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From the Managing Editor

The release of the latest jobless figures in Germany, showing that unemployment has hit 1932 levels, confirms what *EIR* Founding Editor Lyndon LaRouche and *EIR* have elaborated consistently: The economic depression has been with us for some time. And, the amount of time before financial structures disintegrate, is to be measured, not in years, but in weeks or months. In *Economics*, we bring you a preliminary report on this sobering news from Germany, and we will provide expanded coverage next week.

To tackle the depression, LaRouche said, in an interview with the weekly radio program “EIR Talks” on Feb. 5, “We have to have a new Bretton Woods system. We have to put the old system into bankruptcy before everything collapses. . . . And we have to have some big projects, as we did with FDR’s recovery; big projects, which will be the spark plugs of a global economic recovery.”

One such big project, is outlined in *EIR*’s *Special Report*, “The Eurasian Land-Bridge: The ‘New Silk Road’—Locomotive for Worldwide Economic Development,” released on Feb. 5 (p. 62). Our *Feature*, by Helga Zepp LaRouche, also discusses the potential of the Eurasian land-bridge, in particular from the standpoint of Western policy toward China—the choice between Samuel Huntington’s insane “clash of civilizations” thesis, and the approach of the great scientist and philosopher Gottfried Wilhelm Leibniz, in which different peoples and nations cooperate for a common purpose and the mutual benefit of all. And, there have been positive steps toward cooperation in the land-bridge project in Russia (p. 9).

LaRouche’s warning of Feb. 5, is therefore extremely timely, that if the millions of Americans who are exposed in the stock market stay in it, “They’re going to be slaughtered. They’ll lose everything.” Treasuries don’t yield as much, he said, but the advantage is the government has agreed to back them up. This is not a matter of how to save your nest egg in the crash, but a political decision, to support the institutions of the U.S. government—and make sure it organizes the New Bretton Woods system.

And, in the *Editorial*, LaRouche takes on the idiocy coming from some in Washington who, in the face of this crisis, are pushing a balanced-budget amendment to the Constitution.



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In her speech to the ICLC-Schiller Institute conference in Kiedrich, Germany, last December, Helga Zepp LaRouche reports that the biggest threat to Britain's desperate efforts to hang onto its empire in the face of a rapidly collapsing world economy, is the prospect of a community of principle among sovereign nation-states, to create a global economic miracle. This was the vision for a rapprochement between Europe and China, of Gottfried Leibniz, the Jesuit missionary Matteo Ricci and his followers, and China's Dr. Sun Yat-sen. That vision is what lies behind the Euro-Asian Continental Bridge, now.

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New jobless figures tell Germans: depression is here

by Rainer Apel

When Bernhard Jagoda, the president of the Federal Unemployment Office of Germany, began presenting his monthly report on the development of national employment and short-work on Feb. 6, it was clear from his first remarks that the unemployment figures for January 1997 documented for every German who thinks (many don't, however), that the Second Great Depression has arrived.

With a total number of 4.66 million German jobless—an unprecedented one-month increase of 510,000 since December 1996—the January unemployment figures are the worst since January 1933. And, as many commentators in the German media have rightly observed, that month not only was the peak of the post-1929 Great Depression, which destroyed the “Weimar Republic,” but also was the month when Hitler and his Nazi movement took power, in the middle of chaos and disarray among the elites.

However, many of the politicians and experts in Bonn hastened to add, “Bonn is not Weimar”: There is no Hitler around at the beginning of 1997, the jobless figure 64 years ago was 6.1 million, much higher than today's, and so on.

Worse than Weimar

Well, yes, Bonn is not Weimar—it is even worse. One has to look at the figures, but also one has to do what most of the government-paid analysts don't do: Tell the truth, and present the real background for these figures. As far as the truth is concerned, it must be stated that real unemployment in the Germany of January 1997 is far higher than 64 years ago.

Why? Because of the far more developed social welfare net, millions of Germans of working age are registered under

categories other than joblessness. These are people without regular employment, but they are not counted in the official jobless statistics. All in all, close to 5 million Germans of working age, as of January 1997, fall under these special categories: 320,000 are part-time workers; another 260,000 Germans are in make-work programs; 1 million Germans are “parked” in retraining programs, or come under the long-term sick-leave categories (for example, young mothers on pregnancy leave, or early retirees).

Then, there are another 1.9 million Germans, who, because of the hopelessness of getting new employment through the jobless administration bureaucracy, try to muddle through or try their luck somewhere else—for example, on the black market. This adds no less than 3.48 million Germans to the “official” jobless list of 4.66 million (4.658 million to be precise). In all, this means that 8.138 million Germans are without a proper job.

What makes the official efforts to cover up the truth of real unemployment in the Germany of January 1997 even more absurd, is the fact, that the above-mentioned figures of the uncounted unemployed all come from a report of the Institute for Labor Market and Employment Research (IAB), which is linked to the Federal Unemployment Office. These IAB figures are on the situation as it was monitored in December 1996.

Another aspect of the truth has been leaked by the unemployment office of the German state of Hesse. There, the experts have noted that of the 5,000 new jobs officially listed as being offered last month, to job-seeking Germans in that state, no less than 3,000 were jobs that granted employment

only up to seven days, in total! The official jobless statistics do not distinguish between full-time and part-time jobs, which means that the official report that states that “34 million Germans are employed,” is wrong.

The perfidiousness of these kinds of statistics makes it possible for the government propagandists in Bonn to put forward their phony arguments, such as, “Bonn is not Weimar” because there were “only” 12.5 million Germans employed in January 1933, compared with 6.1 million unemployed, while today, there are 34 million employed and only 4.66 million unemployed.

There is more to be said about the figures, but the few examples presented here to the reader, suffice to indicate that the joblessness reports from Germany qualify for something that may be put in some museum of modern arts, along with other incoherent artifacts. What is being done to the reality of mass unemployment in Germany—allegedly, the “world beacon of sound statistics”—is sheer propaganda, composed to provide the government of Chancellor Helmut Kohl with material for his regular proclamations that “the economy is about to recover,” or that “unemployment shall be reduced by 50%.”

A true picture

In order to get a more accurate picture of the jobless situation in Germany, one must pay attention to the fact that the massive collapse of employment in the last weeks and months has occurred in three main sectors of the economy, for very specific reasons:

1. Rigid fiscal austerity programs have reduced public sector projects to almost zero, which has ruined most firms in the construction sector and caused a jobless rate of 37.5% for the construction workforce. This is the national rate.

In the eastern states of Germany, where most of the industry was closed down after the unification of the two Germanys in October 1990, the construction sector had been the only one to keep people employed productively in substantial numbers. But, more than 20% of the eastern construction firms have collapsed in the course of 1996, in turn, collapsing the supply industries and trades, and male joblessness in eastern Germany increased by 30% in the month of December alone.

2. Rigid deindustrialization policies, coming under the slogans of “downsizing,” caused a dramatic 13% drop in industrial purchases of machinery in December, compared with November 1996. Foreign orders for German machines also dropped by 16% in December 1996.

Two-thirds of the German industrial firms, according to a December poll carried out by the German Industry Association, announced that they expect to reduce production output and their workforce, while only one-third voiced some optimism that they may expand in the year 1997.

Thus, it comes as no surprise that the productive sectors

of German industry—steel, electronics, chemicals, mining, aerospace, machine-building, and so on—have been the ones that added the second-largest share of new jobless to the official figures, after the construction sector.

Those regions that were victimized by the deindustrialization waves of the 1980s, are also the ones that show the highest unemployment, in the allegedly “better-off” western regions of Germany. The official unemployment in eastern Germany was 18.7% in January, and “only” 10.6% in western Germany. But, in cities like Duisburg, the former steel-producing center of western Germany, which was put through a deindustrialization in the 1980s similar to that of Germany’s East, the official jobless rate was 17.9% in January 1997.

Another aspect that is usually not mentioned in the media reports on the unemployment figures, is the rate of youth unemployment. Even with the censored official figures, youth unemployment is higher than the overall average of unemployment among the older worker generations: 12.4% for young workers under 25 years of age, as compared to 12.2%.

However, German workers above 16 years old comprise the largest part of those 1.9 million Germans who are not even registered with the unemployment offices, because they have given up all hope of getting a job via the official labor market programs. It is shocking that there are no reliable figures available on this aspect of youth unemployment.

Youth unemployment at 40 to 50%

In eastern Germany, some politicians and experts who are more concerned with the situation, estimate that the real joblessness among Germans under 25 years of age, is between 40 and 50%. This situation will even get worse, in the course of 1997, should employment policies not change drastically: Industry has announced that it has 392,000 jobs prepared for the new apprentices who will enter the workforce in September, after the end of the school year. This is 7.4% fewer positions than in 1996, and it is 200,000 positions less than the level that would be necessary simply to keep youth unemployment at its present, miserable level.

A whole generation of young Germans, therefore, will move from school to a period of long-term unemployment—10 years of non-employment between age 16 and 25.

That is the truth, but hardly anybody is talking about it. What it means for the future of the industrial nation of Germany, is obvious.

It is worth noting, that it was the three youth organizations of three established political parties, the Christian Democratic Union (CDU), Social Democratic Party (SPD), and Free Democratic Party (FDP), that initiated a campaign entitled “Youth for the Transrapid” on Jan. 22, with the more than justified argument that “only new technologies like the maglev train will give us jobs in the future.”

Naturally, this initiative, which plans to collect petitions signatures throughout Germany for "21st-century jobs," has been treated with the same disregard by the media, as has the truth of widespread youth unemployment.

It also needs to be stated that, today, the percentage of Germans under the ages of 25 to 30 is lower than it was in the Great Depression of the early 1930s, because of lower birth rates. Therefore, the crime of not training the younger generation or employing them, will have a much more disastrous effect on the German society as a whole, than it did 64 years ago. At the same time, there is an increasing trend of early retirement, which has dropped more and more Germans below the ages of 55 to 60 out of the production process.

Thus, the tax-paying portion of the population as a whole is shrinking, as a result of the combined effects of demographic developments and political decisions to reduce the total workforce. In terms of this dynamic, the Germany of 1997—which has not yet seen a big banking crash like that of 1929 or 1931—is in far worse shape to deal with the depression, than the Germany of 64 years ago.

Now, what applies to maglev technology, also applies to nuclear power, aerospace technology, optical-electronics, machine-building design, and other essential sectors of the most developed German industry: The overall number of university students in these areas of study, has dropped by 40% or more in the last five years. The present economic policy of the German government, banks, and industry, does not provide a future for young Germans who want to become industrial engineers.

The nuclear power industry of Germany warned two years ago, that at some time in the first decade of the next century, Germany will not even have the skilled workforce necessary to do what the Greens and the Social Democrats are demanding: close down the nuclear power sector of the nation. There would not even be enough trained German engineers who know what to do in order to shut down or decommission a nuclear power plant without risking a catastrophe. This warning was issued in 1995—we are now in the year 1997.

The shock of reality

All in all, the publishing of the new jobless figures for January has created a big reality shock and panic in the German population, along with the appropriate anger at the politicians who have failed to do anything to abate the ballooning of mass unemployment. The next weeks are certain to be turbulent ones in Germany. Paying tribute to this popular state of rage, *Bildzeitung*, the nation's leading mass-tabloid (with an estimate daily readership of up to 15 million), reprinted a cynical Reuters wire story on Feb. 6, which reported:

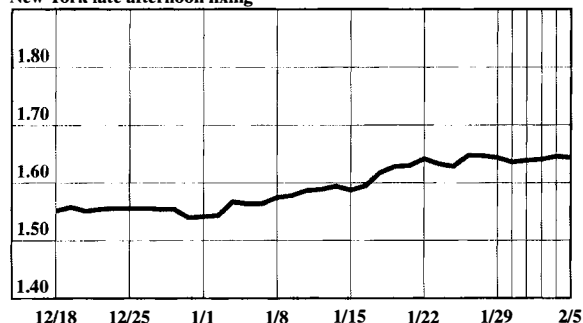
"German stock markets are profiting from the labor market data. . . . Traders said that the increased jobless rate is saddening, but positive for the markets."

Bildzeitung commented, "In what kind of perverse world are we living?"

Currency Rates

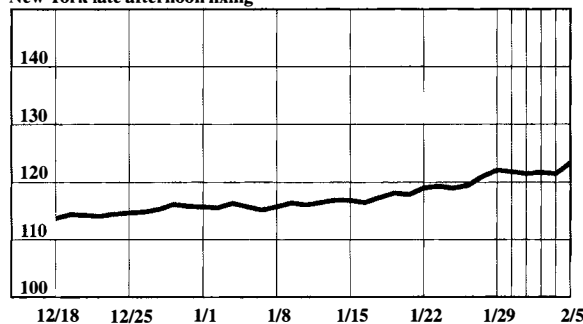
The dollar in deutschmarks

New York late afternoon fixing



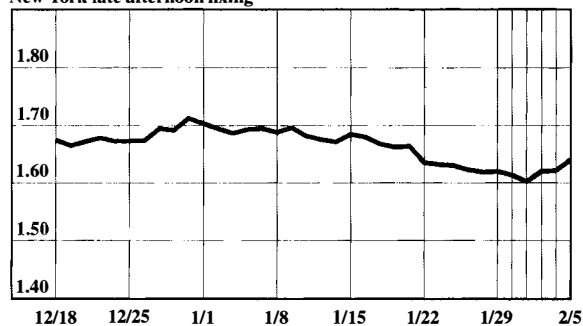
The dollar in yen

New York late afternoon fixing



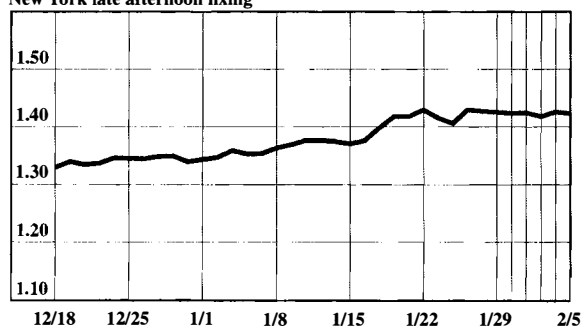
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Sweeney tells Davos Forum to reject post-industrial 'U.S. model'

by Marianna Wertz

AFL-CIO President John J. Sweeney was one of a handful of speakers, at the Davos, Switzerland World Economic Forum, who dared to speak the truth about the state of the world economy, and particularly about the "U.S. model." While many of the banking elite who spoke lied their way through glowing reports about the "American economic recovery," Sweeney, who addressed the forum both on Jan. 31 and Feb. 1, starkly warned developing nations and Europe not to follow the United States in its embrace of "neo-liberal," i.e., free trade, policies, describing the destruction that such post-industrial policies as "flexible markets" and "downsizing" have wreaked on this nation.

Sweeney's remarks added an important sense of reality, particularly when taken in tandem with the discussions of an imminent international financial collapse among top financial and economic circles, which occurred in the corridors of the forum, as we discuss in both the lead article to this section, and in the Editorial.

The additional significance of Sweeney's having spoken out boldly at the Davos forum, is the increased leverage it will give him as a leader in the United States, where the AFL-CIO has announced its intention to launch an offensive against the neo-liberal agenda at its annual Executive Council meeting, scheduled for Feb. 17-21 in Los Angeles.

In his Jan. 31 speech, "Social Cohesion in a Competitive World," Sweeney addressed the fallacy that, "in the global economy, competition requires cutting back on worker rights and social provision." It is untrue, he said, "that the measures that make working families secure—good wages and safe working conditions, health care, clean air and water, secure pensions, and, yes, strong unions—are not benefits, but burdens to competition.

"This assumption may be the fastest growing export of what is called the U.S. model. But I am here to warn you. With all due respect, it is a highly costly, very toxic export, dangerous to the health and welfare of working people and national economies across the world.

"You need not take my word for it. Simply look at the turmoil in South Korea, the newest member of the Organization for Economic Cooperation and Development (OECD). Consider the popular support given the resistance of public

workers in France, cornerstone of the European community. Remember the virtual general strike in Argentina, celebrated as a success story of South America. Across the globe, the attempt to compete by cutting back on basic rights and guarantees is meeting a growing resistance.

"The U.S. experience—looked at in its entirety—suggests that competitiveness and social cohesion can and must work hand in hand. That they are seen as contradictory today reflects not any law of economics, but a failure of human imagination and public policy."

The postwar social compact

As he has often done since his election in October 1995 to head the AFL-CIO, Sweeney spoke of what the United States was like before it was taken over by post-industrial policies. "For a quarter-century or more after the end of World War II, there was widespread social solidarity in the U.S. and in most other advanced industrial societies. Most people lived by and benefitted from a set of common values, of shared understandings—a social compact, if you will. Business, labor, and government assumed that working people were entitled to a fair share of the wealth they produced. Unions and business grew strong together. Rich and poor alike benefitted from economic growth. Living standards rose.

"In the last quarter-century, that world has been transformed," he said. Now, though the stock market is soaring and executive salaries are skyrocketing, Sweeney said, "most people are working longer and harder just to make ends meet." This is the result, he said, "of corporate choices, not economic laws. Too many companies rewarded by government incentives have taken the low road in international competition. They are cutting their workforces, their wages, and benefits. They are fighting against working people and their unions. They scour the globe in search of places where working people have low wages and no rights.

"This road has been paved by conservative administrations that cut back on the protections afforded working people, consumers, and the environment. They joined the assault on unions and labor rights. They passed trade agreements designed to protect the rights of those who invest their money, while ignoring the concerns of those who invest

their time and labor.” This cannot be sustained, Sweeney said, pledging that the AFL-CIO is “responding with a new emphasis on organizing in the new economy, greater political mobilization, and a renewed international commitment, supporting the struggles of workers and for worker rights across the world.”

The labor leader called for a change in the attitudes of both business and unions. “At the AFL-CIO, we realize that we can no longer focus on the short-term interests of existing members. We will devote more of our energies to the longer-term interests of all working people. No longer can we take the position that quality, productivity, and profits are not our business. They are our business; indeed they are our very livelihoods. We see it as our responsibility to help forge new, more productive workplaces, to help American business compete in the world, to create more wealth for their shareholders—and for their workers.

“At a policy level, new rules are needed to make the global marketplace work for working people—so companies compete by their ability to produce products of value, not by their willingness to impoverish their workers or despoil the environment. We need new boundaries on financial markets that favor long-term investment over short-term speculation. We need an end to incentives that favor companies that slash and burn over those that build and grow. Basic social guarantees—health care and social security, the right to join and form unions, the right to due process on the job—must be strengthened. Greater investment in and commitment to education and training is vital.”

Sweeney concluded this first speech by challenging the attendees to “take as their mission the creation of a vibrant global economy that will lift up working people throughout the world, rather than drive them down. That is essential to any sound economic policy. It is also a basic moral measure of who we are, and what we create.”

Neo-liberalism is a failure

In his Feb. 1 address, Sweeney spoke on the question “Economic Growth: Should the U.S. Model Be Emulated?” Here, Sweeney made what he called two simple points: “First, much of what is fundamental to America’s economic growth simply cannot be exported or emulated. Second, what is offered for export offers neither a magical key to growth nor a sensible answer to the challenges we face.”

He outlined what he called the “basic building blocks” of America’s real economy—not the post-industrial mess it is today—and said these are “difficult to copy”:

- a unified, open market of over 250 million people, anchored by a large middle class, spread over a continent with abundant natural resources;
- a currency with a unique global role, including the fact that oil prices are set in dollars;
- a well-educated and highly skilled workforce, one in four having graduated from college, replenished each genera-

tion with new waves of hard-working immigrants.

Sweeney then tore apart the lies about the “neo-liberal version of the American model,” which was held out for example by most of the Davos speakers. This model, he said, “offers no answer to the fundamental economic challenge of our day.”

“One proof of this is its failure in the countries that have tried it. Many less-developed debtor nations have imported—often against their will—the constricted definition of the U.S. model: export-led growth, tight money, tax breaks for the affluent and cutbacks for the poor, deregulation of corporations, flexible labor markets, weakened unions. Often this package is the price imposed by the International Monetary Fund, the international development banks, and private markets for access to loans and investment.”

‘Consider the underside’

Sweeney warned European nations who are being seduced with this “U.S. model” not to believe it. “Consider the seldom-mentioned underside of the American experience,” he said. “Only 11% of the private workforce is represented by a union. One in five workers goes without health insurance. Millions more are underinsured. Corporations are cutting back on pensions and benefits, increasing hours and decreasing vacations. One in four children is born into poverty. Working people get little help for daycare, no child payment. No paid family leave. Middle-class families go into debt to finance the education of their children. Inequality is at a level not seen since before the Great Depression and growing worse each year. The desperation of our inner cities is a moral disgrace.”

To imitate these labor practices in Europe, Sweeney warned, “would trigger massive worker resistance. . . . Far from being a cure-all, the attempt of any advanced European social democracy to imbibe the neo-liberal version of the U.S. model would create massive social upheaval, with far greater economic costs than benefits.”

Sweeney concluded his intervention with a call to “challenge the limits of this debate.” This new global economy must be made to work for working people, he said. “I suggest to you that the growth of the global marketplace and the deregulation of financial markets has unleashed capital from the social regulation needed to protect it from itself. In these conditions, corporations don’t need more freedom; they need more accountability. Financial markets need more, not less, regulation. Workers need to be empowered, not weakened. The problem is not that governments are too strong, but that they are too weak. . . .

“Different countries face different problems and will seek different solutions. But one thing should be clear. The constricted U.S. model now offered for export has no answer to the fundamental challenge we face. For Europe, it offers, not a way out, but a very rocky road to what is fundamentally a dead end.”

Russian government to revive Baikal-Amur Siberian railroad

by Rachel Douglas

China's serious work on the New Silk Road component of a Eurasian land-bridge has spurred the Russian government to consider the rescue and upgrading of the Baikal-Amur Mainline (BAM), the second, northerly Trans-Siberian railroad (see **Figure 1**). Twelve Russian government ministries and agencies took part in a Jan. 6 meeting, chaired by Deputy Premier Oleg Lobov, on the future of the erstwhile "project of the century."

The 4,300-km BAM was the largest construction project of the Brezhnev era, built between 1974 and 1989, with sporadic work done on it thereafter. It was never quite completed, and rails, pilings, ties, and other elements of the physical plant have even been carried off from sections that fell into disrepair, for sale as scrap, according to reports in *Sovetskaya Rossiya* in October 1995.

The BAM is a special case of the decay of Russia's infrastructure. "Not so long ago," *Izvestia* recalled in a Jan. 9 article, "Russian railroads carried almost half the freight in the world. Since 1988, rail shipments have fallen more than twofold. For the BAM, this meant multi-billion losses."

Izvestia's front-page headline was: "Rebirth of the BAM—Another Utopia, or a New Bridge to Asia?" The article, by Yuri Nevezhin, pointed out that at present, the century-old Trans-Siberian Railroad and the BAM, even though the latter is not working at full capacity, "are essentially the only land route linking the Euro-Atlantic and the Asia-Pacific regions."

Veteran Russian China-watcher V. Ovchinnikov, in a November 1996 commentary in *Rossiiskaya Gazeta*, analyzed how the southerly land-bridge routes will complement, rather than detract from, the Trans-Siberian Nevezhin, however, portrayed the two routes as competitive alternatives: "The 'Russian track' between West and East is considered one of the shortest, and potentially more economically efficient, freight routes. Last year in New Delhi, at the conference of the UN Economic and Social Commission for Asia and the Pacific, the transport route through Russia was called preferable, by comparison with the re-creation of the 'Great Silk Road' through Kazakhstan, Central Asia, Iran, and Turkey."

Such "either-or" thinking notwithstanding, Russia also has a packed diplomatic schedule with China, and those discussions are weighted in the direction of economic cooperation. For some sectors of Russian industry, the potential Chi-

nese contracts are cast as a last chance for survival.

Agreements were concluded during high-level Russian-Chinese meetings, and more meetings are in the works: First, Vice-Premier Aleksei Bolshakov attended the bilateral inter-governmental commission for trade, economic, scientific, and technical cooperation, which met in Beijing in December; Prime Minister Li Peng visited Moscow later that month; and, there is the forthcoming Sino-Russian summit, when President Jiang Zemin will come to Moscow this spring. Bolshakov, speaking to journalists Dec. 12 after the commission meeting, emphasized cooperation in the energy sector, and reported that he had delivered to Li Peng a Russian government message, on "state support" for a Russian consortium's bid to participate in the Three Gorges Dam project.

According to *Rossiiskiy Vestnik* of Dec. 11, Russian officials hope to increase trade between the two countries by the year 2000, to the level of \$20 billion per year, from the current level of \$7 billion. The priority areas are defense industry conversion, new technologies and materials, transport and communications, and aviation. One project calls for building oil and natural gas pipelines from eastern Siberia to northern China. Under another, finalized by Bolshakov, China will produce Russian-designed Su-27 jet fighter-bombers, an arrangement that Valeri Mikhailov, head of the Russian government staff's defense industries department, terms "very much needed," in view of the state of Russia's defense industries.

A geopolitical dimension

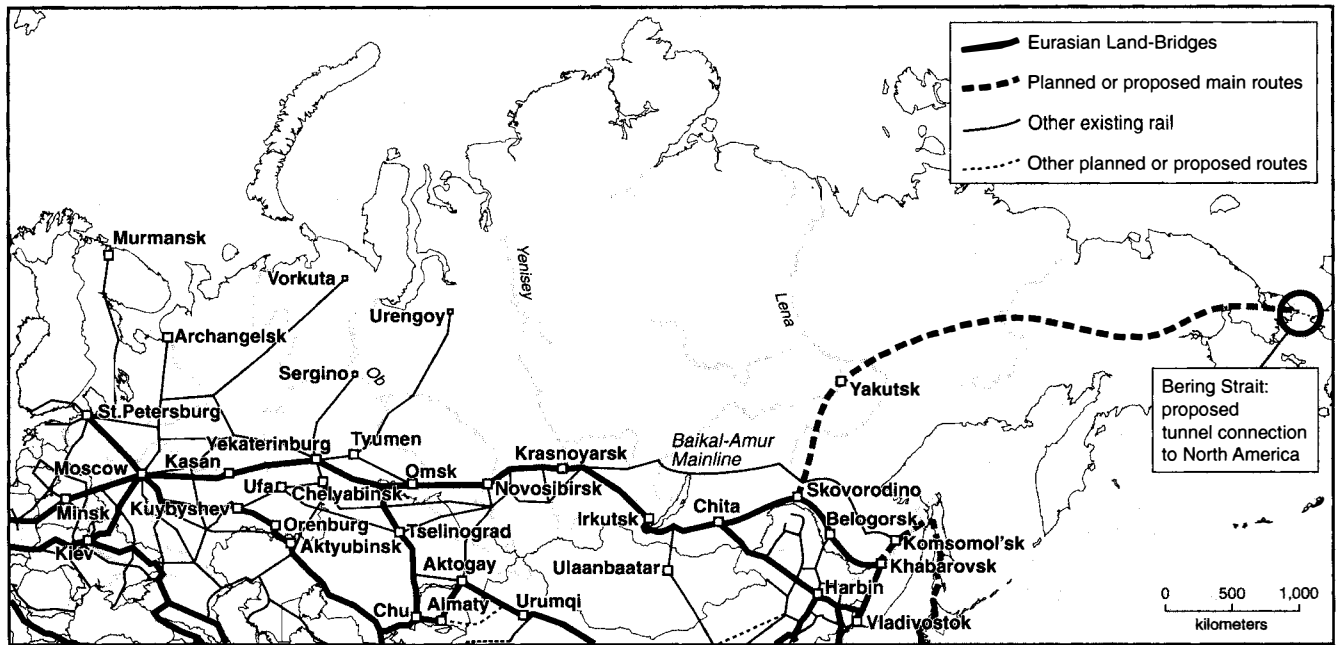
Interviewed by Itar-Tass on Jan. 8, Foreign Minister Yevgeni Primakov called the development of relations with Asian nations, especially China, his most important achievement of 1996—and, a correction of "the 'tilt' toward the West which had emerged in the past." Russian media, using Primakov's phrase as endorsed by President Boris Yeltsin, portray relations between Russia and China as a "strategic partnership for the 21st century."

Ovchinnikov's latest commentary, appearing in *Rossiiskaya Gazeta* of Jan. 15, added more geopolitical overtones. He exemplified the tendency in Russian opposition circles to revive the enemy image of the United States, a line of thinking that is fueled whenever U.S. officials push the destructive "market reforms" as representing progress for Russia.

Moscow's rapprochement with China, Ovchinnikov

FIGURE 1

Russian Federation: rail routes



wrote, reflects “Russia’s natural reaction to the geopolitical changes following the Cold War that ended in the Soviet Union’s collapse. . . . The world was immediately faced with the hegemonic ambitions of the one remaining superpower. While verbally welcoming Russia’s turn toward democracy and a market economy, the United States is actively contributing to this process basically only as far as dismantling the former U.S.S.R.’s military potential is concerned. . . . At the same time attempts are being made to portray the Chinese economy’s success as a threat to its neighbors, in order to isolate China in Asia and hinder its growth. . . . In this new geopolitical situation, China is objectively becoming Russia’s strategic rear. Russia, in its turn, is becoming China’s strategic rear.”

Although Ovchinnikov comes from the Soviet-era old guard of foreign policy-shapers, the government-linked Golos Rossii radio station currently broadcasts summaries of his articles on its Mandarin-language service.

Development zone, or route for loot?

Decisions on the BAM, according to *Izvestia*, “are to be taken in the near future, in the form of Presidential decrees and government resolutions,” and are being debated at “the highest level” (in part, because of opposition from regional governors, who derive tax revenues from the current quasi-functional, unintegrated state of sections of the BAM).

“First and foremost,” *Rossiiskaya Gazeta* reported Jan. 11, “a government decree has been prepared that mentions the necessity of a federal program for developing the BAM

zone.” *Izvestia* wrote, citing government sources, that this resolution will give the territories along the BAM the status of “development” zones, with tax breaks and privileges. An Itar-Tass report Jan. 17 on the government discussions described the zone as a “special economic area” along the railway, which is to be under central government control.

The Russian reports are contradictory on costs. *Izvestia* says restoration of the BAM will “economize” 95 trillion rubles (\$19 billion), while *Rossiiskaya Gazeta* suggests that that’s what it will cost.

Besides restoration of dilapidated sections, the main unfinished link to be built on the BAM is the 15-km Severomuysk Tunnel near Lake Baikal, under construction for the past 20 years. It has been the scene of bitter experiences for the construction workers, who went on strike in January 1996 to protest non-payment of wages and miserable work conditions. *Izvestia* reported at the time, that the teams, working 150 meters underground, have 1950s- or even 1930s-vintage equipment and inadequate light. So far, 37 workers have died in accidents while building this tunnel.

In addition, the bridge across the Amur at Khabarovsk is to be reconstructed.

The impact on the Russian economy of a BAM revival is both immediate, and long term. The two main purposes envisioned for the railroad, imply two different concepts of Russia’s economic future: the BAM as a development corridor, or as chiefly a way to ship out more of Siberia’s raw materials for export. An update in *Rossiiskaya Gazeta* on Jan. 17 had the revealing headline, “The direct road to diamonds and gold.”

Deputy Prime Minister Lobov, according to a Jan. 11 *Rossiiskaya Gazeta* article, has discussed the BAM zone in terms both of employment, and of immediately available revenues from transportation tariffs:

"In Oleg Lobov's view, such a program is necessary because there has been a catastrophic increase in unemployment there during the last few years and, furthermore, freight traffic along this route has declined sharply. Each month the BAM yields losses of 150 to 170 billion rubles to the country's transport complex. It is now planned to reconstruct and retool the enterprises in this zone.

"The decree that was discussed with Oleg Lobov specifies the allocation of economic privileges to future investors. Furthermore, it determines this program's real coordinator: It will be the Ministry of Railways that, in the deputy prime minister's view, is the only organized force today. The Ministry of Railways has also formed the 'Baminvest' company. The company has already set to work: It has organized coal and copper and iron ore extraction in the BAM zone. By using its resources, the Ministry of Railways is trying to organize the work of the timber-industrial complex that is also dying in this zone. Attempts will be made to foresee the development of the BAM 50 years in advance. First and foremost, it has to be determined how many people will be living in this zone, what they should be engaged in, what deposits should be mined first of all, and whether a gas pipeline will be run eastward along this route.

"However, this project's most important aspect, and this was confirmed by the conference participants, is the fact that the BAM will link the Euro-Atlantic and Asian-Pacific Ocean regions more closely and increase freight traffic from west to east."

Interview: Vladimir A. Kozlov

The land-bridge can unite Russia's regions

Gabriele Liebig, editor of the German newspaper Neue Solidarität, conducted this interview on Dec. 14, 1996, during the Schiller Institute conference in Kiedrich. The conference, on the theme "Our Future: The Eurasian Land-Bridge Economy," was keynoted by Lyndon H. LaRouche, Jr. (see EIR, Jan. 1, 1997, p. 4). The transcript of Helga Zepp LaRouche's speech appears as this week's Feature.

Q: Mr. Kozlov, would you please describe your work in the Russian Federation Council, and what your special subject is

in that position.

Kozlov: I have been working in the Federation Council, which is the upper chamber of parliament, for three and a half years. I am assistant to the deputy head of the Committee on constitutional law and legislation; he is also the head of the constitutional legislative council of the Jewish Autonomous Region. This is a region through which the Eurasian land-bridge will be passing [see **Figure 2**]. It is the most easterly part of the northern route of the Eurasian land-bridge project, after which the route goes through the tundra toward the north. Previously, I worked in the International Business School. And before that I was a military man, a colonel.

Q: What you mentioned about the Eurasian land-bridge is very interesting. Are you dealing with economic questions in your political work for the Federation Council?

Kozlov: I am dealing with both political and economic issues. For me, the discovery—I call it a discovery—of the program of the Eurasian land-bridge is very important. I was greatly impressed by Mr. LaRouche and his presentation. His ideas, if implemented on a global scale, can be a locomotive to promote the economic development not only of Russia and the European states, but also of the world beyond. Such a policy creates the possibility of exchange of economic ideas, of commodities, of technologies, of everything. For me, his evaluation of the processes in the world are quite new; this is the first time I have heard it. Some of what he said I knew before, but those pieces are now connected by his system of views.

I come more and more to understand that the kind of development he proposes is the most humanistic one. I regard as very important what he says about education and the transition between generations. I, and I think a lot of my compatriots as well, are very much disgusted with the mass counterculture which is imposed by TV and the mass media in general. This counterculture destroys the traditions of Russia; it promotes destruction, sexual abuse, violence. It is alien to Russian culture and damages its very foundation. That doesn't mean that I support the idea of some closed, isolated culture, but I think each culture does have a right of independent development, without something being imposed upon it from the outside.

Q: Can you report a bit about life in the Jewish Autonomous Region, in terms of culture, education, economic conditions? People here know very little about the region; many have never heard about its existence.

Kozlov: Our Autonomous Region is called the Jewish Autonomous Region. It was founded by Stalin in 1934, originally as a part of Khabarovsk Territory, on the Russian-Chinese border along the Amur River, as a result of an initiative on the part of Jewish activists who decided to organize some autonomy for their people on Russian territory. Our region is very rich with natural resources. We have all the metals of Mendeleev's Periodic Table. It is a wonderful area, with the great river Amur, and very good people who are eager to work.



FIGURE 2
**Russia's Jewish
 Autonomous
 Republic**

At the same time, the bad economic conditions in the country have had a negative impact on the development of our region. The high tariffs for transport along the Trans-Siberian Railway have seriously decreased the shipments of commodities from Europe: The transport costs at least double the prices of the commodities. That's why the region, instead, is intensifying its economic relations with the bordering economic regions and the countries of South and East Asia—Japan, South Korea, Malaysia, and China. These are our closest neighbors, which penetrate the Pacific Ocean market.

The enterprises are now in a very difficult situation. There is high unemployment; part of it is hidden unemployment. And, certainly, people are not satisfied; they become angry, they try to find some other way out. The idea of the Eurasian land-bridge is something that could give people a great possi-

bility to realize themselves. Certainly, in terms of employment: In construction of infrastructure or in industry or processing of natural resources—and we have a lot of mineral resources. Therefore, the economic development of the Far East will also establish the possibility of peaceful coexistence with bordering countries that were not always friendly to us. That's why this development of the Eurasian land-bridge has for us political as well as economic and social significance.

Q: You mentioned the river Amur. Isn't that where the famous Baikhal-Amur Mainline, the BAM, is? Is that railway line still functioning?

Kozlov: The BAM crosses Khabarovsk Territory to the north of the Jewish Autonomous Region, the rail line across our region is the Trans-Siberian Railroad. The BAM is partly

functioning, but only serves some regional purposes. It is the same situation as with the Trans-Siberian Railway. There is a spontaneous process of economic regionalization. The regions are forced by the detrimental circumstances to work for themselves, to put their own economic interests first. That's dangerous from an economic, technological, and political standpoint. But the Eurasian land-bridge can reunite all of this. It can develop the links between the different regions and the different countries adjacent to that bridge, as well.

Q: Is this regionalization an effect of the International Monetary Fund shock therapy?

Kozlov: Yes, certainly.

Q: In what ways, more concretely?

Kozlov: It is very easy. First of all, [Russian Deputy Prime Minister Yegor] Gaidar's reforms meant enormously high taxes. Second, the prices for fuel increased immediately to world market levels. This makes impossible not only significant infrastructural or industrial projects. . . . On top of that, we have this secondary political process intensifying the self-separation of the regions. So, these regions try somehow to protect their own interest, which may seem positive for them, but it really threatens the integrity of the state as a whole.

The Federation Council, which includes representatives of the legislative and executive powers of each subject of the Russian Federation, feels this pressure from the people of the regions to whom they are responsible. They bring their problems to the parliament and discuss it there, often in quite a harsh way. They try to find a solution for these problems—questions of financing, local strikes, payment of wages. In some regions, workers didn't get paid for five months. For one, two, three, four, or five months it is not clear how they could sustain their families. In some cases, surrogate money is introduced, which enables people to buy goods in shops by building up debts. All of this influences the political situation.

Certainly, the Federation Council tries to prevent the disintegration of the market. Members of the Council try to find some unifying aspect; they try to pressure the central government, the President—and sometimes they succeed. But the crisis in Russia is at such a point that it is very difficult to get out of it. December, January, and February, the winter months, will be especially difficult for us. The lack of energy, the non-payments, and so on, can cause some political effects.

The political leadership in Russia, the political groups and clans try to find a sort of consensus in order to prevent an explosion in the country. So, we need measures to prevent such an explosion. The President must agree and implement measures that could remove tension. For that purpose, recently a consultative group was founded, the "group of four," consisting of the President, the prime minister, the head of the State Duma [the lower house of parliament], and the head of the Federation Council. But if, for example, a defense issue is being discussed, the defense minister is invited. If it is a

financial problem, the finance minister is invited.

Q: A crisis management arrangement?

Kozlov: Yes, in a way. The purpose is to find some consensus. Nobody in the country is interested in making the situation even more extreme. A crisis may erupt just for economic reasons alone.

Coming back to the Eurasian land-bridge: I would say, that this is something which could cause a great breakthrough in the development of the country. Because, in order to implement this project, we will have a lot of investments, a lot of dynamic development of metallurgy, machine building, computer technology, geology, mining. This will be a great breakthrough in the development of the country.

Certainly, Russia is unable now to make such a breakthrough all by herself. She needs cooperation with the most developed European countries and the United States. And it is very important that the leaders of these countries understand how important these ideas are, and that only by implementing these ideas can the global economic crisis be solved.

Q: Has there already been a discussion on the Eurasian land-bridge in the Federation Council?

Kozlov: Unfortunately, only a very small number of people know about this conception. I will make sure that this will change in the period ahead.

So, You Wish To Learn All About Economics?

by Lyndon H. LaRouche, Jr.

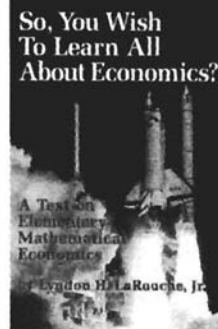
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Budget cuts, not mother nature, caused Florida crop damage

by Richard Freeman

On Jan. 18-19, frost struck Florida's winter vegetable crop, causing an estimated \$270 million in damages. Normally, the National Weather Service's (NWS) agricultural forecast division would have warned Florida farmers that frost was coming, so that they could take standard preventive action against it. But Florida's NWS agricultural forecast division, based in Tampa, which would have assembled and put out the forecast, had been disbanded in April 1996, as a result of a \$3.3 million budget cut instituted by the "Contract on America" gang in Congress in 1995. Therefore, no forecast was available.

Florida produces 50 to 75% of America's winter vegetables (depending on the levels of imports), including zucchini, green beans, peas, yellow squash, hot and sweet peppers, sweet corn, eggplant, and cucumbers. Southern Florida produces most of the state's output. According to the office of Florida Agricultural Commissioner Bob Crawford, 85% of the area's zucchini, green beans, yellow squash, and hot and sweet peppers, and 75% of the sweet corn, were destroyed. The damage to winter vegetables and, to a lesser extent, citrus crops, totalled at least \$300 million.

One week after the frost, winter vegetable prices rose by as much as 33% in Florida. Squash, which had sold for \$1.16 per pound on Jan. 17, increased in price to \$1.40 by Jan. 24; green beans went from \$1.16 per pound, to \$1.54. The price increases will soon become national, affecting families which are already hard hit by the collapse in family living standards. On Jan. 26, Tom Kirby, spokesman for the Dade County, Florida Farm Bureau, stated, "In addition to the crops, there are other losses. Farm workers won't now be able to work for 45 to 60 days, until the next crop comes in. Packing houses will lose work; truckers who would truck the vegetables across the United States will lose work. The lost tax revenues are considerable."

The national media immediately blamed the damage on frost and "Mother Nature." Rather, the damage is the result of America pursuing insane economic policies: the British monetarist insistence on budget cutting of vital infrastructure and scientific capabilities, in the mistaken belief that one is "saving money." On the contrary, as the Florida case shows, for every \$1 "saved," there is \$100 in immediate crop losses, and even more, once the spillover effects are counted.

The 'Contract on America' assault

On Jan. 28, Paul Hebert, the chief meteorologist for the NWS in Miami, detailed the events which account for the deadly consequences of the cut in the agricultural weather forecast program. In late 1995, the "Contract on America" gang instituted cuts in three NWS programs, which completely shut them down. The cuts included:

- \$2.3 million from the agricultural weather forecast division;
- \$500,000 from the marine radio facsimile program;
- \$500,000 from the fire weather forecast service.

The Miami NWS office is southern Florida's central forecast office. It serves the main population centers in southern Florida, *but it lacks the capacity to monitor and forecast the weather for the rural agricultural districts in Florida.* That function had been performed by the Weather Service's agricultural forecast division, which maintained a four-person office just outside Tampa, which, Hebert said, "was hooked into approximately 100 thermographs [these are thermometers which print out their readings] throughout the state. When the Weather Service's agricultural forecast division was in service, this Tampa office gathered the weather information to tell farmers what the forecast would be in their area."

But, in April 1996, the Tampa office (and its functions) was shut down as a result of the October 1995 budget cut. So, on Jan. 18, 1997, the day before the frost, the NWS center in Miami forecast for the main population centers in southern Florida that the temperature would drop to about 37°F, but not go below freezing. This was accurate for the main population centers.

But, in the agricultural districts, temperatures fell further, to below freezing, and as low as 24°F. Had the four-person Tampa office been functioning, it could have warned by 7 p.m. on Jan. 18, that temperatures in agricultural areas would drop below freezing the next day. Normally, farmers called into the Tampa office nightly on a dedicated phone line to find out the forecast, and such information was also regularly carried on a radio weather channel which farmers monitored. Farmers with small farms could have turned on sprinklers, and taken other measures to prevent a significant part of the frost damage. Farmers with large farms could also turn on sprinklers, though some would have had to mobilize their

pumps and tractors from storage areas. This would have required some marshalling of farm hands and hired help, but when a farmer's crop is on the line, he will often take whatever measures are necessary and work through the night. Although firm figures do not exist, a significant portion of several crops could have been saved.

Instead, as much as 85% of some Florida winter vegetables were destroyed during the morning and afternoon of Jan. 19. The damage to the winter vegetables is placed at \$270 million, plus there is some damage to the state's citrus crop.

The assault is not over

An additional factor adding to the pressure to shut down the NWS's agricultural forecast division was the "Reinventing Government" program, which is intended to "streamline" government, directed by Vice President Al Gore. Gore shared Gingrich's rationale for shutting down the agricultural weather forecast government program, which was that the private sector could do the job just as well, without taxpayers having to pay the cost. Obviously, that was wrong.

Also eliminated in the \$3.3 million budget cut, was the NWS's fire weather program. Although the federal government still monitors forest fires, it used to be that if a farmer, or whoever wanted to burn some part of his field (or some area), he would call the government to get wind forecasts, to make sure the fire didn't spread. Now, he can't do that. Also eliminated was the Weather Service's marine radio facsimile program, which faxed marine weather conditions to boaters and shipowners.

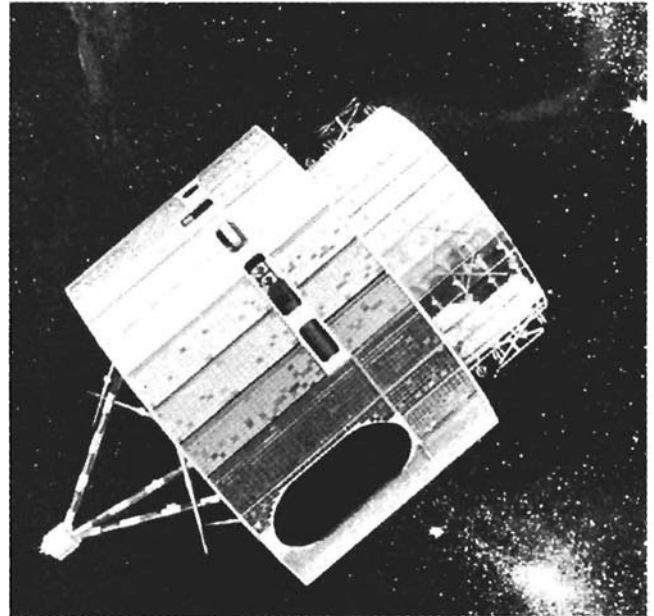
The Florida events of Jan. 18-19 demonstrate the folly of the budget-cutting and privatization approach.

Yet the "Contract on America" shock-troops have more of this approach in store. They want to break up the NWS and the National Oceanic and Atmospheric Administration (NOAA), of which the NWS is a part. In turn, NOAA is the largest department in the Department of Commerce.

Until the budget-cutting started, NOAA's and the NWS's overlapping responsibilities included providing specialized forecasts for agriculture, construction, transportation, and other applications; measuring sea-surface temperatures for marine activities, and monitoring and predicting climate; using multispectral imaging of the atmosphere and land surfaces to detect and monitor forest fires; global drought watch; global mapping of vegetation, precipitable water, snow, and ice coverage; forecasting sea ice, predicting snow melt, for managing water resources and flood control; and so on.

In order to carry out this function, NOAA and the NWS maintain an integrated and advanced system, which includes utilizing four overhead satellites—two in geostationary orbit, and two orbiting across the North and South poles, as well as a host of land-based weather instruments.

The annual budget of the parent institution, NOAA, is \$1.75 to 2 billion per year. But its functioning makes possible real physical economic activity in the United States worth



GOES, one of four NOAA satellites used for weather analysis, is in geostationary orbit. GOES provides a full-disk image of nearly one-third of the Earth's surface, every 23 minutes, with a spatial resolution of two miles.

several hundred times that cost.

In 1995, House Speaker Newt Gingrich (R-Ga.), Sen. Phil Gramm (R-Tex.), and the conservative revolution crowd proposed disbanding the Commerce Department, and selling off NOAA and the NWS to Wall Street sharks. The functions of NOAA and the NWS would be run on a "for profit" basis. Whatever couldn't turn a profit would be scrapped. The highly efficient, integrated NOAA-NWS system would be fragmented or shut down. In 1995, the Gingrich crew had to settle for the closing of the agricultural weather forecast and related divisions of the Weather Service, but they view that as merely a step in implementing their overall strategy.

Now, there is talk of not providing sufficient federal funding to launch 15 weather satellites by the year 2010 on the schedule needed to keep four working weather satellites in the sky to provide weather information for the United States. The life expectancy of a satellite is 1.55 to 9.30 years, or 5.5 years on average. In 1993, one weather satellite that was launched became dysfunctional within two weeks of its launch; thus, redundancy is needed.

It is about time the United States put a halt to the Conservative Revolution's strategy. The budget-cutting and subsequent privatizing of the services of the agricultural weather forecast division cost America millions in lost crops on Jan. 19 in Florida, as well as other added economic losses. America should stop blaming Mother Nature or Jack Frost. The root of the problem is closer to home: the abandonment of a policy of infrastructure maintenance and expansion, which tames nature and brings it closer to obeying man's command.

Cardoso wants to hand over Brazil's mining resources to the British Empire

by Silvia Palacios and Lorenzo Carrasco

Now that the Brazilian legislature has given its first vote of approval to the amendment guaranteeing Presidential re-election, President Fernando Henrique Cardoso feels empowered to proceed with the privatization of the country's vast mining conglomerate, Companhia Vale do Rio Doce (CVRD). The company's placement on the auction block had been postponed until the wheeling and dealing around the re-election vote could be completed.

Now, because of the political space cleared for privatization, there also exists the grave danger that another strategic Brazilian state enterprise, the oil company Petrobras, will be dismantled. This can already be seen in a bill to privatize Petrobras, piece by piece, which was presented by congressman Eliseo Rezende, secretary of the parliamentary commission in charge of segmenting the state oil monopoly. The bill was approved by Congress during the first quarter of 1996.

Despite the joy they expressed over the likelihood that Cardoso will be re-elected in 1998, all the international financial groups have conditioned their investments in Brazil for this year—which, according to Industry and Trade Minister Francisco Dornellas, will be \$16 billion—on continuation of the privatization program, especially of CVRD.

The privatization of CVRD is part of a plan to return the Brazilian economy to the era prior to the 1930s, that is, into the hands of the major British corporations and their American partners. During that period, mineral resources were barely exploited, and concessions were designed to "sit" on the country's mineral wealth, because the British viewed Brazil as their strategic reserve, while actively exploiting the mineral resources of countries in Africa, especially South Africa.

The Cardoso government today is opening up the country to that same select group of British imperial companies and their partners, which has carried out the cruel colonialism that has driven Africa to the edge of extinction. Speaking through his emissaries during a recent trip to South Africa, President Cardoso promised privileged treatment for companies like Anglo American and Rio Tinto Zinc, in the sell-off of CVRD.

In addition to the privatization of CVRD, the government is hoping to auction off rich mining concessions in zones

of proven gold reserves. There are four such zones; the first to be bid on is Jarú, located in the Amazon state of Rondonia, with a potential of 30 tons of gold. (By way of comparison, the largest deposit in the country today is in Serra Leste, with 150 tons of gold). The companies most likely to receive the concession are Canada's Barrick Gold (whose international advisory board's "honorary senior adviser" is former U.S. President George Bush), Anglo American, and Rio Tinto Zinc. After learning about Bush's interference in Indonesia to force that government to give concessions to Barrick, sources in the Mines and Energy Ministry told *EIR* that it is very likely that Bush raised the issue with the "susceptible" Fernando Henrique, during his recent trip to Brazil.

The near possibility of being able to control Brazil's mineral wealth has circles of the British Empire in a state of euphoria. In all the various back-and-forths regarding CVRD's privatization, it was revealed that in the Carajas zone, located in Para, rich deposits of high quality copper were discovered, of a type known as "world class," as well as gold. The estimates of quantity vary, but qualified geologists believe the gold deposits could potentially be larger than those of South Africa.

Such revelations have clearly increased the protests against the privatization of CVRD, and the government's reaction has been to nervously avoid issuing any precise information in its official reports on the newly discovered deposits.

CVRD vs. the British

CVRD was founded in 1942, under the so-called Washington Agreement signed between the governments of Franklin Delano Roosevelt and Getulio Vargas, by means of which Brazil was committed to supply iron ore to the allies in World War II. Although the agreements established a fixed price below international market levels, which evidently did not benefit Brazil, the agreements obliged England to hand over to the Brazilian state the deposits of the company Itabira Iron, located in Minas Gerais. Thus, CVRD was born.

This, combined with the 1940 Roosevelt-Vargas agreement to build the Volta Redonda steel plant, set the basis for Brazil's industrial development, which continued through the 1970s.



The British may soon regain control of Brazil's huge copper and gold mining resources, if President Cardoso privatizes CRVD. Here, a view of part of the Carajas project.

It is worth noting that Itabira Iron was founded in the late 1920s by British agents Muley Cotto and Percival Farquhar, front men for the British group Brazilian Hematite Syndicate, which knew that after World War I, British interests would be unable to operate in the Western Hemisphere except through their U.S. ally. Farquhar showed not the slightest interest in exploiting the Itabira deposits, making it clear that the intention was to preserve them as strategic reserves for the global interests of the British empire.

Discontent over the government's concession to Itabira Iron at the time turned into a generalized nationalist reaction throughout the country, and especially inside the Brazilian Army, which had decisively contributed to the 1930 Revolution that put Getulio Vargas and the "Generation of Lieutenants" in power, and where the concept of sovereign industrial development had long been simmering.

For example, on July 31, 1926, Getulio Vargas, then a Federal congressman, was one of the signers of a document issued by the Congress's justice commission, which condemned the Itabira Iron concession: "In conclusion, one can see in the contract [with Itabira Iron] that the terms of legislative authorization were ignored or interpreted backwards . . . promoting what the Germans so appropriately call *Raub-wirtschaft*, a destructive or looting economy. Thus, Itabira Iron will maintain its exclusive control, as private instruments,

over the two stretches between Itabira (in Minas Gerais) and the export pole (Victoria port), making all export of minerals which are not its property practically impossible, and obliging owners of other deposits to transfer minerals to them, at convenient prices. It is, to all practical purposes, a monopoly established on its behalf."

Despite this resolution, the congress went ahead in September 1930, and approved the Itabira agreement.

Much later, in 1936, engineer Jose Pompeia published an article in the daily *Jornal de Debates*, which argued that "the concession granted by the government, with congressional approval, in September 1930, was one of the sparks which set off the 1930 Revolution. . . . Minas Gerais, with [former President Artur] Bernardes in the lead, always rebelled against the concession granted to Itabira. Our Army could not proceed in any other way. . . . It did not want to defend the power that had granted such a concession."

The 1930 Revolution and, later, the 1937 Constitution, which nationalized the Brazilian subsoil, put an end to the control of the British Empire over the political and economic life of the country, which until that time was maintained as a coffee export plantation. Percival Farquhar, in particular, played a crucial role in controlling the rulers of the so-called Old Republic. In 1904, together with two other agents of the British Empire—U.S. engineer F.J. Pearson and Canadian

lawyer Alexander Mackenzie—Farquhar founded the Rio de Janeiro Light & Power company, to control the supply of electrical energy to the Brazilian capital. “Light,” as it is known today, operated as an “asteroid” of British intelligence, directly controlling various of Brazil’s Presidents during this period, as well as the main newspapers of the time.

Target: CVRD

From its founding, CVRD has been the target of various attempts to destroy it. In the mid-1950s, after the suicide of Getulio Vargas, the 100-year-old British company St. John d’El Rey, which held several rich mineral deposits in Brazil, contracted an agreement with Hanna Mining, similar to that of Itabira Iron, through a series of fraudulent interpretations of the Constitution. The agreement, mediated through the New York law office of Osborne and Thurlow, was formulated by Hanna’s president, George Magoffin Humphrey, former treasury secretary in the Eisenhower administration. Later, under the presidency of John McCloy, Hanna Mining passed to the Rockefeller family.

Thus, Hanna Mining inherited the political role exercised by “Light” during the 1920s. For example, much of the economic policy of the Juscelino Kubitschek government (1956-61), which legalized the fraudulent mineral concessions Hanna had received earlier, was directed from Hanna’s offices. Individuals who have served as the leading Brazilian mouthpieces of British free-trade ideology, such as Lucas Lopez, Roberto Campos, and Octavio Gouveia de Bulhoes, have gravitated to Hanna’s circles. Their economic and monetary policies had disastrous consequences during the period of the military regime.

Hanna, which had lost its concessions during the government of President Janio Quadros, recovered its deposits toward the end of the Castelo Branco government, through the influence of two of his ministers, Hanna agents Roberto Campos and Gouveia de Bulhoes. This recovery was indirectly facilitated by a small company, Mineraciones Brasilenas Unidas (MBR), owned by businessman Augusto Trajano de Azevedo Antunes, who, in turn, was politically and economically linked to Nelson Rockefeller. MBR was 49% owned by Hanna.

Between 1964 and 1967, the presidency of MBR was held by Eliezer Batista, former Mines and Energy minister in the Goulart government. Batista left that government in order to run the CVRD sales offices in Europe, at the same time that he remained closely tied to both MBR and Hanna Mining.

In 1979, the government of President João Bautista Figueiredo named Eliezer Batista to the presidency of CVRD, which came with such prestige that his name, by itself, would attract immense financial resources to develop the company’s projects. And thus it was, that under the fantasy of the “Great Carajas” project, Eliezer promised to bring \$60 billion into the development of the Brazilian Amazon. Eliezer insisted that the construction of the Tucuruí hydroelectric dam and

the railway line from the Carajas mine to the port city of Belem, would be sufficient to launch this project.

Later, the truth emerged. In order to build the railroad, CVRD would require a \$2 billion loan, for which the international financial creditors demanded that 30% of CVRD’s assets pass into private hands. Through this ruse, CVRD was surreptitiously privatized. By the end of the Figueiredo government, the nationwide reaction to this betrayal was so violent, that the Prosecutor General’s office reversed the whole process—in two days!

Although the state held onto 51% of the stocks, Eliezer Batista’s maneuver had a pernicious effect. First, because the development of Carajas was organized as a mere transmission belt of iron ore, which, in accounting terms, represented constant losses for the company. Second, because the idea was introduced among the company’s leadership that Carajas should be organized solely and exclusively around an accounting profit, putting aside its historic role as a motor for regional economic development, in the name of the common good and public interest.

Eliezer Batista, who held the post of Strategic Affairs Minister under the Collor de Mello government, never hid his links to the British monarchy, nor his passion for the British geopolitical viewpoint and for environmental causes. In October 1991, he was one of Prince Charles’s guests of honor aboard the royal yacht *Britannia*, when it symbolically anchored in the waters of the Amazon River.

To the memory of Percival Farquhar

Since then, for fear of the reaction it would unleash, no Brazilian government has dared to touch CVRD, not even Fernando Collor de Mello, whom George Bush once referred to as “my kind of guy.” Only with the Cardoso government has the planned sell-off of CVRD begun to move, using the same argument of Eliezer Batista, that this would bring billions of dollars into the country. In fact, what President Cardoso has dubbed “the end of the Vargas era” means nothing less than returning the country to the domination of British imperial interests.

And thus, the sale of CVRD would transform Brazil in the short term into a colonial exporter of raw materials, Africa-style. And thus, would Brazil fit the role assigned it by former U.S. Secretary of State Henry Kissinger, in his secret memorandum on Malthusian population policy, National Security Study Memorandum 200 (NSSM-200). That memorandum, written in 1974 by the National Security Council, argues that Brazil must reduce its population so that the country cannot threaten the supply of natural resources to the United States and its allies, namely, England.

In recognition of his efforts, Fernando Henrique Cardoso will be in England twice in 1997; once in February at a seminar organized by the British Foreign Office, and officially at the end of the year, when he hopes to receive the title of “Sir” in Her Majesty’s service.

Venezuelan doctors lead anti-IMF fight

by David Ramonet

Some 65,000 doctors who serve in Venezuela's public hospitals and clinics have been on strike since Dec. 28, 1996, attending only emergency rooms and intensive care wards since Jan. 14. In addition to wage and pension demands, the striking doctors are demanding that the government guarantee that hospitals will be provided with the necessary supplies and equipment to keep patients from dying.

The propaganda against the doctors charges that they have betrayed the Hippocratic Oath and abandoned their patients. But the few doctors who have managed to get on television, have explained that the public hospitals have, in fact, been killing patients for the past eight years, because of the lack of adequate personnel, equipment, and supplies. According to these doctors, the budget for medical assistance has been slowly pared away, and is now 30% *less* than the 1989 budget.

By late January, the Rafael Caldera government finally committed itself, after months of refusal, to an average 135% increase in wages, which the doctors accepted, despite their original demand for a 1,000% increase. The government has also promised adequate provisioning of the hospitals. However, neither pledge has yet been carried out.

The strike by the Venezuelan Medical Federation (FMV) comes at a time when workers from a number of sectors of the economy are either on strike, or planning protest actions. Because it is not merely a fight for better wages, the doctors' strike has become the spearhead for a social protest movement to confront head-on the "Venezuela Agenda" austerity policy, initiated last April by President Caldera, under International Monetary Fund dictates. Fully aware that the vanguard doctors' strike could lead a mass strike process in the country, government spokesmen, led by Planning Minister Teodoro Petkoff, have attempted to counter the strike by warning the media that the doctors' demands "endanger last year's achievements of the Venezuela Agenda."

The so-called achievements of the Venezuela Agenda are: a public spending surplus of nearly 8% of GNP; an increase of more than \$5 billion in international reserves; and a balance-of-payments surplus. But the public spending surplus has its expression today in critical shortages in public hospitals, schools, and family income. In Caracas, there are hospitals where only three out of seven operating rooms are functional. If public hospitals have not closed entirely, patients are being told to bring food, medicines, sheets, alcohol, rubber

gloves, and more, when they check in. Blood banks are refusing donations because they lack adequate storage facilities for the blood. And, of course, patients are dying on the operating table for lack of transfusions. On top of this, the pharmacies and dispensaries of public hospitals are bereft of even the most basic medicines.

The truth is that there is a deliberate policy to force the public health system, as well as the Venezuelan Social Security Institute, into bankruptcy, with the intention of ultimately privatizing it, as part of a neo-liberal offensive to destroy the very institution of the nation-state.

Mass strike in the making

The government was moved to grant the doctors a wage increase only at the point that sympathy for their cause began to spread among other professional associations. The 135% increase the doctors received raises their monthly income from a baseline of approximately \$170, to approximately \$395.

Twenty-four professional associations of public employees have created their own organization, the Professional Forum, and are now demanding a similar wage increase, and, just as important, that the government guarantee adequate facilities, supplies, and so on, for them to carry out their services. Since Jan. 15, public university professors across the country have been striking, demanding a 125% wage hike, free higher education, and the proper supplies for university libraries, laboratories, cafeterias, and transportation.

Although both the doctors' movement and the Professional Forum have been politicized in the worst of senses—that is, every political party is competing to offer its "leadership"—the situation will not be solved by conventional deals, because at issue is the government's entire economic policy, and not the negotiation of particular demands.

It is in this same context that the Venezuelan Workers Federation (CTV) has rejected the proposal of Minister Petkoff—a former Communist guerrilla from the 1970s, turned neo-liberal pragmatist—for a Chilean-style privatization of pension funds, as an intended shot-in-the-arm to the Caracas Stock Exchange. On Jan. 31, after meeting with IMF director Michel Camdessus, Finance Minister Luis Raúl Matos Azócar reported that Venezuela has asked to renew its stand-by agreement with the IMF, while pledging certain additional elements of "structural reform." Included among these reforms are a new social security (pension fund) structure, and a public administration reform that would translate into layoffs for 75% of the the public workforce.

After the breach the striking doctors have made in the IMF's austerity fortress, the Workers Federation has determined not to surrender its hard-won rights. The Caldera government is thus faced with the choice of either imposing the IMF's "Venezuela Agenda" by force, or opening up a national dialogue that can formulate a new agenda based on social and economic progress, not starvation.



Lunar ice will enhance development of the Moon

Dr. Michael Duke has been a leading advocate for human space activities on the Moon for more than 15 years. A geochemist, Duke began his professional career at the U.S. Geological Survey during 1963-70. He then became the curator of the lunar samples brought back by the Apollo astronauts, working at NASA's Johnson Space Center (JSC). From 1977 to 1990, Duke led the Solar System Exploration Division at JSC. In March 1983, less than two years after the first flight of the Space Shuttle, Duke organized sessions at the 14th Lunar and Planetary Science Conference in Houston to discuss options for returning people to the Moon. Under his guidance and initiative, NASA and the National Academy of Sciences followed up this initial meeting, with a major conference in Washington, D.C., titled "Lunar Bases and Space Development in the 21st Century," in October 1984. Space visionary Krafft A. Ehrlicke keynoted that conference. From 1990 to 1996, Duke was the assistant director for the Space Science, Space and Life Sciences Directorate at JSC, and for the past few months, he has been Senior Project Coordinator at the Lunar and Planetary Institute in Houston.

Dr. Duke was interviewed by Marsha Freeman on Jan. 16.

EIR: Recently there has been an exciting discovery announced by scientists looking at data from the Clementine mission, that there are strong indications there is ice at the south pole of the Moon. Isn't it the case that such a discovery had been expected by scientists, as early as 1961?

Duke: People understood theoretically that if there were water molecules released by any sort of process on the surface of the Moon, they would tend to migrate to the dark cold places at the poles, and that really is a property of the Moon that exists because of the peculiarities of the lunar orbit. That is, the Moon rotates perpendicular to the Sun—I think the angle is about 1.5 degrees—so that any depression near the pole has an opportunity to be permanently shadowed, and, therefore, always cold. Temperatures are low enough that water molecules would migrate to them.

That was proposed, in 1961, by Ken Watson and Bruce Murray. Murray was just a young scientist at the time, work-

ing with Harrison Brown at Cal Tech, who wrote a paper on that subject. The possibility has been known for a long time. The Clementine data are the best experimental evidence, I guess, that exists right now.

EIR: In the 1961 paper, where they did they think the water had come from?

Duke: That was at a time before we'd gone to the Moon, so there was still speculation that the Moon had a lot more water than we subsequently found. I believe that they thought that most of the water would have come from volcanic emanations into the lunar atmosphere.

EIR: Is it the view of the people who are looking at the Clementine data, that the water molecules that have accumulated have come from cometary impacts?

Duke: There was a later model, and paper, written by Jim Arnold, at the University of California, San Diego, in 1979, in which he re-examines the question of ice at the lunar poles, and on the basis of things that we had learned in the lunar program, we learned that there wasn't any significant amount of internal water that could have come to the surface and collected at the poles. But he pointed out that there was good evidence that the steady rain of micrometeoroids on the lunar surface could bring some water. We know that in some meteorites there are hydrated minerals—that is, minerals that actually contain water in their crystal structure—and these are represented in cosmic dust, and surely are raining down on the Moon, so that is something of a source of water.

We also know that in the lunar samples, there is evidence of the reduction of iron oxides and the production of water. The reduction of iron oxide occurs because hydrogen coming out of the Sun, in the solar wind, is implanted into the surface of grains in the soil. When they are subsequently hit by meteorites or micrometeorites and melted, there is a reduction. The hydrogen reacts with the iron oxide, and metallic iron is produced in the samples; this is a quite well-documented feature in the impact glasses [created when the Moon's surface is hit by a meteorite] that exist on the surface of the Moon. And if the iron is there, the other product of that reaction must

have been water. Some of the water would have escaped, and some of it could be trapped at the poles of the Moon. So, those are two sources of water.

It is now thought that probably the largest source is from comets that impact the Moon. Arnold's model tried to quantify the magnitudes of what those sources would be. Arnold was actually interested in trying to understand how much water there might be, not just what the sources were. He tried to quantify how much water there could be.

EIR: The discovery has been made on the basis of indirect evidence, using radar and the reflection of the surface. One would like to get more data, either confirmation or refutation of this idea. The Lunar Prospector will leave for the Moon next September. What will that spacecraft add to our knowledge of ice on the Moon?

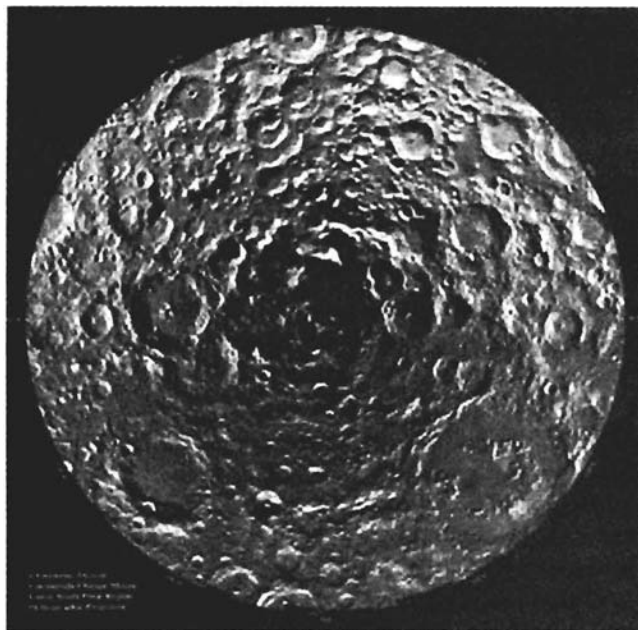
Duke: It will have another experiment on it that is capable of, again, an indirect experiment. It will look at the way neutrons are emitted from the surface of the Moon. Neutrons are produced when cosmic rays hitting the surface of the Moon react with the surface materials, and a certain amount of these neutrons are scattered back into space. Hydrogen molecules are very strong absorbers of these neutrons, so, if there is water present at the poles, you should see a difference between the neutron spectrum as the spacecraft passes over the poles, from what you see at other places on the Moon. It's like a remote-sensing experiment.

The problem with the neutron experiment is that its resolution is not very good. I don't know how many data points it could get, going over the south pole of the Moon, but its spatial resolution on the surface of the Moon is typically about the same as the altitude of the spacecraft. So, if the altitude of the spacecraft is 100 kilometers [km], then it can't resolve things on the surface that are closer together than about 100 km, so it may get only a few points, even if there is ice there, and won't help locate or determine exactly where the ice is. It can only really tell you that ice is present or water is present.

So, it will remain for some other experiment, in particular, we think surface experiments, to go looking for the ice, to actually characterize where it is, how much it is, how thick it is, and so forth.

EIR: So, you would want to land a spacecraft at the pole?

Duke: We have in mind a small rover, which would be landed in areas where there is light, near the south pole, and be able to charge its batteries while it's daytime, and then go into these cold, dark spots for relatively short periods of time, a few hours, maybe as much as 20 hours. It would be able to look around. It would have an illumination source so it could take pictures of the surface. It would have a drill that allowed you to probe maybe as much as a meter below the surface; take samples; analyze the samples to see if there were volatile materials; determine what kinds of volatile materials, and how much was there, and hopefully, what



As can be seen in this composite photo of the south pole of the Moon, taken by the Clementine spacecraft in 1994, the Aitkin basin covering the pole, at the center, is in permanent shadow. These dark regions form cold traps that allow water molecules to accumulate, and form ice.

sort of variation there would be with depth. One of the really exciting scientific things, is that if there is water there, and it is preserved, then there should be layers that are associated with individual comets which have hit the Moon. If you could, in fact, read a record on the Moon of the history of comet impacts, maybe you could start telling something about the difference between comets, and how many comets have hit the Moon over different periods of time.

EIR: Is there a reason that you would expect to find water ice at the south pole, and not at the north pole of the Moon?

Duke: The data from Clementine suggest that there is more permanently shadowed territory at the south pole than the north pole, and that is the case because, apparently, in the period 4 billion years ago, or even earlier than that, there was a major impact located in the vicinity of where the south pole now is, and there is a depression called the south pole Aitkin basin, which has lowered the surface level of the Moon around the south pole as much as 20 km. So there is essentially a dimple in the Moon, in the vicinity of the south pole, and some of the landscape is just below the mean level of the surface and, therefore, more likely to be shadowed than at the north pole.

EIR: So it is a question of the ice remaining there because it is colder at the south pole, but at the north pole it would evaporate in the sunlight?

Duke: Any place where the Sun is able to hit the surface,

either directly or even indirectly, bouncing off other features, the temperatures will be warm enough that ice cannot exist over the periods of time that we are talking about. What will happen is that when the Sun shines on a place where ice has formed, the ice will be vaporized and the volatiles will go hopping around, looking for another cold place to alight. So, over a long period of time, the water will migrate to the very coldest places. The ice, except for the case of comets, is essentially precipitated molecule by molecule, and is the result of a water molecule jumping around the surface until it finds a cold place, that is so cold that it doesn't get activated again, to jump away.

EIR: Although we do not know how much ice there may be there, mixed in with sand and other material, what are the consequences of this, in terms of the future development and use of the Moon?

Duke: If the model that was put together by Jim Arnold in 1979 is correct, there are very large amounts of water in these cold traps. If you take his estimates of how much water there might be there, and you take the Clementine estimates of how much area is in permanent darkness, you come up with a number of 1 to 2 meters of water ice over these cold trap areas, which are estimated to be about 15,000 square km [in area]. So if the model is correct, there would be 15 million cubic meters of ice. A cubic meter of ice is effectively a ton of ice, so that's 15 million tons of ice, distributed over a fairly large area.

It would be a very significant supply of ice. To characterize that: There is, to a first approximation, a one-to-one relationship between water and the propellant that you might use in a chemical rocket, let's say, to go to Mars. If you use a hydrogen-oxygen rocket, then the proportions of the hydrogen and oxygen are about the proportions in water, so if you have a kilogram of water you can turn it into a kilogram of rocket fuel. When we talk about sending human missions to Mars, we typically talk about several hundred tons of propellant, out of several million tons of water available [on the Moon]. So you can see that if going to Mars were your objective, you would have the wherewithal of sending many, many missions to Mars.

That's not the way I would use it, but that gives you an idea of how much, and how important, that ice really is.

EIR: It would seem that a nearer-term use for the ice on the Moon would be to support a human presence on the Moon, without the burden of having to bring water from the Earth.

Duke: That is true, and the biggest burden of supporting people on the Moon is the propulsion system to get them there and back. The existence of water on the Moon would have a major influence on the transportation system that you use to get people to the Moon and back. The amount of water that is needed to support humans on the Moon is quite small, compared with the amount that is effectively used to get them

there or to get them back to Earth. Even if there are large amounts of water, it is essentially a nonrenewable resource, so you would want to use it in a way that is most productive.

My feeling is that it would be most useful in allowing a human outpost on the Moon to grow rapidly, and then to find other ways of either providing propulsion off the Moon that didn't use chemical propellant, or developing some other sources of water that could be used if you were going to continue to depend on chemical propellants.

What I have in mind is, for example, in early stages to use lunar water as part of your propellant supply. You would use up a certain amount of water but, at the same time, you might be developing electromagnetic propulsion, mass drives, to get back and forth to the lunar surface, and when you have electromagnetic launch capability, you won't any longer need the water for chemical propellant.

EIR: So it provides a transition.

Duke: Yes, it's a stepping stone that makes it relatively easy to get started, which is a really important feature in space development. The biggest barriers that exist to space development are the initial barriers of developing technologies and capabilities. If we had, for example, heavy-lift launch vehicles, we would be ready to do lunar missions, lunar exploration, and development. The fact that we don't have heavy-lift launch vehicles, and that they are very expensive to develop, stands in the way. The first and largest expenditure in any of the lunar exploration plans that have been put forward, is the heavy-lift launch vehicle. And we haven't been able to get over that barrier. So, anything that reduces the magnitude of the initial barrier to get things done is of considerable value.

EIR: You have participated for many years with the international lunar exploration community in taking a look at reviving manned lunar programs. Is there any ongoing work that can fold into mission planning, the possibility of using water ice on the Moon?

Duke: It's an obvious thing to do. I am not aware that anybody is doing it right now. Over the next few months to a year, you will start to see some reports coming out as to the implications of ice on the Moon for lunar exploration and development. There are a few people who have speculated in the past, but there is no body of work that is based on the assumption that water is actually there.

EIR: There has been tremendous financial pressure put on the space agency in this country, and, now, also in Europe and Russia, which unfortunately leads to a situation that limits people's thinking of what can be done in the future. I don't think the assumption should be made that the constraints on the space program now will necessarily always be there. I think one should plan for what one thinks should be done, and not simply look at what fits into present cost constraints.

Duke: You can lay all sorts of plans, but they don't amount to much if you can't implement some of it.

EIR: That is certainly true, but there were plans being made to land men on the Moon, decades before it was able to be done. They knew it was going to have to be done, at least on a certain scale. Recently, there has been planning going on inside NASA, also involving people not in the space agency, to take a look at what could be done when the international space station is operational, after the turn of the century. But the driver is the cost—not the mission, not the science—and that kind of planning can get to a level of absurdity.

Duke: The problem is that nobody has been able to figure out an evolutionary way to do it. That's why the lunar ice may be important, because it allows you some additional degrees of freedom in an evolutionary approach, which allows you to bootstrap your way up the curve. The folks at JSC, Kent Joosten and his colleagues, looked at a scenario for the Moon which was somewhat more evolutionary and had a smaller scale than the previous typical lunar exploration programs. They were able to demonstrate that you didn't need a Saturn V-class launch vehicle if you had access to propellants on the Moon, because the size of the launch vehicle was essentially dominated by the mass of the spacecraft that you would use, to come from the Moon back to the Earth. If you had to land it with its propellant, it has a mass about twice that of a spacecraft that could land if it doesn't have to carry its propellant. So, the availability of propellant on the Moon would reduce the scale of the mission by about a factor of two, and thus reduce the cost and size of the heavy-lift launch vehicle.

EIR: But, that is making the assumption that you are doing this the way Apollo did it. That is, starting from the surface of the Earth, and landing on the surface of the Moon. But, in the meantime, you've built the Space Shuttle system, and you will have a space station, so it would seem that it is not necessary to do it directly.

Duke: Nothing really has changed. It's a matter of where you stage the system, where you make the breaks between launch of various space systems. But the physics still require that you launch something from the surface of the Earth with a chemical launch system, and we don't have anything but chemical rocket systems for the utilization of space. Until we have something like nuclear propulsion systems, or solar thermal propulsion systems, or mass drivers, we'll basically still be on the same paradigm of masses and payload fraction that are dictated by chemical propulsion.

EIR: I wanted to raise this question of development of propulsion technology. One idea that has been put forward, called Mars Direct, would start from the surface of the Earth and end up on the surface of Mars, and not make any use of the

infrastructure that you have, and not make any use of the Moon as an intermediate stage. This is based on the idea of doing the mission within 10 years, and is, therefore, dependent upon using chemical propulsion technology. This is a three-year mission, submitting the crew to a lack of gravity and interplanetary radiation.

As an intermediate step, using the Moon—both because there are reasons to develop the Moon regardless of going further, and because it can be a way-station to Mars—it seems would give you the time to develop the nuclear and other propulsion technologies that would give the manned mission a comparable level of risk to that of the Apollo program.

Duke: I agree with that completely, and I think that within NASA there is a belief that that is true. I know that it's shared by [JSC Director] George Abbey and Mike Mott [NASA deputy associate administrator], and other people, particularly those who were associated with the Synthesis Group in 1990, who looked at the Space Exploration Initiative. They concluded that the leap between sending people to the Moon for three days at a time, and sending people to Mars for months to years, is so great, that we need an intermediate step of activity on the Moon.

But, I have to say that there are strong forces at work, at least in the popular space science community, and to some extent, the scientific community, that are very focussed on Mars. Even back in 1984, I was surprised when we had that first symposium in Washington on lunar bases, that there was a strong community of people that said, "Why are you doing the Moon? You should be going to Mars." It is just popular, and it is the focus of scientific programs, whereas the Moon has basically dropped out of any real focus in the science program. So there is a lot of interest, and a lot of people, who believe that we should drop everything and focus on Mars missions.

I am actually more interested, personally, in developing the concepts of how the Moon can be useful, economically and scientifically, than I am in using it as a way point to Mars; but I think that it is a reasonable step in a program that gets you to Mars, for a lot of reasons. They are essentially the ones that you stated: experience of technology needs to be developed before we can be comfortable sending people to Mars.

EIR: At the meeting of the American Astronautical Society in Houston in December, you made the statement that the problem in finding a useful synergy between the lunar and Mars missions has been that the recent lunar mission planning activity did not include the development of new technologies.

Duke: Right. There's been, for some reason, a focus on doing lunar missions quickly, and that generally means without developing any new technology. The Dan Goldin focus has been figuring out how to do it more cheaply. My interpretation of Goldin's objectives in "faster, cheaper, better," was that he thought that if the engineers were challenged by having to

focus on ways of doing things more cheaply, they would respond by becoming cleverer, in figuring out new ways, new technologies, and clever ways of reducing the cost.

Most of the studies of lunar missions have not looked at clever ways of doing it, they just looked at the way in which the requirements could be reduced, to the point where the costs were lowered; how can you just do a lunar mission with the very least amount of mass launched from the Earth. So, people have looked at spacecraft that essentially have no substance. There may be a little bit of technology in there, but mostly it's, how do you reduce the requirements to the point where it can be accommodated in the budget you have?

EIR: In that kind of situation, you would not have any synergy with Mars exploration.

Duke: The only things that I think have shown signs of really being synergistic in that regard, are those strategies that attempt to utilize planetary resources, as part of the exploration strategy. There are some for the Moon, and there are things like Zubrin's [Mars Direct] idea. It is only partially dominated by his objectives of doing it soon. The basic thing that differs about Zubrin's architecture from architectures that were looked at in the past, is the utilization of resources on Mars, which works in the way I was describing before. If you provide the propellant on Mars to get people back to Earth, you reduce, by a very large amount, the mass that you have to launch from low-Earth orbit. That's the real thing that his architecture is focussed on.

EIR: He is certainly not the first person to think of that. Space visionary Krafft Ehrlicke did his most extensive work on lunar industrialization, but he did quite a bit on Mars, as well. There were numbers of people who knew you wanted to use *in situ* resources.

Duke: It's obvious, and people should have recognized it. People are starting to feel more comfortable with the idea now, and it's almost mainstream in Mars exploration circles.

EIR: It is also true, however, that if you developed more advanced propulsion technologies, you would not have to worry about carrying this large mass of fuel to and from Mars. Local resources will be important on the Moon, regardless of whether or not they are used for propulsion systems.

Duke: The reason I have been interested in the propulsion aspect is because if you look at the motivation to develop the technology, it is very difficult to get people to invest in technology that will help you in a broad range of things in 20 or 25 years. There's nobody who is interested in doing that, except the government, and people look for a nearer-term application. So, the development of *in situ* propellant for lunar or Mars missions is something that, if you develop the technology, you may be able to sell it to the government to use it on a near-term exploration mission, even though you realize that downstream the market for your product may be very

different, and used for a wide variety of purposes. The initial impetus to develop it can be provided by the need for propellant.

EIR: I think it is going to be only governments which will see the need, and come up with the resources, for any kind of long-range program for space exploration—and this is true internationally. You are very involved in lunar planning missions, which it seems to me are very important to continue. Even if these plans are not implemented now, small-scale technology development can proceed until larger steps can be taken.

Duke: I think you're right. I'm hoping—in particular, for the Moon—that this discovery, and, later, the verification, that there is water ice at the poles, will provide some additional stimulation for that.

EIR: There are indications that the agenda for the White House space summit in February will be very practical, with the goal of stabilizing the funding for NASA for the next few years, but not with any long-term goal.

Duke: It will have accomplished something if just the baseline budget gets maintained, rather than facing that 20% or 25% cut that it looked like it was facing last year. And that doesn't really allow any new programs until the space station is much further along.

EIR: It seems to me, people are looking toward the time when spending on the space station is going down, and you can begin to fold in spending on a new program, as long as the budget is not declining.

Duke: I think that it is really important to have identified those next programs and start having advocacy and constituencies for them. Because, otherwise, NASA would naturally fall into this situation where they would continue the operational programs—Space Shuttle or space station, built and running, which you just continue to operate—and they would use up all the money in the budget, and never go forward anywhere, just because it's the thing that we know how to do, and we feel comfortable doing it, and it gets a certain amount of attention.

But the real question is, once we have developed the space station, is there a wedge of resources that is available for doing other things, or does it get eaten up by the current programs, or taken away by the Congress? The question is whether there will be resources available when the space station spending starts to decline.

I think it is really important not just to study things, but to actually do things, and I hope that some of the recent discoveries will motivate us to invest in the technology development so that we have at least prototypes that can be demonstrated, that people can get interested in and excited about, and actually getting us doing things, rather than just writing articles and papers about them.

Too fast for slow German bureaucrats?

The Transrapid maglev rail technology is still faced with funding and other problems.

Will there ever be a functioning maglev train, and, more important, will it ever run in Germany? This is one of the biggest mysteries in present-day Germany, and it has been an unanswered question for more than 25 years. The technology for such a "bullet train," that can run at speeds of 450-500 kilometers per hour, has been there, basically since the late 1960s. But, except for an experimental track of about 30 km in northwest Germany, the concept of the "train of the future," the Transrapid, has not materialized. It had been discussed in the 1970s and 1980s, and it is still being discussed, but still not built, today.

There is a government plan, from 1994, for a maglev project which would connect Germany's two biggest cities, Hamburg and Berlin, with a 280 km track. But, the government is dominated by budget-cutters, politicians who believe in the golden calf of the "balanced budget." Thus, they gave the nominal go-ahead for the project only on condition that it be built in a "mixed, state-private approach," which means that the state is funding the construction of the track, while all the rest will be funded by private-sector firms that build and operate the maglev trains on that route, from 2005 on. This funding structure is to make sure, the budget-cutters argue, that the state's role is kept small.

The problem with this structure was threefold: 1) it was almost certain that the budget-cutters in the government would try to repeat what they have done with other big, state-funded projects, i.e., slow down implementation of the plan, in order to keep fund-

ing obligations on a low level; 2) the private-sector firms, most of which in Germany are run by downsizers and budget-cutters as well, would also try to slow down the project, with the idea that they would be able to extract more money from the government to reduce their own private "risks"; and 3) the funding structure required a change in the law, because public transport has always been a responsibility of the German state.

The change in the law caused a delay in the project of two years, because the legislation did not pass over all the parliamentary hurdles before the summer of 1996. In the meantime, the budget-cutters "discovered" new budget holes every other week, so they also began questioning whether the maglev would ever pay off, whether the cost of construction could be kept under control, and they found other such pretexts to call for more "feasibility" studies.

This provided welcome pretexts for the budget-cutters in industry, who also "discovered" that the delay in the project led to inflation-fed price increases in the construction and electronics sectors, driving final costs "out of control." The industry even threatened to sell the maglev know-how abroad, rather than spend a single mark more for the "costly" vision of maglev.

In January, Transport Minister Matthias Wissmann threatened the industry and the bureaucrats that the government would withdraw from the project, if they continued to cause problems. Wissmann also took on the banks, accusing them of disinterest in the project, which should instead be a

top priority for the bankers, because of the revolutionary prospects that the new technology provides for the world transport sector and, therefore, also for the prospects for German exports. Wissmann's attack on the banks occurred behind closed doors, however, so that a crucial enemy of the maglev technology was not exposed before the eyes of the public. The role of the banks is crucial: They have put pressure on the government to maintain a "balanced budget" and to keep spending low, in order to ensure that debt service is paid, instead.

Fortunately, some Germans do not want to remain passive spectators of this unprincipled game. On Jan. 22, the "Youth for the Transrapid" announced its formation at a press conference in the city of Schwerin. The initiative, organized by the youth organizations of three political parties, Christian Democrats (CDU), Social Democrats (SPD), and Free Democrats (FDP), kicked off a national campaign to collect petition signatures in favor of the maglev project, to hold events explaining the project to the youth, and to engage in other activities, all to put pressure on the decision-makers, so that the project would be secured.

"Youth, especially, will benefit from the Transrapid," Andreas Lange, of the CDU youth, declared, adding that it is "an entirely new technology that creates jobs and opens up new dimensions in high-speed transport." Daniel Bahr, of the FDP youth, explained that the Hamburg-to-Berlin maglev project is crucial, because it will build the first section of what would later become a maglev grid across Europe: from Berlin to Prague, and from Hamburg to Amsterdam. This is the appropriate approach to a technology potential that will lead Germany into the 21st century. So far, the politicians, managers, and bankers have not done their job.

Business Briefs

Economic Policy

German outsourcing ended in disaster, says prof.

Prof. Erich Zahn of Stuttgart University said that the outsourcing of work by German companies to cheap-labor competitors often ended in disaster, the German daily *Süddeutsche Zeitung* reported on Jan. 27.

Many German companies, he says, have "by far exaggerated" the outsourcing of jobs; they "have just cut out everything, thereby even throwing out the best parts of the meat." Now, some of these companies are trying to reintegrate what they have formerly outsourced. However, it doesn't work, says Zahn. In particular, the companies run into big problems in finding new employees, who are as well qualified as those long-standing employees whom they had laid off. If the companies want to survive in the future, they cannot just cut costs, Zahn emphasized. A "very dangerous" trend in this respect, he said, is the outsourcing of research and development work.

Asia

Indonesian firms rally to anti-poverty campaign

A group of 79 leading Indonesian companies reached agreement on Jan. 26 to rally behind a Presidential request to step up the pace of poverty eradication efforts. Sukamdani Sahid Gitosardjono, head of one of the largest Indonesian hotel-real estate conglomerates, said the business group will set up a body to organize and coordinate all activities related to partnership programs with smaller businesses, including providing managerial and technical assistance and low-interest loans.

The formation of the group follows the issuance of a Presidential decree in December, requiring individual and corporate taxpayers with net annual incomes exceeding 100 million rupiah (\$43,000), to pay 2% of their net income to support government programs for the poor. Some 11,000 corporate and individual taxpayers should be subject

to the surcharge, including foreign multinationals taking advantage of liberalized business rules.

In 1995, forty-eight heads of leading firms met in Jimbaram, Bali, and pledged to redress social disparities. The Jimbaran group says it spent 2.1 trillion rupiah (\$884.2 million) in 1996 on cooperative programs with small and medium-sized enterprises.

President Suharto has repeatedly warned in recent months that the growing disparity in wealth distribution could lead to widespread social unrest and threaten national unity, with an estimated 25 million of Indonesia's 200 million people still living below the official poverty line.

South Korea

Bankruptcy may signal shift in lending policy

South Korea's central bank was forced to pump more than \$3 billion in emergency credit into Korea's largest banks on Jan. 24 and Jan. 27, after the country's second biggest steelmaker, Hanbo Steel Corp., declared bankruptcy on Jan. 24. Hanbo requested a freeze on \$5.8 billion in bad debts, one of the largest bankruptcies in South Korea's history.

Hanbo Steel, the flagship firm of South Korea's 14th largest industrial conglomerate, Hanbo Group, had already defaulted on some debt payments on Jan. 23. Its squeeze was caused by a collapse of steel sales overseas; the company said it had not sustained any losses as a result of recent Korean strikes.

Bankruptcies are rare in South Korea, because the government supports ailing companies by ordering the banks to extend credit to them, until their problems have passed. If, by allowing Hanbo to flop, authorities are signalling they will no longer prop up firms, then "Hanbo's default may signal the beginning of a chain reaction of corporate failures," said Lee Hahn-ku, president of Daewoo Research Institute. Lee predicted "severe unemployment," meaning that the financial manipulation may be the route that President Kim has chosen to try to smash his trade union opposition.

Korea's banks will be hit even worse than industry. "Bankruptcies in the industrial sector will hit the financial community," Lee said. Under Korea's dirigist industrial policy, previously, banks have had to follow government direction regarding which companies they invest in, which is called "picking winners," and have had to provide extensive cheap credits to industries targeted for development. Usually these are loans which banks would not have made purely on profit grounds, but which were made on Hamiltonian grounds, precisely to create new industries or support necessary industries which were not so profitable in the short term.

If, now, the Kim government changes course and refuses to support banks which have such loans on their books, Korean banks are in for a bloodbath. A total of 45 banks and other financial institutions have lent money to Hanbo, led by Korea First Bank, which has the largest exposure (almost \$1 billion). Other major creditors are the Korea Development Bank, Chohung Bank, and Korea Exchange Bank, some of the nation's largest.

Trade

'Mittelstand' role key in India-Germany ties

German Foreign Minister Klaus Kinkel said that India and Germany should step up economic collaboration, and outlined a major role for German *Mittelstand* (small and medium-sized industry), in a speech to the Rajiv Gandhi Foundation in New Delhi on Jan. 23. Although the speech, entitled "India and Germany—Partners for the 21st Century," contained aspects of one-worldism and ecologism, it also addressed aspects important for the economic consolidation of the Eurasian land-bridge project.

"The modernization of Indian industry calls for a high supply of investment goods. The export of German machines to India increased by more than 50% in 1995—one-half of all exports, which is a good sign," Kinkel said. He added that Germany hopes India will remove obstacles to investment, "especially in the field of infrastructure."

Briefly

A SOUTH AFRICAN government commission of inquiry into the diamond industry will scrutinize the Oppenheimer DeBeers cartel, the Jan. 31 *Mail and Guardian* reported. The London-based, DeBeers-run Central Selling Organization controls 80% of the world diamond trade.

GERMAN states and municipalities should not engage in derivatives speculation, Bundesbank director Edgar Meister warned, at a conference in Hanover in January. Losses in such activity would immediately result in additional burdens for the taxpayer, he said.

FRANCE and China have reached agreement on transfer of technology for space travel, including manned space flight, Agence France Press reported on Jan. 29. The agreement is to be signed in May. According to a French minister, the accord "provides the basis for a true strategic partnership among France, Europe, and China."

CHINA surpassed Japan in 1996, to become the world's largest crude steel producer. The Japan Iron Steel Federation said that China's steel production during the year rose 5.2% from a year earlier, to 100.4 million tons, while Japan's output declined 2.8%, to 98.8 million tons.

THE PHILIPPINES' trade deficit rose to \$10.95 billion in the first 11 months of 1996, as compared to \$8.14 billion a year earlier. Total trade rose 21%, to \$48.3 billion, with imports up 24% to \$29.6 billion, and exports up only 18% to \$18.7 billion. Electronics and components were the largest share of imports.

A TAIWAN cabinet task force on privatization has proposed to sell off one-third of the shares in the state oil monopoly, Chinese Petroleum; the power monopoly, Taiwan Power; and Chung Hwa Telecom, the telecommunications monopoly. Under the plan, 14 million Taiwanese will be eligible to buy from 300 to 3,000 shares in the firms.

Kinkel said that Germany has the potential to invest more in India—on the condition not only that the big traditional investors, such as Siemens or Bayer, do more, but that the *Mittelstand* especially receive more support. "German industry is characterized by small and middle-sized enterprises, with 98% of our 51,000 firms having fewer than 1,000 workers, and 60% even having fewer than 100. They have the big advantage of being flexible and innovative. That is, the number of joint ventures in India ranks second after the U.S.A., and far ahead of other Western partners. But, for small firms, investments abroad are a big step. We are helping them where we can," he said, ostensibly referring to lowered-interest credit lines of the Reconstruction Bank and the state Hermes export credit guarantee program.

Russia

Agriculture, investment in precipitous collapse

Conditions on the agricultural market in Russia are leading to a monopolization by financial capital, while food producers are being pushed out, the Russian Academy of Agricultural Sciences warned in a new report, *Agra-Europe* reported the week of Jan. 20. If current trends continue, market structure and prices, as well as supply, will be dependent on export businesses.

Gross agricultural production during 1991-95 fell by more than one-third. For 1997, scientists expect that negative trends will accelerate. The financial situation of most of the corporate farms is called "critical"; their debts reached 40 trillion rubles (about \$7 billion) and exceeded total sales income of agricultural products by about 8 trillion rubles. In the past year alone, farms suffered losses of 4 trillion rubles. The biggest part of it is the result of debt owed to private banks.

The decrease in grain production, of 60-70 million tons per year, is mainly caused by this development, as are the drops in milk and meat production. In the past few years, most vegetables and fruits have been produced under primitive conditions on private dachas by the nonfarm population. Private production has been increasing steadily, and

was 44.3% of gross production in 1996, while private family farms produced 2.2%.

Meanwhile, the economy is disintegrating because of the collapse in industrial investment, according to a study based on official Russian statistics by the German Federal Institute for Eastern European Scientific and International Studies. Total Russian investment has dropped to one-fourth the value of 1990. In 1995, it was 30% of 1990. In 1996, investments declined by another 15-20%. The sectors most affected included machine building, -92%; light industry, -96%; agriculture, -95%; construction, -94%; chemical and wood industry, -86%; infrastructure and communications, -79%; and fuel and energy, -53%.

Italy

Farmers attack limits on food production

Some farmers have begun to hit the real issue in the growing Italian milk protests—the absurd European Union quota system. The Italian news service ANSA reported on Jan. 27 that a "Sicilian front" has declared solidarity with the farmers in Lombardy. The Sicilian producers are "supporting the farmers' battle against the violence and ignorance of those who dare to impose fines and limitations on production, in a world where 800 million people are without food," according to the dispatch.

Since 1982, Italy has been assigned a quota of 9.9 million tons, which covers only 60% of internal consumption. Farmers who "overproduced" have been fined 421 billion lira (more than \$260 million), which must be paid by individual producers, not by the state. Of a total of 105,000 Italian milk producers, 14,800 have been fined. In many cases, paying the fine would amount to closing the farm.

Although the milk protests have been spreading throughout the country, there has, until now, been little or no discussion of the quota system itself, and the crimes of the "free market." Rather, producers have been concentrating on forcing the government to pay the EU fines. Such a solution would not solve any of the problems facing the sector.

Leibniz's vision for China, versus British geopolitics

by Helga Zepp LaRouche

Mrs. LaRouche, the founder and president of the Schiller Institute in Germany and chairman of the board of directors of the Schiller Institute in the United States, addressed the Dec. 15, 1996 conference of the International Caucus of Labor Committees and Schiller Institute in Kiedrich, Germany. The following is edited from her remarks.

I want to announce that Samuel Huntington, the infamous author of the thesis of the coming *Clash of Civilizations*, that the war between different cultures will cause World War III, is dead wrong. The biggest crisis in human history will be caused neither by the sudden rise of China, which is what Samuel Huntington kept repeating on a lecture tour in September in most of Asia, nor by a conflict between Western civilization on the one side, and an alliance between Islam and Confucianism on the other side. The biggest crisis in human history, which will be settled fairly soon, I dare to predict, will be the resolution of the war between those people who fight for the cause of humanity, and the proponents of such bestial views as articulated by such lower forms of life, like Mr. Samuel Huntington himself.

The question which will determine the twenty-first century is, will there be the greatest global economic miracle the world has ever seen—and I am saying this deliberately: the greatest economic miracle the world has ever seen—combined with a beautiful new Renaissance, in which the best traditions of all cultures of this world will have a Renaissance and lead to new stages of mankind; or will there be a collapse of mankind into barbarism, chaos, wars around the globe, and, in the meantime, a population collapse to maybe less than 1 billion people?

This is the question of Leibniz's vision of the unity of the human race and the cooperation among the different peoples and nations for a common purpose and a mutual benefit of all. Will that vision shape the next century, or will the evil spirit of British geopolitics, an ideological worldview which already has caused two world wars in this century?



A railroad traverses a segment of the "New Silk Road" in one of the Chinese mountain ranges between Europe and Asia. In Leibniz's time, "it took people years to traverse these obstacles. It was an incredible thing to do."

Let me again make this clear, even though Lyndon LaRouche mentioned it yesterday already: When I talk about British oligarchs, British geopolitics, for sure, I do not mean those poor subjects living in Great Britain, people who are probably among the most miserable people of the whole world. If you ever have been in Manchester or any of those so-called industrial cities of England, you really feel like you are in the nineteenth century. I mean that group of oligarchs who took over the natives of the British Isles, those people who use Great Britain today as the center for the continuation of the Venetian concept of a maritime world empire based on the control of the oceans, of trade and usury. When this oligarchy transferred its headquarters out of Venice into Northern Europe, to the Netherlands, to England, they took with them the idea that world power lies in the hands of those who control the oceans and, therefore, natural resources, and, therefore, trade, and have the power to impose usury on all the peoples of the world.

That that has not changed since the time when Venice was the headquarters of such a system of usury, becomes very clear, and everybody who is not blind or evil-minded can see it: that today the entire complex of so-called globalization, free-market economy, International Monetary Fund, World Bank, World Trade Organization, United Nations, European Union, the Asia Europe Meeting [ASEM], and similar supranational institutions which control the world, are of such an oligarchical nature. These are the supranational crutches on which the casino economy, which is now about to bust very soon, is limping

along. I can assure you: That group of international oligarchs is freaked out! They are freaked out beyond their wits! Not only do they know that their system will collapse, but their worst geopolitical nightmare, the one which has been torturing them since before World War I, has come true.

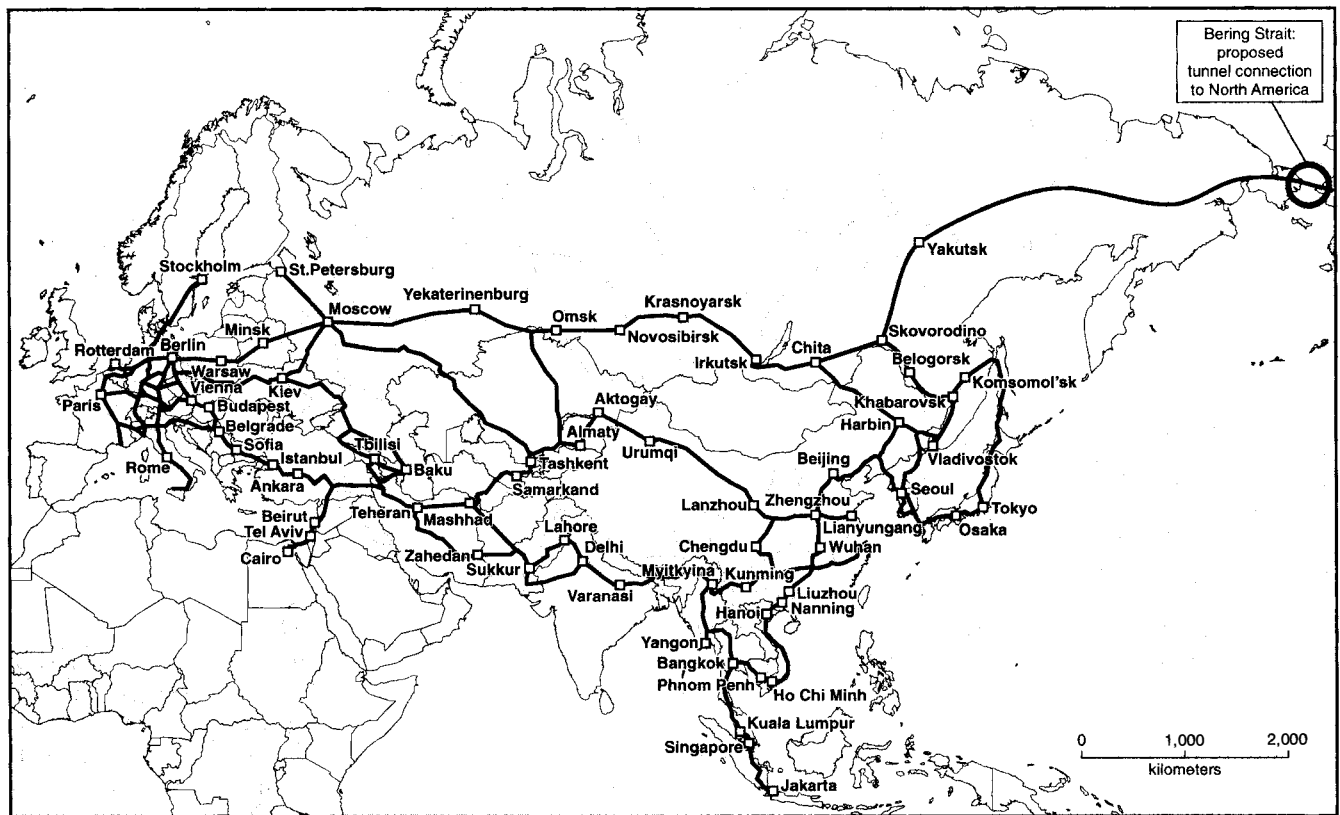
We spoke a very short time ago to a top representative of this oligarchical group, and he said: "The history of the twentieth century is coming full circle. This is horrible. The idea of the economic development of the Eurasian land mass, which was threatening to end the control of the British Empire before World War I, that is now coming back full circle." From their standpoint, the situation today is much worse than it was before World War I. . . .

From their standpoint, unlike before World War I, China today represents 1.2 billion people. And this is a map which shows the population distribution in the year 2010 [not shown here], where—even so, one has to take these statistics with a certain care, because they mostly are based on wrong ideas—but, according to the projection of the UN, the population of Europe will more or less stagnate, will go back a little bit, Russia will go back, Africa will go back, the rest of the world will collapse. The only area of the world which will progress, according to the UN, is South and Southeast Asia, but especially also China will be a country of 1.5 billion people.

The Chinese people, according to its own government, has the intention to bring the Chinese economy as quickly as possible up to the level of the world. Every greenie is losing his marbles about that idea. We can hear the greenies saying:

FIGURE 1

Eurasia: future main routes of the Eurasian Land-Bridge



“What does that mean, that every Chinese wants to have a Mercedes?” Which obviously will send people like Lester Brown up the walls as well. But not only does the Chinese government, according to their own intention, have the perspective of bringing China up to the world level, but of taking the initiative to help create a new era of mankind, through the development of the land-locked areas, by bringing infrastructure, development, and advanced technologies into those areas of the world which so far have been cut off from development.

Starting with the Eurasian land-bridge, but, then, also connecting, through the Bering Strait [see **Figure 1**], the Eurasian land-bridge with the Americas, and through the Middle East into Africa—these are, by far, not all the infrastructure projects, these are just the main railway lines—to end a situation in which 80% of the human territory has not been habitable so far, and where the advantages of a country were more or less conditioned by its geographical, natural preconditions. To end that, and to bring, through infrastructure, development into all corners of the world, and by doing so, also increase the area of the habitable world incredibly.

China, already now, is working together with many countries, like Iran, Pakistan, the Central Asian states, Turkey, and

others; and, in just the recent period, major new developments have occurred, in addition to that, after Indian President Sharma visited Beijing, and then, in turn, President Jiang Zemin went to New Delhi. We knew that the Indian elite was completely beside themselves, because they looked at the infrastructure maps of the Eurasian land-bridge, and the whole area of the Indian subcontinent was excluded; there was nothing there. So, now, after these visits, both Presidents have stated a commitment to integrate the southern tier of the Eurasian land-bridge and to integrate, not only India, but to connect Europe all the way down to Indonesia and Jakarta. That means that, now, the southern tier perspective between China, India, Iran, and the other countries is on the table, and this will happen. Also, what is improving massively, is the quadrilateral relation between China, Russia, India, and Iran.

Suddenly, Pakistan, too, obviously influenced by this whole dynamic, has shifted policies and made overtures to India in the direction of settling previous conflicts, including Kashmir and so forth.

Sam Huntington’s disease

If you look at this dynamic, it is no wonder that the leading British-dominated oligarchical circles are absolutely going

wild. We talked to another top naval military strategist from Great Britain, and he said: "This Chinese land-bridge project and its broader implications poses the greatest geopolitical threat of the twenty-first century to Europe and the United States, but it is scarcely understood by the policy-makers on both sides of the Atlantic."

Well, that is unfortunately true, and that defines our work, to make sure that Europe knows about this. But you can also be sure that the hard-core criminals of the oligarchs, they know for sure, that this perspective exists. And they are all involved in what Noordin Sopie, the director general of the Institute of Strategic and International Studies of Malaysia, described as a massive, intensive, and uncompromising campaign to sell the China threat theory to the world.

And, as a matter of fact, nowadays, you can easily identify a British agent: If somebody says, "China is the coming threat," you'd better look at who is paying this person.

There is, on the one side, Samuel Huntington with his crazy scenarios. And I want to give you a taste of what kind of pathological nonsense he is peddling: He has the scenario that World War III will start with China attacking Vietnam over an oil field. Then, a U.S. aircraft carrier comes to its aid. China, thereupon, attacks U.S. ships; India will then attack Pakistan; Japan joins in the battle on the side of China; then, China and Iran give nuclear arms to Algeria and Bosnia; and then, the first nuclear bomb will be launched by the Algerians against Marseilles. And that will, then, be World War III unfolding.

Now, Samuel Huntington is a very low creature, which becomes very clear when you read his piece called "The West Unique, Not Universal," in which he makes the point that there are no universal values common to all people, but that each regional group, according to its own culture, is completely different. He denies the idea that there is one human race, and, therefore, his conclusion is, that the people of the West must hang together or they will be hung separately. The essence of Samuel Huntington's philosophy and culture is the ethics of thieves: namely, you should avoid being hung, but the fact that the idea of being hung is on his mind, is an interesting insight.

A similar scare scenario is unfortunately also to be taken seriously: It is called *The Next War*, which is a book, co-authored by Sir Caspar Weinberger, the Knight Grand Cross of the most excellent Order of the British Empire. You may have thought that for seven years he was the defense secretary under Reagan, but he has progressed up the ladder of oligarchs to become a "Sir." In this book, he has five likely wars that the United States could get into: One is, North Korea attacks South Korea. A fictitious North Korean dictator with the name of Kim acts together with General Hu of China, who attacks Taiwan; then the U.S. fleet arrives from Singapore; China attacks U.S. ships from the air; then the United States is joined in the war by Japan and Australia, France, and Great Britain; and then, Kim uses the entire ABC arsenal against this coal-

tion. China launches a nuclear missile to destroy the U.S. 2nd Armored Division. The United States retaliates, with nuclear destruction of a Chinese division. And finally, the U.S. President is forced into a compromise peace, because the U.S. forces are too weak to carry out the war with China.

Weinberger's book also has wars with Iran, Mexico, Russia, and Japan in various scenarios.

Unfortunately, one cannot discount these scribblings as morbid fantasies of a deranged imitation of Dr. Strangelove, because there are people in the United States, in Great Britain, who are actively thinking in these terms. For example, according to Martin Walker, who wrote in the London *Observer*, that the U.S. Naval War College had two computer simulations of a war between the United States and China in the year 2010. And, interestingly, in both cases the United States lost the war, which is obviously supposed to motivate military spending in the United States.

Britain's 'ring around China'

There is no question that this is very serious, and that the British oligarchy right now is involved in an absolutely massive campaign to try to split China into as many parts as they can.

There is a coordinated series of destabilizations encircling China [see **Figure 2**], which all are coordinated by the British Foreign Office and its intelligence arms. This includes the operation of the Taliban in Afghanistan, which reaches both into Kashmir and Pakistan, and affects also certain forces in Xinjiang; and that situation in Xinjiang, in turn, affects the situation in Tibet. Obviously, the Chinese are extremely concerned about this, and are putting pressure on Pakistan to stop all support for the Taliban, which poses an interesting question for Pakistan.

There is also a British campaign to overthrow the present government of Myanmar (formerly Burma), and there is a massive upgrading—unfortunately, financed by the U.S. Congress—of Radio Free Asia, which is now taking on the same role that Radio Free Europe had in respect to the Soviet Union, before it collapsed.

This British operation also includes the idea to get Japan totally on an Anglophile anti-Chinese policy, to get them to go back to their "Go North" policy. The British, for sure, want to strengthen the Japanese impulse to seize political hegemony over the northern tier of China and Mongolia, and to eventually break these parts of China away from the central government in Beijing. Japan, or certain forces in Japan, are also engaged in trying to encourage the independence of Taiwan.

The special case of Japan

In this context, the recent incident around the Diaoyu Islands [see **Figure 3**], which started in the July-October period, played a significant role. This is a little group of eight rocky islands, 160 kilometers northeast of Taiwan, where a

FIGURE 2

British-backed strategic thrusts against China



Moonie-linked right-wing youth group from Japan built a lighthouse and put up a Japanese flag. This had no purpose, there is nothing growing on these islands; they have no purpose, but obviously it was meant to be a provocation against China, and even according to Japanese historians, these islands have belonged to China since the Ming dynasty, which is when they were first mentioned in Chinese records. The Ming dynasty was between 1368 and 1644, and the first time the Japanese claimed these islands was only after the Sino-Japanese war of 1894-95, when a Japanese decree annexed them. So, this incident was linked to the Moonies in Japan, and, therefore, very directly to George Bush and his brother Prescott Bush, who is basically running crime for Bush in Asia; and to the International Republican Institute, which we have identified as being involved in dirty operations in Russia, in Myanmar, and many other places.

You have to understand that this was a provocation to China, because it refers to something which is very shameful in Chinese history, namely, the occupation of Taiwan and the wars lost with Japan. And you have to understand the context of the colonial aggression against China in the nineteenth century. When this incident occurred, we looked a little bit deeper into it, and we found that this Diaoyu Islands question

was introduced in 1971 as a footnote in the U.S.-Japan Okinawa Treaty, which was set up by Nixon, together with Japan, when Kissinger was the head of the National Security Council. The Okinawa Treaty literally traps the United States into militarily intervening on behalf of Japan, concerning these islands.

The Okinawa Treaty was a provision of the earlier 1951-1960 U.S.-Japan security treaty, and, for various unfortunate reasons, this hit an especially raw nerve, because, when Clinton went to Japan at the beginning of 1996, he signed the Clinton-Hashimoto security agreements, wherein it is suspected that there is a secret clause, not only allowing the United States to use Japanese bases, but to allow Japan to go into out-of-area deployments, which, like Germany, was forbidden after the war, and which was prohibited under the Japanese Constitution, until now.

Obviously, this incident brought back to people in China, people in Taiwan, and elsewhere, the worst memories of the two Sino-Japanese wars. And the idea of having Japan and the United States in a military alliance against China, indeed, is part of a nightmare scenario.

Japan, quite like Germany, is a country which has practically no resources and not enough food for self-sufficiency,

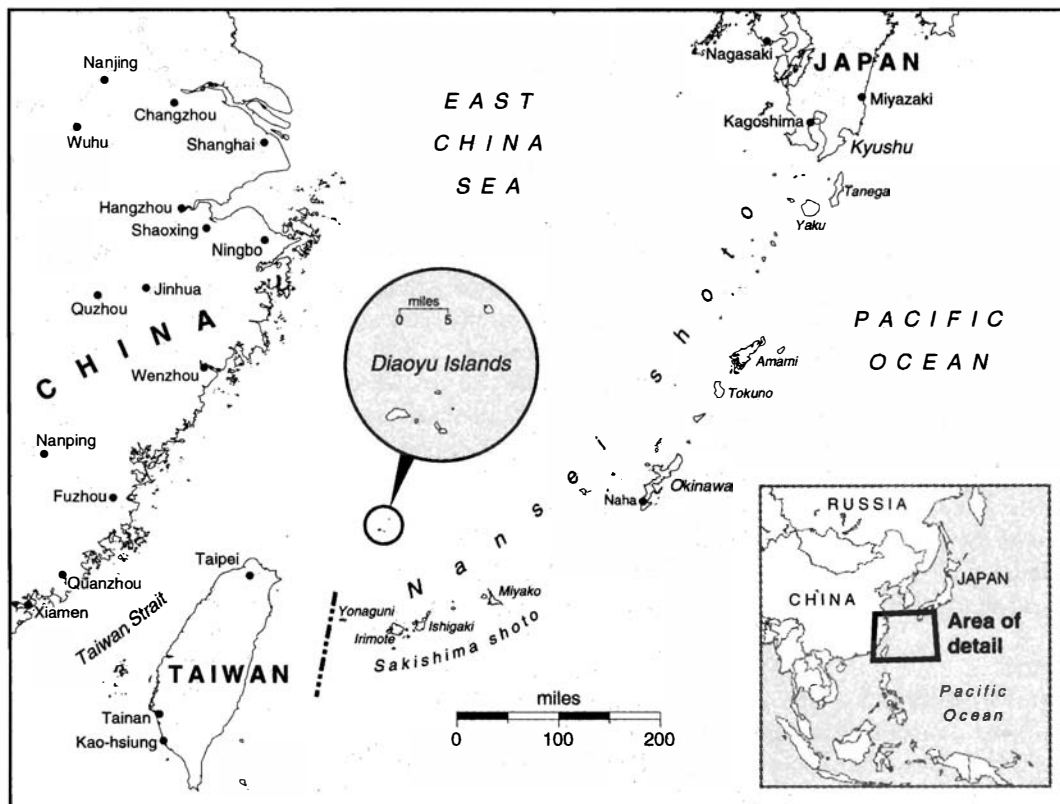


FIGURE 3
**China's Diaoyu
 Islands claimed
 by Japan**

and, therefore, is dependent on high-technology exports, which used to be the case for Germany up to recently. The only way that Japan can have a useful function, is as a motor of development in a growing market throughout Asia. If Japan, because of the collapse of the world economy, is prevented from playing this role, then naturally the more imperial impulse inside Japan is strengthened, namely, to establish controlled spheres of influence in the existing nations of the Pacific Rim.

This is exactly the dynamic which was generated by the European colonialist policies at the end of the nineteenth century, which strengthened those tendencies in Japan, which finally launched the war against China in 1894 and the initial occupation of Korea. And it was exactly the same dynamic of economic collapse between 1927 and 1931, which was the reason why Japan launched the second Sino-Japanese war in 1931.

The only reason one cannot completely ignore such crazy scenarios as those of Samuel Huntington and Sir Caspar Weinberger, is not the rise of China or the population growth of China, but because the present financial system—the European Union/Maastricht, the U.S. idea of balancing the budget, the IMF conditionalities for Russia, for Latin America, for eastern Europe, for Africa—is creating a dynamic where you have financial and economic catastrophes in all the countries that stick to this policy. It is only under the conditions of a

world economic and financial collapse, that such a war could become reality.

It is extremely worrisome, for sure, that Japan and Great Britain have signed what the London *Times* called a groundbreaking agreement: an action agenda for a special partnership, establishing unprecedented levels of cooperation in world affairs. This was signed in September, when British Foreign Secretary Malcolm Rifkind and Japanese Foreign Minister Ikeda met.

The problem is, that apart from useful bilateral relations between the countries in Eurasia, the entire international framework of foreign policy structures is a disaster, and is tending to become more so, which is underlined by the following: The infamous British think-tank of the royal family, the International Institute for Strategic Studies (IISS), wrote in their recent newsletter that they take credit for establishing the new Council for Asia-Europe Cooperation, called CEC, which brings together the 12 main research institutes of Asia and Europe as a braintrust for the next Asia-Europe Meeting conference and the preparatory meeting for this ASEM conference.

Remember that the ASEM conference, which took place in Bangkok in March 1996, which was supposed to establish closer cooperation between the European Union and Asia, had no other purpose than to bring the exploding land-bridge cooperation under control and to strangle it. And this was

stated without any question by Sir Leon Brittan, because they don't want this land-bridge to progress by means of state-financed credits. They want to impose the corset, the structures of the IMF, the World Trade Organization, and similar things, on this development, to then impose their usual conditionalities, and only build the Eurasian land-bridge by private means, namely, credits from the private markets; and that way, you can be sure, it will never come into being.

This newsletter said that the IISS is proud to have been a prime mover behind the CEC, which is seen as an important way for the institute to remain at the heart of the European and Asian debate about Asia and its connection to Europe. Also, the IISS, which is one of the headquarters, one of the centers of war against the land-bridge, had a conference in Canberra, Australia, in May of this year, where, according to its own coverage, there were heated debates about the nature of Chinese politics, always with the aim of portraying China as a complete monster, as building up military potential, developing ballistic missiles, and similar things.

The Maastricht madness

Remember that one of the core strategists at IISS is none other than Gerald Segal, who is also a member of the task force preparing policy papers for this European-Asian cooperation; and, he is famous for saying that he wants to split China up as quickly as possible.

I say this, because we have to be aware, that the present policy of the European countries, which submit to the supranational control of the European Union, their crime is not only that they are destroying the European nations by the idiocy of Maastricht; that the policy of Maastricht is ripping apart all European nations: Look at what is happening in Italy, look at France, look at Germany. Just three days ago, this insane policy destroyed the Vulkan shipyard in Bremen, announcing that it will finally be closed down in the coming year. And you saw workers demonstrating in the Christmas markets, with signs reading: "Our Region Is Dying." So, no Christmas mood will be there, for sure.

These people are not only destroying the tax base of Europe, they are then proceeding to cut health care, killing people, going back to Nazi policies. But, by being stupid and historically ignorant, they are also capitulating to British politics, and, by doing so, risking new wars around the globe. If you think how World War I came about, how World War II came about, it is not out of the question that a continuation of European Union policy, of Maastricht, will be a contributing factor to a global dynamic of economic and financial collapse leading to World War III.

This is why these people have absolutely no moral right—and we have to really mobilize the mass of populations in Europe—they have no right to do what they are doing. The people of Europe, the governments of Europe, who are pursuing these policies, are making the same mistakes as what happened in World War I and World War II, and they have to

be confronted. We have to educate the people, so they are no longer so stupid as to tolerate idiotic governments like these.

Why is all of this happening? Why are they doing this? Why are they self-destructing? At least for the British part, it is very clear. We talked recently to a senior military source in Germany, who said, "You have to understand the British psychology. At the beginning of the twentieth century, the British Empire controlled the world, and they defeated the danger, from their standpoint, of the Eurasian economic development, by orchestrating two world wars. Now, their new base of operation, the British Isles, is a post-industrial garbage heap, and they're confronted with the perspective of China becoming the dominant superpower of the future, of having 1.5 billion people in maybe 15 years; and, on top of this, they propose a new land-bridge era for all of mankind: Naturally, the British will try to do everything to destroy that."

I just wanted to make these remarks, to underline the fact that there is no question, that the new Silk Road, the new era of a land-bridge-based world economy, is *the* most important strategic issue, which underlies everything. Whether people discuss it or not, you have to have that in mind, that that is the strategic issue above all.

Revival of Sun Yat-sen

As you know, just a couple of weeks ago, the 130th birthday of Dr. Sun Yat-sen, the founder of modern China, took place. We, for that occasion, just published the book *The Vital Problem of China* by Dr. Sun Yat-sen, either written by him or under his inspiration by one of his pupils, which, we discovered to our great surprise, was nearly unknown in China. You cannot find it in Chinese libraries; you could not find it in Taiwanese libraries. So, we published it in Chinese, and we did so, because it is one of the best analyses of what led to World War I. He wrote it basically as a polemic: Why it was against the fundamental interest of China to enter World War I on the side of the Entente Cordiale against Germany. And, I also suggest we publish it in German, because the Germans really need it badly, to finally understand what caused World War I.

I only give you one quote here which I think is really extremely interesting, because it reveals that Dr. Sun Yat-sen really understood the British. He said: "In other words, Britain seeks friendship only with those which can render her services, and when her friends are too weak to be of any use to her, they must be sacrificed in her interest. Britain's tender regard for her friends is like the delicate care usually shown by farmers in the rearing of silkworms: After all the silk has been drawn from the cocoons, they are destroyed by fire or used as food for the fish.

"The present friends of Great Britain are no more than silkworms and they are receiving all the tender care of Britain simply because there is still some silk left in them."

It is interesting that Friedrich List—who, as you know, was the mentor of Dr. Sun Yat-sen, and Dr. Sun Yat-sen had

the *National System of Political Economy* by List translated into Chinese—challenged the Germans to be sympathetic with the Chinese, because they would be engaging in the same battle against the English world-trade monopoly to protect their young industries as Germany.

He said: “We believe that the throne of the Son of Heaven would sooner collapse—and all of mandarindom along with it—than have 300 million people look on as the English complete their destruction of all normal trade activity.” This was the prognosis issued by Friedrich List in an article in the Customs Union’s newspaper in 1844, on English free trade policy’s plundering of the Chinese economy. “The most probable course, is that sooner or later, millions of indigent workers, in utter despair, will let loose against the red-haired barbarians, and will force them to defend the honor of English underclothing, by once again staging one great bloodbath after another. And then, one fine day, the Chinese free-trade experiment will explode like an overheated pressure-cooker, and will end in horror. . . . The red-haired barbarians will be driven out, and will have to make war; Chinese trade will be interrupted for an extended period.”

He further emphasized that in both China and Germany, it was a matter of the nation-state’s sovereignty “to guard against the destruction of manufactures by England.”

Then, Dr. Sun Yat-sen continues—and I am referring to this part in his book for the benefit of those who are concerned with the present crisis in the Balkans and British policies in the Balkans: “When Serbia attacked Austria under orders from Russia, she was under indirect instruction from Britain. Serbia, in taking the initiative, and bearing the brunt of the war, staking the fate of the nation, was praised as loyal to Britain. But how has Britain treated her, in return? Before Bulgaria attached herself to Germany, did not the British offer her a slice of Serbian territory, to induce her to join the war on the British side? The Anglo-Bulgarian negotiations failed. But this afforded Britain an excuse for her diplomatic fiasco in the Balkans. If Britain wanted to satisfy the Bulgarian desires, why did she not sacrifice her own interests, why did she not sacrifice Russian interests, why must she sacrifice Serbian interests?”

The answer he gives is: Serbia, at that point, was already too weak to be of any use for Britain, and Bulgaria still was of some use.

I can only advise people to read this booklet, because he then proceeds with a violent attack against British colonial power in India, saying that “the entire world power of Great Britain only rests on their sucking the blood out of India.” He continues and says: “An analysis of the art of British statesmen reveals that they never speak the truth.”

‘A true understanding among peoples’

It is funny—and looking at the encirclement of China as a threat to the land-bridge—that this understanding of foreign policy, that foreign policy is only the manipulation of other

countries by subversion, by coups, by terrorism, and similar means, this is exactly the reason why, 12 years ago, the Schiller Institute was founded. The Schiller Institute was founded as an institute for republican foreign policy and for statecraft, because we reject the idea that the relation among nations should be of such a nature; because all of these are obviously the characteristics of an oligarchical system, but, unfortunately, that is the dominant policy in the world. The Schiller Institute set out 12 years ago (or actually before that—13 years ago) with the idea that the only way we can organize relations among nations, among cultures, and among peoples, is on the basis of a true *Völkerverständigung*, a true understanding among peoples and their cultures.

But, that requires that people have to develop, people from different cultures in different nations, have to develop a passionate desire to find out about other cultures, and that is not self-evident: If you take your modern German tourist (and the Germans are known to be the world-champions of tourism: they travel more around the world than any other country), what do they really know about the culture of other people? What do German tourists or other tourists know about the cultures of Africa? They may know the Holiday Inn on a beach in West Africa, but they may not know anything about the culture. What do they know about Asia? What do they know about America?

Today, where the future of mankind will be determined one way or the other, by solving that problem: by solving the problem of knowing the cultures of other people, by identifying what is positive in the cultures and relating to that, which was the founding idea of the Schiller Institute. The whole civilization depends on that, and I want to make an effort to give you a sense of what difficulty it involves, that it is not so easy—even in the times of the Internet—it is not easy to find out about the reality of cultures.

I want to discuss it, not because it is the only culture relevant to discuss, but because it is a good way, which can be used as a model, to study other cultures. I want to discuss the question of China, and how European civilization related to China over the last centuries. What could be a better approach to this question, than to go back to one of our greatest thinkers, who is very close to our movement, namely, Gottfried Wilhelm Leibniz, who happened to have been a complete enthusiast of Chinese culture, and who was a model in his love for the universal understanding of human culture, and who was, beyond question, centuries ahead of his time?

The European mission to China

Leibniz was convinced that the development of the economic and cultural relation between Europe and China was a question of the fate of mankind; not only because he stressed that China, of all parts of the world outside Europe in his time, had reached the highest level of civilization and had a technological level which was far ahead of Europe until the fifteenth century, but also because there were very far-reach-



A statue of Father Ferdinand Verbiest (1623-88), in his birthplace, Pittem, Flanders (Belgium). Father Verbiest was a Jesuit missionary in China who became China's deputy minister for public works in 1675, and was one of the key correspondents with Leibniz.

ing commonalities in Confucian thinking and in Platonic Christianity.

He saw it, therefore, as a great mission of Europe to let China participate in the technological progress Europe had made since the Renaissance of the fifteenth century, when Europe had surpassed China in terms of technological development, by far.

The first reports about China to arrive in Europe, apart from some unclear sources around much earlier times, were reports by Marco Polo and some Portuguese missionaries. But these were very fragmentary, and they only discussed the political organization and the material conditions in China. They did not really give a sense of the intellectual and cultural life, because the visits were too short, and these missionaries were not really in contact with the educated elite.

So, the first major work about China was written by the Spanish Augustinian Juan González de Mendoza in 1585, a book which was then translated into all languages, and which appeared in 1589 in German. It was called *A New, Short, But Truly Correct Description of the Gigantic, Very Far Reaching, Until-Now-Unknown Kingdom of China*. Now, this was the basis of a first, new idea of China in the West, and it went far beyond the reports from Marco Polo.

Then, shortly afterwards, the reports by the famous Italian Jesuit, Matteo Ricci, 1552-1610, appeared, and he must be praised as the real discoverer of the Chinese intellectual culture. His Chinese name was Li-Mao-tou. He arrived 1582 in Macao, and, in 1595, came for the first time to the southern capital, Nanking, as it was called then, and after some difficulties—he could not easily settle down—finally managed to stay in Beijing between 1601 and 1610, until his death.

This man deserves to be emphasized, because I think he is a model of how you have to approach other cultures: namely, that you have to be attentive, you have to be sensitive, you have to want to find out what is this other culture. He was able to get on the inside of Chinese culture and Confucian philosophy, because he did not do what most foreigners do in Third World countries, with China, with Africa, with Latin America. He did not go bullying his way, telling them what to do. He did nothing of this sort: He did not even present himself as a missionary, but he emphasized that he had come to China primarily to study the teaching of the Chinese philosophers, and by doing so, gained the trust of the Chinese. He taught Christianity, not as a challenge to the Confucian tradition, but in cohesion with it. He emphasized all the ideas in the Confucian and neo-Confucian tradition, which are in conformity with Christianity, and he noted that these are by far the majority, and there are only a few minor areas which are in contradiction.

Ricci learned to read and speak Chinese fluently, studied their philosophy and customs, gained enormous respect and even love among the people he worked with. One has to say, this is one of the historical things which are much more important than wars or other things you learned in history, because, here, a window was opened between European culture and Chinese culture. History could have been completely different, if that road had been followed, that was opened here.

The high point of this Catholic mission in China occurred under the two first emperors of the Qing dynasty, Emperor Shunchih (1644-61), and the famous Emperor Kang Xi (1662-1722). The first person to have direct contact and collaboration with the emperor was the famous Jesuit from Cologne, Adam Schall von Bell, whose Chinese name was Tang Ruowang, who had an excellent knowledge of astronomy, which he taught the Chinese; and he also taught them how to build cannons, and, because of that, he rose in his position. He also gave the Chinese a new calendar, which was of extreme importance in China, not only from a practical point of view—navigation, agriculture, and so forth—but because the Chinese, since the ancient Confucian times, always desired to draw the cohesion of their cosmos and the political order; it's a kind of natural law in Chinese tradition. And, therefore, the position of the stars and the way people would organize their life with reference to the cosmic order—having this be precise was highly appreciated by the Chinese for this reason.

Adam Schall was able to predict a solar eclipse with much more precision than all the Chinese astronomers, even though

Chinese astronomy had a very great tradition going way back, as did Indian astronomy. Because of his expertise, he was then made the head of the state astronomical office. And he became a Chinese official with all the rights and duties; and, very important, he became the teacher of the young emperor. After the death of that emperor, because of many intrigues, he was condemned to death, but then pardoned, because the new emperor recognized those intrigues, and then installed another Jesuit brother as Schall's successor.

As I said, Matteo Ricci had opened for the first time a window between European and Chinese culture, by demonstrating to the Chinese what the Europeans were able to do scientifically, and why it would be in their own interest to have this collaboration. One has to appreciate the difficulty of this task; it's not like times are today. During the Tang (and the Yuan period, which was the period of the Mongol occupation), there was a certain tolerance toward foreigners. But, after that, because of these developments, China was a completely closed country. Foreigners, easily recognizable because of their round eyes and funny clothes, were regarded as cultureless barbarians.

Ricci, who was, without any doubt, one of the greatest of the missionaries, succeeded in overcoming this mistrust, because he took a Chinese name, he adapted his way of life to the Chinese; he studied all the classical texts; he brought a cembalo as a gift from Count Maximilian of Bavaria, and taught the emperor to play it. But he became most famous because of his world map, which gave the Chinese, for the first time, an overview of the continents and the geographical position of the Middle Kingdom, which they did not know before.

The Europeans, on the other hand, even during Leibniz's time, had difficulties agreeing on the right name for China. The routes one had to travel across were difficult. It took people years to travel in these periods, so, it was an incredible thing to do.

But, even in the seventeenth century, people had a hard time agreeing on the right name for China: The first name was *Serer*, in Latin *seres*. This was the Chinese word for silk, and it was mentioned for the first time by the Ionian historian Ktesias in the fifth century B.C. This is why China was later called *Sinai*, in the geography of Claudius Ptolemy, and why today you call the studying of China, Sinology, because it comes from the Latin for *Sina*, probably coming from the word *Chin* dynasty.

But, this knowledge disappeared, and, then, in the Middle Ages, China was called *Kitai*. Marco Polo and others called it *Kitai*, and still in the seventeenth century, it was debated if the country *Sinai* (which probably came from the Sanskrit word for *Cina*, or *Cinisthana*), if that *Sinai* was identical with *Kitai*.

Leibniz wrote about that a lot; for example, in his book about China, he was very concerned about the right name for China.

Therefore, when Ricci went into this unknown land,



The Confucius temple in Nanjing. Leibniz wrote of the Confucian moral code that, perhaps, "the Chinese would send missionaries to us, who would teach us the purpose and application of natural theology. . . since we do not surpass them but in . . . the divine gift of the Christian religion."

where not even the name was established, he opened the hearts of the Chinese with beautiful treatises, among others, one "On Friendship," which talked especially about the friendship of peoples. And thereafter, this text was included in the official text every Chinese bureaucrat had to learn. But it was especially his knowledge in mathematics, geography, astronomy, and natural science, which happened to be the state-of-the-art of Europe at that time, because he had studied in Rome for several years with the famous astronomer and mathematician Christoph Clavius from Bamberg. So he brought that knowledge to China.

Ricci became famous very quickly, because he debated Chinese intellectuals in Nanshang, and, in Nanking, he debated with representatives of other philosophical tendencies and remained the winner, so his fame spread immediately among the educated layers.

Ricci also sent reports and missionaries to Rome about what he had found in China, and this had a very positive effect. On March 20, 1615, the pope wrote an encyclical, allowing the translation of the Bible into Chinese, allowing the mass to be conducted in Chinese, allowing Chinese priests to be ordained, and for them to wear Chinese hats during mass. The Belgian Jesuit, Ferdinand Verbiest, who was one of Ricci's

successors, even became, in 1675, China's deputy minister for public works. Verbiest, together with Claudio Grimaldi, was one of the key correspondents of Leibniz. They had the closest contact with Emperor Kang Xi, who happened to be one of the most important emperors in Chinese history. Kang Xi had extremely excellent education, and very far-reaching scientific interests, which Leibniz attributed to the fact that he had been educated in both European philosophy and in Chinese tradition. And it was the figure of Emperor Kang Xi who caused Leibniz to say, that if an emperor in faraway China can come to the same mathematical conclusions as I, then that proves there is only one God.

Leibniz, bridging the gap

The impact of these new reports from China among the educated European circles was enormous. Leibniz wrote, in his *Novissima Sinica*, in 1697: "The situation of our conditions seems to be that moral degeneration is growing so monstrously, that one could nearly find it necessary that the Chinese would send missionaries to us, who would teach us the purpose and application of natural theology, in the same way that we send missionaries to them, to teach them revealed theology. I therefore believe, that if a sage, a wise man, were a judge, not about the beauty of goddesses, but about the excellence of peoples, he would give a golden apple to the Chinese, since we do not surpass them but in one single, indeed superhuman, property, namely the divine gift of the Christian religion."

In the preface to the same work, he wrote: "If we are their equals in the industrial arts and ahead of them in the contemplative sciences, certainly they surpass us—so it is almost shameful to admit this—in practical philosophy, that is, in the precepts of ethics and the policies adapted to the present life and use of the morals. Through a unique combination of destiny, it has occurred that the highest cultural goods of the human species are today located on the two extreme poles of our continent, that is, Europe and China, which decorate the opposite edge of each of the earths, somehow as an Eastern Europe, as a Europe in the East. And, furthermore, the highest Providence has caused, through a fortunate turn, that, in stretching out the arms to each other, the most highly educated and at the same time most distant people eventually bring everything, which lies in between them, to a way of life which is more in correspondence to reason. And it is no accident, I believe, that the Russians, who connect China and Europe through their gigantic empire and who control the extreme north of the uncivilized region along the coast of the Ice Sea, are encouraged by the energetic effect of a now governing ruler as well as the Patriarch who gives his sympathetic advice to imitate our accomplishments."

What Leibniz is referring to here is, obviously, Peter the Great. Leibniz wrote many memoranda to him, for Russia to be the mediator between Europe and China. He tried to

encourage Peter the Great, among other things, to explore Siberia, and to investigate also the geographical connection between the eastern rim of Siberia and America.

This caused Peter the Great later to send Vitus Jonassen Bering on his mission, who discovered in 1778 the famous Bering Strait, which is named after him, and which the Chinese government is now suggesting become the bridge between the Eurasian land-bridge and the Americas.

Leibniz was deeply impressed, that, in terms of the moral ordering of their society, the Chinese were superior to the Europeans. And he noted, among other advantages, that the Chinese had a tremendous respect for older people (I know at least one person, who likes that!), that children had an almost religious appreciation of the parents. This respect for the parents was such that in Chinese culture at that time even a harsh word by the children against the parents was unthinkable. But he was most impressed that Emperor Kang Xi was the ruler of such a gigantic empire, who was regarded as a mortal god and had all powers (he could do whatever he wanted), nevertheless was educated in such virtue and wisdom that he surpassed all his subjects in this unbelievable respect for the law and in the awe for the sages.

I think it is correct to say that Kang Xi was a true philosopher-king in the sense Plato required it; or as Nicolaus of Cusa demanded: that the governors of any country, as a standard, should be the wisest and those who have the greatest respect for the law.

The natural theology of 'Li'

How was it possible that Chinese culture and even its political system could reach such an extraordinary level? Leibniz was convinced, as was Ricci and the other Jesuit missionaries, that there was a very far-reaching affinity between Christianity and Confucianism.

In the *Discourse on the Natural Theology of the Chinese*, Leibniz writes: "Therefore, in order to determine whether the Chinese recognize spiritual substances, one should above all consider their notion of *Li*, which is the prime mover and the ground of all other things. And which, I believe, corresponds to our Divinity. The first principle of the Chinese is called *Li*, that is, reason, as the foundation of all nature, the most universal reason and substance. There is nothing greater nor better than *Li*. This great and universal cause is pure, motionless, without body or shape and can be comprehended only through understanding. Thus," says Leibniz, "according to the Chinese, the *Li* is the sole cause which always moves the heaven, throughout the centuries in a uniform motion. It gives stability to the earth, it endows all species with the ability to reproduce their kind. This virtue, not being in the nature of the things themselves, and not depending at all upon them, but consisting and residing in the *Li*. It has dominion over all. It is present in all things, governing and producing all as absolute master of heaven and earth."

It follows a section which Leibniz struck out in the manuscript, but which has been handed down: “After all this, why not simply say that the *Li* is our God? That is the ultimate, if you wish, the primary ground of existence, and even of the possibility of things, the source of all good which is in things, the primary intelligence which was called by Anaxagoras and other ancient Greeks and Latins *noös* or *mens*.”

Leibniz implies that the *Li* has something to do with the principle of a generative hypothesis, because he says “they [the Chinese] call it the Summary Unity, because, as in the number series, unity is the basis, yet it is not itself a member. Also among substances, the essences of the universe, one of them is absolutely unitary, not at all capable of divisibility as regards its being and its principal basis of all essences, which exist or can exist in the world.”

What Leibniz alludes to, is nothing less than the Platonic conception of the hypotheses of the higher hypotheses. *Li* is, in other words, what Plato calls the good, it is the Absolute. But *Li*, according to Leibniz, is also the order of the universe. He therefore brings in the idea of the question of *Analysis Situs*.

Leibniz writes: “So, as Father Lessius has said that God is the place of things and that Dr. Guericke”—(this will make the members of our Wiesbaden office very happy, since it refers to Otto von Guericke, who, in 1654, performed an experiment involving the creation of a vacuum by pumping air out of hemispherical containers; since our office is in the Otto von Guericke Ring, and when you go there, you have a better reference)—“the inventor of the vacuum machine, believes that space pertains to God. In order to give an appropriate sense to this, it is necessary to conceive of space not as a substance which possesses parts upon parts, but as the order of things insofar as they are considered existing together, proceeding from the immensity of God in as much as all things depend on Him at every moment. This order of things among themselves, arises from their relationship to a common principle.”

For Leibniz, space determined only the mutual relations of co-existing things. Space, he said, is “only an order of things, like time, and in no sense an absolute thing.” What Leibniz does here, in his arguments against the opposing faction—people who opposed this dialogue with the Chinese—was to present his own view of the proper method of engaging the Chinese in an ecumenical dialogue. Leibniz was convinced that the only way this dialogue would function, would be if one would show them the truth, but not only by insisting that they believe the Bible, or by giving them advanced astronomical instruments, but also by showing that both scientific and theological truth can be found in their own ancient writings.

This method by Leibniz, to focus on the deepest and most profound principles as the basis of unity among cultures, is exactly the same approach Nicolaus of Cusa had taken in his



Scientist and philosopher Gottfried Wilhelm Leibniz, who was convinced that the fate of mankind depended on the development of economic and cultural relations between Europe and China.

De Pace Fidei, and, earlier, Peter Abelard, who demonstrated that the writings of Plato already contained the truth of revealed Christianity. But obviously, if Plato could know what only Christianity revealed, then that, for Abelard, was the proof that there are universal truths intelligible to all people at all times, and, therefore, there was a way to make even the deepest truth intelligible.

Leibniz had this beautiful vision that if you focus on these most profound principles about God, about the order of the universe, and about the role of man in this universe, then you could bring about unity of the entire world. And it was not an unrealistic dream, because with Emperor Kang Xi, there was a philosopher-king, where even the successors of Ricci managed to get the highest positions in the state.

The Rites controversy

So why did it not function? And, looking at why it did not function, I think, is also very important, because, after all, we do want to learn from mistakes made in history.

Given the extreme importance that we succeed today, let's look at what went wrong on both sides: what went wrong on the European side, and what went wrong on the Chinese side. The European side went wrong, basically because of what is known generally as the so-called “Rites controversy.” Ricci

already had proposed that the only way you could have contact and dialogue with the Chinese was to accommodate the outer features of Christianity to the Chinese conditions, to tolerate the Confucian rites which included the cult of Confucius himself, the veneration of the emperor, the worship of one's own ancestors. Although Ricci died before Leibniz was born, it is very clear from Leibniz's writings that he completely agreed with Ricci.

Opposed to this was a Jesuit father called Nicholas Langobardi, the successor of Ricci as the head of the China mission, who believed that the ancient Chinese were materialists and the modern ones atheists, and that all their beliefs were incompatible with Christianity. He, unfortunately, was extremely important in Rome in undercutting Ricci's approach. Unfortunately, also, most of the other religious orders disagreed with Ricci, mainly not on theological grounds, but for political reasons, and competition, and such motives.

Prominent among them was the Spanish Franciscan Antonio Caballero y Santa María, whom Leibniz attacks in his *Discourses* many times. The arguments went back and forth for 150 years. Then, in the second half of the seventeenth century, beginning in France, there was the campaign by the Jansenist sect against the Jesuits, and in this climate of harassment, unfortunately, the China debate was no longer conducted in a factual way, but it became more and more political.

So, even before the dissolution of the Jesuits, the papal decree *Ex Illa Die*, forbade the practice of the Jesuits, and demanded the practicing of Christianity in the European form in China. It argued that Christian doctrine is incompatible with Chinese thought and that the conversion of the Chinese can only proceed by having them abandon their 3,000-year-old intellectual tradition.

This had an extremely negative effect. The case was finally settled against the Jesuits by Benedict XIV, in the encyclical *Ex Quo Singulari* (1742). The whole debate and negative response created an impossible situation for the Christians in China. It prevented them from carrying out their civil duties. They were no longer allowed to give worship and reverence to Confucius, to the emperor, etc., and therefore, immediately, their loyalty to the state was put into question. This was regarded by the Chinese government as an unbearable interference into the internal affairs of China.

Unfortunately, because of this, still during the reign of Kang Xi, it came to the prohibition against teaching Christianity throughout all of China, and, under the successors of Kang Xi, all missionaries were expelled from China. From 1838 on, not one missionary was left in Beijing. Ricci's tradition ended.

On the Chinese side, there was also a problem, because the Confucius-based Chinese tradition was such that, in order to become an official in China—since the Han dynasty, that is, before Christ, and especially since the Sung and the Ming dynasties—it was a precondition for every Chinese bureaucrat to read and study all the classical texts, including Confu-

cius, Mencius, and similar people. So they were an extremely educated class which was called *Shen-shi*, and they were the only ones who would define the political line.

Ricci was extremely sensitive about not making representatives of this *Shen-shi* class feel threatened in their authority, by trying to integrate Christianity into the existing political order and to win the representatives of the *Shen-shi* class over to Christianity. This was especially important, because, since the Ming dynasty, China had been threatened many times from the outside, and the mistrust against foreigners was very deep-rooted. Ricci, for example, described the mistrust when the Japanese attack on Korea occurred in 1598, that many people suspected hostile spies everywhere. They also naturally mistrusted the missionaries, because some people said: How do they have this incredible knowledge, how can they build all these instruments? Also, there was doubt about their motives: Why do these missionaries come here? Is it really only idealism, or do they have other motives? This was especially the case, because in the history of China, the religious sects had frequently connected themselves with economically deprived layers, and that had even led to the fall of dynasties.

So Ricci and his successors were extremely careful not to neglect the *Shen-shi* class, and that worked for a while. But later, when the repression against the missionaries occurred and the missionaries were arrested, the officials were frequently surprised to find that these priests were, indeed, peaceful people. Documents from the eighteenth century express this astonishment, that they had no other motives than those which they claimed, obviously, since the highest goal of the Christian mission was to convert the emperor. But that was an absolutely impossible question, because, despite the successes of Schall and Verbiest, they never even came close, for the simple reason that, in Chinese culture, the emperor was the *Pontifex Maximus*, and to recruit the emperor to Christianity would have been the same as if the pope had converted to Islam and, yet, still remained the head of the Catholic Church.

Ricci was fully aware that this was not possible, and that under those conditions an accommodation was the only possible way.

What was also extremely damaging, was when the papal order to dissolve the Jesuit order was brought to Beijing in 1774, it was done in a very insensitive way, so that, as a result, the members of the *Shen-shi* class tried to eliminate any trace of their ancestors' connection to Christianity, because, after this shameful dissolution of the Jesuit order, it was regarded as shameful to have anything to do with that. In Chinese culture, it is extremely important to keep face, up to the present day.

It is interesting that, in 1939, the Rites controversy was fully sanctioned in favor of the Jesuits by the Vatican, but, unfortunately, this was too late, and a lot of porcelain had already been broken.

By the end of the eighteenth century, the window Ricci had opened was closed, and, basically, Europe and China knew of each other's existence, but they had no desire to know about each other, and their relationship was characterized by dislike and contempt. The question one can ask is, what course would history have taken if the approach of Ricci and Leibniz had been pursued? Maybe then, this mission in China would have functioned as the bridge between China and the Occident. And China would have taken a different way. Leibniz was completely aware of this, and, for him, the integration of Chinese and Western thought remained a passionate issue throughout his life, which is demonstrated by the very extensive correspondence he had on this issue throughout his life.

Sun Yat-sen and the unity of the nation

After the horrible experiences the Chinese had with colonial aggression in the nineteenth century, one can really say that China had the extraordinary fortune in having as the founder of modern China, Dr. Sun Yat-sen, born on Nov. 8, 1866, who happened to be a Christian. In Hawaii, for five years he studied the fundamental difference between the American and the British system. He became, as I said, a follower of the *National System of Political Economy* of Friedrich List, which he had translated into Chinese.

He wrote a very beautiful book in 1921, which we only had to update a little bit with our Eurasian land-bridge report, called *The International Development of China*, which already contained the idea that China, with the aid of the most advanced technology and infrastructure, would become the new world of the twentieth century, and by doing so, would create the economic basis for world peace.

Chinese President Jiang Zemin, at the large birthday celebration of Dr. Sun Yat-sen, quoted Dr. Sun extensively. He said: "Dr. Sun proposed that China should be optimistic and learn from the strength of other countries. If we take the right for development in our own hands, we will survive. But if it lies in the hands of others, we will go under. Sun insisted on the defense of national sovereignty and national unity and fought against any activity which aimed at the division of the nation. He declared: 'The unity of the nation is the desire of all Chinese.' "

Jiang Zemin continued: "Seventy-two years ago, Sun Yat-sen said: 'If China becomes strong and powerful, then we will not only win back our national status, but also we will take a great responsibility for the world.' "

I think it is extremely important that Jiang Zemin decided to take that particular quote. It simply means that, provided that we act according to reason, and make, as Leibniz demanded in the *Discourse*, "a sincere return in work and deed in the submission one owes to the very law of reason," that the realization of Leibniz's vision is very much within reach.

In a certain way, China is already stretching out her arms in the sense Leibniz intended: They want our cooperation in



Dr. Sun Yat-sen (1866-1925), the founder of modern China, who understood the British: "Britain seeks friendship only with those which can render her services, and when her friends are too weak to be of any use to her, they must be sacrificed in her interest."

building up China economically. They want our scientific and technological expertise. And they want our active European cooperation to build a new era of mankind.

Rather than having our nations, our industries, and productive jobs collapse, why don't we join hands and help ourselves by helping China and the other countries of Eurasia?

The Eurasian land-bridge, which soon can integrate the Americas and Africa, can very quickly become *the* economic and cultural basis for a true peace order in the world, where sovereign nation-states work together for the common good of mankind. I am absolutely convinced that the beautiful idea of the *Völkergemeinschaft*, a community of peoples, will be victorious, and that only the remains of creatures such as Samuel Huntington and company will be in the museum for extinct species.

But Leibniz was right: Both Chinese and European culture was based on the most profound principles of Confucianism and Christianity. China is obviously finding its way back to these ideas. But in order for Leibniz's dreams, his beautiful vision for the future of mankind in unity, to function, we ourselves have to grow, and we have to lift the beautiful concept of Christian *agapē*. I believe, that if we do this, a community of principle, where nations respect each other because they love the soul of each other nation, that this is possible, and that we are the ones who help to bring it about.

Uganda's Museveni finds choppy waters in U.S.

by Linda de Hoyos

President Yoweri Museveni, known as the “blue-eyed darling of the British in East Africa,” ran into some unexpected trouble during his Feb. 2-6 trip to Washington, D.C. On orders from his closest mentor, Baroness Lynda Chalker, British Minister of Overseas Development, Museveni has deployed his 100,000-man National Resistance Army in aggressive wars against Sudan and Zaire.

According to U.S. State Department spokesman Nicholas Burns's press briefing of Feb. 5, Secretary of State Madeleine Albright met with Museveni and told him that Ugandan troops must immediately withdraw from eastern Zaire. Albright, reported Burns, also met with Belgian Foreign Minister Derycke, and they also had a long conversation about the situation in eastern Zaire. Burns noted: “Belgium, of course, has a particular interest in Zaire. And there was a confluence of views on the need for outside countries to stay out of eastern Zaire, neighboring countries to stay out of eastern Zaire. That was a message that Secretary Albright transmitted to President Museveni yesterday afternoon.”

Burns further informed the press: “The United States appeals again today to the neighbors of Zaire to stay out of Zaire, to not involve themselves in the fighting. Two hundred thousand Rwandan Hutu refugees are trapped inside eastern Zaire because of the fighting, because of the insurgency.”

Burns then proceeded for the first time to name the countries so warned: “I can tell you that we have underscored this message to Uganda and Rwanda and Burundi.”

In reiterating the United States's commitment to the territorial integrity of Zaire, Burns pointedly added: “And I am pleased—we were very pleased to see that we have a common position on this with the French government and with the

Belgian government, both of which are very important governments with a lot of influence in Central Africa.”

As *EIR* has thoroughly documented, the invasion of Zaire from Rwanda, Uganda, and Burundi beginning Oct. 21, is designed to seize the eastern strip of Zaire, including Shaba province. This area is the seat of Zaire's extensive mineral wealth, and has been the victim of repeated military incursions taken by British Commonwealth countries to Zaire's east, in an effort to seize this wealth for the British strategic mineral cartels of Anglo American Corp., Rio Tinto Zinc, and their myriad front corporations. As *EIR* also documented, one of the major companies involved in the land grab is the Canadian firm of Barrick Gold, whose international advisory board includes Sir George Bush. Barrick has claimed title to 83,000 square kilometers of gold-laced territory in northeastern Zaire, and reportedly has moved its headquarters to Kampala, Uganda—signaling its geopolitical proclivities.

If Ugandan, Rwandan, and Burundian troops were to withdraw from Zaire, the onslaught of Laurent Kabila and his so-called Zairean Alliance of Democratic Forces would quickly collapse.

Burns's declaration that the United States and France are in agreement on the defense of Zaire's unity, also stands in stark contrast to his nearly hysterical defense of Great Britain the week before. Confronted with evidence—as reported in the *Times* of London on Jan. 17 by Sam Kiley—that London was backing a conspiracy of war against Zaire and Sudan, Burns did not attempt to refute London's role, but then declared: “We do not engage in any kind of criticism, at least from my side, of the United Kingdom of Great Britain and Northern Ireland.”

When the *EIR* correspondent suggested that U.S. calls for the parties in the Horn of Africa conflict to negotiate, were better directed to London, Burns bristled: "There is no reason for the United States to question in any way, shape, or form the actions or the policy of the United Kingdom pertaining to the conflict in eastern Sudan. The United Kingdom is an ally of the United States, and we're not aware of any action that would trouble us by that country in eastern Sudan."

In the case of Sudan, despite Sudan's charges and independent press accounts that Ethiopian soldiers were the major force invading Sudan Jan. 11, the United States has continued to reject the claim.

For Zaire, Museveni's trip to Washington was preceded by a week-long visit to the United States by Zairean Foreign Minister Gerard Kamanda wa Kamanda, who told France Radio International that the Zairean Armed Forces "took some prisoners of war of Ugandan, Rwandan, and other nationalities. They were exhibited to national and international media." He presented this material to the UN Security Council, and also reported he had pressed the United States to take action to solve the crisis in the Great Lakes region.

Kamanda's charges have been confirmed for *EIR* by Ugandan sources as well, who report that Laurent Kabila visited Kampala at the end of January, after an initial counteroffensive by the Zairean Army had succeeded in taking back the strategic town of Walikali. According to these sources, three columns of Ugandan troops entered Zaire to the west from Uganda. In addition, Kabila led an assault with troops of the Burundi Tutsi military, crossing into Zaire from the east, directly into Shaba province. Since Feb. 1, the Ugandan-Rwandan-Burundi force, armed with anti-aircraft missiles, has taken the town of Shabunda, directly north of Shaba, and the towns of Kalemie and Moba in Shaba itself. In the north, Ugandan troops are converging on the town of Lubutu, and threatening Tingi-Tingi, which holds up to 200,000 Rwandan and Hutu refugees, who are reportedly in very poor condition.

Reporting on the rebuff to Museveni in Washington, the Feb. 6 *New York Times* cited an "administration official" as saying that "troops—mostly from Uganda and Rwanda—appeared to have been sent in a show of support for the Tutsi rebels following Zaire's counteroffensive last month. 'It's becoming a much more deadly mix with all these different players involved,' the official said."

London's 'deadly mix'

With Uganda as the logistical and political center for London's operations in East Africa, the wars unleashed by Museveni and his allies has embroiled all countries of East Africa, and threatens to widen into West Africa, and the Gulf—the quagmire LaRouche warned the Clinton administration of in his *EIR* editorial last week.

The targets of the British wars are *Zaire* and *Sudan*. The presence of Ethiopian and Eritrean officers in Rwanda to train



Ugandan President Yoweri Museveni, a British Empire puppet in its drive to recolonize the African continent, is shown here in Washington, D.C., at the Georgetown Center for Strategic and International Studies on Feb. 3.

Kabila's forces, demonstrates that both wars are part of one theater for British intelligence, both strategically and in implementation.

Sudan is being invaded by *Ethiopia* and *Eritrea* on the east, and by *Uganda* on the south. Zaire is being invaded by *Uganda*, *Burundi*, and *Rwanda*. Meanwhile, Uganda's military is reportedly receiving backup inside Uganda, where Museveni faces serious insurgencies in the north and south, by troops deployed from the British Commonwealth countries of *Mozambique* and *Tanzania*, and from SWAPO troops from *Namibia*.

Zaire is reported to be receiving supplies and arms from *Libya*, which has stated its position in defense of Zaire's territorial integrity. In addition, on Feb. 2, Zairean President Mobutu Sese Seko arrived in Morocco to meet with his close friend King Hassan, and is reported to be attempting to win troop contingents from *Morocco*, *Togo*, and *Chad* to bolster the Zairean Army.

Troops from *South Africa* are reportedly guarding Zaire's mines in Shaba and the electrical lines from the Kinshasha area going into Shaba. On the other side, South African mercenaries are believed to be guarding the Karamoja gold mines in which Museveni's half-brother Salim Saleh reportedly has holdings, and South African mercenaries have been sighted fighting alongside Kabila.

Under intense pressure to back up Uganda, is Kenya, whose President Daniel Arap Moi has condemned the aggres-

sions of Rwanda, Uganda, and Burundi against Zaire. This week, Baroness Chalker arrived in Nairobi in an obvious effort to whip the Kenyan President into line.

The war against Sudan

The war against Sudan is already spreading diplomatically into the Arab world and the Mideast. Egypt and Sudan have both accused *Israel* of being directly involved in logistically supplying and directing the war effort from Eritrea and Ethiopia, including construction of Israeli bases. The war against Sudan poses a direct threat to Egypt's national security, as Egyptian President Hosni Mubarak has stated point-blank. While publicly supporting the Sudanese political opposition organized around Baroness Caroline Cox's National Democratic Alliance, on Jan. 26, the Egyptian government daily *Al Ahram* warned the NDA to sever its links to John Garang and the Sudanese People's Liberation Army and the attacks on Sudan from Ethiopia and Eritrea.

Diplomatically, *Iran* has come out in support of Sudan, while NDA chief Sadig al-Mahdi has won support from *Kuwait*. The Arab League has issued a statement in support of Sudan against foreign aggression, and *Saudi Arabia* is likely to follow suit.

Further on the horizon, the French-speaking *Central African Republic*, wedged between Zaire and Sudan, has been under intense destabilization. *Niger* and *Congo* are also under threat of internal instability. *Zambia*, whose government is resisting turning over its immense copper fields to London's Anglo American, is being treated to credit cut-offs.

In sum, there are a total of ten African countries known to be directly involved in the fighting in East Africa, another six reported to be involved or supplying arms, and another four African countries under destabilization as a result of the British onslaught. The onslaughts against Sudan and Zaire thus threaten to unleash a tidal wave of bloodletting in Africa, which will continue to widen—unless the United States breaks with British policy and acts to end London's genocidal wars.

The unsavory Museveni

For the first time, Museveni also ran into protests against his presence in the United States. His supporters received a shock when two Schiller Institute spokesmen challenged the Ugandan President during a seminar at the Center for Strategic and International Studies in Washington. At this location, former Marxist Museveni lectured on the glories of the free enterprise system, which, he omitted to mention, has plunged the life expectancy of his country to the lowest levels since British rule. As the *Washington Post* reported on Feb. 5, this time, Museveni "did not move when two women accused him . . . of 'mass murder,' saying his troops were crossing Central African borders to keep refugees out. Museveni, who has been accused of sending Ugandan troops into neighboring Zaire and Sudan and assisting Rwanda,

acknowledged that there are problems in those countries and 'they have to be addressed.' "

Outside the seminar, a rally, complete with a replica of Queen Elizabeth II, leafletted attendees with LaRouche's warning to the Clinton administration, and a chronology of Museveni's wars of invasion in Africa.

Museveni was again greeted with a rally against him, painting him as a mass murderer for the British as he arrived at the National Prayer Breakfast meeting on Feb. 6, which was addressed by President Bill Clinton. Rally signs read: "Museveni Responsible for 1.6 Million Dead," "Museveni Get Out of Sudan, Zaire, Rwanda, Burundi, and the U.S.A.," "LaRouche Says No British American Special Relationship," and "Museveni's Idea of Black Napoleon Is a Pipe Dream."

This is the first time Museveni has been appropriately greeted in the United States. The leaflet handed out outside the CSIS seminar against Museveni reprinted Museveni's quote from the September 1994 issue of *Atlantic Monthly*, "I have never blamed the whites for colonizing Africa; I have blamed these whites for taking slaves. If you are stupid, you should be taken a slave." Museveni admitted to this statement, when confronted during the seminar. Such sentiments explain why the British oligarchy has found him so handy a partner in Africa. But such sentiments must also categorically deny him a welcome in the United States.

SSIM blasts Garang as 'bloody dictator'

The following statement was issued by the Secretary for External Affairs of the South Sudan Independence Movement (SSIM), Costello Garang Ring Lual, on Jan. 25, in Germany, and presented the same day to the Washington, D.C., forum on Africa sponsored by the FDR-PAC. It is entitled, "The Position of SSIM and the Other Southern Charter Signatories Concerning the Ongoing Events in Southern Blue Nile and Eastern Sudan."

By signing the Political Charter with the GOS (Government of Sudan) on the 10th of April 1996, the SSIM and its other Southern allies made their position crystal clear on how to solve the South-North conflict. A high-ranking SSIM delegation, headed by Secretary for External Affairs Costello Garang Ring Lual, toured the U.S.A. from the 20th of June to the 20th of August, followed by the European countries listed below, to explain the position of the Southern Charter's signatories.

The delegation visited Norway, France, Belgium, Hol-

land, Italy, Switzerland, and Germany; and thereafter, two leading members of the Movement, Joseph Malual Dong and Dr. Stephen Abraham Yar, who accompanied the Secretary for External Affairs on his visit to the U.S.A., proceeded to Great Britain to present the position of the Southern Charter's signatories to the British government.

Our position, which we still hold, was that:

1. We were willing to take the opportunity of a negotiated peace settlement. We were not going to engage in speculations regarding the intentions [of the GOS] as the good or bad will of GOS would be proved at the roundtable. The Charter, for SSIM and its other Southern signatories which we represented, is like going to marriage where one does not ask whether it is going to work or not, but one goes into it with all optimism and intention to make it work.

2. The ruling Islamic-oriented politicians in Khartoum are realistic and intelligent enough to acknowledge the fact that Sudan is multiracial, multi-ethnic, multicultural, and multireligious. No pure "Islamic theocratic political system," as feared by the West, could be established all over the country, under such circumstances with large, non-Islamic groups in the South and elsewhere also aspiring for their own cultural and religious identities. Our cooperation with the current GOS would give the ruling groups a sense of security and would, in the long run, also dilute some of the current ideological outlooks, which are considered by the West and the South alike as "Islamic fundamentalist." The right of self-determination for the People of South Sudan is the price we demanded, and are going to get, for the ongoing cooperation. If the ruling Islamic-orientated groups reneged on it—we don't believe they would—we will stop all sorts of cooperation.

3. For the SSIM-SSIA and its allies, the oppositional northern political parties in the NDA [National Democratic Alliance] are not a better alternative to the current GOS, as far as the South is concerned, for several obvious reasons:

a) The Umma Party and the DUP [Democratic Unionist Party] are like the NIF [National Islamic Front] Islamic parties which intend to create an Islamic state in Sudan. They have for several years ruled the country and were not able to solve the ongoing conflict.

b) It was the former Prime Minister and Umma leader Sadiq al-Mahdi who introduced the arming of northern tribes during the time of his premiership in order to use them against the SPLM/SPLA. Robbery became the order of the day and the South was devastated as a result of the Umma-DUP Southern policies.

c) The fact that the SSIM-SSIA was rejected for NDA membership and the very fact that the northern oppositional parties were collaborating with a bloody Southern dictator, namely, the SPLM-SPLA leader, Dr. John Garang, shows that these parties are for sure no more democratic than those ruling in Khartoum, as the NDA tends to openly claim.

4. The SSIM-SSIA would see to it that there is linkage

between the solution of Southern Sudanese problems and those of the neighboring countries and will address Egyptian fears concerning the flow of the Nile water, which is, after all, not used in Southern Sudan for irrigation, since the South enjoys enough rainfall.

5. The U.S.A. and its Western allies should encourage reconciliation of Southern rebel groups and abstain from endorsing the SPLM-SPLA as the "main resistance" movement. The SPLM-SPLA leader was portrayed by the delegation as a bloody dictator who has misused Southern Nationalism for personal ends. No Southern Sudanese is fighting for the creation of what the SPLM-SPLA leader terms "democratic, secular, and united New Sudan." If the current conflict could be solved peacefully and through a negotiated settlement, there is no need, from a Southern viewpoint, for the continuation of war, even if the whole country is temporarily being ruled by an Islamic political grouping.

6. To underline the fact that the SPLM-SPLA leader is a dictator with no respect for even the lives of the people he claims to be fighting to liberate, a list of leading Southern politicians who were extrajudicially murdered in cold blood by the SPLM-SPLA was handed over to the personalities met by the delegation during the visits. Documented on the list are, for example, the names of the following Southern leaders who were either first detained and then murdered by the SPLM-SPLA security agents, or just shot in cold blood:

1) Joseph Odubo, 2) Martin Magier Gai, 3) Martin Makur Aleyou, 4) Martin Kogiburo, 5) Joseph Malanth, 6) Benjamin Bol Akok, 7) James Gatwec, 8) John Jok Gai, 9) James Gaijiath Thoat, 10) Dol Manguok Jr., and many more.

From the above-mentioned point of view, the SSIM-SSIA and its Southern Charter Allies categorically condemn the ongoing so-called "NDA Offensive" in the Southern Blue Nile and eastern Sudan, because the only visible, logical aim behind it is denying a chance to the Peace Charter and, hence, denying a peaceful solution of the North-South conflict. The situation is being intentionally complicated by making out of the North-South political and social conflict an ideological, anti-Islamic war, but at the same time, the SPLM/SPLA leader, well known for his opportunistic tendencies, is allying himself with the traditional northern Islamic parties, which he termed in 1983 the "enemies of the People." Garang stated that the objection of his "revolution" was to "free the Sudanese masses" from the domination of the Mahdi and Mirghani family, whom he, together with those in Khartoum and Gezira, termed "the ruling clique." Whether in Southern Blue Nile, Nuba Mountains, eastern or southern Sudan, it is the Southern and the Nuba youth who are being used as cannon-fodder by the NDA. The traditional Islamic leaders in the Umma Party and the DUP are not, and would never be, willing to send their daughters and sons to go and struggle, fight, and die for the "freedom and democracy" they emptily and loudly claim to be striding forward toward.

'Deal with Sudan based on equity'

Massachusetts State Representative Ben Swan, a Democrat from the Springfield area, was interviewed in November 1996, by Debra Hanania Freeman, concerning his visit to Sudan as part of a fact-finding delegation with the Schiller Institute.

EIR: From Sept. 13-23, you had the opportunity to do something that most elected officials in America have not done—travel to the Republic of Sudan.

Swan: That is true. It was a very interesting trip, very educational; it was my first trip to the continent of Africa. I had an opportunity to go on a fact-finding tour—a fact-finding mission—to look at some things very specifically. I was familiar with charges that have been made against the Republic of Sudan, charges alleging certain activities on the part of the Sudanese government, and I had read a story about the practice of slavery. I read stories about genocide existing—being practiced, in essence, as an official governmental policy by the central government.

We were greeted warmly by government officials, and by non-government officials—by everyone that we encountered. I was most impressed by the fact that we were told, clearly and specifically, by representatives of the government, that we would not be restricted, in terms of our contact. We stayed in a commercial hotel staffed by general workers. We were told, specifically, that we would be free to visit any parts of the country under the control of the central government. The only part of the country in which they could not guarantee our safety, was that part under rebel control.

EIR: These are virtually war zones?

Swan: Right. But, anywhere else in the country that we thought we might want to visit, or that we had the time to visit, the transportation would be arranged; and, we were free to speak with people from any segment of the population: people on the street; people in any facets of the society; people in social service agencies; people in various religious groups.

On the second day we were there, we had an opportunity to make two visits to a church. We visited one church that was Episcopal—I have to get these churches correct, now—where there was a service in the Arabic language, and then we visited one where the service was in English.

We were told that we could visit any church, or talk to any minister. We did have a chance, on our second day, to talk to parishioners of one church, where people at the service

were told the reason for our being there, and that we would be present if they wanted to talk to us. There were people who talked to us who were not in synch with the central government, who voiced concerns about some things. When I asked three gentlemen who were speaking to me directly about some of the allegations, they had a position on this. When I asked them, where they had gotten their information from, they explained that, hadn't I read the *Baltimore Sun*?

EIR: Oh, come on—this is in Khartoum? It's incredible, you know, people in Khartoum who allege slavery in their nation based on reading a Baltimore newspaper.

Did you have any indication that Christians were, for instance, discriminated against in public office? Are they able to run for office if they want to?

Swan: I had a chance to meet some members of the central government assembly who were Christians. We met with members of the state councils (which are the equivalent of our state legislatures). We met with different members of the national assembly (which is like our Congress). We met with the head of what would be the equivalent of the Justice Department. And, we had a chance to ask questions, to ask probing questions, to seek answers, and to seek other sources for the same information. So, and, in fact, in most cases, the individuals whom we met with, gave us other individuals whom we could use to cross-check the information given to us.

I asked for, and received, a copy of their proposed system, the document under which they are organized in the National Assembly. They don't call it "affirmative action," but it amounts to affirmative action. It's a 400-person assembly, and they have 125 seats that are not elected in direct elections, but as representatives from certain segments of the population. That is to assure that women are included, in the event that they don't get elected in direct elections. And it's also to make sure that different religions are represented. There were women playing major roles wherever we went.

Outside of the formal meetings that we held, a lot of the informal activities that we were involved in, where you could strike up a conversation—like chance meetings with people in the lobby of the hotel, or somewhere in the street, as we were walking or going different places—I didn't get the impression that people were living in fear.

It is my understanding that—and, in fact, I saw a little bit of this in the 1960's when I was involved in the civil rights movement, working in certain parts of the United States: There were certain people in certain communities who were a little bit leary about talking to strangers. But I didn't get any of this [in Sudan].

EIR: You were in the city, in the nation's capital, and I want to talk about whether there was evidence of slavery *there*. But you also did something that no one has done before, which was to take a rather rugged journey into the Nuba Mountains.

Swan: We actually took *two* rugged journeys. We visited the



Massachusetts State Representative Ben Swan, speaking at an FDR-PAC policy forum on Africa in Washington, D.C. on Nov. 16, 1996. Swan visited the city of Kadugli, in the Nuba Mountains, during a fact-finding mission to Sudan sponsored by the Schiller Institute in September 1996.

Gezira Scheme, and getting there was not a simple matter. We didn't just take a plane and fly in and fly out: We drove there, and we drove over local highways, and local roads, and we had a chance to spend time with people there—women, men, and children. We visited people at work in the fields; we gained an understanding of the citizens' participation in that process. We had an understanding of who was involved, and there were both Christians and Muslims involved there.

EIR: Just for the benefit of our readers, the Gezira Scheme is actually the largest agricultural complex in the world that functions under one centralized management. And, I understand, that it produces about 60% of the food for all of Sudan, which actually has achieved food self-sufficiency. One thing that is very striking about the whole Gezira Scheme, is that—here you have a nation, a very young nation, not a nation without problems but a nation with a certain amount of internal strife, which does appear to be provoked by outside forces. Yet, despite all of that, they managed to maintain their concentration on infrastructure, on providing fresh water, on attaining food self-sufficiency.

One would think, that, given the general problems of agricultural production, people would be *looking* to this country, right? Here's an African country with a significant population, which is able not only to feed itself, but to export food. But, somehow it doesn't seem that these are aspects of life in this young republic that are brought to people's attention.

Swan: Well, I really wouldn't have known it, had I not vis-

ited the country. And, so, I assume that others, who have not visited, don't know about this.

EIR: Certainly, they don't know it. Now, before you headed out for the Nuba Mountains—when you were in Khartoum, did you see any evidence, in Khartoum itself, of people who were, who could be considered slaves? Or, indentured servants? For example, among the people who served you at various meetings, or in the hotel. Did these appear to be paid employees? Because I would assume that there are two places where slaves, if there were slaves, would be employed: either as hotel help or domestic help, or in the Gezira Scheme, where there is a large agricultural operation.

Swan: In the farms where we went, we were taken on a tour to show us what they were doing. We had been provided with literature and had seen a film, and we had discussed the idea of it. Incidentally, women *were* in those meetings. We were even shown plots that were like what you could call, in some sense, "sharecropping"—in other words, individual families or individuals, who were allocated land that they could farm, with technical assistance from the managers of the scheme. It was kind of a cooperative farming: They could handle it all by themselves, or they could allow it to be processed in collaboration with the total scheme.

EIR: So they're essentially like tenant farmers?

Swan: In essence, right. And, so, we saw that, and then we saw people working in their fields. They have a choice, of growing what they want to grow. Then—

EIR: So, they weren't slaves.

Swan: They weren't slaves. The people in the hotel weren't. I had no evidence, none whatsoever, to suggest that they were working against their will. When you say slaves, I assume this means people who would not want to do what they're doing, that it's against their will, that they have no other option.

I saw poverty. I'm not sure that I saw any more poverty than that you normally see in a city that size, but I did see poverty. I saw some infrastructure that had not been developed to the extent that it is in Washington, D.C., or some other American cities. But, I saw great potential. I saw great willingness on the part of many people in public life to make things better. I saw people crying out to be allowed to develop their economy, to be listened to, to explain the great potential they have for providing food for the rest of Africa—including all of Sudan and the rest of Africa; because, they recognize the wealth, the potential resource in fertile land and water. Because it is a fertile valley. It reminds you of the Mississippi Valley—Arkansas, Mississippi, Tennessee, Louisiana, and other places that are a part of the Mississippi Valley.

EIR: I think it's clear that Sudan is not a nation without problems, but, do you, as an elected official, a government

official from the United States, do you think that Sudan is in any way a threat to the United States?

Swan: No. I can in no way sufficiently explain, or convince you that there's no way that I can consider Sudan a threat to the United States—or, for that matter, to any part of the Western world.

EIR: Was it your impression, that the people of Sudan, and the government of Sudan—and, if your view is that each has a different view, feel free to say so—but, was it your view that they were desirous of cooperation with the United States?

Swan: We were told continuously, by people who were in official capacities, about development opportunities, investment opportunities. Sudan, being the nation with the largest land-mass of any country in Africa, has a lot of land. In terms of agriculture, you can grow almost any crop, literally, somewhere in Sudan—from those that grow in tropical climates, to those that grow in the mountain plains, such as tea—any crop.

We didn't go all over Sudan, but we know that the southern area is tropical rain forest. And we know that you have the Nile, not only the White Nile, but the Blue Nile, that allows for irrigation. And we know that they have developed an irrigation system, in parts of the country, that is based on gravity; and, this lessens the susceptibility to drought that exists in much of Africa. We know that Sudan has a potential of feeding the entire continent, if the agricultural potential is developed.

We know that there's a great willingness to cooperate with other parts of the world, specifically the United States. I, as an American, was treated like I was at home. A lot of the people we met, had travelled in the United States. Many of them went to school here.

And, they know about our Constitution. They can talk to you more intelligently about our Constitution than a lot of Americans can—even a lot of Americans in public life. And, in fact, they have taken some of our notions. And, I don't know if this can be underscored sufficiently: They do not have parties. Now, we know that there are African nations and Asian nations and other nations, Western even; Caribbean, Central and South American, that have operated on a one-party system, and some with multiple parties. But, Sudan's system speaks against party politics. And, I am convinced that they are proper in doing so. Their notion is, that if you're going to have party politics, that's when religion will become more significant in terms of national politics. Because the parties are going to have divisions based on religious or ethnic lines. And then you're going to have the *head* of the tribe, or the *head* of the religious group, running the government.

I've seen that happen in other countries, and it only has created confusion and division.

EIR: One of the things that I understand about the nation of Sudan is that, while she is a nation of many ethnic groups,

and of people who speak many different languages, that the people really do consider themselves as Sudanese.

Swan: That's true.

EIR: It must be very frustrating for the British?

Swan: I came out of a culture that was not too different, I mean, that was not far removed, from Africa. And, my father was born to a person, my grandfather, who was born into slavery in the United States of America. And, so, in my early childhood, a lot of the learning, in many ways, was directly African in nature. One of the things that taught me, is to look at your world, look at your surroundings, and try to understand them based on your own logic.

If you look at Sudan, its location in the world, its location on the continent of Africa, its location in proximity to the rest of Africa, to the Nile. The Nile, historically has been the milk for the bread-basket for the world, which was the lower Nile Valley.

If you look at that and if you take the whole globe, and you do a similar thing—and if you say that there are people somewhere in the world, on a global scale, who want to control the world, or to manipulate the world, where would their points of concern, or points of interest be?

If left alone, if Sudan is able to avoid external manipulations, I think that Sudan will offer an exemplar for the world. This is a country where the central government allowed a delegation from one of its states to go to another country, in the interests of attempting to negotiate a peace in the conflict in southern Sudan.

EIR: What would your recommendations be, not only to the Congressional Black Caucus, but to other committees of the U.S. Congress? I would think that there are things there to be learned by the Agricultural Committee, by the Commerce Committee. Would you encourage your fellow elected officials, to visit this nation? And, do you think they'd be welcome?

Swan: I *know* that they would be welcomed, and I would encourage them to visit this nation. I will do everything within my power, to convince the Massachusetts delegation—which has no member in the Congressional Black Caucus—to attempt to deal with Sudan, in a very practical manner, based on equity: Deal with the country as an *equal*. Don't just accept what you've heard, but deal with the country based on *our* reality. I think that the way the United States *can* deal with Sudan, might offer a model for the United States to deal with all the continent of Africa, and, maybe, a lot of the rest of the world.

One of the things that we have to stop doing, is going along with programs that allow for destabilization, that allow for food to be used as a weapon. We have to stop that: That's inhuman to do that. That *is* genocidal; and, if I can do nothing else but to speak out in that fashion, that is what I gained from that trip to Sudan.

50,000 Belgians march against plant closings and for social justice

by Dean Andromidas

More than 50,000 people marched through the small Belgian town of Tubise, on Feb. 2, protesting the planned closing of the town's steel mill. Dubbed the "Multi-Colored March," the demonstration notably received full support from the organizers of last October's "White March," which drew 350,000 participants in the streets of Brussels to protest government foot-dragging in the investigation of a pedophile-murder ring. The support for an "economic" protest from the parents of the child murder victims of pedophile Marc Dutroux, was the first, clearly successful, effort to broaden traditional trade union actions and unite the fight for economic and social justice.

The Tubise demonstration occurs in the context of a crescendo of European mass strikes, in response to escalating unemployment, austerity measures, and other catastrophic effects of the radical free market reforms now being implemented in western Europe, under the mandate of the European Union's Maastricht criteria, and in eastern Europe, under the "reform" dictates of the International Monetary Fund. In the same week, railway workers in the Czech Republic, the IMF's model East European free market economy, staged a walkout over plans to lay off more than 40,000. Health care and auto workers joined the walkout.

In Greece, heavily indebted farmers staged demonstrations demanding government debt relief. Greek truckers also staged strikes over wage and other issues. Dairy farmers in Italy, protesting low quotas dictated by the EU, have been conducting road blocks and other actions. France and Germany are also experiencing sporadic industrial strikes.

Deindustrialization imposed by Maastricht

The demonstration in Tubise was called to protest the planned closure of the Forges de Clabecq, one of the few remaining steel mills still operating in Belgium. The steel mill is based in the French-speaking province of Wallonia, which has traditionally been one of the leading steel-producing and heavy industry regions of Europe. In the 1970s, under the Davignon Plan—named for European Commission chairman Count Etienne Davignon—the region was deindustrialized, its steel mills dismantled and sold to China and other Asian countries.

Former steel barons are now among Europe's leading

speculators. A notable case is Albert Frère, a former steel baron based in Charleroi, who profited tremendously by the closure and sale of the steel industry. He is now chairman of Banques Bruxelles Lambert, the second largest bank in Belgium, and one of the most notorious speculators in European finance. Frère also owns one of Europe's largest media groups, including a large holding in Europe's first private television station, Radio Television Luxembourg.

With more than 30% unemployment, the region has the one of the highest jobless rates in Europe, and if the Forges de Clabecq factory closes, another 1,800 jobs will be lost. The major business in the region now is illegal drugs, which have flooded the area, and organized crime, generating an atmosphere of hopelessness and despair.

The shutdown of the steel plant is a supranational decision. The Belgian government was prepared to organize a \$49 million restructuring plan for the Forges de Clabecq factory, and a Belgian court had ruled that the factory, which is 51% owned by the provincial government of Wallonia, could not be closed. But the European Union, under the new powers conveyed by the Maastricht Treaty, ruled that the factory had to go.

The final decision that forced the closure was made by European Commission member Karel van Meirt, commissioner for competition. Van Meirt is a member of the Belgian Socialist Party, and happens to be one of the only party leaders who managed not to be hit with the many corruption scandals that have plagued the party.

Building a movement for economic justice

The Tubise demonstration represents an emerging broad-based movement which sees itself as a moral and political opposition to the radical free market policies. The demonstration was initiated by the factory council of the FGTB trade union, under the leadership of Roberto D'Orazio, the union's local president. The union is linked to the Belgian Socialist Party. Starting last December, without the help or approval of the national union or Socialist Party leadership, local union members travelled to other factories throughout the region, organizing support for the action. Then, just days before the scheduled demonstration, the parents of two of the children killed by pedophile Marc Dutroux, threw their support behind

the demonstration.

It must be remembered that the Dutroux case, which broke last August, has been the worst scandal in Belgian history, and has had a profound effect on the Belgian population (see *EIR*, Sept. 27 and Nov. 1, 1996). The case involved the sexual abuse and murder of four children, kidnapped by a pedophile ring led by one Marc Dutroux. Prosecution of the case revealed deep-rooted corruption that is believed to reach up to the highest levels of government and the political and economic elites, and extending beyond tiny Belgium's borders.

More than 150,000 people attended the funerals for the murdered girls. In September, Belgium's Foreign Minister Erick Deruecke shocked participants at a Stockholm conference on child sex exploitation by holding "ultra-liberal free-market economics" responsible for commercial child sex abuse, including the Dutroux pedophile murders. "It's the extreme consequence of an ultra-liberal economic world order, where even children can be bought and sold on the free market," he told the World Conference Against the Commercial Sexual Exploitation of Children.

Then, last October, in one of the largest demonstrations in Belgium's history, 350,000 people went into the streets of Brussels to protest the removal from the case of investigative judge Jean-Marc Connerotte. Connerotte had gained wide popularity, after having tracked down Dutroux and put him behind bars, along with several of his ring, including a former government minister, Alain Van der Biest. Then, at the request of Dutroux's attorneys, Belgium's highest court ordered him removed from the investigation, after ruling that his attendance at a fundraising dinner held by the victims' parents represented a failure on his part to remain impartial.

Within hours, the protests began, culminating with the "White March" in Brussels, so named because demonstrators wore white and carried white balloons to commemorate the victims' purity and innocence. The Brussels march sparked the spontaneous formation of "White Committees" throughout the country.

'Stop thinking we can't change the world'

In a remarkable interview in the Jan. 31 issue of *Le Soir*, Belgium's largest daily, Gino and Carin Russo, whose daughter Melissa was among the pedophile ring's victims, gave their support to the Tubise demonstration. Gino Russo is himself a steel worker, at another factory, and holds a position in the union factory council. In motivating his appeal, Russo called on the population "to stop being reasonable," stating that the struggle for employment and economic justice was part of the same fight for justice for the murdered children,

Gino Russo told *Le Soir*: "We fought like crazy, like utopians, against injustice, for our children, against accepting unemployment as inevitable. These three themes are now taken up in the 'march for jobs.' "

Carin Russo joined in: "During our daily struggle, we came to realize that the value of human beings and priority

for children were zero, compared to the weight of the institutions. In Clabecq, human considerations come only after economic rationales. . . . We have to begin by changing mentalities, priorities, and values. A minority of people place the value of money above everything else. The majority now gives more importance to the value of the human being. On this basis, we can rethink the rules of the world. At least I hope so."

Gino continued, "Both fights run up against the wall of fatalism. Political or economic decision-makers condition us into accepting this idea that it is inevitable. In order to cancel jobs, they go on and on about the rules of competition. When we were trying to find our children, they would always hide behind the secrecy of the judicial inquiry."

We are "trying to create a much greater solidarity, among families, workers, students, associations," he added. "To get things moving, you have to bring together all those of good will."

Although the national trade union leadership has yet to support the Tubise demonstrations, Gino Russo warned against "waiting for the results of the catastrophe before acting. . . . [The] political world lacks will power and the sense of responsibility. It gives in to the financiers. Money is what made Julie and Melissa die. Money kills employment. Economic or financial thinking disregards the value of human beings, without the slightest qualm. One thousand or 10,000 people are only a number. Jobs in families are done away with without taking into account their dramatic situation. The economy doesn't care about the social situation. A social Europe does not exist. In the value hierarchy, the social does not rate any higher than the child in our justice system."

Calling on Belgians to act as true citizens, Carin Russo said that if the people "want to prepare the future for their children, parents have to take the responsibility to wake up and become citizens, who want to make themselves heard. It is not enough to be shocked by the pictures, to cry in front of the TV, to talk to one's neighbor. We have to act. . . . To get involved in politics, means to give life to the society. . . . We must not be afraid."

"Don't make a speech in the corner café about how 'they're all rotten,' " her husband added. "Get involved in your destiny, in the life of the city."

The Russos concluded by encouraging people to become more like children: "To understand how everything is linked together, you have to ask the right questions. Look for the causes of serious injustice. Stop being reasonable. Stop thinking we can't change the world. . . . We have to become once again like children, who are always asking questions. Don't just accept. Of course, faced with the world economy, people feel very small in their Belgian village. But we can no longer accept being a pawn on a chessboard."

Whatever happens to the steel plant, a movement of a new kind has been created in Belgium, in which citizens are fighting to change the moral parameters of policy-making.

Albanians say 'No' to IMF's 'model pupil'

by Konstantin George

For three days, on Jan. 24-26, citizens of Albania rampaged through in towns and cities across the country, to protest the loss of all their savings and other possessions, in the collapse of Albania's investment funds that had been peddling get-rich-quick pyramid schemes. According to official Albanian estimates, one out of every three Albanian families lost all their savings, with the total amount lost topping at least \$1 billion. The government was forced to deploy Army special units in the capital, Tirana, and other cities, and through these emergency measures, plus promises to compensate victims of the swindle, order has since been restored. Whether that calm will survive even February, is questionable, given the magnitude of the personal catastrophe that has struck such a high percentage of Europe's most impoverished population.

The rage over that level of personal catastrophe was reflected in the rioting and burning that occurred. In Tirana and many other towns, city halls and other government buildings were burnt down, as well as, invariably, the local building of the ruling Democratic Party. In the central town of Lushnja, the country's only oil refinery was destroyed by rioters. Albania's Foreign Minister Tritan Shehu, who went to Lushnja to try and pacify the rioters, was himself injured by a flying stone, held captive five hours, and almost lynched. The regime's complicity in the flourishing of the pyramid scheme funds created a situation in which Albania fell just short of plunging into uncontrollable anarchy.

Not the first time

The existence of such pyramid schemes, which are a looting mechanism against the population in addition to the official looting carried out by regimes on behalf of International Monetary Fund (IMF) austerity policies, is not unique to Albania in post-communist eastern Europe and the former Soviet Union. What makes Albania unique is the unusually high percentage of the population devastated by the funds' collapse in January. The true numbers of those affected is higher than the official estimate. In reality, no less than seven out of ten Albanian families lost either part or all of their savings.

The pattern of the boom and inevitable bust of these funds in the former East bloc, is always the same. In Russia, there

was the notorious 1994 collapse of the MMM Fund, the largest such case, which had looted the savings of several million Russians; and, more recently, the case of the "Caritas" Fund in Romania, in which 4 million Romanians lost over \$1 billion. Similar cases have been documented in the Czech Republic and Serbia.

The way a pyramid scheme functions is simple. A group from the East's new ruling class of *nouveau riche* and ex-communist *nomenklatura*-types turned "capitalists," set up a fund, promising a return of 30% to 100% a month on the money invested, after a certain amount of time has elapsed, to anyone who invests in it. In the opening phase, the fund's controllers indeed pay out such huge returns to insiders and, most important, to ordinary people who invest in the first round, in as many towns and cities as possible. These ordinary people, the "winners," in turn, have friends and neighbors, who now look on with envy as to how easily their friend,

IMF told Berisha, 'Do not intervene'

In an interview with the Feb. 5 issue of France's daily *Le Figaro*, Albanian President Sali Berisha was asked about the role of the International Monetary Fund in the Populli credit institution scam. Populli was one of the first two such institutions to collapse, looting Albanian depositors of an estimated \$1 billion in savings. "Repeatedly," *Le Figaro* asked, "the International Monetary Fund had warned you about companies that practiced usurious interest rates, up to 100% per month. Why didn't you do anything about it?" To which Berisha responded: "You don't have to exaggerate! The IMF did not raise the question until this year. They said to us: 'Don't stop them, it is a private matter. But inform the public about the danger these funds represent.' In agreement with the IMF, we decided then to create a Transparency Commission; then we condemned these practices. What more could we do? According to our laws, the right to lend is inalienable and these practices were not illegal." He added that the Albanian institutions were not involved in these "private" transactions.

Berisha dismissed the devastation, saying: "It was a lesson. It is a perverse effect of our freedom, which however, is not being put in question, because what is being lost is not comparable to what Albanians have gained over the last four years." He added, "Don't forget, in 1990, Albania knew nothing about market economy. The country was completely isolated for half a century."

neighbor, or co-worker has become rich, while they are still poor. Under conditions where honest work, thanks to IMF policies, either doesn't exist, or where wages are not paid for many months, and there is no end in sight to poverty, the temptation to join the seemingly assured get-rich-quick bandwagon, becomes almost unstoppable.

At this point, the flow of money from citizens into these funds takes on mass dimensions; the fund managers take another huge cut for themselves from the new monies, and increase the amounts paid out to the next round of winners. This, then, conveys the intended image that the funds are growing and are tangibly benefitting more and more people. At this point, even the original skeptics are convinced of the soundness of the fund, and more money pours in. However, the amounts paid out, first and foremost to the owners and insiders, including those in the regime whose palms are greased to ensure that there is no interference with the scam, become ever-larger. It is only a matter of time, usually months, before what is being paid out hopelessly exceeds whatever is coming in. The inevitable result is collapse, and millions of suckers are left out in the cold.

Lost to the 'casino mondiale'

Are these pyramid schemes "rogue" operations? Not at all. The money from millions of poor eastern Europeans is

taken in by these funds in the form of dollars, or, if in domestic currency, quickly converted into hard currency. This hard currency, minus the amounts paid out to keep the suckers coming in, does not remain in the eastern European country. It goes, as do many such liquidity streams, out of eastern Europe and the former Soviet Union, into the West, to help feed the big bubble in the global financial markets.

As every case in eastern Europe shows, pyramid schemes are part and parcel of IMF strategy. The case of Albania exemplifies this. When the pyramid schemes were set up and flourishing in 1995-96, the IMF was hailing Albania as its "model pupil." A quote from the Jan. 29, 1997 London *Financial Times*, written after the funds collapsed, enshrines this: "Albania had been seen as one of the success stories of transition in eastern Europe, and as a model pupil of the IMF, by embracing privatization and achieving the highest rate of economic growth and the lowest level of inflation in the region."

This IMF propaganda is pure fraud. For example, the large amounts of savings suckered into the pyramid schemes, as a rule, do not come from work-earnings intrinsic to the internal Albanian economy, which, broadly speaking, does not exist. The gang that rules Albania, starting with its President, Sali Berisha, came to power because of a backlash against the nightmarish regime of Enver Hoxha. In 1990-92, that rage was deliberately allowed to run rampant, where the people, already in desperate straits, were told, "Communism and the system of state enterprises and state farms is gone; it all belongs to you." A period of looting and pillaging swept the country, stripping everything of value movable, from the state industrial enterprises and state farms. That ended anything industrial in Albania's economy, and turned the country into a subsistence economy. To this day, the abandoned and gutted hulks of factories and state farms dot the Albanian landscape, from one end of the country to the other.

Albania, a country of 3.3 million people, has only survived through the 1990s so far, on account of the remittances of roughly three-quarters of a million Albanian foreign workers and emigrés, which is about half the labor force. The lion's share of them, some 400,000, work in Greece; the rest are divided primarily between Italy and Germany, along with a large emigration to the United States. The families who received these remittances provided the bulk of the monies that flowed into the pyramid schemes. So much for the IMF's "model pupil."

President Sali Berisha is a perfect example of the former *nomenklatura* Communist (he had been the personal physician to the late Stalinist dictator, Hoxha) who turns into an IMF comprador and hypocritical "democrat." His international connections, as the local overseer of IMF looting, are impeccable. This centers on a close relationship with former U.S. President George Bush. Berisha bears the dubious honor of being the only head of state anywhere to have given his nation's highest award, the Skanderbeg Medal, to George

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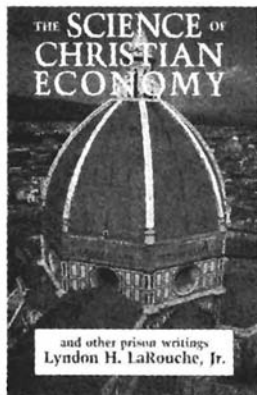
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Bush, after Bush had left office.

The Western media have defended the IMF, by citing its urgent warnings to Albania, issued in November, that the funds were soon to go bankrupt. The IMF's concern, however, was not the people of Albania, but the continued stability of its "model pupil," the Berisha regime.

Is a Pinochet model coming?

Everything will be done to keep Berisha in power, including making Albania the candidate to abandon the facade of democracy and become the first outright dictatorial "Pinochet model" in eastern Europe. Albanian government denials to the contrary, a virtually indefinite "state of emergency" already exists in the country. The presence of Army units in Tirana, guarding all important government buildings, the State TV and Radio Center, and other important installations, and a similar presence in every major city, has become a new fact of life in the country.

The process toward the "Pinochet model" was already clearly in evidence in the massive vote fraud in the May 1996 elections, in which Berisha's Democratic Party won more than two-thirds of the seats in the new Parliament, allowing him at any time to legally convert Albania into an open dictatorship. A step in that direction was visible in the Jan. 29 roundup of opposition Socialist Party figures, who were accused of having instigated and led the riots.

In the protest wave that swept Albania, Socialist Party leaders had addressed the rallies, demanding that the government resign, followed by early elections. The Socialist Party had vowed to emulate the tactics seen in Serbia and Bulgaria, of staging daily protests in the capital until those in power relented, and agreed to the opposition's demands.

The Berisha regime has decided to try and nip this process in the bud. A full-scale crackdown began on Jan. 29, after a three-day, around-the-clock barrage by State TV and Radio, accusing the ex-communist Socialist Party of using agents of the former communist secret police, the Sigurimi; of leading the riots and of arson; and charging the other opposition parties with involvement. The general secretary of the Socialist Party, Rexhep Meidani, and the leaders of the Social Democratic Party, Gjinushi Skender, and the Democratic Alliance, Arben Imami, were arrested. Dozens of Socialist Party officials and hundreds of those involved in the protests were also imprisoned. President Berisha issued a statement blaming "activists and regional leaders of the Socialist Party," working together with former Sigurimi members, for the "acts of violence" during the protests "They lost the elections, and have now chosen the path of burning and destroying," he said. Berisha declared that the opposition as a whole, the Socialist Party, and the "Sigurimi agents," were engaged in "attempting a coup."

The real coup being attempted is that of the IMF, using the Berisha regime to initiate the process of bringing the IMF's "Pinochet model" to eastern Europe.

Peru's Fujimori gamers support vs. terrorists

by Valerie Rush

Peru's President Alberto Fujimori is back in Peru, after a Jan. 31-Feb. 4 trip, first to Canada and then to Washington, D.C., where he met with the Japanese and U.S. heads of government. In his meetings, Fujimori assured them that he would not yield to the blackmail demands of the MRTA terrorists, who are holding 72 high-level government and business leaders hostage at the residence of the Japanese ambassador in Lima.

In a joint statement issued Feb. 1 by Japanese Prime Minister Ryutaro Hashimoto and by Peru's Fujimori, the two agreed that there could be no concessions to the terrorists. The statement specified that "Prime Minister Hashimoto supported President Fujimori in his rejection of the MRTA's demand for the release of the MRTA terrorists currently in incarceration." Fujimori later clarified that release of the imprisoned terrorists "would not only threaten Peru, but the international community as well. We shall not release such people."

Fujimori also reiterated his earlier pledge to seek a peaceful solution to the hostage crisis, as long as the hostages were unharmed.

Fujimori had convened the meeting with Hashimoto, following the Japanese government's publicly expressed nervousness over the hard line he has taken in dealing with the MRTA. Without apologies, Fujimori was apparently able to convince the Japanese prime minister that international solidarity, not concessions, was the only way to defeat the terrorist hydra.

Continued strong support from President Clinton was undoubtedly a critical factor on Fujimori's side. The Peruvian President's visit to Washington, following the Canada summit meeting, was to express gratitude to the U.S. government for that support. Despite the fact that President Clinton had apparently been urged by some advisers to not meet with Fujimori, supposedly for fear of possible terrorist reprisals, a meeting between the heads of state did in fact take place at the White House, where Clinton did not hesitate to express his admiration and respect for Fujimori's deft handling of the crisis.

'The MRTA are terrorists'

One of the repeated themes of Fujimori's visit was his emphasis that the MRTA are neither "rebels" nor "guerrillas,"

as the international media has persisted in portraying them, but rather “delinquents, criminals, kidnappers, terrorists. Any number of adjectives describes these terrorists. We have to tell the world what they are. There are no guerrillas in Peru. These are terrorists.”

He ridiculed the MRTA’s demand for improved prison conditions in Peru, a demand which has been defended by the likes of Cable News Network and other establishment news media. During his conference at the National Press Club in Washington, Fujimori reminded the press that before he cracked down on terrorism in 1992, “Our prisons were under the total control of MRTA and Shining Path. There was no state authority inside the prisons. We have completely changed the situation. We have built 23 new prisons with an investment of \$100 million, which is a big amount for Peru. And we have improved the prisoners’ conditions. . . . Now, of course, as we are a poor country, we didn’t have the economic ability to give them tools, machines, and so on. First, we will give these to the schools. There are some priorities in my country. I insist that first our children will have these kinds of things.”

Fujimori added, “We will not return control of the prisons to the terrorists, and that is why they are complaining. By the way, regarding prison conditions, do you remember the MRTA’s so-called ‘people’s prisons’ [for kidnap victims]? They were underground, five meters below the surface, a very narrow cell with just a two-inch-diameter tube for ventilation. . . . By comparison, our prisons are in fact almost palaces.” Asked to comment about the prison conditions of U.S. citizen Lori Berenson, who is serving 25-30 years in a Peruvian jail after being caught red-handed supplying the MRTA with weapons and plans for a terrorist siege of the Peruvian Congress, Fujimori commented, “She is in Llanomayo prison, which is not so bad. Of course, it’s in high altitudes, above 3,900 meters. But the department of Puno is the most populated part in all Peru. There are almost 1 million people living there.”

Pro-terrorist NGOs

Throughout the hostage crisis, which began Dec. 17 of last year, the Fujimori government has been subjected to tremendous pressure, both from leading international media and from a variety of “non-governmental organizations” (NGOs), to yield to MRTA demands, supposedly to prevent bloodshed and “achieve peace.” Some NGOs, such as the George Soros-funded Human Rights Watch and London’s Amnesty International, have repeatedly chosen to present the terrorists as “political prisoners” and human rights “victims,” while portraying the Peruvian government as a dictatorship, and the Armed Forces as assassins. The years of drug trafficking, bombings, assassinations, and kidnappings by the terrorists are conveniently ignored.

Other NGOs, such as the International Red Cross, have used their “neutral” or “humanitarian” cover to openly aid



Peru’s President Alberto Fujimori is dealing firmly with the MRTA, despite international media support for these British-sponsored terrorists. Here, Fujimori in Washington on Feb. 3.

and abet the MRTA terrorists, serving as their protectors, their couriers, and their mouthpieces throughout the hostage crisis.

During Fujimori’s National Press Club conference, a reporter for *EIR* raised the question of interference in Peru’s handling of the crisis by the NGOs, “such as Soros’s Human Rights Watch. Also, more recently, the Red Cross. There is also the issue of several fugitive terrorists, such as [Shining Path’s Maximiliano] Durán in Paris, and [Adolfo] Olaechea in London, whose extradition your government has sought, or at least that their activities be curtailed.”

Fujimori’s reaction: “The question is very interesting. That’s why I insist that this journalist also ask his question in English.” Implying that his government shared the assessment of foreign involvement implicit in the reporter’s question, Fujimori joked, “If he weren’t a well-known journalist, you might have thought he was a member of [Peru’s] National Intelligence Services.” Fujimori went on to say Peru was no longer interested in the extradition of Durán and Olaechea. “If there are other terrorists in other countries, fine. Stay there; don’t send them to Peru.”

On the day prior to Fujimori’s departure for Canada and the United States, *EIR* gave a press conference in Lima to release its new Spanish-language security memo, “British Indigenism Spawns the MRTA and Shining Path.” And on Jan. 31, *EIR* presented a strategic assessment of the hostage crisis to a select audience, including representatives and directors of national institutions, security agencies, Congressional advisers, the Congressional defense commission, and the Office of the President.

German Social Dems help drug mafia

by Christian Huth

The following commentary appeared in the German news-weekly Neue Solidarität.

There's just no way the German federal state could be run with the Social Democratic Party at the helm. The SPD minority grouping in the federal parliament, under the leadership of Rudolf Scharping, has now gone so far as to act as the direct mouthpiece for the drug-trafficking lobby. The fruit of their labors is a "Draft Law to Modify the Statute Concerning Trafficking in Narcotics (Narcotics Law)," which the SPD had proposed back in December 1996. The only thing that this law would achieve, would be to make it easier to consume and deal in illegal drugs, while the street market for narcotics, long illegal, would become decriminalized, since precisely that is the main thrust of the proposed changes. Their push for the bill's adoption was kicked off by their declaration that, "up to now, the federal government's drug policy has been a failure"—an assertion which we have been hearing oft repeated, mantra-like, by all the advocates of drug legalization for years. "Repression," the SPD claims, does not help at all in stemming the flood of drugs into the country.

It is, admittedly, true, that the German federal government's drug policy leaves itself open to criticism: Chancellor Helmut Kohl's Christian Democratic government can hardly be said to be pursuing a serious anti-drug strategy, and indeed, it is allowing the financial laws that were tailored precisely to target drug money-laundering, to expire, and is even openly seeking a dialog with the drug cartels, as in the case of Ibero-American drug cartel go-between Werner Mauss. So, there is plenty of fuel available to completely cook the goose of Kohl and his people. But, instead of jumping at that opportunity to once again become Germany's governing party, the SPD, which still erroneously considers itself to be a party of the people, is shuffling off along the path to the stinking cesspools of the 1968 radical swamp, whose aroma they ridiculously construe as leading them to their political nirvana.

The SPD proposal contains everything near and dear to a drug dealer's heart. Should this law really be enacted, the following would occur:

- Free dispensing of heroin by the state (as is now the practice in Switzerland) would be allowed.
- The provision of addicts with synthetic addiction-

maintenance substances (i.e., methadone) would be made easier.

- It would no longer be a crime to publicly promote drug consumption.
- The establishment of "shooting galleries" for uninterrupted drug use would be permitted.
- Possession of a week's average supply of all drugs would be permitted.
- Dealing drugs in small quantities (street dealers) would be tolerated, as long as it be for the purpose of financing one's own personal habit.
- Drug procurement crimes (robbery, theft, burglary, fencing) would be tolerated.

And, all this in the name of legal transparency and legal safeguards! That, at any rate, is how the SPD justifies its proposals "for such a finely differentiated drug policy."

The exact text of the SPD-backed legislation reads as follows: "No penalty remains in effect for persons who cultivate, produce, import, export, transport, acquire, or otherwise obtain or possess narcotics in small quantities for their personal consumption." Furthermore, public prosecutors shall be permitted to forgo criminal prosecution, when the perpetrator "engages in dealing for the purpose of financing his or her immediate personal consumption."

If the perpetrator has committed the punishable offense because of their addiction, if he has not been previously sentenced to more than two years imprisonment, and if the drug-dependent person has already declared his or her willingness to participate in therapy or a methadone (or heroin, etc.) addiction-maintenance program, then the prosecutor's office may forgo execution of the sentence. This refers to many types of criminal acts in the area of so-called drug-procurement crimes, including, for example, larcenies, through which addicts finance their need for drugs.

Konstantin Wecker, the cocaine-snorting pop singer friend of SPD leader Rudolf Scharping, will most likely be one of the beneficiaries of the new regulations. But the ramifications go far beyond that, because it ultimately means that all drug-related crimes would be tolerated, since addiction-withdrawal therapy would not be required as an alternative to a jail term—as is the case, for example, in Sweden. Instead, the SPD would be satisfied with "a partially stationary, or ambulatory therapy, or a substitute-drug maintenance treatment," which could mean just about anything, but which certainly does not mean withdrawal therapy with the aim of fully curing the addict of his drug dependency.

Overall, the proposed legislation is written in the spirit of living "pragmatically" with the fact of drug consumption. This is the ghost of the dope pushers, a ghost which has been haunting the SPD's house for quite some time now. Within the draft law, nothing whatsoever is put forward which would contribute to controlling crime, nor anything capable of providing an effective and dignified cure to those persons debilitated by drug addiction.

Concentration of forces?

In accordance with the proverb: "The floodwaters won't rise so much, if we don't build our dams too high," the bill speaks about an ostensible "strengthening of the police" as a result of the legalization of street dealing. It is pure hypocrisy, when the SPD parliamentary group bluntly claims, without any expert testimony to back it up, that "repression has to be directed against the organized drug criminality. Drug trafficking must be massively combatted." (Just as George Bush did, perhaps?) "Relieving criminal prosecuting authorities from the responsibility of prosecuting small drug-abuse offenders will make it easier for them to concentrate their forces on the fight against drug trafficking."

This naive argumentation is also being energetically promoted among police circles. Since, for decades, the police have been hamstrung from waging an effective fight against the "organized narcotics criminals," because effective investigations, for example, against the drug-money-laundering operations, are deemed undesirable for political reasons, most of the police have understandably become so frustrated, that they are now ready to swallow such arguments, even though it gives them a mighty upset stomach.

Meanwhile, others, such as Hamburg's new police chief Ernst Uhlrau, are openly embracing the drug lobby's arguments. Late last year, Uhlrau spoke in favor of the state freely dispensing heroin, ostensibly in order to spoil business for the mafia. SPD member Uhlrau said that the free dispensing of heroin "could result in a significant weakening of the international drug dealers, provided that it is practiced Europe-wide." But he doesn't really believe what he is saying, because, after all, for many years he ran the Hamburg office of the German federal intelligence agency, the Bundesnachrichtendienst, and no doubt had access to background information on which circles and financial institutions were known to be profiting from the criminal drug activity and its enormous financial gain.

The next step the drug apologists in the SPD will take, will be to push for government dispensing of free heroin, as has already been proposed for the city of Frankfurt am Main. The SPD group's document even comes out proposing: "The possibilities must be explored for learning from the practical experience that has been gained from the free dispensing of heroin in the United Kingdom of Great Britain, and in Switzerland, and applying this in the Federal Republic of Germany."

So, the Swiss drug policy is to be taken as a model? Here the SPD has obviously received some very poor advice indeed. In the first place, the so-called "drug experiments" in Switzerland are running into increasingly stiff resistance from the citizenry, and, second, little Switzerland has around 400 drug-overdose deaths each year in its 6.7 million population—more than twice as many deaths per capita as in the Germany.

The Swiss heroin experiments, which, naturally, were marketed as scientific studies, but which yielded no new scientific knowledge whatsoever, were likewise justified on the basis of an alleged failure of current anti-drug policy. But, by

no stretch of the imagination can one possibly speak here about some "failure" of the drug prohibition laws. After all, nobody would even dream of entertaining the idea of legally permitting people to operate motor vehicles while under the influence of alcohol, simply because they repeatedly disregarded the law, killing, maiming, and endangering themselves as well as others.

The drug legalizers, and their comrades in the SPD federal parliamentary group, many of whom are old 1968 leftist radicals, are going for far-reaching social changes—changes which are irreconcilable with the image of man held by the framers of Germany's constitution. The SPD today is blocking any real progress, just as it is doing in fusion energy, aviation, and space travel, as well as in the case of the Transrapid maglev project, against which the SPD-led government of Schleswig-Holstein is so strenuously complaining—the same government which, under Heide Simonis, also wants hashish to be sold at the corner drug store.

Established power structures and dependencies are now emblazoned upon the pennants held high by the comrades from the SPD. And that is precisely what such a drug law would achieve—in the field of drug criminality.

[Editor's note: Subsequent to the writing of this article, the SPD, in response to a wave of revulsion, changed its proposal, making it apply only to users of "soft," but not "hard" narcotics.]

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High Court pushes 'land rights'

The Dec. 23, 1996 "Wik decision" turns the continent over to the British Crown's mineral cartels.

In September 1996, the armies of Uganda, Rwanda, and Burundi invaded eastern Zaire. Four months later, on Dec. 23, Australia's High Court issued its "Wik" decision, named after an aboriginal tribe in northern Australia, which stated that vast swaths of the continent could be claimed under the notion of "aboriginal land rights." Both events were directed by the British Crown's Privy Council. Although the means used in the two cases are slightly different, the intended ends are identical: in the face of looming financial collapse, to secure for Crown-controlled multinationals such as Anglo American Corp. and Rio Tinto Zinc (RTZ), some of the richest mineral deposits on earth.

The High Court's decision has caused pandemonium in rural Australia, particularly in Queensland and Western Australia. In the latter state, which is one-third the area of the entire United States, 74% of the state is *already* under "aboriginal land claims." In Queensland, federal Member of Parliament Bob Katter told the Brisbane *Courier-Mail* on Dec. 27, that a "racial powderkeg" was being created, and that unless the problem were "sorted out soon," the state's \$2.3 billion cattle industry would be decimated.

The Wik case followed the 1992 High Court "Mabo decision," which for the first time established the notion of "aboriginal land rights." But, until the Wik decision, it had been assumed that only vacant Crown land, as opposed to privately owned or leased land, was affected. Now, anything may be claimed.

The "aboriginal land rights"-environmentalist movement in Australia

was established by Prince Philip, personally, during a 1963 visit, when he set up the Australian Conservation Foundation (ACF), a subsidiary of his World Wildlife Fund. A series of articles in 1995 in the *New Citizen*, the newspaper of Lyndon LaRouche's Australian co-thinkers in the Citizens Electoral Council (CEC), showed how an unholy trinity of the ACF, the Privy Council-controlled High Court, and Australia's (usually British-owned) major mining companies have made use of land rights and environmentalism to destroy Australian sovereignty.

The founding chairman of the ACF, for example, was Sir Garfield Barwick, the Chief Justice of the High Court, and a member of Her Majesty's Privy Council. In 1971, Barwick called for the ACF to become much more radical. Not wishing to appear "biased," because he was still the Chief Justice, he asked Prince Philip to replace him as ACF boss. The royal consort took over this job from 1971 to 1976, and then turned the post over to the man universally known as "the father of aboriginal land rights," H.C. "Nugget" Coombs, who had been for decades the chairman of Australia's Reserve Bank. And, in 1975, when then-Prime Minister Gough Whitlam proposed to "buy back the farm," to repurchase Australian sovereignty over its vast mineral wealth, Barwick, on behalf of Queen Elizabeth, directed Governor General John Kerr to dismiss Whitlam.

Meanwhile, the chairman of the ACF's "Benefactors Committee," i.e., its chief fundraiser, was Sir Maurice Mawby, Commander of the British

Empire, the founding chairman of Conzinc Riotinto Australia (CRA), a subsidiary of the world's largest mining company, Rio Tinto Zinc, one of whose largest stockholders is the Queen. Already by 1994, some 32% of Australia was locked up under Aboriginal ownership or in vast "conservation preserves," modelled on Africa's game parks.

As a "solution" to the mayhem unleashed by the Wik decision, the ACF and its raw materials cronies are now pushing "regional agreements." As applied in Canada, where they were first developed, such agreements carve out vast pockets of self-ruling land, such as the indigenous Inuit "nation," Nunavut, which covers one-third of Canada, and sits astride some extraordinarily rich mineral deposits. In the course of selling its Century Zinc mine in Queensland, perhaps the richest such mine in the world, RTZ-CRA is pioneering one of the first major regional agreements in Australia. Instead of taking the Queensland state government's offer to pass legislation to ensure that Century Zinc can in fact be mined in the face of "land rights" claims, RTZ-CRA is going the "regional agreement" route.

On Jan. 24, the ACF's executive director, Jim Downey, called for Century Zinc-style regional agreements to be negotiated all over Australia, like the one the ACF itself negotiated in northern Queensland with the aboriginal Cape York Land Council. That council's key adviser is Noel Pearson, an aboriginal regional agreement activist who recently joined the Melbourne law firm of Arnold Bloch Leibler, taxation specialists to many of Australia's largest companies. Pearson's call to make the RTZ-CRA plan the "model" for all Australia has now been endorsed by Cheryl Kernot, the leader of Australia's third largest political party, the Democrats.

International Intelligence

Bosnian Presidency invites pope to visit

On Jan. 25, an official meeting was held in Sarajevo between President Alija Izetbegovic and the Papal Nuncio to Bosnia-Herzegovina, Archbishop Francesco Monterisi, to prepare for the visit of Pope John Paul II to Sarajevo, expected to take place on April 12-13. The invitation to the pope was extended last November by the country's collective Presidency, comprised of Muslim, Croatian, and Serbian members. Izetbegovic had always supported a papal visit as a way of reinforcing the country's multicultural tradition.

In September 1994, John Paul had to cancel a trip to Sarajevo when the British-dominated UN forces went along with threats by the Karadzic Serbs who were laying siege to Sarajevo, and said that Unprofor was not in a position to guarantee the "safety" of the pope.

Club of Life intervenes vs. euthanasia in Europe

Club of Life representatives Jutta Dinkermann and Dr. Wolfgang Lillge argued on behalf of a petition to a European Parliament committee in Brussels, attacking the attempts by the European Commission to kill off coma patients under the so-called "Bio-med program." The petition by the Club of Life, founded in 1982 by Helga Zepf LaRouche, had first been presented in 1995.

Dinkermann's statement blasted the arguments on behalf of "patients' rights to autonomy" and similar drivel, as a thin cover for medical budget-balancing, by denying life-giving care to the chronically ill.

"In this regard," she said, "the austerity criteria of the Maastricht Treaty play a decisive role in pushing through such policies.

"In the midst of such cost-cutting mania and austerity measures in the medical sector, the bioethicists with their so-called 'purely objective utilitarian criteria' are being boosted. Their utilitarian ethics would decide which human lives are supposedly no

longer worth living. . . .

"We wish to point out that the Statutes of the Nuremberg Trials (1945-49) against leading Nazis do not define 'crimes against humanity' as being solely war crimes or genocide. It was also explicitly stressed for future generations that homicide by 'providing insufficient hospital and medical care' is also a 'crime against humanity.' These statutes represent current law in force and also apply to every politician who enforces an austerity policy which, foreseeably, seriously endangers the lives and health of his fellow citizens."

Ramsey Clark: End deadly sanctions against Iraq

Former U.S. Attorney General Ramsey Clark renewed calls for an end to the UN Security Council's sanctions against Iraq, in a statement released on Dec. 28 by the International Commission of Inquiry on Economic Sanctions, of which he is co-president. In his statement, Clark described the sanctions as "genocide" and "crimes against humanity."

Clark's statement, sent to *EIR* by the Iraqi Embassy in Australia, was accompanied by a cover letter that documented the soaring mortality rates among Iraqis under age 5 and over 50, directly attributable to sanctions. In December 1989, the numbers of deaths from diarrhea, pneumonia, and malnutrition among children under five were 101, 117, and 81, respectively. In December 1996, those figures had ballooned to: diarrhea, 1,176; pneumonia, 2,173; and malnutrition, 2,458, representing effective increases in the mortality rate in those categories of over ten times, 17 times, and 29 times, respectively. Similarly, deaths among those over 50 in 1989 due to hypertension (82 deaths), diabetes (90 deaths), and malignant neoplasms (347 deaths), increased to 461, 346, and 1519, respectively, in 1996.

In his statement, Ramsey Clark said, "The victims are overwhelmingly infants, children, the elderly, and the chronically ill, the very segments of society every civilized people try hardest to protect."

Jesuit calls for Mexico to legalize prostitution

David Fernández, S.J., called for Mexico to legalize prostitution in a Jan. 22 article in *El Universal*. Only a month earlier, the Jesuit had penned a slander in *Reforma* magazine against the Ibero-American Solidarity Movement (MSIA) and its leader Marivilia Carrasco, charging that the MSIA was behind death threats to himself and his Agustín Pro Juárez Human Rights Center. Fernández is also the recipient of an award from Human Rights Watch/Americas, a terrorist-apologist gang, which got its seed money from drug legalization moneybags George Soros.

In *El Universal*, Fernández notes how pleased he is that the Mexico City Human Rights Commission recommended that "the practice of prostitution be legally regulated." Of special importance, Fernández states, is the proposal to "curb the abuses of whorehouse owners, which affect the rights of citizens and 'sex workers.'" However, he adds, "We oppose the idea of establishing a health ID card, because . . . if the proposal were to include the results of HIV tests, this would constitute a violation of the voluntary nature of this test, as established in Mexican law."

Mulroney gets apology, but criminal probe goes on

Canada's government announced on Jan. 6 an interim legal settlement with former Prime Minister Brian Mulroney, who is being investigated on charges of having taken a \$5-million bribe from Airbus to sell planes to Air Canada, then still government-owned, in 1988. Mulroney is a close political partner of George Bush, and derives a large proportion of his income as Bush's underling at the Barrick Gold Corporation.

Mulroney sued the Canadian Justice Department and the Royal Canadian Mounted Police for libel, to try to derail the investigation. The government has now agreed to pay his legal expenses and apologize, but not to

stop the investigation. When Canadian police had first begun probing the alleged bribe in 1989, Mulroney was prime minister; the probe was cancelled.

But, in 1995, with Mulroney now a private citizen, the Canadian Justice Department sent a letter to Swiss authorities, asking them to freeze three bank accounts in which it believed Mulroney had stashed his loot from the Airbus sale. The confidential letter stated that the matter concerned criminal actions by a former prime minister, in "an ongoing scheme . . . to defraud the Canadian government." The letter was leaked to the Hollinger Corp.'s *Financial Post*, whereupon Mulroney sued the government, on the grounds that the government should have known it would be leaked, and that it would damage his reputation. The settlement notwithstanding, government lawyers have intimated that "the Mulroney camp" leaked the letter.

U.K. to launch theater laser-based ABM system

Great Britain may begin developing an anti-ballistic missile (ABM) defense system, using high-powered lasers aboard modified Boeing 747s, pending cabinet approval of the Ministry of Defense proposal. According to Martin Walker, Washington correspondent for the London *Guardian*, "Although the possibility of defending Britain against missile attack is still being considered, the immediate purpose of the ABM system is to protect British troops deployed overseas in regions like the [Persian] Gulf, where a missile threat is seen as more immediate." In this design, Britain will not be developing its own system, but is planning to "buy in" components from the United States, "and cooperate with other NATO allies in developing a 'theater defense' system." Walker, citing U.S. *Defense News* as his source, continues: "The airborne lasers, designed to shoot down incoming missiles in flight, would be just part of a complex anti-ballistic missile system, which would include early warning satellites and shipborne interceptor missiles."

Judging from Walker's report, the idea behind the defense system is coherent with former U.S. Defense Secretary "Sir" Caspar Weinberger's doomsday novel *The Next War*. Walker reports: "Britain and other European countries are watching closely, the prospect of 'rogue regimes' obtaining missiles which could hit Europe. With countries like India and China, as well as North Korea, developing advanced missile technology, and Russia increasingly willing to sell its own technology, the Ministry of Defense study estimates Britain could be at theoretical risk by 2006."

Chechnya elections surrounded by tension

On Jan. 23, Russian Foreign Minister Yevgeni Primakov criticized the Organization for Security and Cooperation in Europe, for granting \$600,000 to the Chechen Electoral Commission for the Jan. 27 Presidential and parliamentary elections. Russian law prohibits foreign funding of elections. The OSCE mission chief in Chechnya, Tim Guldimmann, replied that the contributions were reviewed with Security Council Secretary Rybkin and other Russian officials. At his Jan. 22 press conference, Security Council Deputy Secretary Boris Berezovsky said that anyone "who opposes Guldimmann is an enemy of the peace process."

The situation throughout southern Russia is tense, since Chechen authorities limited the vote to within Chechnya's borders. There are 300,000 refugees from Chechnya, most of them ethnic Russians, living in the southern provinces of Stavropol and Krasnodar (the centers of Cossack activity), and in other north Caucasus republics. Moscow authorities may challenge the elections because of the refugees' exclusion.

On the same day, the Federation Council voted 103-3 to demand that President Boris Yeltsin fire Berezovsky, after he had gone on ORT TV (which he owns), telling the Terek Cossacks in southern Russia that he backed their demands for arms, against possible attacks by Chechen bands.

GEORGE SOROS'S Open Society Foundation paid \$500,000 in back taxes to Croatia, one month after the Croatian branch was charged with tax evasion and other crimes. Belying its "open society" name, the foundation had been keeping a separate set of books from the ones it opened up to authorities.

THE MOUNTAIN GORILLAS in Virunga National Park in Zaire are "enjoying a break from poaching and habitat destruction with the departure of Zairean soldiers and hundreds of thousands of Rwandan refugees, conservationists say," according to a "human interest" dispatch from a British news outlet on Jan. 13. The park is now occupied by Laurent "Hitler" Kabila's mercenary Rwandan and Ugandan troops.

SERBIA'S OPPOSITION was invited to Paris by Foreign Minister Hervé de Charette in early February, which he characterized as "equivalent to French government recognition of the leaders of the opposition coalition Zajedno ['Together']." He added a warning to "Serbian authorities against a violent drift which can only lead to catastrophe for the country."

SWISS ATTORNEY Hans Kopp, has lost his license to practice in both Zurich and his hometown of Lucerne. Kopp received a one-year suspended sentence in 1991, for his active role in the fraudulent 1982 liquidation of Trans-KB, a firm that played a murky role on the Swiss end of George Bush's dirty international weapons-for-drugs deals.

MICHAEL HESELTINE, Britain's deputy prime minister, would not rule out the possibility that Prime Minister John Major could call general elections for March. Heseltine told the *Irish Times* on Feb. 3, that a March polling date was "an option," rather than the elections now expected to take place in May.

Kennedy-Daschle agenda limps along, one year later

by Jeffrey Steinberg

On Feb. 8, 1996, one year ago, Sen. Edward Kennedy (D-Mass.) delivered a speech at the Center for National Policy in Washington, D.C. in which he warned that the United States economy was entering a "Quiet Depression," that would only be reversed when the federal government adopted the kind of economic policies last seen during the Presidency of his late brother, John F. Kennedy. One week later, Senate Minority Leader Tom Daschle (D-S.D.) revealed that he was directing a "high-wage task force" studying specific legislative initiatives to reverse the growing "income gap" between America's wealthiest 10% and the vast majority of working citizens.

Over the next several months, Senators Kennedy and Daschle were joined by other prominent congressional Democrats, including Rep. Dick Gephardt (Mo.), Sen. Jeff Bingaman (N.M.), Rep. David Obey (Wisc.), and Rep. David Bonior (Mich.), in pushing a series of legislative proposals to restructure corporate tax codes, wage and benefit programs, and worker education projects. On more than one occasion, Clinton administration Labor Secretary Robert Reich joined those Congressional Democrats in pushing this economic agenda, with the tacit backing of the President.

One such proposal, entitled "Scrambling to Pay the Bills: Building Allies for America's Working Families," presented on Feb. 28, 1996 by Senator Bingaman, directly assaulted the recent decades' free market mania: "There are those who will say . . . that higher economic growth is not possible, and that we must simply leave the 'invisible hand' alone to do what it will do. . . . We reject that view categorically. . . . We believe that stagnant wages are traceable partly to inadequate long-term investment. This view holds that long-run wage increases can only be based on improvements in labor productivity, which in turn depends on both the degree and direction of America's investment/capital allocation activity."

All of these proposals and studies mirrored the work of

another prominent Democrat, Lyndon LaRouche, who, in many written locations, including his 1992 Democratic Presidential campaign platform, spelled out a detailed blueprint for a U.S. and global economic recovery, based on a revival of American System policies, and a return to national banking. At the time of the Kennedy-Daschle initiatives, LaRouche characterized this policy initiative as the "battle for the soul of the Democratic Party."

Unfortunately, as the 1996 Presidential and Congressional elections took center stage, these ideas, rather than forming the backbone of the Democratic drive to defeat the GOP Conservative Revolution and take back control of the Congress, were muted.

Signs of life

Today, these ideas are still in place, but they remain in the background. The Democratic Party's agenda for the 105th Congress, like President Clinton's own agenda, spelled out in his inauguration speech on Jan. 20 and his Feb. 4 State of the Union address, are an ad hoc collection of measures, aimed at repairing some of the damage done by the President's disastrous Summer 1996 signing of the welfare reform bill, and his concessions to Republican budget-balancing fanaticism.

The spirit captured by Senator Kennedy, in his Feb. 8, 1996 speech, in which he proclaimed that "a rising tide must lift more boats," periodically bubbles to the surface, as it did on Jan. 9 of this year, when outgoing Labor Secretary Robert Reich delivered a speech to the Council on Excellence in Government, in which he described the growing income gap between the rich and the working majority as the "unfinished agenda." Reich invoked the American tradition of scientific and technological progress, telling the audience that "the remarkable thing about the first three decades after World War II, is that prosperity was widely shared. Most people in the

top fifth of the income ladder saw their real incomes double, and so did most people in the bottom fifth. Broadly shared prosperity—the assumption that we were all in this together—highlighted and fortified something about the character of America that was the envy of the rest of the world.” Reich highlighted three cornerstones of the American outlook during those postwar years: 1) the idea that, as corporations did better, their workers should share in the success through higher wages and better benefits; 2) social insurance against impoverishment; and, 3) the promise of good education. Reich concluded with a warning: “There should be no doubt that, unchecked, the disintegration of the social compact threatens the stability and the moral authority of this nation. It threatens to strip away much of what we love about America and render our country little more than an arid economic unit. And needlessly so. Because it is within our power to restore the culture of broadly-shared prosperity. But the bridge to America’s future must first traverse the chasm of inequality.”

On Jan. 21, during Senate Budget Committee hearings, Sen. Frank Lautenberg (D-N.J.) addressed Federal Reserve Board Chairman Alan Greenspan in similar terms: “Disturbing currents, I think, lie beneath this seemingly tranquil surface. . . . The benefits of this expansion are accruing primarily to those who are at the top of the income and economic ladder. And that development is very troubling to this senator and others.” Lautenberg urged the Congress to return to a policy of appropriate public investment. “Since the dawn of civilization, government has made crucial investments in infrastructure, communications, education, research, and these are essential not only to a prosperous economy, but to the advancement of a society as a whole. And these are some of the forces that draw us together as a nation and define us as a people, and I cannot see how our economy can grow in the long term if we cut investments in education and infrastructure.”

Historic irony

It is ironic that, at precisely the moment that Congressional Democrats and the Clinton administration have largely pulled back from their public advocacy of this vital economic policy agenda, the base of popular support for those ideas is growing—largely through the efforts of the LaRouche political movement, and the revitalized AFL-CIO, under its president, John Sweeney.

The convergence of these efforts has been most visible in Pennsylvania, where a recent AFL-CIO-organized rally drew together the largest number of people ever to gather at the steps of the State House in Harrisburg, to protest the murderous austerity policies of Gov. Tom Ridge. The LaRouche movement has been a driving force behind the campaign to impeach Ridge for his Nazi-like crimes against the poor and disadvantaged citizens of Pennsylvania, who have been cut off from health care in order to give the state treasury a surplus, that Ridge intends to use to grant tax breaks to the rich. On Jan. 29, Rep. Harold James, the chairman of the state

legislature’s Black Caucus, and two other state representatives held a press conference on two bills before the state legislature, one to reinstate the cutbacks in medical coverage, using the budget surplus, and another to impose a tax on stock transactions, that would generate billions of dollars in added revenue to create jobs and revitalize the state’s collapsing infrastructure. The first of these, sponsored by Rep. Jon Myers, has won the enthusiastic endorsement of leading state Democrats and the hierarchy of the state AFL-CIO, while support is also growing for the transaction tax.

In over a dozen other states, the combined forces of the LaRouche Democrats and the labor movement delivered stinging defeats to Gingrichite Republican Congressional candidates last November; over 20 other GOP freshmen barely won re-election, often by less than 1% of the vote. These efforts came within 100,000 votes nationally of giving the Democratic Party a majority in the House of Representatives once again—despite the concerted efforts of top officials of the Democratic National Committee to ensure that the GOP retained control of the Congress.

With mounting evidence that the final crash of the global financial and monetary system is just around the corner, there is no doubt that the already mounting support for some economic recovery plan like LaRouche’s American System revival, or the more tame Kennedy-Daschle-Bingaman initiatives of 1996, will grow by orders of magnitude.

Preparing for an ‘economic Pearl Harbor’

In a recent interview with Cable News Network concerning the Clinton administration’s 1995 emergency bailout of Mexico, Secretary of the Treasury Robert Rubin indicated that there is a recognition among some senior officials inside the Clinton administration, that a future crisis could require extraordinary executive actions. Rubin noted that, from the moment that the administration was made aware that the Mexican currency was in jeopardy, it took less than four hours to come up with the emergency bailout package, and put the plan into implementation. Rubin emphasized that it was the crisis circumstances that gave the President the leeway to act decisively. The fact that senior administration officials had thought about, and anticipated precisely such a crisis, made quick action possible. Rubin invoked President Franklin Delano Roosevelt as a leader who understood that great things could be accomplished under crisis conditions, that would have never been possible—given Congressional resistance—during tranquil times. Under national emergency, a President can do things that are “not politically feasible”; and, while it is unlikely that there will be another near-term military Pearl Harbor, an economic Pearl Harbor cannot be ruled out. Rubin stated that the circumstances of the 1940s are remarkably similar to the circumstances today. The key, he emphasized, is a team that is anticipating crises, and is prepared to put the frameworks in place—rapidly—to solve them.

Rubin’s words may prove to be more prescient than he himself ever imagined.

EIR's 'Eurasian Land-Bridge' report presented in Washington

by Nancy Spannaus

Representatives of 11 embassies from nations of Central and East Asia attended an in-depth seminar on *EIR*'s definitive *Special Report* on "The Eurasian Land-Bridge," in Washington, D.C., on Feb. 5. They, along with three dozen others, heard leading economist Lyndon LaRouche and Schiller Institute founder Helga Zepp LaRouche, present the case for the United States putting its support behind the global development project which China, Iran, and a dozen other nations are already implementing. While neither Capitol Hill, nor the administration, were officially represented, one can only hope that they rapidly get the message.

The presentation was made at the ninth in a series of policy forums by FDR-PAC, the political action committee which sponsored the seminar, along with *EIR* magazine. A two-hour videotape will be produced for sale by the PAC, and made available in two to three weeks. FDR-PAC, which the LaRouche wing of the Democratic Party founded in August 1996, is currently circulating hundreds of videotapes on vital policy issues among political activists in Washington, and around the country, in an explicit drive to set the agenda of the second Clinton administration.

After a short introduction by this author, Lyndon LaRouche made opening remarks, after which his wife gave a nearly two-hour lecture, which included many maps and illustrations. A short question-and-answer period followed.

Three requirements

The Eurasian Land-Bridge is one of three elements of policy upon which the future of civilization depends, LaRouche stated at the outset. The Land-Bridge has been adopted as policy by a large number of nations, led by China, and it is gaining support among such nations as Iran, India, Turkey, Georgia, and Armenia, Kazakhstan and Uzbekistan in Central Asia, the Foreign Ministry of Russia, and now even the French government. This mega-development project re-raises the questions which LaRouche himself put on the table back in 1983, with the Strategic Defense Initiative proposal, and with his proposals of 1988 and 1989-90. And this occurs within the context of an inevitable financial collapse, despite the facade of prosperity in certain areas.

The first requirement to save civilization, LaRouche said, is that a number of governments, emphatically including the United States, must establish a "New Bretton Woods" system,

which must include the best features of the pre-1966 fixed parity system. The second is to find a major series of large-scale infrastructure projects, because actual economic development requires such projects. The Eurasian Land-Bridge is the premier of these, he said, and derived from an idea first developed in the 19th century by Lincoln's economist Henry Carey, and then adopted by Germany, Russia, and Japan. The British responded with the reaction-formation that led to World War I.

The third requirement is a return to the Machine-Tool Principle, LaRouche said, which means sustaining a strategic machine-tool sector of the type identified with military industry.

LaRouche then introduced his wife, Helga, to present the history and concept of the Land-Bridge policy which she has been involved in developing, and promoting.

The development of the Land-Bridge plan

Mrs. LaRouche first discussed the Davos World Economic Forum, noting that the Chinese Land-Bridge perspective, as well as the perspective of imminent financial disaster, was a major topic of discussion there. She reviewed the pattern of European press warnings about the coming financial crash, underscoring the reality of the crisis which so many in the United States want to pretend is not happening.

She then reviewed the major global financial reorganization, and development, proposals which her husband Lyndon LaRouche had put forward from 1975 on, going from the International Development Bank proposal of 1975, to Operation Juarez of 1982, to the Pacific Basin program of 1983, to the Food for Peace and German reunification proposals of 1988, to the Productive Triangle of 1990, and, most recently, to the 1992 concept of the Eurasian infrastructure alliance.

The Chinese began to move against the *maquiladora*-style policy of Special Enterprise Zones, toward the Land-Bridge, around 1993. Their concept picked up from the work of Sun Yat-sen, and, as of 1994, *EIR* was already involved in conferences and discussions on the concept with the Chinese. Mrs. LaRouche cited the April 1996 conference in Beijing as a crucial turning point, where a commitment was adopted to ensure that countries were no longer deprived of economic development just because of their geographical position. Mrs. LaRouche herself participated in that conference, and much



EIR Founding editor Lyndon LaRouche (seated) and Helga Zepp LaRouche speaking at the press conference for the release of the EIR Special Report, "The Eurasian Land-Bridge: The 'New Silk Road'—Locomotive for Worldwide Economic Development," in Washington, D.C. on Feb. 5.

of the proceedings are included in *EIR's Special Report*.

Mrs. LaRouche reviewed many of the elements of the Chinese plan. Domestically, China plans to build 100 airports, 100 ports, 200 cities of 1 million people, and so forth. She continued by showing rail routes, describing the Three Gorges Dam project, and the port projects, including the massive Bohai region development plan, which encompasses 3,600 projects itself. One major result of the river projects will be to "let the Gobi Desert bloom," she said.

These Chinese coastal development projects will serve as a driver for development in the interior, she said. She showed many maps of rail development north and south, and the development corridors, which will include energy, optical fiber links, and transport. There are plans for rapid completion of an optical fiber cable from Frankfurt, Germany, to Shanghai.

She then moved to central Asia, under the heading of urging a change in U.S. policy toward Iran. Iran sees itself as a gate between North and South, and East and West. The Tennessee Valley Authority, which has consulted with the Chinese on their water projects, once had plans for water development in the Caspian Sea area, she noted. There has been, and should again be, a different U.S. perspective toward the area, since Iran is committed to development.

The Central Asia republics have no hope without joining the Silk Road plan, she argued, and she gave an overview of the devastation and potential in the area.

Development Corridors

Mrs. LaRouche went through some theoretical aspects of the Land-Bridge development plan. This included a direct attack on the prevalent environmentalist dicta on population and energy. Low population density is a negative for economic development, she said. It's necessary to have high population density, and high energy density. She further elaborated the way in which the development corridors work, as multipliers for development, rather than simply transmission belts from one place to another. She also pointed to some of the necessary technologies to do the job with maximum efficiency, especially the development of nuclear energy.

In conclusion, Mrs. LaRouche referenced the crises in Russia and Germany. Linking up with the Land-Bridge is the only hope for Russia, which is now being destroyed by the International Monetary Fund process, she said. She then issued an impassioned plea for saving Germany's machine-tool potential, as an indispensable contribution to this project.

The strategic consequences of not following the Land-Bridge policy were very briefly referenced, by way of the maps of Bosnia and Africa. Both of these regions could easily turn into conflagrations, she noted, unless the perspective of the Land-Bridge is adopted. Therefore, she urged, the United States must go back to the policies of Franklin Delano Roosevelt, policies of getting out of economic disaster through promoting large projects.

American Bar Association votes for moratorium on capital punishment

by Marianna Wertz

The American Bar Association, the nation's largest and most influential organization of lawyers, voted on Feb. 3 for a moratorium on executions in this country, saying that under current practice, they are administered through "a haphazard maze of unfair practices." A resolution calling for the moratorium was passed by the ABA's House of Delegates, representing the association's 370,000 members, on a 280 to 119 vote at the ABA's semi-annual convention in San Antonio.

The resolution calls for the moratorium to be effective "until jurisdictions implement policies to ensure that death penalty cases are administered fairly, impartially, and in accordance with due process, and minimize the risk that innocent persons may be executed." *EIR* Founding Editor Lyndon LaRouche welcomed the development, saying, "While not an adequate step back toward civilized justice in the U.S.A., it deserves vigorous support as far as it goes."

A heated debate

The issue was hotly debated before passage. Both ABA President Lee Cooper, of Birmingham, Alabama, and a spokesman for the Clinton administration, opposed the resolution. Cooper, a proponent of the death penalty, said he thought the resolution should have directly addressed the issue of capital punishment. "I took the position that we were voting up or down on the death penalty," Cooper said.

Outgoing Deputy Attorney General Jamie S. Gorelick also spoke against the resolution, noting that it could adversely affect pending cases involving domestic terrorism, including the Oklahoma City bombing case, in which the administration has reportedly decided to seek the death penalty. In fact, ever since Bill Clinton lost his first bid for reelection as governor of Arkansas, over the issue of his death-row clemency decisions during his first term, he has shunned the appearance of using the powers of executive clemency, both during his later incumbencies as Arkansas governor, and during his first term as President; Gorelick's intervention is coherent with this.

Resolution supporters obtained the endorsement of 20 of the 24 living former ABA presidents. Former ABA President John Curtin, a Boston lawyer, said there was an "appalling

risk" of executing innocent people. "Why should we be in front?" he asked. "Because it's the right thing to do."

As passed, the resolution does not take a position for or against capital punishment in most cases, although the association has opposed executions of mentally retarded persons and people who were 18 or younger when they committed their crimes. It also has long-standing policies supporting appointment of competent counsel; preserving, enhancing, and streamlining *habeas corpus* review, and eliminating discrimination in capital sentencing on the basis of the race of either the victim or the defendant. It is in these areas that the resolution urges each jurisdiction across the nation to examine its practices, to assure that people charged with capital crimes receive the due process protections.

The report accompanying the resolution particularly points to legislation passed by the 104th Congress in 1996, significantly curtailing the availability of federal *habeas corpus* to death row inmates, and withdrawing federal funding from the post-conviction defender organizations, in motivating the resolution. This legislation, the report states, has resulted in "a situation in which fundamental due process is now systematically lacking in capital cases."

The federal government and 38 states have capital punishment statutes. There are currently more than 3,000 men and women on death row nationwide.

Documentation

What follows is from the American Bar Association Section of Individual Rights and Responsibilities Section of Litigation resolution regarding capital punishment.

Recommendation

Resolved, That the American Bar Association calls upon each jurisdiction that imposes capital punishment not to carry out the death penalty until the jurisdiction implements poli-

cies and procedures that are consistent with the following long-standing American Bar Association policies intended to 1) ensure that death penalty cases are administered fairly and impartially, in accordance with due process, and 2) minimize the risk that innocent persons may be executed:

(i) Implementing ABA "Guidelines for the Appointment and Performance of Counsel in Death Penalty Cases" (adopted February 1989) and Association policies intended to encourage competency of counsel in capital cases (adopted February 1979, February 1988, February 1990, August 1996);

(ii) Preserving, enhancing, and streamlining state and federal courts' authority and responsibility to exercise independent judgment on the merits of constitutional claims in state post-conviction and federal *habeas corpus* proceedings (adopted August 1982, February 1990);

(iii) Striving to eliminate discrimination in capital sentencing on the basis of the race of either the victim or the defendant (adopted August 1988, August 1991); and

(iv) Preventing execution of mentally retarded persons (adopted February 1989) and persons who were under the age of 18 at the time of their offenses (adopted August 1983).

Further Resolved, That in adopting this recommendation, apart from existing Association policies relating to offenders who are mentally retarded or under the age of 18 at the time of the commission of the offenses, the Association takes no position on the death penalty.

Report

Introduction: The American Bar Association has adopted numerous policies bearing on the manner in which the death penalty should be applied in jurisdictions where it exists. These policies were adopted in view of the ABA's extensive experience with the administration of the death penalty and in light of several ABA-sponsored studies. The policies concern: 1) competent counsel in capital cases; 2) proper processes for adjudicating claims in capital cases (including the availability of federal *habeas corpus*; 3) racial discrimination in the administration of capital punishment; and 4) the execution of juveniles and mentally retarded persons.

The time has now come for the ABA to take additional decisive action with regard to capital punishment. Not only have the ABA's existing policies generally not been implemented, but also, and more critically, the federal and state governments have been moving in a direction contrary to these policies. The most recent and most dramatic moves, both strongly opposed by the ABA, have come in the form of laws enacted by Congress in 1996. Federal courts already are construing one law to significantly curtail the availability of federal *habeas corpus* to death row inmates, even when they have been convicted or sentenced to death as a result of serious, prejudicial constitutional violations. Another law completely withdraws federal funding from the post-convic-

tion defender organizations that have handled many post-conviction cases and that have mentored many other lawyers who have represented death row inmates in such proceedings.

These two recently enacted laws, together with other federal and state actions taken since the ABA adopted its policies on capital punishment, have resulted in a situation in which fundamental due process is now systematically lacking in capital cases. Accordingly, in order to effectuate its existing policies, the ABA should now call upon jurisdictions with capital punishment not to carry out the death penalty until these policies are implemented. Of course, individual lawyers differ in their views on the death penalty in principle and on its constitutionality. However, it should now be apparent to all of us in the profession that the administration of the death penalty has become so seriously flawed that capital punishment should not be implemented without adherence to the various applicable ABA policies.

Background: The backdrop for the Recommendation is the two decades of jurisprudence and legislation since the United States Supreme Court upheld new death penalty statutes in *Gregg v. Georgia*, after having invalidated earlier death penalty statutes in 1972 in *Furman v. Georgia*. In *Furman*, the Court believed that then-existing state statutes failed to properly balance the need to ensure overall consistency in capital sentencing with the need to ensure fairness in individual cases. Four years later, in *Gregg*, the Court concluded that new state statutes' special procedural requirements for capital prosecutions provided a means by which the states would achieve that balance.

However, two decades after *Gregg*, it is apparent that the efforts to forge a fair capital punishment jurisprudence have failed. Today, administration of the death penalty, far from being fair and consistent, is instead a haphazard maze of unfair practices with no internal consistency. To a substantial extent, this situation has developed because death penalty jurisdictions generally have failed to implement the types of policies called for by existing ABA policies. . . .

Unless existing ABA policies are now implemented, many more prisoners will be executed under circumstances that are inconsistent with the Supreme Court's mandate, articulated in *Furman* and *Gregg*, that the death penalty be fairly and justly administered. . . .

Conclusion: As former American Bar Association President John J. Curtin, Jr., told a congressional committee in 1991, "Whatever you think about the death penalty, a system that will take life must first give justice." . . .

[T]he Association has identified numerous, critical flaws in current practices. Those flaws have not been redressed; indeed, they have become more severe in recent years. . . . This situation requires the specific conclusion of the ABA that executions cease, unless and until greater fairness and due process prevail in death penalty implementation.

Emergency action needed to protect milk supply

Louisiana Commissioner of Agriculture Bobby Odom is leading a movement for emergency federal intervention to prevent the mass ruin of dairy farms, and protect the national milk supply. He was interviewed on Jan. 31, by Marcia Merry Baker.

EIR: What is your concern in calling for emergency economic measures?

Odom: I was talking to one of my dairy farmers last night. In December, he received \$17.40 [per cwt, or 100 pounds] for his milk. He got his check the day before yesterday, and it was \$11.50, or \$11.60 [per cwt]. They can't exist like that.

The concern here in Louisiana, and, as I understand, throughout the South, and maybe all over the country, as I talk to other commissioners, is that we are going to lose a lot of dairy farmers. The message that I'm trying to convey to the secretary [of agriculture, Dan Glickman], and to everybody else, is that, if they are really sincere in saving the true family farm—the dairy farmer is probably the truest family farm we have left, and so, I think that even though we may have not ever done something that way, if the legal authority is there, I think we have to do whatever it takes to be able to keep these people in business. And the thing, to me, that makes so much sense, is that it is going to save the consumer money in the long term.

EIR: There is propaganda that “global sourcing,” and huge, factory cow-herds, for example, some 15,000 cow herd on the U.S.-Mexican border, will supply all of consumers' needs.

Odom: No way. I've just looked at the list. I've got 26 states that [members of the National Association of State Agriculture Commissioners] have voted “Yes” on this [emergency action]. I've only got four states that have voted “No.”

EIR: Who would be opposing this emergency action?

Odom: Wisconsin, Minnesota. I don't really understand why they are opposing it. It's not going to hurt anybody. It just won't help all of their farmers as equally as it will everybody else. But it's going to help everybody in every state, some.

EIR: There are precedents for such action. There is the famous case of Wild Bill Langer, the governor of North Dakota,

who mandated a floor on the wheat price for farmers in his state in the 1920s.

Odom: All we did is look back in milk, but I know what you're talking about. The other thing that we're moving on in the Southern states—and it's not an immediate fix, it takes some time—but we're looking at each state in the southern area to pass enabling legislation to form a compact.

EIR: So you have two separate, related initiatives?

Odom: That's right. A compact can't help you right now. It's a year away—at least that. We're doing the coordination. We're mailing out. As a matter of fact, today we've had our attorneys meet with some other attorneys looking at the enabling legislation, to make sure that we get it as clean as possible. It's going out to every state; we put it in the mail today. We're trying to coordinate that effort to make sure that the other states go with that enabling legislation. It doesn't mean they have to be in it. But, at least they've got the enabling legislation in place if they make the decision that that's the direction they want to go. And we can get this accomplished.

EIR: While U.S. dairy farmers staged “milk strike” actions of various kinds last week, dairy farmers in Italy are protesting the European Union milk output quota system, under which farmers are being ruined by the levy of heavy fines for so-called “overproduction.” The beneficiary of these “food scarcity” policies ruining farmers, is Philip Morris (which owns Kraft), the largest food processor in the United States, and third largest in Europe.

Odom: The [dairy] market is controlled by four companies—Kraft, and others—the four majors.

EIR: Your initiative is based on the idea that there are state and national economic interests at stake.

Odom: We have unusual times in this situation. And that gives Secretary Glickman the clear authority, when you have unusual times, to declare the emergency. You go into each order [federal milk marketing order, based on regions]. You floor it [the farm milk price] at \$13.50 [per cwt]. That at least gives them a little breathing room to be able to, hopefully, see the market turn around by that time, and keep them in business. And that's our total goal.

EIR: You're talking about Glickman using his administrative powers under conditions of emergency?

Odom: That's exactly right. It's got to be called emergency action.

EIR: What's the situation in Louisiana?

Odom: We were at 1,000 dairy farmers in 1980, when I took office. We're at 580 now. In my opinion, if this continues for four months, we'll be 200 fewer than we are today. We're going to do everything we can to try to make this turn around.

Is the NSA riddled with Tofflerism?

by Edward Spannaus

It is well known that large chunks of U.S. military agencies are permeated with New Age kookery, and one of the worst cases would seem to be the National Security Agency—the U.S. military cryptological agency responsible for monitoring international telecommunications.

In a speech in Washington, D.C. on Jan. 16, Lt. Gen. Kenneth A. Minihan, the current director of the NSA who previously headed the Defense Intelligence Agency, opened his remarks with the New-Age comment: “We’re transitioning into a new century.” Minihan went on: “I like the way Alvin and Heidi Toffler talk about the future,” saying it’s appropriate to think about “those three waves.” Just as control of industrial technology was critical in the past, during these next two centuries, control of information technology will be critical, he emphasized.

The bulk of Minihan’s remarks, delivered to a meeting of the American Bar Association Standing Committee on Law and National Security, were about the “national security implications of America’s journey into cyberspace,” which he described as information defense. Since information is the lifeblood of our knowledge-based society, he said, we have to build up the immunity of the Information Infrastructure (the “II”) from attack. Otherwise, he warned, we cannot use the II with confidence.

Our strategic sanctuary is threatened, Minihan said, from foreign governments and hackers, cyber-criminals, and narco-traffickers—all of whom have the tools to disrupt our II. Conflict in the “Information Age” is very different and complex, he emphasized, noting that it is difficult to know if we are under attack, and by whom. America has the most to lose in information warfare, he said, because of our well-developed II.

Now, while there is a serious aspect to this subject—which has to do with the security of military command and control, and the growing dependence of the entire economy on telecommunications—this serious side of the issue is heavily interlarded with kookiness, especially in the Air Force and in the NSA. According to knowledgeable military sources, the Tofflers’ theories are a major component of the training curriculum at the NSA.

That the outlook of Alvin and Heidi Toffler might in any way influence the thinking of our national defense establish-

ment should send shivers up the spine of any right-thinking American, because the Tofflers are pledged to destroy what our Armed Forces are intended to defend and protect.

Throughout their writings, the Tofflers profess that industrial capitalism is the enemy, and the institutions of our society—from the nuclear family to constitutional government—are outmoded and need to be replaced. Don’t take our word for it; listen to the Tofflers themselves, writing in their 1994 book *Creating a New Civilization*:

“It has belatedly begun to dawn on people that industrial civilization is coming to an end.” The main conflict we face, they stress, is not between Islam and the West, as suggested by Samuel Huntington; nor is it the case that America is in decline, as Paul Kennedy declares, nor is it that we are at the “end of history” as Francis Fukuyama believes. The bitter struggle of today, the Tofflers instruct us, is the one now raging “between those who seek to preserve industrialism and those who seek to supplant it.”

Industrial capitalism called the enemy

The problem with existing political parties and institutions, we are told, is that they are all basically committed to preserving “the dying industrial order.” This includes a misguided and ill-fated commitment “to preserving the core institutions of industrial mass society,” among which the Tofflers include the nuclear family, mass public education, big corporations, big trade unions, and the nation-state.

But, many would protest: we can accept what the Tofflers say about “Information Age,” without buying into their more kooky side.

No such separation can be made. What attracts many military thinkers and others to the Tofflerian notion of “the three waves”—the explanation of post-industrial, “Information Age” society, is, per se, what makes them so dangerous.

“Information,” or the “Information Infrastructure,” can never replace our industrial infrastructure, at least not if we wish to survive as a nation. Unless the maxim that “an army travels on its belly” has been replaced by the idea that an army travels on its computers, a modern army still needs tanks, ships, planes, and armaments, not to mention warm clothes and boots and food. To use the analogy of business and industry, information-processing is nothing but overhead—a society can’t live in it, wear it, drive it, or eat it. As any competent industrial manager knows, if your administrative overhead overtakes your productive output, your firm is sunk. Information can never replace industry, nor can it replace the industrial depth which is the fundamental basis of any competent military establishment.

One could hope, as General Minihan indicated at one point while answering questions following his speech, that he was only focussing so much on information warfare and the Information Infrastructure, because almost everything else that NSA does is classified and cannot be discussed in a public forum.

Thompson moves ahead with probe of DNC

The Senate Governmental Affairs Committee voted 8-4 on Jan. 30, to request \$6.5 million to conduct an investigation of Democratic National Committee fundraising practices during the 1996 elections. The vote followed the rejection of a narrower probe proposed by committee Democrats that would cost \$1.8 million and expire at the end of the year.

During remarks on the Senate floor two days earlier, committee chairman Fred Thompson (R-Tenn.) went out of his way to assure members that his investigation would be as nonpartisan as possible. He said, "It is of extreme importance that our investigation and our hearings be perceived by the American people as being fair and even-handed." This means, he said, "letting the chips fall where they may." Thompson promised that the majority on the panel "will in no way limit the minority's rights to investigate any and all parties within the jurisdiction of the committee."

However, he admitted that a "significant portion" of his investigation will focus on the White House and the Executive branch, and he clearly put the onus on the Clinton administration to be cooperative. "The extent to which we can have a thorough, bipartisan investigation without many of the recriminations we have seen in the past is going to depend upon the attitude of those in the White House and the Executive branch."

Byron Dorgan (D-N.D.), also a member of the Governmental Affairs Committee, said that the way to deal with campaign finance irregularities is to give the Federal Election Commission "some teeth, and let them investigate." In a statement on the Senate

floor after the committee vote, he said, "The trail of trouble isn't just in the national committees . . . and there are problems in both national committees." In a not-so-veiled reference to the problems of House Speaker Newt Gingrich (R-Ga.), Dorgan said, "Let's investigate the growth of these 501(c)(3) [tax-exempt] organizations that some in politics have created to get tax-exempt money and use it in the political system. Let's follow that string wherever it leads." Dorgan added that there are plenty of questions of concern in that area that merit being addressed by investigators.

McCain offers permanent continuing resolution

On Jan. 29, Sen. John McCain (R-Ariz.) introduced a bill to put in place a statutory continuing resolution, a "safety net," that would only be triggered when the Congress fails to pass appropriations bills. The legislation, McCain said, "ensures that the government will not shut down and that government shutdowns cannot be used for political gain."

What McCain was referring to by "political gain," was the backlash House Speaker Newt Gingrich (R-Ga.) and the Conservative Revolution crowd suffered because of their kamikazi tactic of shutting down the Federal government in 1995, in an attempt to force President Clinton to accept their budget cuts.

McCain's bill sets the spending level as low as possible, in order to create "new incentive to actually pass the appropriations bills on time."

"Passage of this legislation," he said, "will guarantee that we are not

faced with a choice between a government shutdown and spending taxpayer dollars irresponsibly."

McCain described the budget process of the 104th Congress as a "fiasco," and tried to shift the blame for it as much as possible onto President Clinton and Congressional Democrats. "We were not prepared for him to use the budget process for his own political gains," he complained. He described the concessions made by the Republicans to reopen the government and finish the fiscal year 1997 appropriations process as "blackmail" by Clinton. "This year," he said, "we have to be prepared for these games and launch a preemptive strike to ensure that basic government operations will not be put at risk during the next budget battle."

Dorgan seeks to reopen last year's farm bill

In a speech on the floor of the Senate on Jan. 29, Byron Dorgan (D-N.D.) said that "the seven-year farm bill that was passed in the last session of Congress is an economic disaster in the making for rural America. All that needs to happen is for mother nature to bless us with abundant crops and farm prices will once again fall." He added that under the new law, "there is no safety net for our nation's farm and ranch families, who provide the economic base of rural America."

While Dorgan did not come right out and state that there is no free market in the agricultural sector, which was the premise of the 1996 farm bill, called the "Freedom to Farm Act," he attacked aspects of cartel control.

Dorgan attacked market concen-

tration in the cattle industry, pointing out that only four companies control 80% of steer and heifer slaughter. "This is an enormous economic bottleneck," he said. He called this concentration "a serious underlying disease in our livestock industry."

The solution which Dorgan supports for this problem, is embodied in a bill introduced by Senate Minority Leader Tom Daschle (D-S.D.) on Jan. 21. It would prohibit noncompetitive practices and require slaughterhouses to report every transaction they make with meat producers, including the prices they pay, "so that everybody in the livestock business knows what is being paid and the terms of the sales." A second bill, also supported by Dorgan, would provide a safety net for wheat producers by increasing commodity loan rates.

GOP crime bill includes slave labor provisions

The "Omnibus Crime Control Act of 1997," introduced in the Senate as part of the Republican legislative agenda on Jan. 21, includes a prison slave labor provision, and exclusionary rule reform which was passed by the House two years ago but not taken up by the Senate. Judiciary Committee Chairman Orrin Hatch (R-Utah) said that this bill, along with another, the "Violent and Repeat Juvenile Offender Act of 1997," are follow-ons to the crime bills passed in the 104th Congress, including *habeas corpus* reform, truth-in-sentencing, prison litigation, victim restitution, and the anti-terrorism bill.

The exclusionary rule reform is nearly identical in language to that passed by the House in the 104th Congress. It provides that "evidence ob-

tained as a result of a search or seizure shall not be excluded on the ground that the search or seizure was in violation of the Fourth Amendment to the Constitution." Attempts by Democrats to add the language of the Fourth Amendment to the bill two years ago were defeated.

The prison labor provision requires that all inmates in the Federal prison system subject to security and health considerations, will be required to work without compensation and without any consideration for the impact that such work may have on local economic conditions.

The bill also contains a provision responding to what Hatch described as "the nation's new problem with drug legalization," the referenda in California and Arizona that legalize, under state law, the prescribing of marijuana for medicinal purposes. The bill requires that all hospitals and health care providers who receive Federal Medicare or Medicaid payments, be certified that no physicians in their systems are or will prescribe any Schedule I controlled substance. It also provides that the Drug Enforcement Administration registration of any medical professional who does prescribe a Schedule I controlled substance, be revoked.

Richardson grilled by Senate panel on Sudan

On Jan. 29, Sen. John Ashcroft (R-Mo.) grilled Rep. Bill Richardson (D-N.M.) on Clinton administration policy toward Sudan, during Richardson's confirmation hearing to become U.S. Ambassador to the United Nations.

Ashcroft took out the previous week's *Washington Post* article which

claimed that there was an exemption made to last year's anti-terrorism legislation to allow Occidental Petroleum to do business in Sudan, and asked Richardson, "Do you see any contradiction between the administration's interpretation of the law and the actual language of the statute or your understanding of the statute when you voted for it" in the 104th Congress? Richardson replied, "The administration's view is that this was done properly." He assured Ashcroft that the sanctions against Sudan were still in place.

Ashcroft then suggested that Richardson's mission to Sudan late last year to negotiate the release of three Red Cross workers held hostage by a rebel group, was further evidence that the Clinton administration was making deals with terrorists. Richardson explained that he was not in Sudan as a representative of the State Department, that he did all the negotiating, and that he was asked to go by the Red Cross, by the governments of Australia, Switzerland (where two of the hostages were from), by Kenya, and by the wife of the third hostage, who was from his district in New Mexico. All he did, Richardson told Ashcroft, was persuade the rebel leader, who, he pointed out, was not part of the government, to accept an offer of medical and humanitarian supplies, already made to him by the Red Cross.

Otherwise, Richardson received a very warm welcome from the committee, and was given two ringing endorsements from the witness table by two Republican senators, Pete Domenici (N.M.) and Orrin Hatch (Utah), though Republican members of the committee took the opportunity to criticize Clinton administration policy, especially with regard to U.S. funding of the United Nations.

National News

Brits plan their own U.S. channels for cable TV

Not content with rinsing public radio and television networks with British bilge, the British Broadcasting Corp. (BBC) intends to establish its own cable channels in the United States. According to the Jan. 27 London *Financial Times*, the BBC will funnel at least two channels through its link to John Mallone's Telecommunications, Inc. (TCI), the largest U.S. cable operator. The BBC plans to devote one channel to "entertainment," and the other to so-called "factual" programming.

Mallone, whose TCI has been linked to the Bank of Credit and Commerce International's notorious money-laundering crimes, relies on the BBC for material for his new eco-fascist "Animal Planet" channel.

Recently, Mallone has found himself cash short; but he told the *Financial Times* he was sure this would not hinder his joint venture with the BBC—which would mark the first time a foreign government had direct control of a U.S. broadcasting operation.

Byron Foundation plots with U.S. Confederates

The British Lord Byron Foundation will hold a conference in Chicago at the end of February, combining the forces of the Thatcherite "Greater Serbia" mob with neo-Confederate Southern secessionists in the United States, *EIR* has learned. Scheduled to run from Feb. 28-March 2, the meeting will also include Republican Party advisers and Russian "pan-Orthodox" policymakers.

The Lord Byron Foundation is named for the degenerate 19th-century romanticist, who served as the model for the fictional prototype of the vampire Count Dracula. Byron was otherwise devoted to plotting separatist and secessionist bloodbaths—from the Balkans to the Middle East—as a leading agent of British intelligence services. The foundation held its first major international

event one year ago in Moscow, in cooperation with the Russian Academy of Sciences' division responsible for "Balkanistics."

The Lord Byron Foundation's two leading eminences, the Sun Myung Moon-linked Sir Alfred Sherman, and Cambridge University's Michael Stenton, are both scheduled to speak, as are James Jatras, an adviser to the Senate Republican Policy Committee; Prof. Yelena Guskova, from the Balkans unit of the Russian Academy of Sciences; and Confederacy propagandist Thomas Fleming of *Chronicles* magazine.

Fleming was lionized in a London *Sunday Times* magazine feature on Jan. 19, as a leader of today's Southern Confederates who "claim recognition as a separate race—British." Fleming and Michael Hill, who teaches British history at the University of Alabama, co-authored the "New Dixie Manifesto" in 1995. Together they run the Southern League, and are full of admiration for the separatist Northern League in Italy. Hill's view of the United States couldn't be clearer: "Our culture is clearly British, more so than any other part of America. We are a distinct nation. There will be a southern people, long after the American empire."

Bush's role in cocaine plague aired on L.A. TV

A Jan. 30 local news feature on Fox-TV in Los Angeles, put the spotlight again on George Bush for his role in bringing the crack-cocaine plague to the United States. The coverage was built around interviews with former Drug Enforcement Administration agent Celerino Castillo, who served in Central America during the 1980s Contra resupply operations; and Rep. Maxine Waters (D-Calif.), who has pressed for Congressional hearings on U.S. government involvement with Contra drug-traffickers.

Castillo told interviewers that he has evidence of U.S. involvement in cocaine trafficking, but that no one has called him to testify about it—even though he took more than 3,000 photos of alleged CIA-Contra drug operations. The reporter added, "Castillo says knowledge of the alleged CIA-

Contra drug link not only involved the CIA and the DEA, but also the number-two man at the White House, Vice President George Bush. Castillo says he met then-Vice President Bush in January 1986 at the U.S. ambassador's residence in El Salvador."

While displaying a photo of Bush and Castillo together, the report noted that "Castillo says he mentioned the Contra drug-running to Bush, but that the Vice President declined to respond. Bush, who also served as CIA director in the '70s, has said he was unaware of any CIA-Contra drug connection."

Statesmen tell Clinton: abandon NATO expansion

Vladimir Petrov, a professor emeritus at George Washington University, and George Kennan, the original "Mr. X" author of the Cold War doctrine of containment, both published signed commentaries on Feb. 5 opposing NATO expansion. One day earlier, Russian Prime Minister Viktor Chernomyrdin had warned, in a *Washington Post* interview, that NATO expansion would benefit hard-line anti-Western factions inside Russia.

Kennan was very blunt about the magnitude of the error he feels that NATO is committing by going ahead with expansion eastward. "Something of the highest importance is at stake here," he wrote. "And perhaps it is not too late to advance a view that, I believe, is not only mine alone but is shared by a number of others with extensive and in most instances more recent experience in Russian matters. The view, bluntly stated, is that expanding NATO would be the most fateful error of American policy in the entire post-Cold War era. Such a decision may be expected to inflame the nationalistic, anti-Western and militaristic tendencies in Russian opinion; to have an adverse effect on the development of Russian democracy; to restore the atmosphere of the Cold War to East-West relations, and to impel Russian foreign policy in directions decidedly not to our liking." Kennan stressed the added danger of expansion, coming at a time when Russia's "Executive power is in a state of high uncertainty and near-paralysis."

Dr. Petrov started his column by distinguishing himself from Strobe Talbott, Madeleine Albright, Zbigniew Brzezinski, and Henry Kissinger, all of whom heartily endorse NATO enlargement. He singled out Kissinger: "We have heard all sorts of seductive arguments from NATO advocates. Kissinger believes that the extended NATO will define the easternmost border of our civilization. . . . The advocates promise that NATO will contain Russian imperialism if it ever materializes after recovering from the Chechnya war." He urged, "For God's sake, stop pretending that bringing into NATO impoverished states of Eastern Europe would somehow make the United States a safer place to live." After tearing apart all of the conventional arguments for NATO expansion, Petrov observed: "One unspoken reason exists for preserving NATO; the fear that as Europe progresses toward integration, our influence there would diminish. The Euro currency would challenge the almighty dollar. The sprawling NATO bureaucracy might wither away unless some new task breathes new life into the institution."

In January, *Aviation Week* published an editorial also denouncing NATO expansion as an expensive, dangerous, and needless exercise.

Decay of drinking water supply gets press notice

The ongoing collapse and contamination of the nation's drinking-water supply has drawn the belated attention of some of the U.S. media, more than a decade after Lyndon LaRouche warned that the crisis was already at hand. A Sunday feature in the science and health section of the Feb. 2 *Washington Times* was headlined, "Don't Drink the Water—America's Once-Healthy Tap Runs Dry."

The feature, by a Hearst Newspaper reporter, cites estimates by the U.S. Centers for Disease Control in Atlanta, Georgia, that 940,000 people become ill each year from contaminated tap water, and that 900 of them die. More than 600 outbreaks of waterborne disease have occurred since 1971. Accord-

ing to the health standards set by the Environmental Protection Agency (EPA), one out of every five U.S. water systems fails to meet requirements, affecting 10% of the nation's households, or about 30 million Americans a year.

The article attributes the problem to "a booming population that pollutes the environment, more micro-organisms that resist cleanup efforts, and water-distribution pipes and treatment plants that are aging." It notes that many of the nation's water-distribution pipes are 100 years old, and easily prone to harboring microbial growth and breakage.

'Jobs Summit' calls for FDR-style recovery plan

A two-day "Jobs With Income Summit" in Philadelphia on Jan. 31-Feb. 1, organized by Hospital Workers District 1199C and backed by the national AFL-CIO, emphasized the need for Roosevelt-style public works and infrastructure projects, to create good jobs and expand manufacturing. Attended by 250 people, the summit focussed on the need to re-create the FDR coalition of labor, minorities, the unemployed, and the urban poor. Speakers included William M. George, president of the Pennsylvania AFL-CIO, and Gerald McEntee, international president of the American Federation of State, County and Municipal Employees and vice president of the national AFL-CIO.

Rep. Chaka Fattah (D-Pa.), the only member of the Congressional Black Caucus from Pennsylvania, said he has introduced legislation to finance infrastructure projects. He noted the dilapidated condition of Philadelphia's water mains; the obstacle that poses to maintaining manufacturing; and the number of good jobs that can be created by repairing and replacing water systems. Fattah said that the city of Philadelphia has lost 100,000 manufacturing jobs over the past five years alone. State Rep. John Myers (D-Phila.), recalling President Franklin D. Roosevelt's public works programs, announced that he has prepared a bill for introduction, calling for financing of infrastructure jobs in Pennsylvania.

Briefly

THE CO-AUTHOR of California's "Medical-Marijuana" initiative is lobbying to kill the program aimed at eradicating the state's illegal marijuana crop. Dennis Peron, head of the Cannabis Cultivators Club, says his supporters want an end to helicopter flyovers and seizure of marijuana in production areas, to ensure the availability of "cheap and pure" marijuana.

DESERT STORM commander Norman Schwarzkopf was asked during a Jan. 29 Senate hearing, whether blowback from carpet-bombing of Iraqi chemical weapons might have afflicted U.S. troops. "Yeah, it's a very real possibility," he said. He denied any allegations, however, "that I and my commanders knowingly placed our troops at risk to chemical weapons while we sought to protect ourselves, and subsequently engaged in cover-ups."

STATE DEPARTMENT spokesman Nick Burns said Feb. 3, that Secretary of State Madeleine Albright chose to deliver a major foreign policy address at Rice University's James Baker Institute in Houston, because she "believes very strongly in bipartisanship." Her decision to meet with former "Secretary Baker and President Bush," Burns said, "is an indication of the importance that she attaches to bipartisanship in American foreign policy."

ONE OF EVERY SEVEN African-American men—a total of 1.46 million—is barred from voting, according to a new study by the Sentencing Project. In many states, persons convicted of felonies are denied their right to vote, and do not regain it when they are released from prison.

PAMELA HARRIMAN, British courtesan; ex-wife of Winston Churchill's son Randolph; reputed intimate of Aly Khan, Gianni Agnelli, and Baron Elie de Rothschild; widow of U.S. financier W. Averell Harriman; former member of the Democratic National Committee; and U.S. Ambassador to France, died in Paris on Feb. 5, at the age of 76.

Editorial

Trent Lott's suicide pact

Young children must be reminded, not to play with matches. Senate Majority Leader Trent Lott (R-Miss.), and like-minded fanatics, should be reminded, that if Lott's proposed balanced-budget amendment had been in force during Franklin Delano Roosevelt's Presidency, Nazi Adolf Hitler would have won World War II, and the U.S.A. would not have recovered from former President Calvin Coolidge's "Great Depression" of the 1930s. We are not implying that Senator Lott wishes to bring back Hitler—or, even Newt Gingrich, for that matter; but, the boy who insisted on his right to play with matches, did not intend to burn up his family, either.

During the recent international bankers' conference at Davos, Switzerland, the proceedings were dominated by discussions of an imminent international financial collapse. That is the worry among top levels of finance and economics, in most parts of the world. The leading bankers say, that the continuing shake-ups of the world's monetary and financial system are at the verge of a grand smash-up; however, they also say, "Just don't discourage the suckers from continuing to invest—for the time being—in the stock, options, and indexes markets."

Under these conditions, should Lott's proposed amendment pass, perhaps about 40 millions Americans who think they have pensions or similar investments in today's markets, would wake up one morning, soon, to find they had lost virtually everything; there would be nothing the U.S. government could do to save tens of millions of Americans, who suddenly discovered that senior citizens and the poor generally, but also the tens of millions of others, would be suddenly plunged into desperation, under Lott's law, the month the presently onrushing, global credit-collapse hits.

The fellows from whom you should not buy a used car, will say, "But, the last national election was a democratic mandate for a balanced-budget amendment." First of all, the fact is, that the Republicans lost the Presidential election; second, the Republican majority in the Congress represents, at most, not much more than a quarter of the eligible voters, while more than half the eligible voters reacted to the performance of both parties as if to say, the policies of neither were worth voting for; third, a fellow might like the smell of bitter almond, but that is not a "mandate" to poison his food with cyanide.

Just because the customer likes the intentionally deceptive label on the outside of the package, does not mean that he will not condemn the salesman who lured him into buying the package.

Buyer beware! What Lott & Company are peddling, is political snake-oil. The suckers are told, not only that balanced-budget herb brew will cure about every ill known to mankind, but that this medicine won't cost the taxpayers a single red cent. What the suckers are not told, is, that the amendment means that most of the few still-surviving U.S. farmers will be wiped out, and that the "savings to the taxpayer" will be measured in greatly increased unemployment-rates, lower incomes for every household in the bottom 90% of the income brackets, accelerated death-rates among senior citizens and the chronically ill, and increased disease-rates for all, especially for people whose complexions are of a darker pigmentation than the majority. In short, what Lott & Company are peddling, is a leading contender for the title of the biggest consumer fraud of the past thirty years.

The fact is, there are chiefly four causes for the up-spiralling deficits which piled up during the (mostly Republican) Carter, Reagan, and Bush administrations: 1) Beginning thirty years ago, a continuing shift, away from the successful model of the U.S. economy, emphasizing government investment in infrastructure and government-fostered investment in scientific and technological progress, into "post-industrial" utopianism, instead; 2) the post-1971 shift to the speculative lunacy of a "floating exchange-rate" monetary system; 3) the 1978-1982 shift into the Mont Pelerin cult's radical "free market" monetarism; and, 4) the post-1988 shift into the ruinous "globaloney" of one-worldism. Measured in physical purchasing power per employed member of the labor-force, the U.S. economy is half as productive today, as before these successive changes took over U.S. government policy, thirty years ago.

Don't smash the car's engine; fix what is broken. Go back to the successful, pre-1966 economic-policy traditions which our nation has, so foolishly, abandoned. There is no need to live through a new Great Depression, if *EIR* succeeds with its repeated insistence on a return to the American System of political-economy.

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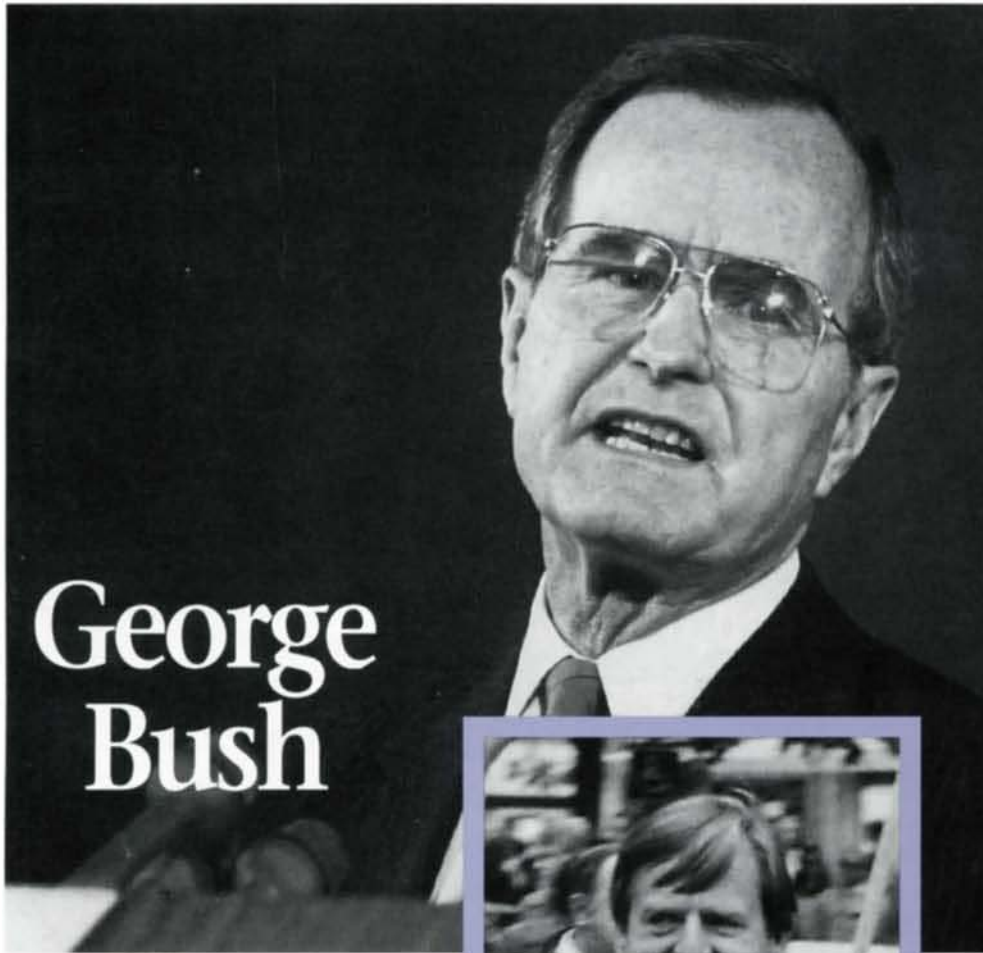
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