspaper, along with material from 57 other papers, to more than 650 customers in 53 countries.

**History at a glance:** The *Times* has always been a British intelligence and British Crown propaganda channel, since the paper's origin in the 1850s. The *Times* was controlled in the 1870s and 1880s by Leonard Jerome, a Wall Street speculator and political partner of August Belmont, in managing British covert political operations in America. Jerome's daughter married the degenerate Tory schemer Randolph Churchill; their son was Winston Churchill.

By the 1890s, the *Times* had fallen in circulation and influence, and had strayed from the Tory editorial line. The London banking outlets in New York, led by J.P. Morgan, gave control of their paper to Adolph Ochs, whose descendants have owned the *Times* ever since. The British perhaps considered the Jewish Ochs an "honorary Aryan": He was an Anglomaniac and White Supremacy advocate, whose parents had intrigued with Confederate intelligence, the anti-Union copperheads, and the Scottish Rite Masonic leaders running the Ku Klux Klan. Between 1899 and 1903, Ochs's *New York Times* was the leading Northern paper calling for taking away the right to vote from southern Negroes. The *Times* called for changing the laws and constitutions of the Southern states to overturn the civil rights gains of the Civil War.

The *Times* became the leading pro-British paper in the United States, helping to create the climate for U.S. intervention in World War I—a move which greatly benefitted the Morgans, and the other *Times* investor, the Dodge family, owners of Remington Arms Co.

It was widely rumored that *Times* editorial policy and even copy were controlled by Ochs's friend Lord Northcliffe, the director of British intelligence's propaganda machine. This erupted into a New York scandal in 1915, when Adolph Ochs was publicly attacked as an agent of the British Crown. During the 1930s, white supremacist Adolph Ochs was a member of the pro-Nazi "Cliveden set" around Lady Astor. *Times* editorials and news stories promoted the Hitler regime as under the responsible management of banker Hjalmar Schacht. Ochs was a bitter opponent of the Franklin D. Roosevelt administration, and his paper's editorial policy reflected that hatred, shared by the Morgan interests, of Roosevelt.



TABLE 1

**The 20 largest U.S. newspapers**

	Average weekday circulation	Parent company
1. <i>Wall Street Journal</i>	1,823,207	Dow Jones and Co.
2. <i>USA Today</i>	1,570,624	Gannett
3. <i>New York Times</i>	1,170,869	New York Times Co.
4. <i>Los Angeles Times</i>	1,058,498	Times Mirror
5. <i>Washington Post</i>	840,232	Washington Post Co.
6. <i>New York Daily News</i>	725,599	Mortimer Zuckerman
7. <i>Chicago Tribune</i>	691,283	Tribune Co.
8. <i>Newsday</i>	669,739	Times Mirror
9. <i>Dallas Morning News</i>	539,114	A.H. Belo Corp.
10. <i>Detroit Free Press</i>	531,825	Knight Ridder
11. <i>Chicago Sun Times</i>	500,969	Sun Times Corp./ Hollinger Corp.
12. <i>Boston Globe</i>	500,587	New York Times Co.
13. <i>San Francisco Chronicle</i>	499,526	Chronicle Publishing
14. <i>Philadelphia Inquirer</i>	470,693	Knight Ridder
15. <i>Newark Star Ledger</i>	450,316	Advance Publications
16. <i>Houston Chronicle</i>	413,717	Hearst
17. <i>New York Post</i>	408,204	News Corp.
18. <i>Minneapolis Star-Tribune</i>	404,757	Cowles Media
19. <i>Cleveland Plain Dealer</i>	404,400	Advance Publications
20. <i>Arizona Republic</i>	399,702	Phoenix Newspapers

**The 12 largest U.S. magazines**

	1993 revenues (\$ millions)	Paid circulation	Parent company
1. <i>TV Guide</i>	1,037	14,037,062	News Corp.
2. <i>People</i>	762.7	3,424,858	Time Warner
3. <i>Sports Illustrated</i>	653.8	3,252,641	Time Warner
4. <i>Time</i>	638.6	4,063,100	Time Warner
5. <i>Reader's Digest</i>	477.8	15,126,664	Reader's Digest Assn.
6. <i>Parade</i>	447.7	37,610,000	Advance Publications
7. <i>Newsweek</i>	427.7	3,158,617	Washington Post Co.
8. <i>Better Homes and Gardens</i>	353.5	7,613,661	Meredith Corp.
9. <i>PC Magazine</i>	325.7	1,051,381	Ziff-Davis
10. <i>Good Housekeeping</i>	315.3	5,223,935	Hearst
11. <i>U.S. News and World Report</i>	315	2,240,710	Mortimer Zuckerman
12. <i>Business Week</i>	279.2	880,357	McGraw-Hill

Source: 1996 Hoover's Handbook of American Business/Advertising Age, May 8, 1995.

At Ochs's death in 1935, his son-in-law Arthur Hays Sulzberger took over the paper. Sulzberger directed the *Times* into "human interest" and "news features," and promoted its first broadcast media acquisition of New York radio stations. He also unsuccessfully opposed unionization efforts.

Sulzberger retired in 1961, to be succeeded by his son-in-law Orvil Dryfoos, who pushed the *Times* to favorably cover the civil rights movement. Dryfoos suddenly died in 1963, and Sulzberger's son Arthur Ochs "Punch" Sulzberger became publisher. He took a hard line against all labor leaders and provoked a bitter newspaper strike in 1965, following which the *Times* embarked on a major diversification program.

The *Times* followed British intelligence scripts on coverage of the Vietnam War, helping to build the controlled elements of the anti-war movement, with reports on bombing of North Vietnamese civilian targets, and later the publication of the "Pentagon Papers."

In 1971, the *Times* used its stock to purchase Cowles Communications, giving it a substantial newspaper, magazine, and television empire. It is in this period that the *Times* was transformed into a media conglomerate, under the direction of anti-labor whiz kids; during labor disputes in 1974, they demonstrated that new technologies provided enormous strike-breaking potentials. By 1978, it had one of the first fully electronic newsrooms and had established a major wire service of its own. After acquiring Cowles and its properties, including the popular *Family Circle* magazine, it later purchased *McCalls* magazine, as well as a cable television network in New Jersey. By 1980, it was printing a national edition, with satellite transmission to a Chicago printing plant. It now has nine printing plants nationally, to produce the Tory "newspaper of record" for the United States.

**Key personnel:**

Arthur Ochs Sulzberger—chairman, chief executive officer; trustee emeritus, Columbia University.

Arthur Ochs Sulzberger, Jr.—publisher; correspondent, AP London, 1976-78.

Louis V. Gerstner, Jr.—director; chief executive officer, IBM; former CEO, RJR Nabisco Holdings Corp.; former president, American Express Co.; director, The Japan Society, New American Schools Development Corp.; advisory board, Center for Strategic and International Studies; member, Council on Foreign Relations.

Cyrus R. Vance—director, 1989-93; chairman, Federal Reserve Bank of New York, 1989-91; director, vice chairman, 1985-87, Council on Foreign Relations; personal envoy of UN secretary general on Yugoslavia crisis, 1991-92; personal envoy of UN secretary general on South Africa and Nagorno-Karabakh, 1991-92; co-chairman, UN-EC International Conference on Former Yugoslavia, 1991-92; member, Independent Commission on Disarmament and Security Issues; trustee, former chairman, Rockefeller Foundation; chairman

American Ditchley Foundation, 1991-92; U.S. secretary of state, 1991-92; partner, Simpson, Thacher & Bartlett (New York); trustee, Church of St. John the Divine (Episcopalian), New York City.

George L. Shinn—director; investment banking consultant, 1990-; former chairman, First Boston Corp., First Boston, Inc.; member, executive committee, President's Private Sector Survey on Cost Control (the Grace Commission), 1990-; director, CS First Boston, New York Life, Colonial Group Mutual Funds, Phelps Dodge, Inc.; director, 1977-83, vice chairman, 1981-83, New York Stock Exchange; trustee, 1981-83, Carnegie Foundation for the Advancement of Teaching; Rockefeller Family Office Trust, 1989-; fellow, Century Association.

Charles H. Price II—director; U.S. ambassador to Great Britain, 1983-89; U.S. ambassador to Belgium, 1981-83; chairman, Mercantile Bank (Kansas City, Missouri), 1981-83; director, Hansen PLC, British Airways, Sprint Corp., Texaco, Mercantile Bancorp.

John F. Akers—director; director, former chief executive, IBM Corp.; director, PepsiCo.

George B. Munroe—director; former chief executive, Phelps Dodge Corp.; director, New York Life Insurance Co., Santa Fe Pacific Gold Corp.; vice chairman, Academy of Political Science; member, Council on Foreign Relations.

Abraham M. Rosenthal—member, Council on Foreign Relations; 1946-54 correspondent to the United Nations.

## The Washington Post Company

**Headquarters:** Washington, D.C.

**Media ownership:** This \$1.75 billion conglomerate has holdings in many newspapers, magazines, radio, and television stations. In the metropolitan Washington area, besides the *Washington Post*, it owns the 15 weekly papers, mostly in Maryland, of the Gazette Newspapers, Inc.; it also owns the Everett, *Washington Herald*, which serves an area whose principal industry is Boeing. The Post Co. controls 50% of the *International Herald Tribune* (with the *New York Times*) and 28% of Cowles Media, Inc., which publishes the *Minneapolis Star-Tribune* and owns several cable franchises. The *Post* also owns and controls *Newsweek* magazine, with a domestic circulation of 3.2 million, and international editions with more than 1.2 million circulation. The *Post* is co-owner with the *Los Angeles Times* of the Los Angeles Times-Washington Post News Service, Inc., which has more than 500 clients in 51 countries. Legi-Slate Inc., another *Post* operation, is the leading domestic on-line service providing information on Congressional legislation and federal regulations. Post-Newsweek Cable has more than half a million subscribers in 15 Midwestern, Southern, and Western states.

The company also owns six television stations in major media markets, including Detroit, Houston, and Miami.

**History at a glance:** The modern *Washington Post* dates from June 1, 1933, when Eugene Meyer, Jr., of the British-controlled Lazard Frères investment bank, a leader of the most reactionary wing of the Republican Party, bought the *Post* in a bankruptcy auction; until that time, it had played a relatively minor role in national politics. Meyer's daughter Katharine Meyer Graham is the present *Post* boss. He had been chairman of the Federal Reserve Board under President Herbert Hoover since 1930, helping to impose Bank of England Governor Montagu Norman's austerity policies on a depression-wracked world. Meyer resigned as Fed chairman after the May 1933 inauguration of President Franklin D. Roosevelt.

Like Adolph Ochs at the *New York Times*, Meyer was a Jewish associate of Britain's pro-Nazi "Cliveden set." According to Meyer, Hitler was an unfortunate necessity, while austerity needed to be imposed, whereas President Roosevelt was a menace to be combatted. The *Post*, under Meyer, editorialized in favor of Hitler and the fascist economic policies of his economics minister and Reichsbank head, Hjalmar Schacht, while pouring editorial vitriol on the Roosevelt administration.

Through the mid-1950s, the *Post* continued to be known as a reactionary paper. The *Post* briefly changed from this British-dictated line when Meyer's son-in-law Philip Graham controlled the paper, in the late 1950s and early 1960s. Phil Graham supported labor and civil rights; he was a warm supporter and adviser to President John F. Kennedy (whom the Meyer family despised), and a promoter of the space program. After he left his wife and willed the *Post* to his new fiancée, Phil Graham was thrown into a mental hospital, then released into his estranged wife's custody; he was found shot to death in her bathtub in 1963. Attorney Edward Bennett Williams corruptly aided "black widow" Katharine Graham to obtain control of the *Post*, nullifying the will which Williams had drawn up for his client, Phil Graham. Katharine Graham declared that Phil had shot himself. She resumed the British propaganda line her father had brought to the *Post*. When President Kennedy was murdered three months later, the *Post* did not demand a real investigation.

Mrs. Graham formed a strong alliance with the British power structure and their U.S. high-flyers, who grabbed U.S. political power after the JFK murder—Averell Harriman, Robert McNamara, Henry Kissinger, and, later, the George Bush machine. The *Post* gained its reputation as a national newspaper, and demonstrated its power, with the Watergate scandal, which the paper helped steer away from Kissinger and others who organized and orchestrated the break-in, and toward the destruction of the Nixon Presidency. It was also under Kate Graham that the company expanded and diversified its media holdings, while becoming a national paper, with

distribution in major cities. The paper also established, as a collaborative venture with the *Los Angeles Times*, its own news service, and took over the *International Herald Tribune*, jointly with the *New York Times*.

#### Key personnel:

Donald E. Graham—son of Katharine and Philip Graham; chairman, CEO; member, American Antiquarian Society.

Katharine Graham—chair, executive committee; co-chairman, *International Herald Tribune*; independent trustee, Reuters Founders Share Co., Ltd.; vice chairman, Urban Institute; member, Council on Foreign Relations, Overseas Development Council; life trustee, University of Chicago; honorary trustee,



Katharine Meyer Graham

George Washington University; active in D.C. Commission on Public Education; member, Trilateral Commission.

Martin Cohen—vice president; director, International Herald Tribune S.A. (Paris).

Warren Buffett—chairman, Berkshire Hathaway, Inc.; director, Capital Cities/ABC, Salomon Brothers, Inc., Coca-Cola Co., *Omaha World-Herald*; trustee, Urban Institute (Washington, D.C.); owns 15% of Class B stock in the Washington Post Company.

George J. Gillespie III—partner, Cravath Swain and Moore, 1963-; secretary-treasurer, John M. Olin Foundation; president, Pinkerton Foundation; trustee, Arthur Ross Foundation; is a trustee of over 25% of Class A stock in the company.

Richard D. Simmons—director, J.P. Morgan and Co., Morgan Guaranty Trust Co., Union Pacific Corp.; president, *International Herald Tribune*; equity advisory board, GE Investment Corp.

George W. Wilson—president and chief executive officer, Newspapers of New England, Inc.; president and CEO, Newspapers of New Hampshire, Inc.; president and CEO, Newspapers of Massachusetts, Inc.; president, *Concord Monitor* (New Hampshire); director, the Bakersfield *Californian*; director, Associated Press.

James E. Burke—chairman and CEO, Procter and Gamble; chairman, Business Enterprise Trust; director, Council on Foreign Relations, IBM; trustee, Robert Wood Johnson Foundation; vice chairman, Conference Board.

Donald R. Keough—former president, CEO, director, adviser to board, Coca-Cola Co.; director, H.J. Heinz Co., McDonald's Corp.

Barbara Scott Preiskel—senior vice president and general counsel, Motion Picture Association of America, 1977-; director, General Electric Co.; director, Massachusetts General Life Insurance Co.

## Dow Jones and Co., Inc.

**Headquarters:** New York

**Media ownership:** Dow Jones is best known for its publication of the *Wall Street Journal*, which is the national financial "bible." Aside from its nearly 1.8 million daily domestic circulation, there is also the *Wall Street Journal* European edition, and the *Asian Wall Street Journal*. Dow Jones provides a news service which gives *Journal* stories to thousands of outlets in the United States. Dow Jones publishes the weekly *Far Eastern Economic Review*, a mouthpiece for the British Foreign Office. Dow Jones also owns 19 daily newspapers, mostly in New England, with a daily circulation of nearly 600,000. Another of its assets is *Barron's Financial Weekly*. Recently, the company has become involved in television programming, mostly financial news shows, which are syndicated to outlets throughout the country; it owns 50% of WNYC, a television station in New York City.

**History at a glance:** The *Wall Street Journal* has its origins in 1882, when two young reporters from one of the early Wall Street news agencies, Charles H. Dow and Edward D. Jones, decided to form their own news service—Dow Jones and Company. A year later, they started circulating a daily bulletin, to paid subscribers, known as the *Afternoon Letter*, which, in 1889, became the *Wall Street Journal*. The paper was hardly literate, and almost unreadable, but became known for its access to Wall Street power brokers, and for its indexes of stocks, the now-infamous Dow Jones index, purporting to measure the strength of the stock market. From its beginnings, the paper was used as a leak sheet for stock manipulations, usually serving the powerful British-allied investment banking interests, such as the Morgans; it has been caught doing this several times, including, in the 1980s, in the case of its "Heard on the Street" columnist R. Foster Winans, and the broker Peter Brant.

The paper's pro-British, free-market editorial policy traces from the era of Charles W. Barron, the flamboyant Wall Street personality who owned financial newspapers in Philadelphia and Boston and founded the financial weekly that bears his name; he took control of the Dow Jones in 1902. By 1912, he had taken control of editorial policy of the *Journal*, dictating the paper's diatribes, preaching the free market, and celebrating speculators; a diehard Anglophile, Barron had access to top bankers and oligarchs, including England's Montagu Norman and Germany's Hjalmar Schacht. Barron died in 1928, one year before the Great Crash.

With the crash, the paper and Dow Jones's fortunes began to sag; subscriptions plummeted and the operation was kept afloat on the strength of the company's news service. In 1932, Barron's heirs entrusted the fate of their empire to Kenneth Hogate, who had formerly served as Barron's business manager. He started the overhaul of operations that led, in 1941, to the hiring of Barney Kilgore, its most famous columnist,

as managing editor. Kilgore told the paper's staff that they had to write so that "normal people" could understand what was being said. He also pushed the *Journal* into becoming a national paper, which made it the financial newspaper of record in the country; as such, the *Journal* now took on a much larger propaganda role for British free-market ideology. However, such plans had to be put on hold during World War II, due to newsprint rationing. When Hogate suffered a stroke in 1942, Kilgore and allies staged a palace coup that placed Kilgore as general manager of Dow Jones.

After the war, the *Journal* renewed its push onto the national scene, and increased its circulation outside of New York. Its vast expansion to a paper with a circulation in excess of 1 million (more than 2 million by 1985) came under the stewardship of business manager Robert Feemster, with financing from Morgan interests. To accomplish this expansion smoothly, the paper, despite its generally anti-labor editorial policy, maintained good relations with its unions—although it deliberately located its printing facilities far outside cities, to avoid paying higher wage scales. In 1961, Kilgore, still running Dow Jones, launched a national weekly newspaper directed at non-financial interests, the *National Observer*; it never quite caught on, and the plug was pulled on it in 1977. Kilgore had died ten years earlier, and his position was taken over by Bill Kerby. The *Journal* had been devoting more and more space to "investigative reporting," usually providing controlled leaks of certain stories (such as about swindler Robert Vesco), which left out critical information about connections to higher-level Anglo-American figures and operations. Later, in the 1970s, under its editorial page editor Robert Bartley, and his assistant, Jude Wanniski, the paper practically invented the quackery known as "supply-side economics" and became the leading preacher of the "Reagan Revolution."

#### Key personnel:

Peter R. Kann—chairman, chief executive officer; trustee, Asia Society; former chairman, *Far East Economic Review*; married to Karen Elliott House, of the family of Col. Edward House, 1984-

Karen Elliott House—vice president.

Rand V. Araskog—director; chairman and CEO, ITT Corp.; director, Shell Oil Co., New York Stock Exchange, Federal Reserve Bank of New York, Alcatel Alsthom; member, Trilateral Commission, Council on Foreign Relations, Business Roundtable, Business Council, Competitiveness Policy Council.

Irvine O. Hockaday, Jr.—director; CEO, Hallmark Cards, Inc.; trustee, Aspen Institute; director, Ford Motor Co., Continental Corp.; past chairman, 10th District Federal Reserve Bank, Midwest Research Institute.

David K.P. Li—director; CEO, Bank of East Asia, Ltd.

Richard D. Wood—director; director, former president and CEO, Eli Lilly and Co.; director, Amoco Corp., The Chubb Corp., Chemical Banking Corp.; former director,

## Mortimer Zuckerman, a would-be Press Lord

Mortimer Zuckerman, a leading funder of the Anti-Defamation League of B'nai B'rith and real estate developer, is a latecomer to media ownership. The son of an orthodox rabbi in Montreal, Canada, Zuckerman was the first Jew elected to head McGill University's Skull and Bones society. Later he attended the Wharton School of business and finance, and became the chief financial officer of the Boston "Vault's" leading real estate firm, Cabot, Cabot and Forbes; in 1969 he established his own firm, and, by 1986, he had acquired hundreds of millions of dollars in commercial real estate in 15 cities across the United States.

But the Anglophile Zuckerman had always aspired to be a media mogul, and, in 1980, made his first acquisition, *Atlantic Monthly* magazine. Zuckerman changed the profile of the magazine to promote "neo-conservative" ideology and the free market; later, he would bring in the pseudo-Hamiltonian James Fallows to edit the magazine. In 1984, he paid nearly \$185 million to purchase the third largest American news weekly, *U.S. News and World Report*, replacing 80% of the staff within five years and changing editors four times, bringing in Bush White House communications director David Gergen to run the show (he has since shifted Fallows to *U.S. News*).

Zuckerman writes a signed editorial, and has often called the shots on editorial policy; for example, he ordered a story on financial swindler Michael Milken to reflect Zuckerman's view that Milken was a "besieged financial genius." During the 1996 U.S. election campaign, Zuckerman was sympathetic to the views of Steve Forbes, and the magazine's coverage reflected this. In 1992, Zuckerman acquired the nation's largest daily newspaper, the *New York Daily News*, from the estate of the late Robert Maxwell. Zuckerman immediately moved against the newspaper's labor unions, dismissing nearly 200 employees. He also got into a war with Rupert Murdoch, whose News Corp. owns the *New York Post*. This fight with the British-controlled media cartel continues.

U.S.-U.S.S.R. Trade and Economic Council; trustee, American Enterprise Institute, Committee for Economic Development; member, The Conference Board.

Carlos Salinas de Gortari—director; former President of Mexico.

## The Times Mirror Corporation

**Headquarters:** Los Angeles

**Media ownership:** With assets of nearly \$4 billion, the Times Mirror Corporation owns print media in key U.S. markets, including the *Los Angeles Times*, the *Houston Chronicle*, *New York Newsday* (Long Island, New York), the *Baltimore Sun*, the *Hartford Courant*, and several smaller papers in Connecticut and Pennsylvania, as well as magazines and journals, including *Popular Science*, *Sporting News*, and several journals directed at executives and political leaders, including the *National Journal*. The total daily readership of its newspapers is in the several millions.

**History at a glance:** The *Los Angeles Times* was started in 1881, and shortly after its creation, Ohio newspaperman Col. Harrison Gray Otis was named its editor. Otis came from a Boston family notorious for its loyalty to the British. His ancestors had sided with the British enemy in the War of 1812, attempting to break New England states away from the Union and reunite them with the British Empire. A little over a decade after Otis took over the *Times*, Harry Chandler was named business manager, soon after marrying Otis's daughter. Thus, began a newspaper dynasty, involving the Chandler and Otis families, which to this day retain effective control over the billion-dollar corporation.

The Otis-Chandler families have always been involved in British-connected financial speculation, especially involving real estate, and most directly in California, where Harry Chandler had acquired several hundred thousand acres of what became prime real estate. The Chandlers were active in creating the Pacific Coast version of the New York Council on Foreign Relations, the Los Angeles World Affairs Council, and have been involved in various manipulations of the government of Mexico, dating back to the 1920s. In the last three decades, under the stewardship of Otis Chandler, the company's flagship paper, the *Los Angeles Times*, has been pushed to a prominence that placed it on a par with the *Washington Post* and the *New York Times* as one of the nation's elite newspapers. While the Chandler family retains control of the company and the *Los Angeles Times*, many other interests have purchased a piece of the action; at this point, financial speculator George Soros is the fourth largest shareholder.

### Key personnel:

Robert F. Erburu—chairman, Times-Mirror Co.; trustee, Brookings Institution, J. Paul Getty Trust; director, New York Council on Foreign Relations.

C. Michael Armstrong—chairman and CEO, Hughes Electronics Corp.; director, Travellers, Inc.; chairman, World Trade Corp.; member, Council on Foreign Relations; supervisor, Thyssen-Bornemisza Group.

Donald R. Beall—chairman and CEO, Rockwell International Corp.; director, Amoco Corp., Procter and Gamble Co.,

Business Roundtable, Stanford Research Institute Advisory Council.

John E. Bryson—chairman and CEO, Edison International Co./Southern California Edison Co.; director, Boeing Co.; director, First Interstate Bancorp; chairman, California Business Roundtable; director, World Resources Institute.

Clayton W. Frye, Jr.—senior associate of Laurance S. Rockefeller since 1973, directing Rockefeller's business, real estate, and investment interests.

David A. Laventhol—see Associated Press.

Mark H. Willes—president, Federal Reserve Bank of Minneapolis, 1977-80; vice chairman, General Mills, Inc.

Harold M. Williams—president and CEO, J. Paul Getty Trust; member, American Security Council.

## The Tribune Company

**Headquarters:** Chicago

**Media ownership:** The \$3.3 billion company controls newspapers with a daily circulation of 1.3 million, including the *Chicago Tribune* and Florida's *Orlando Sentinel*. Tribune Media Services provides customized features to newspapers around the country, including television listings, and publishes the only Spanish entertainment weekly in the United States. The Tribune Entertainment Group owns 11 television stations in major media markets, including WPIX in New York and "superstation" WGN in Chicago, which is carried to millions of cable subscribers around the country; the group also produces syndicated television shows, including "Geraldo." Tribune Broadcasting owns five radio stations in major media, as well as syndicated programming including "The Farm Journal" (produced through Farm Journal, Inc.). Tribune Education supplies various educational materials to schools throughout the country, including the publication of course curricula and supplemental materials for grade school through high school, and language arts materials. Tribune Ventures, the company's investment arm, owns about 5% of the Internet provider America On-Line, and has invested \$25 million in an Asian venture, Baring Communications Equity, Ltd., which invests in cable and other systems in Asia.

**History at a glance:** Founded as the *Chicago Daily Tribune* in 1847, the paper and its founder, Joseph Medill, were supporters of Abraham Lincoln and opponents of the British-backed Confederate rebellion; most notably, Medill, through his paper, promoted the American System economic outlook of Alexander Hamilton and Mathew and Henry Carey. Its coverage of the Civil War justly earned it a national reputation for excellence. However, by the end of the war, a coup was staged, and Medill was forced to yield control to a combination which included the man he had hired as

editor, Horace White, and Alfred Cowles, Jr. Medill remained politically active in Chicago, continuing to fight, often against the paper he founded, for investment in internal improvements and for protectionist policies; he was elected mayor in the wake of the Great Chicago Fire, supervising the rebuilding and rebirth of the city. Ultimately, White was forced out, and, in 1874, Medill once again assumed editorial control of the paper. In 1883, Medill's son-in-law, Robert Patterson, became managing editor and took over as editor-in-chief when Medill died in 1899. But it was another branch of Medill's family that directed the *Tribune's* fortunes in this century. Robert McCormick, Medill's grandson and an heir to the McCormick fortune created by the invention of the reaper and the marketing of other agricultural implements, became president of the Tribune Co. in 1910. McCormick, a hard-boiled Anglophile, was raised in England (his father, Cyrus McCormick's son, was appointed head of the U.S. legation to London in 1889), where he cultivated an English accent and English society. This Anglophilia was masked, just as it is in modern times, as neo-conservative "Americanism." This led to support for various anti-American policies, including violent opposition to Franklin Roosevelt and the New Deal, and purported backing for an aborted, violent Morgan-backed coup against the Roosevelt government in 1933-34. It also included racialism and support for the Immigration Restriction League, and the rebirth of the Ku Klux Klan, covering it favorably in the 1920s. The current *Tribune* continues its Anglophilia, with the McCormick Foundation still owning nearly 20% of the company's stock.

#### **Key personnel:**

Donald H. Rumsfeld—director; chairman, the RAND Corp.; director, Allstate Corp.; director, Kellogg Co.; director, Sears Roebuck & Co.; economic adviser to 1996 Dole Presidential campaign.

Robert E. La Blanc—director; director or trustee, Prudential Global Fund, and three other Prudential funds.

Andrew J. McKenna—director; director, the First National Bank of Chicago; governor, Chicago Stock Exchange.

James J. O'Connor—director, First Chicago NBD Corp.; director, Corning, Inc.; director, the First National Bank of Chicago; chairman, Commonwealth Edison Co.; former chairman, Nuclear Power Oversight Committee.

Nancy Hick Maynard—director; chairman, the Freedom Forum Media Studies Center; member, Global Business Network; deputy publisher and co-owner, Oakland Tribune.

Stanton R. Cook—member, former director, Chicago Council on Foreign Relations; former chairman, director, Federal Reserve Bank of Chicago.

Newton N. Minow—former governor, chairman, Public Broadcasting System; trustee chair, Carnegie Corporation of New York; of counsel, Sidley & Austin (Chicago); director, Sara Lee; director, Manpower, Inc.; former chairman, FCC; former chairman, RAND Corp.

## **Advance Publications (Newhouse)**

**Headquarters:** New York

**Media ownership:** Advance Publications is the centerpiece of the largest privately held media conglomerate in the country. The Newhouse family owns assets that are estimated to be worth \$12 billion. It owns more than two dozen newspapers, in small and large markets, including the *Cleveland Plain Dealer*, the *Newark Star Ledger*, and the *New Orleans Times-Picayune*; it also owns *Parade* magazine, the Sunday newspaper supplement with a circulation in the several score million. Newhouse Broadcasting owns cable franchises around the country with more than 1 million subscribers and a total estimated value of \$3 billion. Condé Nast, a Newhouse subsidiary, owns up-scale pro-Anglophile magazines, including *The New Yorker*, *Vogue*, *Vanity Fair*, *Self*, and *Details*, with total circulation of several million. Newhouse also owns the huge book publishing empire, Random House, valued at several billion dollars.

**History at a glance:** The Newhouse media empire is the creation of a combination of British-linked mob and financial interests, who elevated a "small guy," Seymour Newhouse, Sr. and propelled him, by the 1960s, into a media mogul. It started small, with the New Jersey *Bayonne Times*, in 1922. But Newhouse was given major help from people like Henry Garfinkle and his Union News distribution outfit (which eventually controlled 50% of the newspaper distribution in the United States and was reputed to be linked to the Bonanno mob.) The lawyer for Garfinkle was Roy Cohn, the unsavory homosexual and operative for dirty British interests in the United States. Cohn was close to the Newhouse family, having gone to school with Seymour's son, and his successor, S.I. Newhouse. After Cohn was nationally disgraced for his work for Sen. Joseph McCarthy, following the Army-McCarthy hearings, Seymour Newhouse gave him a \$500,000 "loan," not to be paid back; this brought Cohn into Newhouse's inner circle, and cemented a relationship between Newhouse and the Anglo-American interests that controlled Cohn, and used him for their operations. Funds were apparently made available to Seymour Newhouse from these Cohn-linked circles that helped provide the capital for a media-buying spree throughout the United States that, by 1960, left him with ownership of newspapers in major markets. Wherever he went, he sought to bust the newspaper unions and to try to drive competition papers out of business. In 1977, Newhouse purchased the Booth newspaper chain and *Parade* magazine; soon thereafter, he bought Condé Nast, and then Street and Smith, which publishes such magazines as *Made-moiselle*. When Seymour Newhouse died in 1979, the family avoided the payment of estate taxes through a scheme that had all the pawmarks of that master tax swindler, Roy Cohn, involving moves to conceal ownership, and changes in com-

pany structure. The IRS sued to collect hundreds of millions in taxes, but the claim was settled in 1989, when the Bush Justice Department threw the case out, and the Newhouse family got off with a minimal payment. On the death of the Newhouse patriarch in 1979, Cohn's boyhood friend, S.I. Newhouse, Jr., took over the operations; he completed the transformation of the empire's profile into a glitzy, "high society" one, especially in their magazine operations. He imported editors and journalists from London with society and other pedigrees, so much so, that one author reported that the headquarters in New York "looked like a boarding school for transplanted Brits." Its publications had always had intense pro-British sympathies, now it had Brits directing the editorial product.

**Key personnel:**  
Si Newhouse, Jr.

## Gannett Co., Inc.

**Headquarters:** Arlington, Virginia

**Media ownership:** With the recent acquisition of Multimedia, Inc. (based in Greenville, South Carolina), Gannett has become the largest newspaper group, in terms of circulation, in the United States. The daily paid circulation of its newspapers is 6.6 million; *USA Today*, the nationally distributed daily, with color printing, has the second largest circulation of any domestic newspaper, with nearly 1.6 million, and has an international edition that is available in 90 countries. Gannett owns some 92 daily newspapers, in nearly all major media markets, in 44 states and the District of Columbia, as well as the Virgin Islands and Guam, and in foreign countries, including Great Britain, Germany, Hongkong, and Switzerland. Gannett also owns 16 television stations, 13 radio stations, and various cable systems in major media markets; it also produces nationally syndicated programming, including several talk shows, including Conservative Revolutionary Rush Limbaugh's. In recent years, Gannett has invested heavily in various on-line services, including the major service for putting newspapers on line.

**History at a glance:** The Gannett chain was founded earlier this century by Frank Gannett. It was transformed under the direction of Al Neuharth, a free-market supporter who practiced what he preached, in reducing payroll costs among its journalists, and in driving competing papers out of business.

The chain expanded by Neuharth's design in the 1970s and 1980s, buying up weaker papers, and then moving, often in ways that skirted legality, to push the competition under. These efforts have led to a number of anti-trust investigations, and charges that the chain used "numerous illegal, unfair, and deceptive trade practices." Such charges often led to out-of-court settlements and paid silence on the part of former com-

petitors. As Neuharth demolished competition (one operation in Oregon was dubbed by Gannett memos "Operation Demolition.") The elimination of competition enabled Gannett to make more money by raising its advertising rates. All of this was done with Neuharth trumpeting his allegiance to "free enterprise" and the American flag. Gannett's policies led to a revolving door in its editorial rooms; one former employee described the company's *modus operandi* as that of "a colonial power exacting tribute."

Neuharth's crowning achievement was the creation in 1982 of *USA Today*, whose digest-like reporting and color graphics led it to be dubbed as the "McPaper." But Neuharth took this as a compliment: He had designed the paper to appeal to the tabloid and television news attention span of what he perceived to be the American public. When it began, *USA Today* also had a heavy emphasis on "good news" stories; it has since changed a bit. Few in the industry gave it a chance for survival when it started, but it is still around more than 14 years later. In 1989, Neuharth "retired" to head the Gannett Foundation, renamed it the Freedom Forum, and used his position to promote British free-market economics, and, supposedly, First Amendment freedoms. An autobiography, appropriately called *Confessions of an S.O.B.*, boasted that money had bought Neuharth a "first class life." Its run on the bestseller lists was later revealed to be assisted a bit by Freedom Forum funds.

Neuharth's expansion of Gannett and its purchases of other media outlets, including television, were bankrolled by Wall Street's investment community, which include the Morgan and Harriman interests. Despite Neuharth's boasts about making it "against the grain," he and Gannett have been promoted by these British assets into a national power, which has assisted them in their overall cartelization plans.

**Key personnel:**

John J. Curley—chairman, president, chief executive officer.

Douglas H. McCorkingale—vice chairman, chief financial officer; director, The Global Government Plus Fund Inc., Prudential Global Genesis Fund Inc., Prudential Natural Resources Fund, Inc., Prudential Multi Sector Fund, Inc.; trustee, Prudential Equity Income Fund, Prudential Flexifund.

Rosalynn Carter—director; former First Lady, 1977-81; vice chairman, the Council on Foreign Relations' Global 2000; trustee, the Menninger Foundation; director, Carter Presidential Center (Emory University, Atlanta), Friendship Force International; adviser, Habitat for Humanity, Inc.; honorary chair, Project Interconnections.

Peter B. Clark—director; former chairman, Federal Reserve Bank of Chicago, Federal Reserve Bank of Detroit; past director, member, American Newspaper Publishers Association.

Drew Lewis—director; chairman, CEO, Union Pacific Corp.; director, American Express Co., AT&T, Ford Motor



Co., Union Pacific Resources Group, FPL Group Inc.; U.S. secretary of transportation, 1981-83.

Andrew F. Brimmer—director; chairman, District of Columbia Financial Responsibility and Management Assistance Authority (imposed by 104th Congress, also dubbed the D.C. Financial Control Board); editorial board, *Challenge* magazine; president, Brimmer and Company, Inc.; director, Bank-America Corporation, Bank of America N.T. and S.A.

Karen Jurgensen—editorial page editor; chairman, American Society of Newspaper Editors; director, New Directions in the News.

E. Keith Fuller—director; former president, AP.

## **Knight-Ridder, Inc.**

**Headquarters:** Miami, Florida

**Media ownership:** A \$3 billion company, Knight-Ridder's daily newspapers have a circulation of nearly 3 million, in major media and 21 smaller markets, and include the *Philadelphia Inquirer*, the *Philadelphia Daily News*, the *Miami Herald*, the *San Jose Mercury News*, the *Charlotte Observer*, and the *Detroit Free Press* (whose circulation has been combined with the *Detroit News*, in agreement with Gannett Co.). In addition, Knight-Ridder/Tribune Information Services (jointly operated with the Tribune Co.) provides wire service stories, features, graphics, and photos to some 500 media outlets worldwide. The company operates PressLink, an online media services company, providing graphics and photo images to thousands of media outlets. It also runs several business information services and formerly published the daily *Journal of Commerce*, until it sold its operation to the London Economist Group in 1995. Knight-Ridder also owns a 49.5% interest in the Seattle Times Co..

**History at a glance:** Knight-Ridder was formed in 1974 with the merger of two newspaper chains, Knight Newspapers and Ridder Publications, then respectively the number two and number three circulation American newspaper publishers; both had a long history of loyal support for British policy. The firm has remained primarily a newspaper publisher, increasing its acquisitions in recent years, while selling off some assets to British and British-related interests (e.g., the 1995 sale of the *Journal of Commerce*). The *Miami Herald* serves as the Knight-Ridder flagship daily, and the company's headquarters is in Florida.

The Knight chain dates from the early part of this century. Georgia native Charles Landon Knight received his education from Vanderbilt and Columbia universities, and then studied politics and social institutions in Europe during 1891-93. Working in newspapers upon his return, the family moved to Akron, Ohio, where Knight took controlling interest of the *Beacon Journal* in 1915. Knight's fiery Anglophile editorials brought political notoriety, and positions within the Tory

wing of the Republican Party. Knight's 1933 death ceded control to sons John S., taking editorial responsibilities, and James L., covering business affairs. The Knights quickly expanded their interests, obtaining both the Miami *Herald* and *Tribune* in 1937, immediately closing the *Tribune* to make the *Herald* the city's only morning daily; a year later, they bought out their competition in Akron, making that city a "one newspaper town." In 1940, Michigan's oldest daily, the *Detroit Free Press*, was purchased by the Knights.

John Knight, long an Associated Press director, was appointed in 1943 to head the United States Office of Censorship in London, making him the chief press liaison between the United States and Britain. Upon his return from England in 1944, Knight took controlling interest of the *Chicago Daily News* from the estate of recently deceased Secretary of the Navy Frank Knox, then appointing Allied Newspaper Council member Basil Walters as its executive editor. The paper was to be the Knight flagship for many years.

Like Knight, the Ridder group has a long history of support for Tory policies. It began in 1892 with the purchase by Herman Ridder of the preeminent American German-language daily, the *New-Yorker Staat-Zeitung*. His parents were Westphalian immigrants. Ridder had published the weekly *Katholisches Volksblatt*, aimed at German Catholics in the United States, which, in 1886, changed to *Catholic News*. In 1895, Ridder organized the German-American Reform Union, as part of the anti-Tamany Hall campaign. Ridder was president of the American Newspaper Publishers' Association during 1907-11, while serving as one of the Associated Press's directors and one of its earliest members, during 1900-15. Ridder was an advocate of British free trade policies and editorially supported U.S. entry into World War I to support the British Empire.

### **Key personnel:**

James I. Cash, Jr.—State Street Bank and Trust.

Jesse Hill, Jr.—chairman and CEO, Atlanta Life Insurance Co.

Thomas L. Phillips—former chairman, Raytheon Co.; director, John Hancock Financial Services.

P. Anthony Ridder—chairman.

Randall L. Tobias—chairman and CEO, Eli Lilly and Co.; trustee, Colonial Williamsburg Foundation; vice chairman, American Enterprise Institute, Council on Economic Development; member, Council on Foreign Relations, Business Roundtable.

Peter C. Goldmark—president, The Rockefeller Foundation; director, Dreyfus Third Century Fund; Council on Foreign Relations; former senior vice president, Times-Mirror Co.

William S. Lee—Duke Power Co., former chairman; director, J.P. Morgan and Co., Morgan Guaranty Trust Co., American Nuclear Energy Council.

Gonzalo F. Valdes-Fauli—regional chief executive, Barclays Bank PLC.

John L. Weinberg—senior chairman, Goldman Sachs and Co.; director, Seagram Co. Ltd., E.I. du Pont de Nemours and Co.; member, Council on Foreign Relations.

## The Associated Press

**Headquarters:** New York

**Media ownership:** AP is the oldest and largest news agency in the world. On any given day, it delivers some 20 million words and thousands of visuals, globally. It also provides a selectable stock service, an array of audiotext and information services, and television graphics, and operates, via satellite, a nationwide radio news service for several hundred radio stations, making it one of the largest radio networks in the United States. Its domestic network includes 143 bureaus; if a story is deemed broad enough, it is fed to New York for editing, then transmitted back out to more than 1,700 domestic subscriber newspapers and over 6,000 radio stations, and, through its international feed, to thousands more outlets overseas. Overall, its products are sold to more than 15,000 outlets, worldwide. Its services include: AP-Dow Jones, AP Multimedia Services, AP-TV, AP Grand Central Stocks, and AP Network News for radio.

**History at a glance:** What became the New York Associated Press (NYAP) began in 1848, with six New York newspaper publishers seeking to form a joint news-gathering and information-sharing operation, to save money. NYAP maintained a Washington bureau, whose chief (and only) correspondent, Lawrence Gobright, stated the NYAP “philosophy” of “objective” journalism, only giving the “facts.” The NYAP operated its headquarters from the Western Union building, and made an arrangement giving it exclusive rights over the majority of domestic U.S. telegraph lines, and later over the first transatlantic cable. In 1887, NYAP formally joined a cartel composed of Reuters, the French Havas agency, and the German Wolff agency, which divided the world’s news coverage into imperial spheres of influence, with Reuters ceding to AP most of North America, except Canada, with shared arrangements for Ibero-America and the Caribbean. This arrangement stayed in effect, with AP “confined” to the United States, with its international news coming from Reuters, etc., until 1934, when Hitler ordered Wolff to break the cartel, for propaganda purposes. AP and Reuters had both been willing to continue the arrangement with the Nazis. Financially, AP continued, as it had begun, as a not-for-profit news cooperative, which, it claims to this day, has no private ownership or government funding. However, in the 1980s, when it became necessary to upgrade its technological base of operation, for computer and satellite-related services and news delivery, its “co-op” members couldn’t meet the bill. Like its nominal rival the United Press International (UPI), it was running huge deficits and heading for bank-

ruptcy. But AP received an infusion of capital and credit from its banker of more than 80 years—the British-linked Morgan Guaranty Trust and J.P. Morgan. While UPI was allowed to go under after a long death agony, AP, with British-linked money, survives.

### Key personnel:

Frank A. Daniels, Jr.—chairman; director, News and Observer Publishing Co., New Directions for the News; board of visitors, Stanford Institute of Policy Sciences.

Louis D. Boccardi—president, chief executive officer, head AP London bureau; member, Council on Foreign Relations; Newspaper Readership Council; Newspaper Publishers Association news research committee; 1959 B.S., Columbia School of Journalism.

Walter R. Mears—vice president; 1969-72 chief political writer; 1973-74 assistant bureau chief; 1977-83 Washington bureau chief; 1984-88 executive editor.

Claude E. Erbsen—vice president, AP World Services; 1980-87 director AP-Dow Jones News Services; 1970-75 administrative director, AP-Dow Jones Economic Report, London; 1965-69 Brazil AP bureau chief; member, Council on Foreign Relations; World Press Institute; International Press Institute.

Eric Ober—president, CBS News Division; 1987- president, CBS TV Stations; 1984-87 vice president, CBS News public affairs broadcasts; 1981-82 vice president for news, CBS TV Stations.

Donald E. Newhouse—chairman, AP finance committee; *Newark Star Ledger*; president, Advance Communications; son of Si Newhouse.

## The Reader's Digest Association, Inc.

**Headquarters:** Pleasantville, New York

**Media ownership:** A \$2 billion international conglomerate, with more than \$3 billion in yearly revenue, the *Reader's Digest* empire spans the globe, publishing the world's most widely read magazine, with a paid circulation of 27 million and a monthly readership of 100 million. *Reader's Digest* serves as the front door to one of the world's most sophisticated information-gathering machines, with nearly 50 news bureaus in 21 countries, generating stories for its 48 editions in 19 languages; it also has used its subscription and marketing operations to create a data base on more than 100 million households in the United States and western Europe. In addition to the *Reader's Digest* magazine, it publishes several more magazines, including *American Health* and *Moneywise*, with a monthly circulation of 3 million, and a readership of 12 million.

**History at a glance:** The *Reader's Digest* publishing and media empire got its start as the brainchild of Dewitt Wallace,

an Anglophile and World Federalist, who, along with his wife, Lila Acheson, founded the monthly in 1922. Based on the premise that Americans would desire shortened versions of articles from popular magazines, the *Digest* was an instant success; it contained advertising only for itself and related companies, and was thus free to print whatever its editors desired.

By 1925, with its circulation growing, the company moved its headquarters from New York City to its current complex in suburban Westchester's Pleasantville; by the 1930s, it was established as a propaganda conduit. Wallace, whose father had been among the leading campaigners for Woodrow Wilson's League of Nations, initially kept a low profile, but maintained strict control over content, which included a 1926 article by Hiram Wesley Evans, Grand Imperial Wizard of the Ku Klux Klan, touting the Klan as a defender of "Americanism." By 1936, subscriptions had reached 1 million, and two years later, the first foreign edition appeared in England.

In the 1940s, the *Digest* opened bureaus and offices on five continents. Meanwhile, Wallace emerged from the shadows to promote free market, Tory policies, and the virtue of allying with Britain, writing articles for the *Digest* expressing these views. The Wallaces officially retired in 1973, but Dewitt Wallace continued his close supervision of editorial and business policy until his death in 1981; his wife died three years later, leaving most of their vast fortune to charities that promote their worldview. New management placed great emphasis on making money, which the company did by the billions.

The *Digest* remains the world's largest-selling magazine, with its condensed book division (founded in 1950 and now a division of the McGraw-Hill publishing conglomerate) dominating the market. The company's home-entertainment division is its largest profit center.

The *Reader's Digest* has always been closely linked to British and oligarchical propaganda and intelligence operations. Aside from the Wallaces' Anglophile and one-world government proclivities, they promoted the free-market ideology of Mont Pelerin Society founder Friedrich von Hayek, publishing a condensed version of his book *The Road to Serfdom* in 1945, and circulating it to several million people. The *Digest* offices were stocked with former Anglo-American intelligence operatives, and its editors and reporters were stringers for these agencies.

The *Digest* was notorious as a leak sheet for such intelligence agencies. For example, during the 1950s and 1960s, the *Digest's* Washington bureau served as a public relations firm for Dewitt Wallace's good friend "Gay" Edgar Hoover and the FBI. One of the leading stringers for the FBI and the James Jesus Angleton-Ted Shackley Anglophile networks within the CIA, was *Digest* Washington bureau staffer Eugene Methvin, who routinely published "research" submitted by the FBI-CIA networks under his byline. He continues to

do so, with the approval of *Digest* editors, to this day.

#### **Key personnel:**

James P. Schadt—chairman and CEO; Procter and Gamble Co. 1960-73, Pepsi, Inc. 1973-78, Continental Foods Corp. 1978-81; president and CEO, Cadbury-Schweppes, Inc., 1981-91.

Kenneth Y. Tomlinson—senior vice president and editor-in-chief; director, Voice of America, 1982-84; National Commission on Voluntary Service, 1981-83; U.S. Board of International Broadcasting (overseer of Radio Free Europe and Radio Liberty), 1987-; on leave as adviser to Robert Dole Presidential campaign, early 1996-; active with National Endowment for Democracy/Project Democracy.

Melvin R. Laird—chief counsel, vice president, 1974-; senior counsellor for national and international affairs; U.S. secretary of defense, 1969-73; domestic adviser to President Richard Nixon, 1973-74; director, Metropolitan Life Insurance Co., Northwest Airlines, IDS Mutual Fund Group, Scientific Applications International Inc., The Reader's Digest Fund, Lila Wallace Reader's Digest Fund, World Rehabilitation Fund, Airlie Foundation.

Lynne V. Cheney—director; W.H. Brady fellow, American Enterprise Institute; senior editor, *Washingtonian* magazine, 1983-86; chairman, National Endowment for the Humanities, 1986-88.

William G. Bowen—director; president, Andrew W. Mellon Foundation, 1988-; trustee, Stanford University's Center for Advanced Study in Behavioral Sciences; member, Industrial Relations Research Association, Council on Foreign Relations; former director of graduate studies, provost, president, Woodrow Wilson School of Public and International Affairs.

Walter V. Shipley—director; chairman and CEO, international division 1994-; executive vice president, international division, 1978-79; chairman, Chemical Bank, 1983-94; member, Council on Foreign Relations, Trilateral Commission, Business Roundtable, the Business Council.

Cecil J. Silas—director; past chairman, U.S. Chamber of Commerce; member, Council on Foreign Relations; patron counsellor, Atlantic Council of the U.S.; member, conference board, American Petroleum Institute; Phillips Petroleum Co., 1954-94, chairman and CEO, 1985-94; president, Europe-Africa, 1968-74; Brussels and London Phillips Petroleum Co., 1974-76; managing director, natural resource group Europe/Africa Phillips Petroleum Co. (London).

## **McGraw-Hill Companies**

**Headquarters:** New York

**Media ownership:** The \$3 billion company provides most of the magazines that are "required reading" for several professional fields, including aerospace, civil engineering,

and electric power generation and distribution, as well as the largest circulation business magazine in the world, *Business Week*. The company also owns Standard & Poors, the investor rating service, and the CUSIP Service Bureau, which assigns a number to every security in the United States.

**History at a glance:** McGraw-Hill was the result of the merger of two leading industrial publishers, Hill Publishing and the McGraw Publishing Co., in 1916. The merged company immediately became the largest technical publisher in the world. After receiving a boost from the demands of the U.S. Army for technical publications during World War I, the company branched out to become one of the largest college textbook publishers. In 1928, the company purchased the publisher of the *Magazine of Business*, renaming the reorganized magazine *Business Week*. During World War II, McGraw-Hill's technical journals were considered so important, that the company received priority paper rations. In 1961, it purchased F.W. Dodge, the major source of information for the construction industry; in 1966, Shepard's Citations, the leading legal publisher, was acquired, and soon thereafter, Standard & Poors. The McGraw family successfully resisted a takeover by American Express in 1979; that same year, it acquired Data Resources, Inc., the world's most extensive collector of business and economic data, fully merging its operations, as DRI/McGraw-Hill. With the ascendancy of Joseph Dionne to CEO and president in 1983, the company committed itself to the post-industrial "Information Age," selling off many of its industrial-oriented magazines, such as *Coal Age* and the *American Machinist*; in their place came journals and magazines directed toward computer users, such as *Byte* and *LAN Times*. In 1988, McGraw-Hill acquired the college division of Random House publishers; a year later, the company entered a joint venture with MacMillan in the publication of secondary education textbooks and teaching guides; in 1990, the company implemented the customized electronic design of textbooks, that allows for a 48-hour turnaround of product.

**Key personnel:**

Pedro Aspe—chairman, Vector Casa de Bolsa SA; Secretary of Finance and Public Credit of Mexico 1988-94.

Joseph L. Dionne—chairman and CEO 1988-; Equitable Companies Inc.; The Equitable Life Assurance Society of the U.S.; Harris Corp.; Ryder Systems Inc.; Alexander & Alexander Services Inc.

Don Johnston—chairman and CEO, JWT Group Inc. (J. Walter Thompson Advertising Agency); The Equitable Life Assurance Society of the U.S.

Alva O. Wa—chairman, IBJ Schroder Bank & Trust Co.; Schroder PLC; 1979-81 vice chairman, 1981-83 president, American Express Co.; Ryder Systems Inc.; Eli Lilly & Co.

John T. Hartley—1987-95 chairman and CEO, Harris Corp.; Equitable Companies Inc.; The Equitable Life Assurance Society of the U.S.; former chairman, National Association of Manufacturers; member, National Security Telecom-

munications Advisory Committee under Reagan and Bush; former chairman, Defense Policy Advisory Committee on Trade.

Paul J. Rizzo—partner, Franklin Street Partners (investment firm); Johnson & Johnson; Ryder Systems Inc.; Morgan Stanley Group Inc.

James H. Ross—CEO and deputy chairman, Cable & Wireless PLC; 1991-92 British Petroleum; 1988-91 chairman and CEO, BP America Inc.; 1986-88 CEO, BP Oil International Ltd.; 1982-85 general manager for corporate planning, British Petroleum; advisory board member for the Center for Strategic and International Studies, Georgetown University.

## Time Warner Turner

**Headquarters:** New York and Atlanta

**Media ownership:** With assets in excess of \$40 billion, the newly merged Time Warner and Turner Broadcasting operate a conglomerate that controls the top three magazines in the United States—*People*, *Sports Illustrated*, and *Time*—as well as the WB Network television network, with outlets in most major markets, many smaller markets; Ted Turner's Atlanta-based "superstation" and cable interests, such as Cable News Network (CNN); and cable franchise interests around the country, through Turner Broadcasting's cable operation, and through the even larger Tele-Communications, Inc. (TCI). Through the production facilities of both Warner Brothers and Turner Communications, the conglomerate produces major network television shows, as well as shows for both Turner and the WB Network. John Mallone's TCI is moving, in association with Comcast, a satellite broadcast operation, the long-distance telecommunications carrier Sprint, and another cable outfit, Cox Enterprises, to set up a nationwide network of cable, telephone and wireless communications, including an Internet service.

**History at a glance:** The merger of Time Warner with Turner Broadcasting has created a complex web of multimedia companies, capable of producing and mass-distributing varied television and related products nationally and globally. The oldest part of this operation is Warner, which had its start as Warner Brothers in 1917, with funding and other help coming from British-linked organized-crime networks. Warner ventured late into television production, but, starting in 1969, with its purchase of Atlantic Records, secured a major position in the so-called music business, under the direction of drug-connected Steve Ross. In 1989, a \$14 billion merger created Time Warner. Time has its origins in the same general period as Warner Brothers, with the 1923 founding of *Time* magazine by two members of Yale's Anglophile Skull & Bones Society, Henry Luce and Briton Hadden. Luce became a champion of Teddy Roosevelt's dream of an Anglo-American imperium, with America taking the lead, on a Brit-

ish lease, in what his publications promoted as “The American Century.” By 1941, *Time* had almost 1 million subscribers, and another Luce creation, *Life* magazine, had 3.3 million. By 1991, three Time, Inc. magazines—*People*, *Sports Illustrated*, and *Time*—accounted for one-third of all magazine revenues in the United States. Luce, who died in 1967, had been accepted within the Anglo-American establishment, and had always received generous financial assistance through its U.S. banking interests and allies. After the merger in 1987, continued British influence was further enhanced in 1991, when the Bronfmans’ Seagram interests purchased a large part of the merged company. With the addition of the Southern Agrarian Turner’s interests, the conglomerate is even more securely in the Anglophile camp. Turner made a fortune for himself by recognizing the early possibilities of cable television, and promoting his small Atlanta television station into a “superstation” through satellite feeds into cable providers; later, in the 1980s, he created the first all-day, cable news station, Cable News Network (CNN), which, after inching its way into various cable systems, attained national prominence with its coverage of George Bush’s Gulf War. But Turner, who, with his wife Jane Fonda, became a leading spokesman for various environmentalist and terrorist-linked indigenous people’s causes, has always had eyes bigger than his resources could command. Some of his ventures were profitable—including the ownership of the Atlanta Hawks basketball team and the Atlanta Braves baseball team (which he promoted through his superstation as “America’s Team”). Others were not successful, including his attempted takeover of MGM-UA in 1987. Turner appealed for and got a bailout from other players in the cable industry, who purchased 30% interest in Turner Communications. One of those was the self-described “Darth Vader of the cable industry,” John Mallone of TCI. Mallone and TCI have bought over 150 cable companies and have a large interest in 91 others. TCI began as a small cable operation in Texas in 1965; Mallone was brought on board in 1972 and made the company into a giant, with financial help from Warner. In 1991, it emerged that TCI’s founder, the former Texas rancher Bob Magness, was linked to the scandal around the Bank for Credit and Commerce International, as a large shareholder in the London-based BCCI front group, Capcom, which was used to cover for many of BCCI’s fraudulent loans.

**Key personnel:**

The following should be noted about ownership of this conglomerate: the Bronfmans’ Seagram Co., Ltd. owns 14.51% of the common stock, giving it 12.36% of the voting power; Five trusts of the Gray family own 100% of the Series C preferred stock; no voting power resides with ownership of this stock; a trust for C. Boyden Gray, former White House counsel under President George Bush, has 23.56% of the ownership; Henry Luce III owns 1.5% of the common stock. Some key directors:

Carla A. Hills—former U.S. Trade Representative under

Bush; American International Group Inc.; AT&T Corp.; Chevron Corp.; Trust Co. of the West.

Reuben Mark—chairman and CEO, Colgate-Palmolive Co.; Pearson PLC; New York Stock Exchange, Inc.

David T. Kearns—Chase Manhattan Corp.; Ryder System Inc.; chairman, Xerox Corp., 1985-91.

Richard D. Parsons—president; Philip Morris Companies Inc.

**Westinghouse/Columbia Broadcasting System**

**Headquarters:** New York

**Media ownership:** In 1995, Westinghouse acquired CBS for \$5.4 billion, merging its operations with its own Group W network to create the largest broadcaster in the United States. It owns 14 television broadcast stations, covering all major markets; owns 21 FM and 18 AM radio stations; and has 33% ownership of the cable Country Music Network, as well as marketing the cable Nashville Network. In addition, some 1,900 radio and television stations carry CBS programming, and 450 carry CBS News.

**History at a glance:**

Founded in the late 1920s, CBS is the world’s second oldest broadcasting network, after David Sarnoff’s National Broadcasting Corporation (NBC, see profile). Originally owned by the Columbia Phonograph (records) company, CBS received a fresh infusion of cash from a young cigar manufacturer, William Paley, who bought the controlling interest in the broadcaster. Under Paley’s direction, CBS pioneered news broadcasting, creating a stable of newscasters and reporters, who, through the network’s penetration, could not only report, but also shape the news. The Anglophile Paley gave backing to the creation of foreign news bureaus, including the largest European bureau, based out of London, in the late 1930s under the direction of Edward R. Murrow. To create the impression of “balanced” and extensive coverage, CBS pioneered a nightly newscast, featuring live reports from several European capitals. During the Nazi bombing of London, Murrow gave Americans firsthand reports and bulletins of the “blitz,” using sources linked to British intelligence to glorify the “great Anglo-American alliance,” as promoted by Churchill. In 1941, Paley himself joined the U.S. Office of War Information; ultimately, he was assigned to the Psychological Warfare Board, where he would become co-director with British psychological warfare expert Richard Crossman,



*CBS anchorman Dan Rather*

who described his unit's goal as "to out-Goebbels, Goebbels." Paley used his position to help out CBS, arranging for the U.S. government to purchase all of CBS's Ibero-American facilities, ostensibly because they would be useful for counterintelligence against the Nazis. After the war, Paley directed CBS's development of a major television network. Those efforts were delivered a blow in 1956, during the famous "quiz show scandals," when it was revealed that top CBS management was complicit in the rigging of the popular "\$64,000 Question," prompting Congressional investigations of television quiz show programming. In the early 1960s, CBS signed the contract to regularly broadcast National Football League games, which created huge profits for the network and made football the most popular media sport. By this time, Paley had put his protégé, Frank Stanton, into the top management position; Stanton, who, in the 1930s, had pioneered "market research" for the network, served as CBS president and chairman for 28 years. Under Stanton, CBS created the first "news magazine" show, the still-popular "60 Minutes," and prime-time feature film presentations. However, by the 1980s, the company found itself weakened financially, and, in 1985, was the target of a takeover bid by Ted Turner, of Turner Broadcasting. CBS fended off the challenge, but it was costly: CBS bought up 21% of its own stock, at a price tag of nearly \$1 billion. In 1986, Lawrence Tisch, the chairman of the Loew's Corporation, which owned about 25% of CBS stock, became the chief executive officer of CBS, replacing Thomas Wynan. A bitter power struggle between Tisch and Wynan, who had remained as president, ensued. Stepping into the breach was Bill Paley, who returned from retirement as chairman, and engineered Wynan's exit. Following Paley's second retirement, CBS was purchased in 1995 by Westinghouse, then a large defense and electrical manufacturer, as part of the latter's moves to diversify.

#### **Key personnel:**

Michael H. Jordan—chairman and chief executive officer, Westinghouse Electric Corporation 1993-; executive vice president, CEO PepsiCo Inc., 1985-86.

Frank C. Carlucci—chairman, the Carlyle Group (merchant banking); director, Westinghouse Electric; with U.S. foreign service in various posts, including officer in charge of Congo political affairs, 1962-64; associate director, Office of Management and Budget, 1971; undersecretary, Department of Health, Education, and Welfare, 1972-74; deputy director of CIA, 1978-81; deputy secretary of defense, 1981-82; national security assistant, 1986-87; secretary of defense, 1987-89.

## **Disney/Capital Cities/ABC**

**Headquarters:** New York and Los Angeles

**Media ownership:** When Disney purchased Capital

Cities/ABC in 1995, it acquired 11 television stations, in 10 major markets; in addition, through a 14% interest in Young Broadcasting, it controls another 8 major market television stations. Its total television operation covers 24% of all U.S. households. Cap Cities/ABC/Disney now owns 21 radio stations in major media markets; it is the largest U.S. radio network, with 3,400 outlets, serving 24% of all American households. The conglomerate also has major impact on print media: It owns several major market newspapers, including the *Fort Worth Star Telegram* and the *Kansas City Star*, as well as papers in Michigan and New England; it also owns two publishing houses, and the varied Hollywood production and distribution interests of the Disney Empire: Walt Disney Pictures, Touchstone Pictures, Hollywood Pictures, Miramax Film Corporation, Buena Vista Pictures, Buena Vista Home Video. Added into the mix are the Anaheim Mighty Ducks of the National Hockey League, the American League baseball team the California Angels, as well as seven theme parks and resorts including Disneyland and Walt Disney World/Epcot Center. It is largest mass media/entertainment empire on the face of the globe.

**History at a glance:** Of the three major broadcast networks in the United States, ABC is the youngest. It was the outgrowth of the NBC radio network, which by the late 1920s, had grown so large that it split into two networks—the "red" and the "blue"; the latter ultimately became ABC. When NBC was ordered to divest its interests in one of the halves of its empire, it sold the less profitable "blue" network to Edward J. Noble, who had made his fortunes from "Life-Savers" candy; the new network company was renamed the American Broadcasting Company. ABC remained as solely a radio network until 1953, when it merged with United Paramount Theaters and formed a third television network. Paramount's President Leonard Goldenson became head of ABC, and one of his first "coups" was to secure a contract with Walt Disney to create a new television show, in exchange for funds that Disney needed to finish his Disneyland. "Walt Disney Presents," later known as "Disneyland," literally "made" the network, giving it credibility and attracting affiliates to the network. Beginning in 1960, ABC went big into sports broadcasting, when it won the right to broadcast NCAA college football and basketball games; its sports division was founded a year later, and soon was headed by Roone Arledge; after securing the rights to broadcast the Olympics, the network, still third behind CBS and NBC, became first in sports broadcasting. Losses at ABC mounted during the 1960s, and it hovered near bankruptcy. Then, two developments came to its rescue. In 1971, the Federal Communications Commission limited the amount of prime-time programming that networks could schedule on local affiliates; this was a blessing for ABC, since it couldn't profitably compete in production of shows with NBC and CBS. A year later, Arledge created "Monday Night Football," still one of ABC's profitable ventures. Revenues and profits soared. In 1975, ABC wooed Fred Silverman

away from CBS to run its network programming; he created several popular soap operas and sitcoms, and built ABC into the world's largest advertising medium, and the leader in daytime programming (soap operas), until he was lured to NBC in 1978. In 1985, the smaller Capital Cities Communications, Inc., with the backing of speculator Warren Buffett's Berkshire Hathaway operation, bought ABC for \$3.5 billion. Ten years later, Disney, already one of the most powerful forces in entertainment, looking for a television outlet, acquired Capital Cities/ABC for \$19 billion, forming a \$50 billion media conglomerate, with influence into every household in the United States, and throughout much of the world.

**Key personnel:**

Michael D. Eisner—chairman and chief executive officer, The Walt Disney Company; began career in CBS programming department; assistant to national programming director, ABC, 1966-68; manager of specials and talent, director program development East Coast, 1968-71; vice president, daytime programming, 1971-75; president, CEO, Paramount Pictures, 1976-84; chairman and CEO, Walt Disney Company, 1984-.

Roy E. Disney—vice chairman and member of the executive committee, The Walt Disney Company; nephew of founder, Walt Disney; assistant film editor, cameraman production assistant, writer, producer, Walt Disney Productions, 1954-77; director, 1967-; president Roy E. Disney Productions, 1978-; chairman of the board of Shamrock Holdings, 1980-.

Stephen F. Bollenbach—senior executive vice president and chief financial officer, The Walt Disney Company; chief financial officer, D.K. Ludwig Group, 1977-80; president, CEO, Host Marriott Corp., 1993-96.

## National Broadcasting Corporation/RCA/General Electric

**Headquarters:** New York

**Media ownership:** The oldest broadcast network in the United States, NBC has affiliates in both radio and television in every major market in the United States, with several hundred outlets for its news and other programming. In recent years, it has sold off both radio and television properties, reducing its direct holdings to nine television stations, all in major markets. In addition, NBC, which is now a subsidiary of General Electric, is part owner of the cable/satellite channels, the American Movie Channel, A&E (Arts & Entertainment), and the History Channel.

**History at a glance:** NBC was the first permanent full-service radio network in the United States, created in the mid-1920s, effectively controlled by the Radio Corporation of America (RCA), then the largest producer of American radio receivers and broadcasting equipment. Created by a young

RCA executive, David Sarnoff, the network pioneered live news broadcasting, and created the first network news department in 1933. Sarnoff maintained a close relationship with the highest circles of British intelligence, including Sir William Stephenson, who played a key role in the creation, in the same timeframe as NBC, of the British Broadcasting Corporation (BBC). That relationship was maintained through World War II, when Stephenson, as British Security Coordinator, operated out of "Room 3603" in the RCA Building in Rockefeller Center, with Sarnoff's knowledge and assistance. Using RCA, with funding from Morgan interests, Sarnoff had helped initiate the first experimental work in television, back in the 1920s; NBC began the first regular television service in the United States, broadcasting the opening of the New York World's Fair in 1939. In 1941, an NBC-created affiliate in New York obtained the first U.S. commercial broadcast license, becoming the first commercial television station. Sarnoff, while continuing to build the NBC radio network, pushed even harder for the creation of a national television network, which NBC initiated in the late 1940s. Meanwhile, his research teams developed an even more compelling television medium—color—and NBC made the first commercial color broadcasts in the 1950s. The network was also the first to make major use of satellite transmissions, and the first in intercontinental broadcasting. However, after Sarnoff's death in 1966, NBC's fortunes began to decline. Those were reversed by shifts in management in the 1980s, which placed renewed emphasis on network programming, especially situation comedies, or "sitcoms." Meanwhile, NBC sold off most of its radio assets, which had become too costly, and concentrated on network news, sports, and other programming. RCA had been sole owner of NBC since 1930, when it bought out holdings of GE and Westinghouse. In 1986, the Morgan-controlled GE interests acquired RCA and its NBC subsidiary, for \$6.3 billion; GE ultimately pushed for a reorganization of the network, changing management teams, and making the network a subsidiary. The network had its most profitable year ever in 1995, marking the third consecutive year of double-digit earnings increases.

**Key personnel:**

John F. Welch, Jr.—chairman of the board and CEO, General Electric Company, 1980-.

John D. Opie—vice chairman of the board and executive officer, General Electric Company, 1995-.

Paolo Fresco—vice chairman of the board and CEO, General Electric Company, 1990-.

Robert C. Wright—president and CEO, National Broadcasting Company, Inc.; president, Cox Cable Communications, Atlanta, 1980-83; joins GE, 1969, and president NBC, 1986-.

Douglas A. Warner III—director, General Electric Company, 1992-; chairman of the board, president, CEO, J.P. Morgan & Co. Inc. and Morgan Guaranty Trust; board member, Anheuser-Busch, Inc.



## Corporation for Public Broadcasting

**Headquarters:** Washington, D.C.

**Media ownership:** The CPB does not own anything, but instead uses its nearly \$300 million annual budget, derived from federal appropriations, to fund programming and operations of the Public Broadcasting System, National Public Radio, and Public Radio International, which comprise the nation's public broadcasting system. That system is notorious for its promotion of British culture, and the rebroadcast of British television and radio programming, and even the production of programs created by the British for American broadcast. Whatever else it might be, the public system is effectively a branch of the British propaganda machine; its programming is notoriously pro-environmentalist, pro-"human rights," and pushes political correctness and multiculturalism, including homosexuality. This has made its funding a subject of heated verbal wars between British "liberals" and British "conservatives" in this country.

**History at a glance:** The CPB was created, with the support of President Lyndon Johnson, by the Public Broadcasting Act of 1967. It was set up as a government-sponsored corporation whose funding came through the Office of Education of the Department of Health, Education, and Welfare (HEW); however, its funding requests were not part of HEW's budget, but were made directly to Congress each year, by the CPB. A 15-member board was also set up—the equivalent of a corporate board of directors. Originally, CPB's funding was to come from a tax charged on the purchase of all television receivers, but this idea was quickly discarded, because of opposition from the television industry; the CPB's funding comes from general tax revenue funds.

### Key personnel:

Richard W. Carlson—president and CEO; 1985, director of public affairs, U.S. Information Agency; 1986-91, director of public affairs, USIA/Voice of America; 1991-92, U.S. Ambassador to Seychelles; 1988-91, director, Fund for Animals; 1988-91, trustee, Fund for American Studies; recipient, 1988, Jose Martí award of Cuban American Political Society; 1988, Knights of Lithuania Friend of Lithuania award; member, Council of American Ambassadors.

Victor Gold—director (resigned year-end 1995); editorial board, the *American Spectator*; ghost-writer of George Bush's campaign autobiography, *Looking Forward*.

## The Public Broadcasting System

**Headquarters:** Alexandria, Virginia

**Media ownership:** PBS is a not-for-profit cooperative network of nearly 200 publicly owned television stations, in

all major media markets, most small markets, and on many college and university campuses; it is owned by the stations themselves. It provides them programming services, enabling them to purchase programming at greatly reduced costs. PBS features a heavy dose of British programming, from the BBC and its affiliates, as well as from British commercial television. It is estimated that there are 101 million weekly U.S. viewers of PBS.

**History at a glance:** PBS emerged from the National Education Network, which fed programming to public television stations, numbering about 120 in the mid-1960s. Support for that effort came from the Ford and Rockefeller foundations. PBS came into being following a series of recommendations about funding and management of public television developed in the late 1960s by the Carnegie Commission on Educational Television. Today, it is the largest television service in the world, and has one of the most extensive broadcast satellite systems.

### Key personnel:

Jim Lehrer—editor, anchor "The News Hour with Jim Lehrer"; member, Council on Foreign Relations; 1972-73, PBS public affairs coordinator; 1973-, correspondent, WETA-TV, Washington, D.C.; 1961-70, columnist, reporter, city editor, *Dallas Times Herald*; 1970-72, executive producer, KERA-TV, Dallas.

Ervin S. Duggan—president and CEO; 1990-92, commissioner, Federal Communications Commission; 1981-90, president, Ervin S. Duggan Association; special assistant, 1977-81, with departments of State and HEW; 1971-77, staff of Sen. Adlai Stevenson; 1965-69, staff assistant to President Lyndon Johnson; 1964-65, reporter, *Washington Post*.

## National Public Radio

**Headquarters:** Washington, D.C.

**Media ownership:** NPR is a private, non-profit organization that produces and distributes programming, including news, for 524 public radio stations throughout the country. NPR operates a national satellite program distribution system, with regional uplinks for public radio stations and producers.

**History at a glance:** NPR was founded in 1970, with about 150 stations. It has steadily expanded its operations, helped by funding from the CPB and private foundations.

### Key personnel:

Daniel Schorr—senior news analyst; member, Council on Foreign Relations; 1980-85, senior Washington correspondent, CNN; 1966-76, with CBS, including Washington correspondent (receiving ACLU award for publishing secret House intelligence report, and Emmy awards 1972-74 for Watergate coverage), 1960-66 chief German news bureau, 1955 reopening Moscow news bureau; 1948-53, free-lance assignments with *New York Times*, *Christian Science Moni-*

tor, London *Daily Mail*; 1941-48, editor, ANETA News Agency (the Netherlands), in New York; 1934-41, assistant editor, Jewish Telegraphic Agency; decorations, officer Orange Order of Nassau (Netherlands), Grand Cross of Merit (Germany).

Corrine "Cokie" Roberts—political correspondent (daughter of Warren Commission member Hale Boggs; White House correspondent and weekly commentator, offering "left" perspective, with ABC (and Hollinger Corp.-linked) program, "This Week with David Brinkley."

## Public Radio International

**Headquarters:** Minneapolis, Minneapolis

**Media ownership:** PRI serves some 528 affiliated radio stations worldwide. It is a private, non-profit corporation, which receives CPB funding indirectly, through the CPB funding of programs it distributes. Among those programs are "PRI's The World," produced by the BBC World Service and the WGBH public radio station in Boston; "BBC World Service," produced by the BBC; "As It Happens," produced by the Canadian Broadcasting Corporation (CBC); and "Sunday Morning," produced by the CBC. It receives major private funding from the Ford Foundation, GE, the Cummins Engine

Foundation, and the General Mills Foundation.

**History at a Glance:** PRI is a new kid on the block, founded in 1993. It evolved from American Public Radio, which was founded in 1983.

### Key personnel:

H. Brewster Atwater—director; chairman, General Mills Inc.; member, secretary International Council of Morgan Guaranty Trust Co.; director, General Electric Co.; director, Merck & Co.

Marjorie Scardino—director; chief executive, The Economist Group, London; 1985-93, president, The Economist Newspaper Inc., New York; 1992-93, worldwide managing director, Economist intelligence unit; director, The Economist Newspaper Ltd.; director, ConAgra; director, W.H. Smith; director, The Atlantic Council; member visitors committee, New School for Social Research, New York; her husband, Albert J. Scardino, is a former *New York Times* correspondent, and they live in London.

Jon B. Lovelace—director; member, Council on Foreign Relations, Sierra Club; vice chairman, Capital Research and Management Co., Los Angeles; chairman, Investment Company of America, American Mutual Fund; president, New Perspective Fund; trustee, Claremont McKenna College, Los Angeles; member advisory board, Stanford University N.E. Asia/U.S. Forum on International Policy.

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Bangkok . . . . .	0500*	Milan . . . . .	2300
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Belfast . . . . .	2200	Montreal . . . . .	1700
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Bohemian Grove . . . . .	1400	New Delhi . . . . .	0330*
Bogota . . . . .	1700	New York . . . . .	1700
Bonn . . . . .	2300	Nogales . . . . .	1500
Bombay . . . . .	0330*	Norfolk . . . . .	1700
Boston . . . . .	1700	Oslo . . . . .	2300
Bretton Woods . . . . .	1700	Paris . . . . .	2300
Bucharest . . . . .	2400	Philadelphia . . . . .	1700
Buenos Aires . . . . .	1900	Pittsburgh . . . . .	1700
Buffalo . . . . .	1700	Prague . . . . .	2300
Cairo . . . . .	2400	Rangoon . . . . .	0430*
Calcutta . . . . .	0330*	Richmond . . . . .	1700
Caracas . . . . .	1800	Rio de Janeiro . . . . .	1900
Casablanca . . . . .	2200	Rome . . . . .	2300
Chattanooga . . . . .	1700	St. Louis . . . . .	1600
Chicago . . . . .	1600	St. Petersburg . . . . .	0100*
Copenhagen . . . . .	2300	San Francisco . . . . .	1400
Denver . . . . .	1500	Santiago . . . . .	1800
Detroit . . . . .	1700	Sarajevo . . . . .	2300
Dublin . . . . .	2200	Seattle . . . . .	1400
Gdansk . . . . .	2300	Seoul . . . . .	0700*
Guadalajara . . . . .	1600	Shanghai . . . . .	0600*
Havana . . . . .	1700	Singapore . . . . .	0530*
Helsinki . . . . .	2400	Stockholm . . . . .	1700
Ho Chi Minh City . . . . .	0600*	Sydney . . . . .	0800*
Honolulu . . . . .	1200	Teheran . . . . .	0130*
Hong Kong . . . . .	0600*	Tel Aviv . . . . .	2400
Houston . . . . .	1600	Tokyo . . . . .	0700*
Istanbul . . . . .	2400	Toronto . . . . .	1700
Jakarta . . . . .	0500*	Vancouver . . . . .	1400
Jerusalem . . . . .	2400	Vladivostok . . . . .	0800*
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Kennebunkport . . . . .	1700	Washington . . . . .	1700
Kiev . . . . .	2400	Wellington . . . . .	1000*
Khartoum . . . . .	2400	Wiesbaden . . . . .	2300
Lagos . . . . .	2300	Winnipeg . . . . .	1700
Lima . . . . .	1700	Yokohama . . . . .	0700*
Lincoln . . . . .	1600	Yorktown . . . . .	1700
Lisbon . . . . .	2300		* Mondays

## Laurent Kabila: London's cutthroat in Zaire

by Christine Bierre and Linda de Hoyos

Laurent Kabila, the head of the Alliance of Democratic Forces, which is now claiming 300 square kilometers of Zaire on behalf of the Rwandan and Ugandan armies, has been extolled as a hero of Africa by people as disparate as Roger Winter, director of the U.S. Committee for Refugees, and Lenora Fulani, leader of the New Alliance Party (see p. 64).

Winter, who was side by side with the Zairean mercenary in mid-November on the eve of the artillery attacks on the refugee camps at Mumba, worked to get Kabila in contact with the U.S. embassy in Kigali, and hailed him, in an interview with a journalist, for his apparently single-handed role in attacking the Rwandan refugees then in camps in eastern Zaire and in placing himself at the head of a so-called rebellion of Tutsis living in Zaire. This view of the soft-spoken "philosopher guerrilla" has undoubtedly been forwarded to relevant U.S. agencies as a valid assessment, as Winter describes his role as talking to and dealing with people that *bona fide* government officials have no experience with. Fulani, by routes unknown, holds the same view.

This assessment stands in stark contrast, however, to those who know Africa, and Zaire in particular, well. The French newspaper *Libération* on Jan. 7 printed a different profile: "At first a rebel, taker of hostages and trafficker of gold in his country, then working for Colonel John Garang in South Sudan, and finally, for the account of the new regime in Rwanda, grandmaster of the persecuted Tutsis in South Kivu." He is, *Libération* says, a "political-military entrepreneur." Even this description of the man is "underplayed," say well-informed sources.

The French newspaper has the details to back up its description. We quote here:

"Laurent-Desire Kabila was born Nov. 27, 1939, in Jadot-

ville, near Likasi, in the North of Shaba-Katanga. Strong personality, he is responsible for the 'Balubakat' youth (the Balubas of Katanga, his ethnic group) since 1959, even before the rich mineral province of the South of Zaire cedes, on the eve of the independence of the Belgian Congo, to the secessionist temptation, under the leadership of Moise Tshombe. Kabila rallied to the nationalist cause of Patrice Lumumba, but, after the assassination of the latter, leaves for Paris, and spends a year of studies in Belgrade. At his return in 1962, he becomes 'provincial adviser' (deputy) in his birthplace fiefdom, then rejoins the Lumumbist leaders Pierre Mubele and Antoine Gizenga in the rebellion, first in Kwilu, in the west, then in Kivu, in the east. It is at this time, in 1964, that the Soviet secret services identify him as 'the most formidable chief of an insurrection in Central Africa.' "

### 'A dealer in alcohol'

However, Kabila was not presumed to be such by Ernesto "Che" Guevara. The most famous of the Cuban guerrilla fighters was in central Africa from April to December 1965, at the head of 200 "barbudos," in an attempt to light the flame of revolution in the region. However, Guevara left "the parasite army" of the rebels of eastern Zaire, without hope. In his memoirs (see box), Guevara remarks briefly on Kabila, to indicate that not only was he rarely at the front, but that when he did arrive at the scene, his major function was to bring alcohol. As Guevara notes, Kabila had lost credibility as early as 1965.

As *Libération* tells the story, "After the departure of 'Che,' the rebel fiefdom (a vague zone of insecurity in the mountains between Uvira and Kalemie), shrunk rapidly."

Kabila and his "barbudos" went into other areas of busi-

ness: "Via neighboring Tanzania, they fraudulently export gold from the mines of Hewa Bora, and the ivory tusks of elephants."

### Hostage-taker

Aside from his pirating of Zaire's natural resources for his own gain, Kabila was involved in other sinister activities. Ten years after Guevara had left the scene, Kabila was engaged in professional hostage-taking. *Libération* writes: "During one of these cross-border operations [into Tanzania], on May 19, 1975, [Kabila and his men] . . . fell upon four researchers, three American students and a Dutch scientist, installed in a park in Tanzania, to observe monkeys. Kabila's men grabbed the westerners, and took them to their fiefdom [in Kivu]. In the name of the Popular Revolutionary Party (PRP), they claimed then, under threat of execution of their hostages, the liberation of two comrades in prison, in Dar es-Salaam, and a ransom of 250,000 francs. Following an extraordinary meeting of the Council of Ministers, the Tanzanian government decided not to surrender to this ultimatum."

Twice, during this escapade, reports *Libération*, Idi Amin Dada proposed himself as a "mediator." The second time, on May 30, 1975, the Ugandan dictator revealed that he had the best of relations with the "marxists" of Laurent Kabila, and hurled threats at Tanzania. If the detained members of the PRP were not freed, Amin declared, Tanzanian President Julius Nyerere would have to "confront big problems."

It took weeks, but Kabila did win. After long negotiations, including the intercession of two Italian missionaries, reports *Libération*, "two emissaries" for Kabila's PRP "simply took the train, and disembarked at Dar es-Salaam. Received at the American Embassy, they left with a diplomat, and the ransom money."

On the return, their boat was fired upon by Zairean coastal guards on Lake Tanganyika, but managed to survive. After Kabila's men had finally reached home base, the hostages were freed, save one American of 22 years of age, who for some reason was detained for another month.

Interviewed in 1984 by the French magazine *Afrique-Asie*, Kabila appeared to be no more than the usual defeated guerrilla. In this interview, he lied without blandishment, to declare that he "firmly refuses sensational actions," identifies "the rural proletariat" as the leaven of the revolution, and affirms that his party, the PRP, "is evolving toward being a mass movement, directed by cadres having a solid knowledge of the class struggle," reports *Libération*.

Asked about the obstacles preventing his rebels from extending themselves, he complained that "the governing power has built up a network of friends in neighboring countries in order to cut us off from any possible rear base."

However, Kabila was not about to close shop. In June 1985, "the PRP launched, from Tanzania, its second attack in seven months against Moba, a town of around 30,000 inhabitants on the east bank of Lake Tanganyika. After five hours of

fighting, the Zairean Army defeated the rebels, and destroyed eight of their twelve embarkations. More important: granting an amnesty, the governor, Moindo Nsimba, negotiated 'the return to legality' of two-thirds of the men of Kabila."

At this point, Kabila, while continuing his export-import business in Dar es-Salaam, headed in other directions.

### John Garang's emissary

The latter half of the 1980s found Kabila working under Col. John Garang, head of the Sudanese People's Liberation Army, who was leading a bloody war against the Sudanese government. Kabila was likely forwarded to Garang from Tanzania by his fellow "marxist turned free marketeer," Ugandan President Yoweri Museveni, a close friend of Garang's since their days as classmates at the University of Dares-Salaam of President Julius Nyerere, where Lenin and Franz Fanon are required reading.

According to *Libération*, on several occasions, Garang used Kabila as his emissary to visit Gbadolite, the "jungle

## Whiskey hauler of the African bush

In his diaries, *The African Guerrilla Years of Che Ernesto Guevara*, the Cuban guerrilla tells of the brief period he worked with Kabila and his forces in Zaire. He described Kabila as "cordial, but aloof."

Guevara wrote: "Kabila showed that he understood his people's mentality; sharp and friendly, he explained in Swahili all the characteristics of the Cairo meeting and the agreements reached. He spoke with the peasants, giving quick answers which satisfied them. Everything ended with a little dance performed by the participants to the tune of a song whose main line was 'Kabila is leaving, Kabila eh.'"

"When news of Kabila's departure was made known, problems again arose between Congolese and Cubans. The doctor, Kumi, took out a note predicting that Kabila would remain in the Congo for seven days, so he was off by two. Changa, our 'admiral' of the lake, was furious and said, 'And why did that man bring so many bottles of whiskey, if he were only going to stay for five days?' . . . It was Kabila who was discredited, and he wouldn't be able to remedy the situation unless he acted quickly. We had a last conversation in which I hinted at the problem with all the diplomacy of which I was capable; we also talked about other matters, and, as was his habit, he asked me in passing what my position would be if there were a rupture."

# Lenora Fulani: Where the concubine twineth

by Lyndon H. LaRouche, Jr.

Jan. 7, 1997—The notorious Dr. Lenora Fulani, like Columbia University's Manning Marable, is among a type of so-called "African-American" celebrity featured in the Establishment news media's side-show beat. This type is as justly notorious for its frequent, unabashed outbursts of hysterically uttered, lying libels (against one or another person or organization), as its curious Establishment status. Fulani's latest atrocity goes beyond all limits, her attempt to defend the most intensive genocide occurring—against Africans, in any place, during modern history to date. It is fair to say, that even the lying libeller Fulani has outdone herself with this one.

Compare the following from Lenora Fulani on Laurent Kabila with the facts as presented in Kabila's *Libération* dos-

sier of today. December gleanings from Fulani's Internet utterances ["What Is Behind the Refugee Crisis in Zaire?"] provide the following:

"Last month, the impasse was broken by the entry of a new political player: the Alliance of Democratic Forces for the Liberation of Congo-Zaire, whose main force is the Banyamulenge—Zaireans of Tutsi origin who have borne the brunt of Mobutu-inspired ethnic violence. The nominal leader of this group is Laurent Kabila, who has fought Mobutu for 30 years.

"In three weeks Kabila's forces broke up the camps, driving both Hutu militias and the Zairean troops away from the border zone, and seizing the area's three main cities. (Unfortunately, many Hutu refugees fled with the troops, who in some cases used these innocents as human shields.) This action has created a new humanitarian emergency, but it has also radically changed the political situation on the ground.

"Kabila has called on all Zaireans to resist Mobutu's provocation to ethnic strife, and to instead join his movement to overthrow the violence and corruption of the Mobutu regime. He has declared a unilateral cease-fire, to facilitate the entry of relief organizations, and has said his army has no objections to an international force being deployed to free the refugees from their criminal captors."

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Versailles" of Marshal Mobutu. *Libération* quotes one source as saying: "Kabila was not, then, very important. But, a francophone in the entourage of Garang, he served as emissary for his regional diplomacy. Under this title, Kabila met Mobutu, showing to him all the signs of deference."

Even at this time, Kabila was still active working for a rebellion against Mobutu in Shaba-Katanga, the old Belgian stomping grounds. "Thanks to local leaders like Gregoire Muteba, Pius Mungenga and Patrice Ngoy, Kabila became close to the UFERI (Federalist and Independent Republican Union) of Karl I Bond, a nephew of Moise Tshombe," *Libération* writes, adding: "Grotesque irony: several years later, between 1992 and 1994, it was the militias of the UFERI which, in Zaire, would put into operation the first large-scale ethnic purification, by evicting from Shaba-Katanga, several hundreds of thousands of Baluba, Kabila's ethnic group."

## Contradictions

As *Libération* points out, the idea of Kabila as the hero of eastern Zaire is an idea fraught with contradictions. *Libération* writes: "Without risking to be contradicted, he can declare that he has 'never been a marxist,'"—whatever Che Guevara might have said; "that he has 'no contacts with the government of Rwanda,'"—although Roger Winter could only reach Kabila through the intercession of the Kigali government; and "that the killings committed by his troops

against civilians are only a 'montage of the BBC'"—although these killings have been reported widely by eyewitnesses, reported throughout the press, and been denounced by the U.S. government.

The "absolution" extended to Kabila is so extensive, *Libération* rightly points out, that "without risking being hit with sanctions by the international community, he can even accuse the High Commissioner for Refugees of being complicit with the regime of the Marshal-President and, for two and a half months, prevent the shipment of humanitarian aid to the hundreds of thousands of persons in the east of Zaire, who would have urgent need of it."

Now controlling nearly the entire eastern strip of Zaire, which holds the nation's minerals, Kabila on Jan. 4 invited such VIPs as former President of the United States George Bush, former Canadian Prime Minister Brian Mulroney, and former German Bundesbank director Karl Otto Pöhl to Zaire to negotiate with him over the fate of the mines owned by Barrick Gold—on whose international advisory board all three sit. Kabila has promised already that he will not interfere in any foreign mining operations, if the taxes garnered accrue to his Alliance of Democratic Forces. Since it is suspected that Kabila and the Rwandan and Ugandan armies fighting under his banner are deployed on behalf of Belgian and British-Canadian interests, an agreement between the cutthroat Kabila and the robber barons of Barrick is not unlikely.

# Faris Nanic: Bosnia is fighting for its economic sovereignty

*Faris Nanic was the keynote speaker at an FDR-PAC policy forum in Washington, D.C. on Jan. 4. Until October 1996, Nanic was the chief of staff of Bosnian President Alija Izetbegovic; he is currently general secretary of the Croatian branch of Bosnia's ruling Party of Democratic Action, and director of TWRA Press Agency in Zagreb.*

Thank you very much. Madame LaRouche, Mr. LaRouche, ladies and gentlemen, dear friends. First I would like to apologize. My English is not very good, maybe some of the terms that I will be using will not be adequate, but I think that the ideas that I'm about to present here will be understood.

We had to face a vicious aggression, and genocide, that took place from 1992 until the Dayton agreement, the Dayton Accord was signed. And we managed to defend ourselves. We managed to survive and to defend the core of our nation. However, now that the Dayton peace accord has been signed, we have another battle to fight, a battle which will be much longer, even much harder to conduct: a battle for sovereignty, especially economic sovereignty, of our country, and the battle against new genocide imposed on us by various international or supranational agencies that are trying to deprive us of our right to development.

We think that the Dayton agreement, the Dayton Accord, that we have signed was not a perfect one. You will see from the map of Bosnia [see **Figure 1**] how it has been divided into what the Dayton agreement called two "entities." One of the "entities" is the Federation of Bosnia-Herzegovina, which is a federation of the Bosniac and Croat population, consisting of approximately 51% of the country. The other is the so-called Serb Republic, or Republika Srpska, which is controlled by a fascist regime, which has conducted the genocide against the Muslim Bosniac and Croat population.

This was the so-called "reality," "political reality" that we had to accept, and we have accepted, providing that the Dayton agreement, that all provisions of the Dayton agreement are implemented fully.

The idea is to create, to ensure the freedom of movement all over the country, and the right of each and every refugee to return to his home, which is unfortunately not now the case. If we manage to do this, with the help of the NATO troops, of the international military and political presence in Bosnia, then the Dayton agreement will fulfill its purpose. *If not*, then

FIGURE 1  
**The Republic of Bosnia and Herzegovina**



another, new war can easily break out, after the withdrawal of the international—now they call it SFOR troops.

## **Real reconstruction must begin**

We have 18 months of the SFOR deployment in Bosnia, that we have to use to stabilize the country inside, from within. Because there are two things that we have to bear in mind. The first I already mentioned: the return of refugees to their homes. This means mainly the Muslim and Croat population back to the Serb Republic, to the cities and towns that they inhabited, predominantly inhabited, before the war, before genocide had occurred. Second, to start *real* reconstruction of the country. Because, we think that development and real reconstruction of the country are the only guarantee for the future, for stable and durable peace. If we cannot provide development and reconstruction of the country, the new war is very, very probable.



*Bosnian leader Faris Nanic addresses the FDR-PAC in Washington on Jan. 4. To the left are Helga Zepp LaRouche and Lyndon LaRouche. Without economic reconstruction, Nanic told the audience, there will be no peace or stability in Bosnia-Herzegovina.*

By reconstruction, we also mean modernization. Bosnia-Herzegovina is not one of the typical Third World countries that gained independence during the 1960s and 1970s. It is an *industrialized* nation. Of course, not at the level of western Europe, but it *is* an industrialized nation, a nation with a skilled labor force, with engineers, with experts in various fields, with a lot of industrial capacities that are partly damaged or devastated, but can be utilized. And, it's not a great effort to help Bosnia to recover itself from the devastations and the results of the war and aggression.

What does it mean? If Bosnia and the whole region [see **Figure 2**] of the Balkans and Southeastern Europe were to be left out of the modernization process, then there will not be only Bosnia at stake, and the stability in Bosnia, but also the whole region. You have Serbia, which is in a very bad position now. You have the problem of the fascist regime of Mr. [Slobodan] Milosevic, who is one of the co-signatories of the Dayton agreement, who is not prepared, who is not ready to recognize the results of the local elections. You have the problem of the ethnic Albanian majority in the province of Kosova, which can blow up any minute. You have the problem of Macedonia, a country which has a large Albanian minority, the country which was been the subject, the object of the second Balkan War. So, you risk a lot of things if you leave Bosnia and the whole region out of the development and reconstruction program.

The question is: Is the expense of helping the region to

recover, to develop, greater than the expense of infinite military police and political presence of the international community in the region? Because, if you want peace there, if you want stability, without providing the things that I've just men-

FIGURE 2  
**The Balkans**





tioned, then you will have to face the fact that the military presence should continue on indefinitely.

So, what is the greater expense? What is better for us to do? What is better for the world to do?

We have about 800,000 to 1 million refugees outside the country. We want to get those people back to the country. They're all over Europe. They can not find any jobs. They are living on humanitarian aid. But, in order to get those people back, you will have to create the political environment. You have to create security for them, and you have to create jobs for them in the country. And, you will not be able to create jobs, unless you restart the engines of the economy, the industry and the agriculture.

Even the educated people that we have now in the country, the skilled personnel, if there will be no reconstruction, they will slowly leave the country, go all over the world to search for means to live.

### **Major investment is needed**

When I'm talking about the reconstruction process, I'm thinking about major investments into infrastructure, industry, agriculture, which will be able to employ a great number of people, to give them hope and to restart the whole process of the national economy. So, these investments should be productive investments, directed toward carefully selected areas, carefully selected branches, and which will then, with the course of time, initiate development of the whole country. This will also prove to the secessionist Serbs, who were poisoned by the propaganda from Belgrade, that it is much better for them to stay in Bosnia and to search for their happiness in Bosnia, in the country, than to be somehow connected to Serbia, on the basis of humanitarian aid. So it will have a double effect.

Major investments. We have had a couple of international donor conferences which, so far, have collected \$1.8 billion for the reconstruction of the country. The modest estimates of the Bosnian government say that we have about \$50 billion of war damage, direct war damage in the country. The question is: Is it possible, can we, by organizing donor conferences, really help in reconstruction of the country?

Out of this \$1.8 billion, only \$300-500 million has been realized so far, through smaller projects—community projects like repairing of the sewage system, the water system, or electrical supply system. Nothing more; nothing more than that.

We were discussing a lot about the possibility of a new, what we called, of course, conditionally, Marshall Plan for Bosnia, which is a kind of commitment by the United States and by the rest of the Western world, to develop itself through development of others, as they did in 1945, in the postwar, totally devastated Europe. The amount of engagement, the amount of financial means necessary for reconstruction of Bosnia, is far, far beyond what has been invested into western Europe. So, I'm talking about the Western world investing

into Bosnia's economy, investments which will, in a reasonable period of time, bear fruit. We are not talking about humanitarian aid. Bosnia does not need humanitarian aid as its permanent solution. Bosnia needs financial means. It needs money to restart its engines. And then you will see that Bosnia will be a very good partner to all the countries, to companies, to private sectors, to private entrepreneurs, to the state sector, public sector all over the world. That is the first thing.

### **Bosnia and the Eurasian land-bridge**

Second, Bosnia, being a very interesting European country, with a Muslim population majority, with its multi-ethnic, multicultural character for more than 1,000 years, can represent an ideal springboard for the Western countries to be involved, to jump into a big adventure that I think will be one of the subjects of the next century: the Eurasian land-bridge, as they call it [see **Figure 3**].

Bosnia has become—you see where the Eurasian land-bridge should go. Bosnia can be a springboard, Bosnia can connect, and is able to connect, various nations of Islamic countries with western Europe, because we have one advantage: We are a European country with a Muslim majority. We can easily communicate, culturally communicate, with Europeans, but also with the Muslim world. This is a great benefit.

We have a series of countries on the line of this new Silk Road, the land-bridge, with which Bosnia has very good diplomatic, economic, and cultural relations. The key countries, actually, in this region are Turkey and Iran, and these are the major—these are the countries that had politically, financially, and militarily helped Bosnia when it had its worst times, in 1992, 1993, 1994. So, we have the means to help the others, to go into that great adventure of the 21st century.

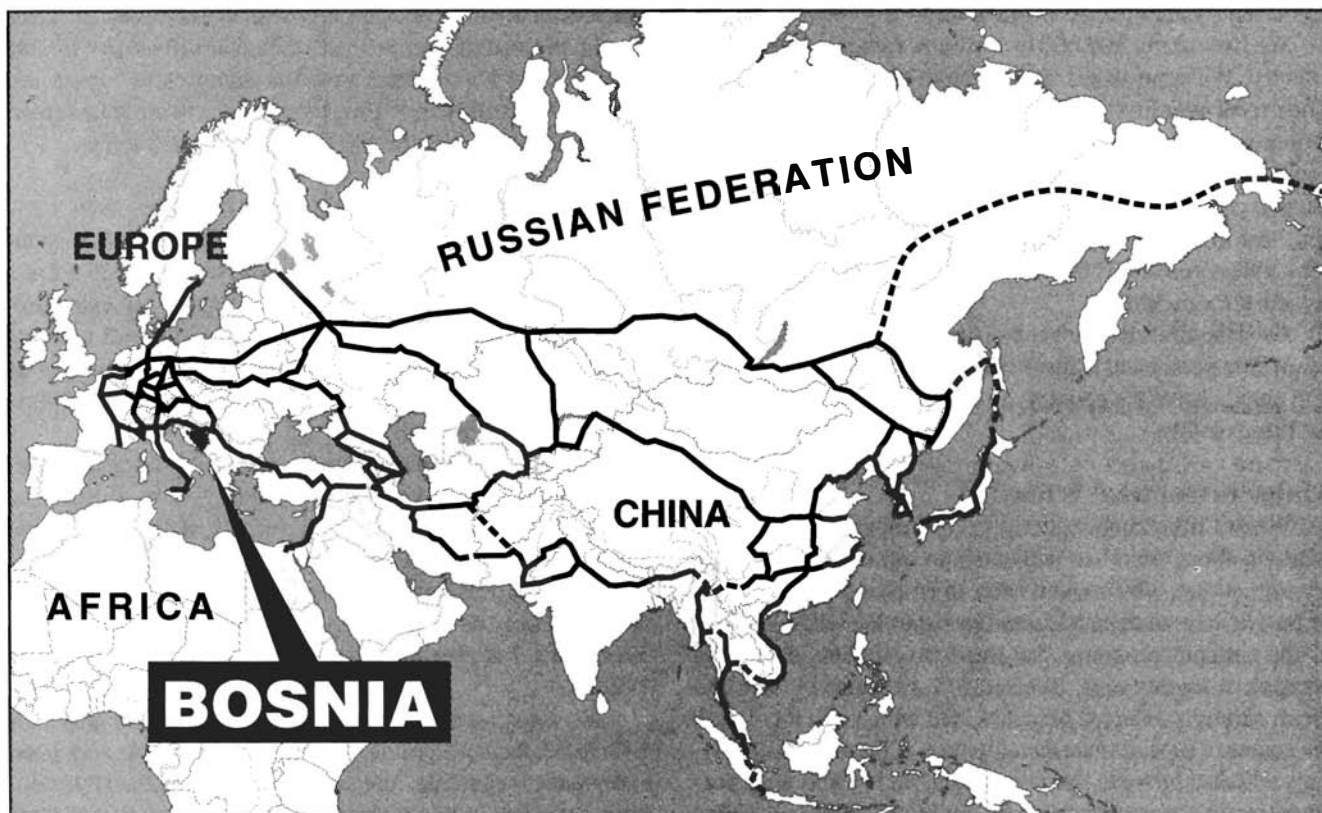
We think, that by developing the Bosnian economy, at least in the region of the Federation of Bosnia, we can create an attractive environment for all those secessionist forces in the country to finally break with what has been going on for the last six years, and join in the great adventure of the reconstruction of the country. We have to mobilize people, and we can mobilize people. We have human resources, we have a skilled labor force, we have industrial capacities (of course, partly damaged and devastated, but productive).

And, what is the most important, we have a motive. We, who have managed to defend the country under unbelievable circumstances of double aggression, of total blockade, we certainly, after this experience, are ready and willing to reconstruct the country that we have defended so eagerly. What we need, is help, real help, from the outside.

One of the things that the post-Dayton process has proven, is that the multilateral approach in reconstruction of the country, is not successful, at least is not sufficient. It's not successful as it was meant to be. What we need, are also to consider possible bilateral arrangements with the United States as being the leading country in the peace process, but also in the

FIGURE 3

**Bosnia's location in relation to the Eurasian land-bridge**



reconstruction, because we see the United States as a leading country in the reconstruction process of Bosnia.

Having established very good relations with the United States, Bosnia is very much interested in maintaining and continuing these relations, for the benefit of *both*. Therefore, we would like the American policy to consider the possibility of bilateral arrangements with the Bosnian government, thus giving a chance not only to herself, but also to other countries, to do the same. This will be much more efficient than this multilateral approach, where, actually, there are a lot of agencies, a lot of foundations, a lot of NGOs [non-governmental organizations], and there is no effect on the field.

There's a lot of money spent on maintenance of this personnel down there, the cars, the offices, the telephones, and there is no outcome. So, the period of—well, it's almost 14 months—has proven that this approach is not efficient enough. If the United States initiates such a process, I'm sure that the others will join.

There is interest, there are possibilities, there are profitable branches, and there is, of course, the great adventure of helping a nation to recover itself, as the Americans did once, in 1945.

If we manage, finally, to create a durable peace in Bosnia,

that means that we will manage to create a durable peace in the region, and then the region of the Balkans and southeastern Europe, can finally, after a century of constant wars and conflicts, become a bridge from western Europe to the countries of the Middle East, Central Asia, and further east. We have to include the whole region in development, in reconstruction. We have to include the whole region in the life of the modern world. Otherwise, we will remain in the position of geopolitical balances of power, which have caused a lot of bloodshed, a lot of lives lost forever in this country, and in this region, in the last century.

We have to start to think in a totally different way. We have to abandon the geopolitical theories about the "Balkan gendarme," or some sort of balance-of-power or interest zones. We have to think in terms of development, in terms of final stabilization of this region. And this will not go without significant investments into the real economy.

I would like to finish this by thanking you again for giving me the opportunity to address this policy forum, and ask you to think how to change the approach. Changing the approach means a final settlement of the crisis in the Balkans; a final end to the wave and vicious circle of genocide, wars, civil wars, and instability.

# Infiltrator rips the mask from Greenpeace in Europe

by Emmanuel Grenier

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### **La face cachée de Greenpeace**

by Olivier Vermont

Albin Michel, Paris, 1997

360 pages, 130 French francs

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This extraordinary book (in English, *The Hidden Face of Greenpeace*) is the story of a journalist's infiltration into the environmentalist group. Olivier Vermont, the pseudonym for a French journalist, spent 10 months inside Greenpeace-France. He presented himself as an unemployed photographer, willing to serve the green movement as a volunteer. He rapidly became trusted, as an assistant to the individual responsible for commando campaigns and for volunteers. In essence, he served as an unpaid secretary, which gave him access to a lot of confidential information.

On many points, the story and the documents entirely vindicate the studies published by *EIR* on Greenpeace: It is an irregular warfare apparatus in the service of the British oligarchy (see *EIR*, Jan. 13, 1995, "British Oligarchs Created the Eco-Terrorist Movement").

Among the letters to Greenpeace discovered by Vermont, one from a nuclear plant operator says he has created a "secret group" with three other operators and two electricians. He was not joking. During a strike of Electricité de France, the nuclear power utility, he and his friends locked themselves inside the control room and postered the whole area with copies of *Charlie-Hebdo*, a leftist-anarchist rag, which claimed: "We support you as long as you're on strike. As soon as you operate this shit plant again, we'll fight against the nuclear apparatus and its servants. With you in action!" Another letter, from an engineer for France-Telecom, the national telephone company, proposed to advise Greenpeace on how to reduce its phone bill, and went so far as to say the engineer could violate the secret files which contain unlisted numbers, if it would help Greenpeace.

These two examples show that Greenpeace has a tremen-

dous intelligence network, with people in strategic positions ready to give away "top secret" information for the service of the green cause. Even Greenpeace-France, which operates only a small office, and is a very small part of the international Greenpeace apparatus (it is not self-supporting and relies on donations from Greenpeace International) maintains a very large file of dossiers, with precise information on politicians and journalists. The collaboration with insiders goes up to the ministerial level. In Greenpeace's file on Brice Lalonde (environment minister, 1988-91), Vermont found a quote from Lalonde, speaking about his relationship with former Greenpeace International leader David McTaggart: "When I was environment minister, we were deliberating on our tricks together. It was fun. David was representing Greenpeace and I, the French state."

The files are, of course, used for lobbying purposes, but, as Vermont puts it, "They are so detailed that they look very much like spy services' cards." The author indicates that Greenpeace also carries out brainwashing operations: Members go to politicians, presenting themselves as scientists, and of course, omit mentioning that they are part of Greenpeace, thereby lending more credibility to the false information that they disseminate. There are also many, almost humorous stories about Greenpeace's infiltration of the media, which would be too long to report here. Two basic methods are used: the ideological conversion of a journalist to Greenpeace's environmentalism or the infiltration of a sympathizer into a media structure. Vermont cites examples from *Le Monde*, *Libération*, the *London Times*, and Radio France, although he does not give names, probably out of professional courtesy.

At one point, Vermont discovered in a secret file belonging to his boss, an extremely precise map of the Presidential mansion, the Elysée Palace, complete with the location of the President's office and the hall where foreign guests are welcomed. A three-dimensional map of the President's office is so detailed, it shows the location of the President's chair. Handwritten notes explain how to most rapidly gain access, such as, "Take the small stairway on the left." The route is carefully timed: It is estimated to take one and a half minutes

to get from the outside steps into the President's office. Another document lists the different security procedures, where the guards are posted, when the changing of the guard takes place, and when there are inspection tours—basically everything you need to run an assassination or other terrorist operation. It's very interesting to relate this high-level documentation to the British film "The Day of the Jacques," a Greenpeace/WWF parody of "The Day of Jackal," a film about the attempts to kill Charles de Gaulle, but directly threatening French President Jacques Chirac, which was shown during the 1995 campaign against France's nuclear tests (see *EIR*, Sept. 8, 1995, "British Assassins' Bureau Targets Chirac and Clinton").

### Relations with terrorist movements

The author points to many ties between Greenpeace and the terrorist movements of different denominations—separatist, extreme-leftist or ecologist.

Take the case of the Brittany Democratic Union (UDB): On Jan. 30, 1974, the Brittany Liberation Front (FLB) was dissolved by decree of the prime minister. Four days later, the UDB appeared, co-signing a declaration with the Basque terrorist ETA and the Irish Republican Army, against "colonialism in Europe." Of course, terrorist actions continued after the dissolution of the FLB. Among others, there was a bombing of the offices of the nuclear company Cogema, a well-known target of Greenpeace. In April 1992, UDB members were arrested for having safe-housed top ETA leaders, including ETA's treasurer, Sabino Euba Genarruzabeita, who was arrested in the Paris airport as he was about to depart for Mexico. On the list of the 200 Bretons arrested, there are green and "pacifist" militants with ties to Greenpeace.

More interesting is a detailed account of Vermont's participation in the anti-nuclear commando operations at the nuclear waste plant in Gorleben, Germany. Through his seduction of a Dutch woman working for Greenpeace in Amsterdam, he learned that operations were planned. He travelled to the villages Castornix and Beladoenix, with the aim of stopping the transport of nuclear waste coming from Cogema, in The Hague, Holland, to the Gorleben waste site. Vermont presented himself as a French member of Greenpeace, "ready for some tricks." He gained the confidence of "Wolfgang," the leader of the anti-nuclear "autonomists" in Gorleben, by referring to a commando action he had participated in at The Hague, with one Pierrick, an acquaintance of Wolfgang's. Wolfgang (who goes by the *nom de guerre* of Helmut), told Vermont: "Officially, we are organizing strictly non-violent anti-nuclear demonstrations. We are supposed to be hit in front of the TV cameras, and not the contrary. No direct provocation with the cops or the army, even though it's very exciting. But our position is flexible. We say to the media that between the risk represented by the nuclear waste in Gorleben and the risk represented by sabotage to stop the transport, everybody is free to choose. You, the French autonomist,

you're free. Is that clear?"

Of course, it was very clear. The next night, Vermont participated in a sabotage operation against an electricity tower near Gorleben. After this action, it was proposed for him to participate in eco-warrior training. The following dialogue took place between a German militant named Klaus and Vermont:

**Klaus:** Frankly, what do you think of Greenpeace?

**Vermont:** Frankly? They are too soft. Good, but too soft.

**Klaus:** Do you know any Greenpeace members?

**Vermont:** I started off with them. . . . But after a while, you feel the need to be really efficient. Radical. You know what I mean.

**Klaus:** Uh huh. . . . It's rare to see a Frenchie like you. Usually, the British, the Irish or the Germans talk like that. . . .

**Vermont:** And what do you think about Greenpeace?

**Klaus:** Me? I am from Greenpeace!

**Vermont:** Oh. . . . Too bad for me.

**Klaus:** Don't worry, I'm joking. Like you, I was in Greenpeace. It's nearly mandatory when you're German, and you're involved in the environment. It's cool. But, you see the limits of their fight. They are f—ked every time, because of their non-violent facade.

**Vermont:** Facade? What do you mean?

**Klaus:** Never heard about Greenpeace's dirty tricks?

Then "Klaus" gave a detailed story of the operation run by Greenpeace in September 1980 to re-possess its vessel *Rainbow Warrior*, which had been impounded by the Spanish Army. "The operation necessitated months of rehearsals and paramilitary training. It would have never been possible without the participation of 'qualified persons,' specially prepared for terrorist-style actions. You see what I mean." Klaus proceeded to detail the content of the collaboration between Greenpeace and the terrorist Earth First U.K., to stop the construction of a highway in England around Twyford Down. His account is scattered with lines such as, "One cop more, one cop less. How important can that be, compared to the danger to the planet?"

Klaus then invited Vermont to Greenpeace's training center, located at Hamburg harbor. He described a very rigorous military training, "worse than the paratroopers." "You're locked in a room without heating, woken before dawn, cold shower, hot coffee, and hours of marching with military equipment. Then you have the workshops. For example, you must form a human chain and withstand the blows [feet or bludgeon] of other militants. In the end, you're covered with blood. Another exercise consists in climbing up a crane and rappelling down it alone. It's very risky. More than one person gives up at that point. Another example: You have to build your raft and cross a river, coming back with something. . . . They forbid you to sleep through the night. You become a zombie, ready for everything, and if you pass all tests, you become eligible for commando actions." Klaus continued, saying that this training takes place every month, with a group of 50 volunteers, under

the direction of Harald Zindler, who has been responsible for training more than 1,000 eco-warriors.

This reviewer doubts that such a dialogue really took place, although some parts are identical to precise information which has already been published in the press. Still, it bears checking, and I give some credibility to Vermont's description of the characters in Greenpeace-France, who are very similar to those with whom I've had experience.

### Greenpeace's money trail

Vermont had access to the secret accounts of Greenpeace-France and of Greenpeace International. Some 60% of the money goes to salaries. Between 1994 and 1995, when Greenpeace-France had a deficit of roughly \$400,000, the leaders nevertheless decided to raise their salaries, which increased from \$300,000 to \$500,000 between 1994 and 1995! According to the figures copied by Vermont, only 6% of the income goes to field operations. Compare that to the 11% spent on legal expenses, to attack the organization's media critics, or to defend Greenpeace members charged with breaking the law. His description mimics the picture that came to light in Canada and Norway, through the film documentaries of Magnus Gudmunsson.

Vermont stole a dossier from Greenpeace International offices in Amsterdam, concerning "confidentiality clauses."

Under these clauses, Greenpeace pays huge amounts of money to former leaders, on condition that they never speak to the press after they leave. Australian Paul Gilding, the former director of Greenpeace-Sydney and former executive director of Greenpeace International before Thilo Bode, received \$160,000 when he left. Doug Faulkner, fundraising leader for 13 years, got \$200,000 when he was sacked, and signed the "confidentiality clause." Since 1993, Greenpeace has paid over \$600,000 in four confidentiality clauses—a strange procedure for an organization which always demands "transparency" and the "right to know."

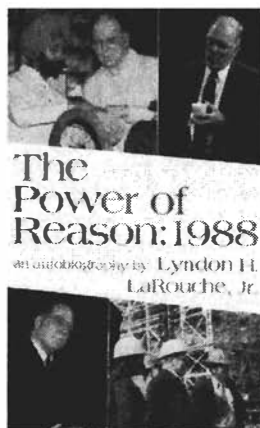
### Environment of paranoia

Finally, a small anecdote which says a lot about the mood inside Greenpeace. A German student of commerce, studying for a year in a French school, spent three months with Greenpeace for training. She was put in charge of the merchandizing operation. Immediately, one militant suspected her of being a "spy" for Thilo Bode (nicknamed "Big Smurf" by the French members), infiltrated into the French office to provide the executive director with information about what is going on there. In the complex web of internal power politics, everyone in Greenpeace—whether paid members or volunteers—is suspicious of everyone else. Not exactly a "healthy environment."

## 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



### READ LAROUCHE'S

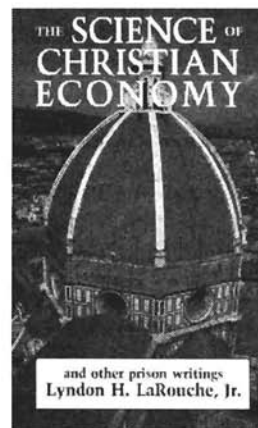
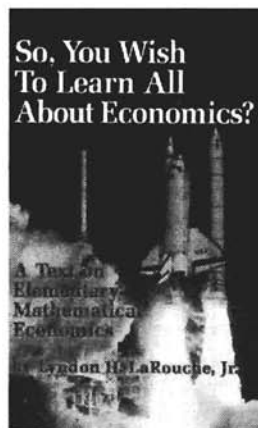
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# International Intelligence

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## ***Bulgarian premier resigns amid economic chaos***

Bulgarian Prime Minister Zhan Videnov resigned at the Socialist Party (BSP) congress on Dec. 21, following criticism of his handling of the country's severe economic crisis. Videnov said he would not seek re-election as premier or party leader. The two-day congress was extended into a third day, while the party tried to fill the posts in a new cabinet. The BSP is desperate to avoid new elections, because its popularity has plummeted. Delegates said one prominent candidate to replace Videnov was U.S.-born Georgi Pirinski, who had resigned as foreign minister in November, because, he said, the government lacked public support.

On Dec. 19, the deputy head of parliament's commission on corruption, Edvin Sugarev, wrote to Bulgaria's chief prosecutor asking him to investigate Videnov's links to the Orion firm and its bank, the Bulgarian Agricultural and Industrial Bank. In 1995, Orion was at the center of a political storm, after Bulgaria exported large quantities of grain at high world prices, creating domestic shortages. Former Prime Minister Andrei Lukanov was shot outside his home on Oct. 2, as he was about to reveal high-level government corruption, according to his party colleagues.

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## ***Future Hongkong governor chosen***

Hongkong shipping magnate Tung Chee-hwa, chief executive-designate of Hongkong, met with Chinese President Jiang Zemin, Premier Li Peng, and other senior officials in Beijing on Dec. 18, as China was preparing to take over from the British colonial administration. Jiang pledged support and assured Tung that Beijing would stand by the terms of the Basic Law, which grants Hongkong a high degree of autonomy after it becomes a Special Administrative Region of China on July 1, 1997.

While China has promised to leave Hongkong's capitalist system intact, it has made clear that Tung's authority will have

limits. As Tung plans to put together his advisory cabinet, China has declared that his senior officials will be appointed by the central government. Meanwhile, elected members of Hongkong's current Legislative Council met to protest China's plan to supplant the Council with its appointees. A committee handpicked from Hongkong's business and political elite cast votes in the city hall of Shenzhen, on the mainland, on Dec. 22, to select the 60 people who will make up the territory's legislature after July 1.

Beijing had vowed to scrap the legislature elected in 1995 since Britain's colonial Governor Chris Patten introduced a series of political reforms enlarging the franchise in 1992. China's Xinhua news agency hailed the creation of the new body as an "important guarantee for the smooth transition of Hongkong."

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## ***Wall St. Journal howls for breakup of Zaire***

Speaking on behalf of British intelligence and the likes of Sir George Bush, the *Wall Street Journal* opined in its lead editorial on Dec. 26, that their brand of "democracy" were better served by having Zaire break apart than to have a "Mobutu-like regime." The *Journal* applauded Zaire's near-disintegration in the wake of foreign invasions, saying that "even now, large parts of the country have already stopped reporting to the capital. The mineral-rich provinces of Shaba and East and West Kasai are virtually autonomous. North and South Kivu are in rebel [sic] hands."

The *Journal* continued: "Mr. Mobutu's western allies—France, Belgium, and the U.S.—have long put up with the excesses of the autocratic ruler for strategic reasons and because he was considered to hold the country together. But western interest has dwindled after the Cold War. . . . Zaire is crumbling and it may collapse completely, and it may have been pre-ordained, given that all these internal pressures were present at its colonial birth when, not unlike most African countries, its borders were arbitrarily drawn. . . . Mr. Mobutu, an African Tito, has kept

Zaire together through force for three decades. But for many Zaireans, there is little reason to preserve what has turned into an unhappy union. And a breakup may be the best chance Zaireans have at democracy and development—especially if the price of unity is the re-establishment of a Mobutu-like regime."

Democratic pretenses aside, the *Journal* editorial coheres with the imperial aims of the British Foreign Office to recolonize Africa, epitomized by the November articles by Conor Cruise O'Brien in the *Times* of London.

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## ***Financial Times lies, 'sun has set' on Empire***

In a year-end retrospective, the London *Financial Times* Dec. 31 editorial, headlined "The Sun Sets on Empire," waxes mendacious, writing that, 50 years after "granting" independence to the Indian subcontinent, the "transfer" of Hongkong to China in 1997 "will see the sun finally set on the British Empire." In fact, the Empire lives on in a reorganized form (see *EIR*, May 24, 1996, "The Sun Never Sets on the New British Empire").

Britain, the editorial avers, has a "credible record of disengagement." Some boundaries may have been drawn in "wrong places"; some may "question again the wisdom of partition"; and there have been "disappointments" in Africa. But mostly, "Britain has extricated itself skillfully, without bloodshed and with good intent." Not to worry: The Commonwealth "still represents a valuable network. . . . Few former imperial powers have managed to remain on such good terms with their erstwhile possessions." The *Times* leaves out that the Queen of England is also the Sovereign of many of these "erstwhile possessions," including Canada, Australia, New Zealand, Papua New Guinea, and Belize.

Still, admonishes the *Times*, Britain must make a "much-needed reappraisal" of its place in the world: "Such an exercise need not be gloomy. . . . Its language, its culture, its inventiveness and the historical ties of empire all have a valuable contribution to make to the international community."

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## ***Sinn Fein leaders face death threats, psywar***

On Dec. 28, the Royal Ulster Constabulary (RUC) found the second booby-trap bomb in less than ten days, on the car of a Sinn Fein party leader. The bomb was found under the car of Sinn Fein director of elections in Londonderry, Liam Duffy. Only hours later, the RUC warned Belfast City Council member and Sinn Fein activist Alex Maskey that his life was in "imminent danger." Police had earlier in the month given warnings to Sinn Fein President Gerry Adams and peace negotiator Martin McGuinness of threats to them.

Psychological warfare, typical of British MI-5 operations, were directed at Sinn Fein leaders throughout December, including an admittedly false "sex scandal" aired against negotiator Gerry Kelly. Then, on Dec. 29, the *Sunday Times* charged that McGuinness and Adams had been appointed to the IRA's Army Council command, which they have both denied. Sinn Fein spokesman Richard McAuley told the Press Association that this story "is two months old," asking, "Who are they setting up and what are they setting them up for? If some of these people were killed next week, who would be to blame for it? The *Sunday Times* treats them as if they are dead. . . . It will probably lead to further attacks on Sinn Fein members."

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## ***Ministers, relatives of Benazir Bhutto arrested***

Hakim Ali Zardari, the father-in-law of former Pakistani Prime Minister Benazir Bhutto, was arrested on Jan. 1 at his home in the southern port city of Karachi. Police in the Punjab capital of Lahore also arrested her former science and technology minister, Nawaz Khokhar. Wire reports gave no immediate information about the charges against the two men, but police sources told the press they would be interrogated by the Federal Investigation Agency (FIA) police.

The two-month-old caretaker government of Prime Minister Meraj Khalid, which has only a month of its tenure left, has come

under increasing criticism for allegedly failing to bring forward any concrete proof of the corruption charges that President Farooq Leghari had cited for dismissing Bhutto's three-year-old government on Nov. 5. *The News* newspaper said on Jan. 2 that the FIA was planning to raid the houses of some more politicians and arrest some high government officials. Bhutto's husband Asif Ali Zardari, who was investment minister in her cabinet, has been under arrest since Bhutto's sacking.

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## ***Israeli deal on Hebron pullout fading rapidly***

In the wake of the Dec. 31 shootings in a Hebron market by deranged Israeli soldier Noam Friedman, an arrangement for Israeli security forces to finally withdraw from Hebron is becoming increasingly elusive. After meetings on Jan. 2-3 with U.S. mediator Dennis Ross, Palestinian Authority President Yasser Arafat blamed the breakdown in the talks on the intransigence of Prime Minister Benjamin Netanyahu's government. According to the Oslo II agreements' timetable, the Hebron pullout was to have occurred in March 1996. Beginning in September 1996, Israel was to have begun a three-phase withdrawal from much of the West Bank, to be completed by September 1997.

Reportedly, seven cabinet members, including Ariel Sharon and Benny Begin, will vote against the Hebron pullout. Now, two other ministers known to be close to Netanyahu, Justice Minister Tzahi Hanegby and Communications Minister Limor Livnat, say they are wavering. Two other ministers, members of the religious Shas Party, say they will oppose the pullout, as well. If ten cabinet members vote against any deal Netanyahu makes, this could lead to a government reorganization, with the Labor Party being brought in to form another national unity government. Uri Dan, the Hollinger Corp.'s *New York Post* correspondent in Israel, has reported that Ariel Sharon and Shimon Peres have been secretly negotiating for weeks about terms of a national unity regime.

# Briefly

**BRITAIN** will expand its psychological warfare operations department "after years of neglect," reported the *Times* of London on Dec. 23. "Part of the reason for Britain's reluctance to concentrate resources on psyops has been the publicity surrounding the former Army information officer in Northern Ireland, Colin Wallace, and allegations of a disinformation campaign. But Bosnia and the Gulf War have reminded the British of the vital role that psyops can play," wrote the *Times*.

**POPE JOHN PAUL II** will travel to Cuba in January 1998. The announcement of the trip was made by Cuban Cardinal Jaime Ortega in Havana, just prior to a mass attended by the president of the Italian Catholic Bishops Conference, Cardinal Camillo Ruini. Fidel Castro and the pope met last November in Rome, where it was agreed the pontiff would visit Cuba.

**CROATIA INDICTED** three top officials of George Soros's Open Society Institute in that country: director Karmen Basic, executive director Srđjan Dvornik and accountant Ivanka Marton. The prosecutor charged on Jan. 2 that the three had been paid double salaries, in Croatian currency and in U.S. dollars, and had not paid taxes on the latter.

**BELGIAN** judicial authorities are investigating ties between Satanic cults and the pedophile ring run by Marc Dutroux. The groups included the Belgian Church of Satan, the Luciferian Initiation Order and Abraxas. Reportedly five victim-witnesses have testified to police that Dutroux's ring was supplying victims for human sacrifices.

**ISRAELI PRESIDENT** Ezer Weizman began a seven-day visit to India on Dec. 29. Weizman was to meet with government officials and Jewish community leaders. Israel has attempted to increase its relations with India over recent years, based on shared hostility toward Pakistan.



## LaRouche calls for new Bretton Woods system

by EIR Staff

Speaking to a forum of the FDR-PAC in Washington, D.C. on Jan. 4, Lyndon H. LaRouche, Jr. laid out a broad foreign policy orientation for the second Clinton administration, centering around two proposals: that the U.S. President convene an international conference to establish a “new Bretton Woods system,” to put the world economy through bankruptcy proceedings and to reorganize it for productive development; and that the United States join in global projects of benefit to all mankind, with a special focus on the Eurasian land-bridge program.

The forum, the first on foreign policy by the FDR-PAC, was devoted to the theme of rebuilding Bosnia-Herzegovina. The keynote speaker was Faris Nanic, former personal representative of Bosnian President Alija Izetbegovic, who made a strong appeal for the United States to take the lead in the economic reconstruction of his nation (see p. 65 for the text of Nanic’s speech). Helga Zepp LaRouche and Umberto Pascali of the Schiller Institute, in their presentations, stressed the need for an ecumenical approach to solving Bosnia’s problems, an approach based on morality and natural law. While the international oligarchy is promoting a “clash of civilizations,” trying to set Islamic peoples against the West, said Zepp LaRouche, the United States should act in its own true interest, and adopt a foreign policy like that of John Quincy Adams, in the interest of the sovereignty and development of all nations.

The FDR-PAC was founded by associates of Lyndon LaRouche in summer 1996. It held five forums in Washington on domestic policy issues at the end of 1996, and a forum is scheduled for Jan. 11 on the theme, “Africa: Looting Ground for ‘Bush, Inc.’ or Breadbasket for the World.”

In order to address the issue of Bosnia, LaRouche presented a strategic picture of the overall international situation,

the economic and financial collapse, and the onset of a new Dark Age. Bosnia, he said, is “not just a country which has a need, which we ought to, on moral grounds, assist and remedy. We need a policy which is needed to solve the Bosnia problem, but a policy upon which our survival depends as well. It’s not a matter of should we or should we not help. The question is: Do *we* wish to survive? Because *we* will not survive ourselves, unless we change the policies in a way which addresses our problem.”

The global economy is collapsing, because of the policies of the British oligarchy, and its war against the nation-state, LaRouche explained. We shut down our economy, because the oligarchs weren’t interested in production. We shut down our space program; we shut down our machine tool industry. Then, after the collapse of communism, we put eastern Europe and the former Soviet Union under International Monetary Fund conditionalities. In order to further British geopolitical goals, George Bush and Margaret Thatcher started the war in the Balkans.

What is the solution to this crisis?

### The general nature of the solution

“The general nature of the solution is obvious,” LaRouche said. “We had a financial system and a monetary system, from 1946 through 1966, which more or less worked. It was called the old Bretton Woods system. The system was based, not on gold currency, but on a gold reserve system. The function of the gold reserve system was to keep currencies, relative to one another, at fairly constant values. This meant that if you loaned money to someone, that the currency of the fellow to whom you loaned, would have approximately the same value five years from now, that it had today. So you didn’t have a borrowing premium that you put on the loan, based on the

expectation of the fluctuation of the currency.

“To promote long-term trade and investment in international markets, requires stable relations among currencies. And, the function of the Bretton Woods system, the original one, was to provide that mechanism, and to induce governments to maintain stable relations, that is, discipline among their currencies on a gold reserve basis.

“Under that policy, we in the United States operated on what was called a national economic security policy, which was a key part of our postwar national security policy. That is, we had a protectionist policy, in effect, and we encouraged other governments to have protectionist policies, because it was our desire that we be able to trade with these countries, which we could not do, in a stable way, unless they had fairly stable currency values. Therefore, if they needed something, if they needed to protect a certain industry, we would encourage them to do so, with tariffs and other protective agreements. We would enter into multilateral agreements, or bilateral agreements, with various countries for the purposes of mutual economic protection, to protect their sugar growth, or to protect this particular industry, and so forth, because we knew that the protection of that industry as a source of income and wealth inside the country, and on the international markets, was *essential* to maintain the value of that friendly country’s currency. And that’s the way we did it.

“Also, long-term borrowing was cheap in the international markets. If you wanted to invest in a country, the long-term costs were cheap, at 1-2%, for example, in many cases. Or, you would have agreements of various kinds, which would reduce it, effectively, to that. So therefore, we could export, as the Germans could, and so forth—we could export capital to developing countries, at fairly favorable terms, particularly those which had some labor force, an agricultural industrial labor force, with some potential.”

The return to such a system, LaRouche said, means that the President of the United States must launch a general monetary and financial reform, to prevent a financial collapse from plunging the planet into chaos. “That means, the President must say, ‘We are going to proceed to put what we know to be bankrupt financial and monetary institutions, into bankruptcy, that is, into receivership, for financial reorganization under the supervision of government,’ the same thing you do with a local bank if it goes bankrupt. The relevant state or federal institution must come in and put that bank into receivership, take it over, and process it, try to protect some of the depositors, and things of that sort, to prevent social chaos, to prevent that thing from becoming a spreading disease within the society, and to try to see what we can salvage out of it, in an orderly way, as opposed to a chaotic way.

“Therefore, the United States must act, together with other powers, to put the world into bankruptcy reorganization. *Every financial system, every banking system in the world, is presently bankrupt!* Particularly those that are involved in derivatives.

“Therefore, the United States must take leadership, international leadership, in proposing a new Bretton Woods, which would be a good term for it, which is what I’ve proposed—that we’re going to go back to the principles of the Bretton Woods system in its best years, and the United States, as the principal prospective partner in such agreement, will try to get every nation that’s willing to go along with this idea, to assemble and do it. And, those that *don’t* wish to go along with it, that’s just tough, we’re going to go ahead with it anyway.

“That means that we have to create new banking systems, which is very simple to do, on the basis of the Hamilton model. We go to *national* banking. We use the relevant article of Section I of the Federal Constitution, to create new issue of currency, not calling in the old one, the old Federal Reserve notes, but *terminating* further issuance of Federal Reserve notes, using that currency on deposit with the National Bank, as a means of credit to get the U.S. economy going, and get some other things going in international trade. . . .

“Our concern is not who’s got a favorable or unfavorable balance of trade; our concern is to make sure that all the members of a community of nation-states become prosperous. And, therefore, our concern is that they become prosperous and secure, just as their concern is that we should remain prosperous and secure. And, therefore, we can make trade agreements and tariff agreements on that basis.”

## The role of the land-bridge

The project for a Eurasian land-bridge, LaRouche continued, is the best way to stimulate the world economy. This project, in which the United States has a vital interest, is the largest single driver, not only to get the world out of the economic depression, but to move ahead, into some degree of stability.

“We must do this,” LaRouche concluded. “We may not be in full agreement yet, but we’ve got some agreement to begin with. And, we’ll start from there. We have the basis for coming to an international policy agreement on strategy, among such powers, on an ecumenical basis, to say, ‘We’re going to do this. We’re going to take this system out of its misery, establish a new system, a new Bretton Woods. We’re going to take the land-bridge and what it represents as a policy, as a global policy, and we’re going to rebuild this planet.’

“And in that process, we then look at Bosnia, and you see: Bosnia is not a charity case. Bosnia is one of the parts of the planet where there is a labor force, which has a fairly high level of skill as a labor force, which can be called out of its unemployment—90% unemployed, I understand—called out of its unemployment, organized, with the aid of Central European machine tool capability, to become the Bosnian part of a Balkan bridge to the international land-bridge.

“If we look at the Bosnia questions in those terms of reference, then I think we have a policy on Bosnia.”

# LaRouche: 'Don't let Wall Street do what it did to Orange County'

by Marianna Wertz

Former Democratic Presidential candidate Lyndon H. LaRouche, Jr., speaking as a policy adviser to the FDR-PAC political action committee, said on Jan. 6, "Don't let Wall Street do to Social Security, what it did to Orange County!" LaRouche's statement came as a response to the AFL-CIO's Jan. 6 Washington, D.C. press conference on Social Security, in which the labor federation, while opposing the plans of the majority of members of the 1994-96 Advisory Council on Social Security (ACSS) to privatize the nation's retirement fund, gave support to a proposal which allows the federal government to invest 40% of the federal Social Security Trust Fund in an index of the stock market.

Investing Social Security funds in a stock market index—a derivative, LaRouche said, would be the equivalent, on a national scale, of what Wall Street did to Orange County, California, which resulted in the nation's largest-ever municipal bankruptcy, in December 1994. The county, one of the wealthiest in the nation, descended into bankruptcy as the result of the seduction of its treasurer, Robert Citron, by Wall Street investment sharks, into speculation in derivatives instruments. The county sustained losses estimated at more than \$1.6 billion.

LaRouche warned, "If you put the Social Security funds into the stock market, or into privatization of any form, you're going to loot it, which means that people are going to be deprived of their Social Security, and you're going to kill them. So, it's a murderous proposal, and must be opposed by anybody who's sane. This is a life or death issue, and tens of millions of Americans will die, as a result of privatization of Social Security in any form: The stock market form is one example of this. It's got to be stopped."

LaRouche's warning applies to all three reports released on Jan. 6 by the deeply divided ACSS. The two-volume, 752-page summary report will now go to President Clinton, who appointed the panel two years ago, and to the Congress, and will undoubtedly become one of the hottest potatoes on the national political agenda.

## A honey pot for Wall Street

Just minutes after the release of the report, the AFL-CIO opened its press conference, featuring six of the ACSS's 13

members, those most closely aligned to labor's views. The main theme of the conference was how to stop Wall Street's plans to rake in tens of billions of dollars through this huge proposed privatization.

Indeed, Wall Street is drooling at the honey pot attached to the proposed privatization of the trust fund. Under the most radical proposal, the "personal security accounts plan," individual accounts would be created for Social Security recipients, who would invest those funds in whatever financial instruments they choose. Actuary David Langer, interviewed in the Jan. 7 *Washington Post*, estimates that under this plan, which is preferred by Wall Street, investment management and administrative fees could total \$240 billion during 1998 to 2010.

Under the second, less-radical option proposed by the ACSS, the "individual accounts plan," Langer estimates the fees would total \$75 billion in the same period.

*New York Post* financial columnist John Crudele, writing Jan. 7, counters, ironically, that the act of moving tens of billions of dollars out of government bonds and into the stock market, will itself start a spiral of interest rate rises and slower growth that will destroy the hugely overinflated market—which Crudele calls a "Ponzi scheme"—and the speculators with it.

## Stop the 'pillaging'

While proposing their own "Maintain Benefits" plan, which shares some of the worst aspects of the other two plans, but stops short of handing over the trust fund to private investment, the AFL-CIO leaders denounced Wall Street sharks for what AFL-CIO President John Sweeney recently called Wall Street's plans to "pillaging" Social Security.

Gloria Johnson, AFL-CIO Executive Council member and president of the Coalition of Labor Union Women, said, "We know, when we feel someone's hand in our pocket, that we are probably getting our pocket picked. We will begin today to form a powerful coalition to dispatch this twin-headed monster supported by Wall Street and its right-wing 'think-tanks.'"

Gerald Shea, assistant for governmental affairs to Sweeney, said, "Some members of the [Advisory] Council

want to make radical changes that would not only dismantle the system, but also divert funds into huge profits for Wall Street. In making our statements today, we do not impugn the motives of our colleagues on the Advisory Council, only their judgment. But we do take issue with the motives of the Wall Street firms that are already funding a public campaign on their behalf.”

International Association of Machinists (IAM) President George Kourpias discussed his members’ concerns: “What I’m hearing from workers and their families that I speak to, is that they are definitely feeling insecure about their retirement security. When they hear the proposals to privatize Social Security, they worry, because they don’t have the time or the confidence they feel they would need to manage their own investment strategies. . . . And they’re very concerned about becoming the prey to hordes of shyster consultants that are sure to follow any substantial diversion of Social Security funds into individual retirement accounts.”

In a Jan. 8 interview with “EIR Talks,” LaRouche urged every “patriotic, sane American” to support the AFL-CIO, and the Democratic Party, in their opposition to any attempt at privatizing Social Security.

### ‘Piratizing’

As *EIR* has exposed (Oct. 11, 1996, p. 7), these proposals are in fact plans to “piratize” Social Security—to hand over up to \$10 trillion from the Social Security Trust Fund, to Wall Street sharks and speculators. These pirates seek the funds as one of the last sources of revenue to shore up a collapsing worldwide financial bubble, while raking in \$500 billion or more of profits in the process.

All three proposals cite the alleged need to make the fund more profitable for older Americans, but, as *EIR* documented, moving the trust fund from government bonds, the most secure paper in the world, into the floating crap game called the financial markets, will indeed end financial security for America’s elderly.

In fact, former Social Security Commissioner Robert M. Ball, the leader of the AFL-CIO faction on the ACSS, admitted this in a back-handed way at the press conference, even as he pushed for 40% of the trust fund to be invested by the government in an index of stocks. While describing how this might work, he paused to note, “It would really take a major depression in investment in the stock market on the scale we’re talking about, to create a problem. It could happen, but it’s very unlikely.”

This reporter raised the question as well with Gloria Johnson at the press conference, pointing to the fact that “both [Federal Reserve Board Chairman] Alan Greenspan and IMF [International Monetary Fund Managing Director Michel] Camdessus have warned about a systemic risk, not only of a stock market collapse, but a banking collapse”—about which LaRouche has repeatedly warned—and asking if the AFL-CIO will also educate its members about this.

Johnson replied, “As I announced today, we intend to go

out and educate our members on this issue. And when there are other issues related to this, I’m sure that these will be included.”

### There is no real problem

The drive to privatize Social Security got its start with a typical big-lie scare campaign, begun more than two years ago and financed by Wall Street’s leading firms, to convince Americans that Social Security was about to go bankrupt. The National Association of Manufacturers reiterated this lie on Jan. 6, in greeting the two ACSS reports that called for privatization: “Two of the three recommendations by the Advisory Council recognize that the current structure of Social Security isn’t sustainable, and that’s a step forward,” said Paul Huard, senior vice president of NAM.

The truth is that there is no real problem with the Social Security System, as the AFL-CIO grouping on the ACSS panel reports: “We are concerned that much public discussion of the future of Social Security is based on misinformation about its financing. *Social Security is not facing a crisis.* The program, as currently structured and financed, and without changing a word of present law, can pay full benefits for another 30-plus years. After that, the reserves that are now accumulating in the program’s trust funds would be used up, but there would still be an income stream from ongoing dedicated taxes, which would support about 75% of the cost of the program. Even 75 years from now, current-level taxes would cover about 70% of program costs.”

It is to cover the full program costs, whose shortfall the report forecasts under *current financial conditions*, that the group turned to proposing such schemes as investment in derivatives.

However, the conditions which the report presumes are *abnormal*, reflecting post-industrial society policies, including a shrinking productive workforce relative to the elderly population. Were those trends reversed, by the type of economic reconstruction policies LaRouche has advocated, the Social Security Trust Fund could be made solvent without any recourse to risky stock market investments.

*EIR* raised this issue at the press conference with Gerald Shea. Asked whether the advisory council considered the underlying problem of the lack of productive employment in the economy, Shea said, “There is a broad question about economic conditions and the stagnation of wages in the country and lack of good employment. One of our major points here is, don’t make that problem worse by threatening the retirement security system that now exists.”

The AFL-CIO and its allies would be better served to intensify their fight against every attempt to put Social Security funds in the stock market, including the “Maintain Benefits” plan, than to support a risky scheme to “save” a Social Security system that doesn’t need saving. The fight to stop Wall Street is, as LaRouche warns, a matter of life and death, or at least a question of relative security or destitution, for millions.

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# National News

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## Brits denounce Clinton's counter to legalized pot

The Jan. 4 issue of the London *Economist*, foaming against President Clinton's efforts against legalizing marijuana, brands him as "paranoid" and accuses him of "demonizing marijuana." The concern of the British free-trade addicts centers on the November 1996 referenda in California and Arizona, where voters fell for the propaganda of George Soros to allow dope use "for medicinal purposes."

The *Economist*, which is a creature of the Rothschilds (just like Soros), criticizes "the announcement from the White House that Bill Clinton intends to use all available means to frustrate the will of those voters . . . who want their doctors to be able to be able to prescribe pot for medicinal purposes." Clinton should not "crush the experiments in California and Arizona," but merely "monitor them."

The magazine calls on the American President to sanction a "scientific study" of marijuana. If the results "have implications for the drug's legalization for healthy people as well as the sick, so be it."

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## Pennsylvania Gov. Ridge seen as 'mad scientist'

A guest column in the Philadelphia *Daily News* in January compares Pennsylvania's Nazi-like Governor Tom Ridge's eliminating health care for the poor, to a mad scientist's experimenting with human lives. The column by Nate Goldiner, a board member of the Philadelphia Unemployment Project, blames the death of heart transplant patient Lolita Cunningham squarely on Ridge's policy.

"If by the stroke of a pen," Goldiner argues, "a bill is passed that makes life-sustaining or death-preventing treatment unavailable and the person dies, was that person killed? Webster's Dictionary describes killed as 'to cause the death of.' I

would agree with Mr. Webster." Goldiner then reviews the history of Ridge's murderous budget cuts.

In characterizing Ridge's mentality, Goldiner writes, "I am picturing a mad scientist who has the authority to experiment with his population. He is testing his own sinister version of the survival of the fittest. He removes access to health care from 220,000 individuals to see how they will [get along] without it. Will sickness and death really accelerate? How many will die? At what rate and by which diseases? He is especially hoping to find out that many will survive because they have good genes. If mutations take place that increase the survival rate, he will be thrilled. How puffed up he will be about the money saved by the budget cuts.

"This scenario describes an immoral experimenter who recognizes the equation that the more people we can sacrifice, the more dollars we can hold on to. What makes this scientist amoral (if not immoral) is that he derives gratification from the dollars saved and is not distressed by the lives sacrificed.

"The tragedy of Lolita compels us to ask: How many tragedies will it take to restore funding for the 220,000 Pennsylvanians whose eligibility has been suspended?"

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## Lawsuit says line-item veto is unconstitutional

Six members of the U.S. Senate and House of Representatives, led by Sen. Robert Byrd (D-W.V.), filed a lawsuit on Jan. 2 in federal court in Washington, D.C., challenging last year's line-item-veto legislation as unconstitutional. The line-item veto, long favored by British tinkerers seeking to subvert the U.S. constitutional republic, was a central plank in the Gingrichite Contract with America, but was also supported by the Clinton administration.

The plaintiffs charge that the line-item veto illegally rewrites the Constitution, by surrendering legislative powers of Congress to the Executive branch. The new law circumvents the Constitution's requirement that the President veto a bill in its entirety,

not in pieces. It "smacks of a royal prerogative that we tried to get away from over 200 years ago," said Rep. David Skaggs (D-Colo.), one of the plaintiffs in the suit.

Other parties to the suit, besides Byrd and Skaggs, are Senators Mark Hatfield (R-Ore.), Carl Levin (D-Mich.), and Daniel Patrick Moynihan (D-N.Y.), and Rep. Henry Waxman (D-Calif.). Attorneys include Lloyd Cutler, Clinton's former White House counsel; and Charles Cooper, who served in the Justice Department under President Reagan.

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## Lack of infrastructure worsened floods in West

The week of heavy storms, beginning before New Year's in five Western states, resulted in floods, mudslides, power outages, and mass evacuations; there were at least 18 deaths, and estimated damage in the hundreds of millions of dollars. Much of the devastation resulted from decades of lack of infrastructure development for such exigencies. In most cases, the volume of storm-water runoff overwhelmed long-neglected drainage systems.

In California, Gov. Pete Wilson declared a state of emergency on Jan. 2 in 25 northern counties. The original California water programs, developed in the 1950s, mandated that river improvements for those areas be constructed during the 1960s to 1980s, for catchment, runoff, and storage, as well as canals to deliver surplus water for use in arid regions. The projects were all halted, in the name of "environmentalism."

Along the Feather River in northern California, over 60,000 people had to be evacuated from four towns, when a major break opened in a levee about 50 miles north of Sacramento, the state capital. According to the Jan. 4 *Los Angeles Times*, "Floodwaters were pouring through a 900-foot-wide gap . . . when an earthen levee on the Feather River gave way. . . . The levee was scheduled for reinforcement under a rehabilitation program authorized by Congress after the 1986 floods, which caused \$1.5 billion in damage and killed 15 people."

In a Jan. 6 editorial entitled "Disaster and the Era of Limits," the *Times* notes that "aging dams and levees" were a contributing factor to the destruction, and that the recent flooding "resurrects old concerns" over what to do about them. In 1990, it was estimated that \$1 billion was required for strengthening the Sacramento Delta levees; but nothing was done.

Lyndon LaRouche, in a Jan. 8 interview with "EIR Talks," said that the problem is one of bad policy, not the weather. "First of all, there has been, since the 1960s, since the cultural paradigm shift which occurred about 1966-67, away from an industrial society to what's sometimes called a post-industrial utopia; that under those conditions, we have eliminated the significant investment in infrastructure, even in maintaining pre-existing infrastructure. That's the key to the floods in the Northwest. It is the New Age, the past 30 years' drift away from maintaining infrastructure, as well as developing it, which is the cause of those floods, and not the weather."

## State workfare schemes drive poor into abyss

According to a preliminary study, a large percentage of welfare recipients who lost their benefits under state workfare programs, have been left jobless as well. Over the last four years, the welfare rolls were reduced in Massachusetts by 34%; Wisconsin by 41%; Oregon by 37%; and Oklahoma by 36%—enforced by workfare schemes authorized under federal waivers. Since the federal "Welfare Reform Act" went into effect on Oct. 1, 1996, all of the states have begun implementing murderous programs.

The Jan. 5 *Washington Post* highlighted the case of Gov. William Weld's Massachusetts, where welfare recipients are required to work or perform community service within 60 days of receiving welfare benefits. Since July 1992, when there were 370,533 welfare recipients, 150,000 have been slashed from the rolls. According to the *Post*, between one-quarter and one-third of

them were adults—only about 50% of whom found jobs at very low pay, or were put to work in "community service" to work off their welfare check. Thus, at least half the adults are not working, are not on welfare, and are unaccounted for.

The fact that so few have found employment comes as no surprise. Under Weld's workfare fraud, only 2,000 job slots in private industry were set aside for welfare recipients in the first place. According to the study reported in the *Post*, only 260 of those jobs have been filled to date. Furthermore, there has been no increase in the number of people receiving the state's transitional child care assistance, set aside to help former welfare recipients who could find work—another indication that a great many of them never even made it into slave-labor jobs. Nor has there been an increase in the number of Medicaid recipients.

## Projects proliferate for fascism with 'civility'

New projects are emerging to push a fascist consensus under the guise of "political civility." According to the Dec. 25 *Hartford Courant*, two of America's "tartest tongues" are leading the drive: retiring Rep. Patricia Schroeder (D-Colo.), the longtime feminist icon; and former Bush-league Secretary of Education William Bennett, the professional peddler of "virtual morality."

Schroeder will chair a \$5 million research project sponsored by the Institute for Civil Society, based in Boston. Bennett, along with retiring Sen. Sam Nunn (D-Ga.), will chair a group called the National Commission on Civic Renewal. The Bennett-Nunn project, funded by the anglophiliac Pew Foundation Center for the People and the Press, plans to hold its first meeting in Washington on Jan. 24.

According to the *Courant*, another pitch for political civility has been made by Reps. Ray LaHood (R-Ill.) and David Skaggs (D-Colo.), who sent letters to House members during Christmas week, asking them to attend a retreat in March in Hershey, Pennsylvania.

## Briefly

**SERIAL KILLER** Jack Kevorkian can be tried for murder in Michigan, U.S. District Judge Gerald Rosen ruled Jan. 3 in Detroit. The judge affirmed that the U.S. Constitution provides no protection for assisting in a suicide. Richard Thompson, former Oakland County prosecutor, called Judge Rosen's ruling "a total victory," and predicted it would have national impact.

**U.S. BANKRUPTCY** filings hit a record 1.1 million during the fiscal year ending Sept. 30, 1996, an increase of almost 26% over fiscal 1995. Personal bankruptcies accounted for all but 40,000 of the total. All-time highs were set in each of the last three quarters, reaching 303,309 during the final period.

'**A SMALL ICE AGE**' is beginning in North America, according to Prof. Ernest Kung, head of the University of Missouri's Department of Atmospheric Sciences. The cold weather hitting the United States is an indication that this long-cycle climatic shift is again under way, and Kung projects that North America can expect "a period of some 20 years of cold weather."

**SHAKESPEARE** is no longer required reading for English majors in most American colleges. A survey of 70 universities by the National Alumni Forum, as reported in the Dec. 30 *Washington Post*, found only 23 which require a course in Shakespeare. At Dartmouth, students can substitute such "classical" alternatives as "Twentieth Century Boxing," or "Fiction and Film."

**CORPORATE** takeovers reached \$658 billion in the U.S. in 1996, according to Securities Data Co. The orgy of speculative looting, officially billed as mergers and acquisitions, surpassed the previous record of \$519 billion, set in 1995. The \$1.177 trillion in takeovers during the past two years, along with the burgeoning bubble in fictitious derivatives, has fueled the 40% increase in the Dow Jones average over the same period.

## Editorial

### *The latest Middle East crisis*

On Jan. 1, a “deranged” Israeli soldier, Noam Friedman, opened fire into a crowded Palestinian marketplace in downtown Hebron, to “protest” the anticipated, long-delayed pullout of Israeli troops from that city. Scores of people were injured. The Hebron withdrawal, under the terms of the Oslo II Accords, was to have been completed by March 1996. U.S. peace negotiator Dennis Ross had been dispatched to the region by President Clinton in mid-December, in an attempt to secure the Hebron withdrawal before the New Year, and to rescue a peace process that has been sinking in quicksand ever since the election of Benjamin Netanyahu as prime minister of Israel.

The recent acts of terrorism have provided Netanyahu with the pretext to throw up the most serious obstacles yet, to a meaningful peace.

We know a great deal about the Hebron shooter, Friedman. He was not, as the world media claimed, a “lone killer.” He was a product of the Merkaz Harav yeshiva, founded by Rabbi Zvi Yehuda Kook, the closest collaborator in Israel of Britain’s Quatuor Coronati Lodge, the British Crown’s premier laboratory for creating irrational ideologies and countergangs.

For decades, Kook’s yeshiva has been the breeding ground for Temple Mount fanatics, who have been unleashed by Britain’s Zionist assets every time that the Middle East peace process appeared close to a breakthrough: In February 1994, Baruch Goldstein, another Israeli soldier linked to the settlers movement and the Temple Mount “faithful,” massacred Muslim worshippers at the Cave of the Patriarch; in November 1995, Yigal Amir, another member of a Jewish assassins cult, killed Prime Minister Yitzhak Rabin, as he was leaving a rally in support of the peace process in Tel Aviv. Although Amir was tried, convicted, and sentenced for the Rabin murder, and several other collaborators were also brought to justice, it would be an act of disrespect to the memory of Prime Minister Rabin to claim that the murder was “solved,” and the prime perpetrators brought to justice.

Such Jewish underground terrorist attacks as we saw on Jan. 1 in Hebron, inevitably lead to terrorist

retaliation by “Islamic” terrorists, who are products of the same British Arab Bureau operations. It’s no secret that the Ariel Sharon “Greater Israel” networks poured money and other resources into launching some of the Islamist terror-squads, to build up a counter to the PLO of Yasser Arafat. Such are the politics of the Middle East “Great Game.”

And so, the Friedman attack in Hebron triggered a predictable response. On Jan. 9, two pipe-bombs exploded in a busy Tel Aviv shopping area, injuring 13 people. Prime Minister Netanyahu immediately issued a harshly worded warning, that the entire peace process is on hold, if it turns out that the terrorists came into Tel Aviv from the West Bank or Gaza areas under the control of the Palestinian Authority.

We don’t claim to know who planted the Tel Aviv pipe-bombs. Nor do we claim to have any inside information on who sent the ten letter bombs to the Washington offices of the Saudi Arabia-backed Arabic-language newspaper *Al-Hayat*, and to the Leavenworth federal penitentiary in Kansas, where several of the men convicted of the World Trade Center bombing are incarcerated.

But we do know that the strategic use of irregular warfare to wreck the peace process is an old British trick, long since adopted by the Sharon-Temple Mount gang in Israel, as well. Furthermore, the letter bombs that were mailed from Alexandria, Egypt to the United States suggest that the escalation of irregular warfare is going to, once again, be targeted at the United States and at the Clinton Presidency, as well as at the Middle East and the peace process. And, no one should delude themselves that “it can’t happen here.”

If the peace process is to survive this latest assault, it’s going to require a very tough intervention by the Clinton administration, holding Netanyahu’s feet to the fire, and keeping a very clear head about the role of our so-called “allies” in London. Britain remains the headquarters of international terrorism, and every time that we lose sight of that, a new round of strategically targeted irregular warfare erupts, and another effort at peace goes up in smoke.



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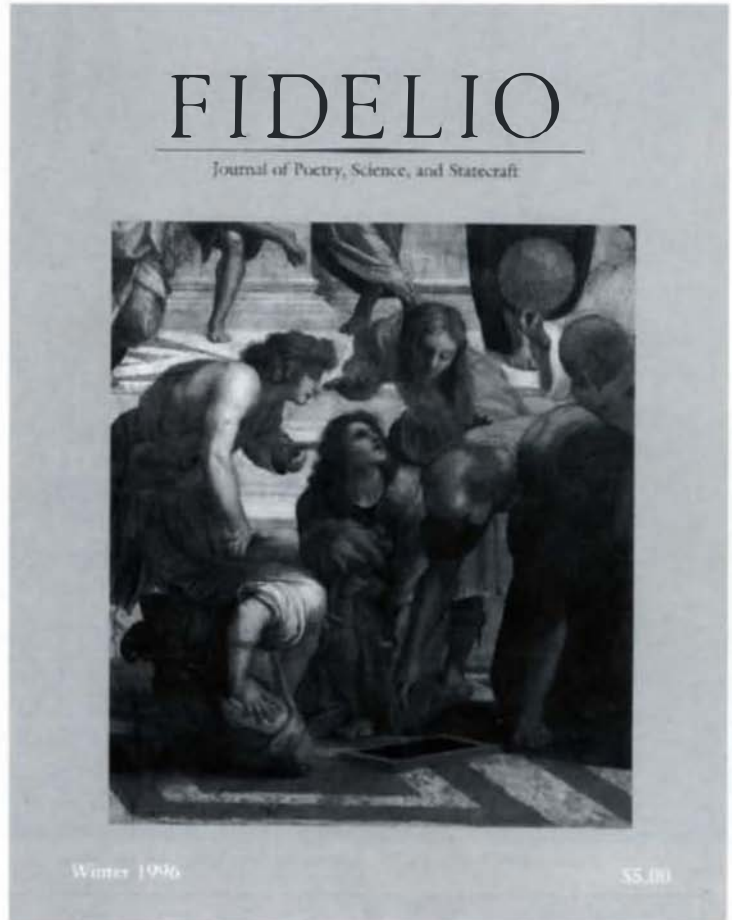
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