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From the Managing Editor

‘T he world is going into the worst economic depression in world history, which might be dealt with, as Franklin Roosevelt would have done,” Lyndon LaRouche said, in an interview with the weekly radio program “EIR Talks” on March 4. “Our problem is, is that we’re not prepared; that the people who might be emotionally or otherwise likely to agree, given the right circumstances, on what has to be done: These people are not yet prepared to make the kind of decisions that will have to be made very quickly, to scrap the old system, which is bankrupt, and bring a new one in quickly, so that we don’t go through a long, horrible process of trying to struggle out of a bankrupt system, back to prosperity.”

In *Natural Law*, to aid that preparation, LaRouche revisits the U.S. Constitution in historical context, outlines the principles on which action must be taken, and identifies the tools available to the President of the United States. Much “depends upon the President of the United States, and that means Bill Clinton, because he’s going to have to act during the remaining years of his Presidency,” LaRouche said in “EIR Talks.” And, the battle lines are between the British Empire and the nation-state.

In the *Feature*, we print the transcripts of the speeches at the FDR-PAC policy forum in Washington, D.C. on Feb. 19, which make clear that continuing to back the imposition of IMF policy on Russia, Ukraine, and other nations, is disastrous (see also pp. 4 and 30).

And, in *National*, we report on Helga Zepp LaRouche’s presentation of the Eurasian Land-Bridge—a key component of recovery program to be taken up in a New Bretton Woods conference—in New York City, which was reported on, truthfully, in Taiwan, mainland China, and the Chinese-American press in the United States.

A report on a Schiller Institute fact-finding delegation which travelled to Sudan on Feb. 17-25 (p. 34), presents evidence of the British-backed invasion, and underscores how outrageous the British propaganda campaign is, in its efforts to recolonize the continent. As LaRouche warned in an *Editorial* in the Feb. 7 *EIR*, the United States faces a quagmire if it capitulates to British policy. This report is essential for those who want the United States to adopt a sane policy on Africa.

Ronald Kokinda

EIR Contents

Interviews

68 Clint Van Vleet

Mr. Van Vleet is president of the Texas Milk Producers Association.

Departments

47 Australia Dossier

What's behind the BRA?

72 Editorial

Clean up the Justice Department.

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Natural Law

50 The U.S. Constitution's new life

Lyndon LaRouche provides the tools President Clinton will need to act "with pungency and force" in the near term, tools that exist within our Federal Constitution, specifically the proper understanding of the "general Welfare" clause, as against the Lockean dishonesty of those such as Michael Novak and Supreme Court Justice Antonin Scalia.

Economics

4 New IMF looting program creates European Rwandas

Missions from the International Monetary Fund have descended on Albania, Bulgaria, Romania, Croatia, Belarus, Ukraine, and Russia, with the aim of reducing these nations, within months, to a level of degradation that the IMF took years to accomplish in Africa.

6 'World markets' for cartels showcased at USDA conference

Preaching competition for the purpose of greater concentration of power.

7 Currency Rates

8 Business Briefs

Feature

- 10 IMF policy for Russia, Ukraine must be scrapped**
The transcript of Lyndon LaRouche's address to the Feb. 19 FDR-PAC Policy Forum in Washington, D.C. LaRouche introduced the three speakers, from Russia and Ukraine, and stressed the importance that their report on the IMF destruction of their nations be heard in Washington.
- 14 U.S., Russia must ally against IMF immorality**
Russian economist Dr. Tatyana Koryagina details how the economic reforms have so shredded the very fabric of Russian society, that the word "democrat" has become a curse word.
- 18 Ukraine is being most cruelly destroyed**
As Ukrainian member of Parliament Dr. Natalya Vitrenko documents, whereas World War II reduced Germany's GDP by 56%, IMF shock therapy has reduced Ukraine's by 58%.
- 24 No support for IMF's 'imposed' reforms**
Every country in the former Soviet bloc had its constitution changed—some by force, and some merely by dark of night—to make IMF looting go smoothly, Ukrainian member of Parliament Volodymyr Marchenko told the FDR-PAC forum.
- 26 IMF, Soros death count raised at policy forum**
Excerpts from the question and answer session.

International

- 30 Albania's plunge into civil war could re-ignite Balkans**
The open battles between enraged Albanians defrauded of their meager savings and the regime of Sali Berisha, threaten to spill over into conflicts with neighboring Greece, Macedonia, Serbia, and Kosova.
- 32 Clinton defies British on U.S.-Mexico clash**
The ones screaming most for the U.S. to decertify Mexico are the friends of drug super-kingpin George Bush.
- 34 Fact-finding mission to Sudan finds reality is not what the British claim**
The British are attempting to draw the United States into a quagmire by supporting Baroness Cox's war against Sudan. *EIR's* report from a Schiller Institute delegation of American legislators and others to the war front, gives the lie to the claims that the Khartoum government is about to fall, as well as to the tall tales of religious persecution.
- Documentation:** Atrocities by invading forces are verified.
- 46 Successes mark Peru's war on drugs**
- 48 International Intelligence**

National



Helga Zepp LaRouche, founder of the Schiller Institutes internationally, discusses the Eurasian Land-Bridge, at a Schiller Institute forum at Riverside Church in New York City on Feb. 27. The banner reads, "We warmly welcome The Silk Road Lady."

- 64 'The Silk Road Lady' presents Land-Bridge in New York**
Helga Zepp LaRouche held an intensive series of seminars in New York on the Eurasian Land-Bridge, which received widespread reportage in the world's Chinese communities, in mainland China, and on Taiwan.
- 67 Labor: Organizing for change, changing to organize!**
The AFL-CIO puts forward an aggressive organizing perspective.
- 68 Dairy farm crisis is a 'free-trade' disaster**
An interview with Clint Van Vleet.
- 70 National News**

New IMF looting program creates European Rwandas

by Konstantin George

During late February and early March, a record number of International Monetary Fund (IMF) missions descended on Albania, Bulgaria, Romania, Croatia, Belarus, Ukraine, and Russia. The 1997 array of IMF conditionalities goes beyond its usual annual ritual of imposing brutal austerity regulations, surpassing anything seen to date: The IMF has dictated nothing less than a crash looting program to eliminate what is left of the state sector economy in these countries, and to have international financier interests grab up any remaining lucrative assets there.

These new IMF packages will accelerate the mass murder—the forced increase in the death rates, which already resulted in millions of deaths during the 1990s in eastern Europe and the former Soviet Union. No more poignant example of this can be found than in the present-day horror of Bulgaria.

Starvation in Bulgaria

As of early March, the Bulgarian population is on the brink of death through starvation. About 90% of the 8.5 million population are living below the official poverty level—an income of \$20 or less per month in January. Now, with the more than fourfold collapse of the Bulgarian currency, the leva, and the rampant hyperinflation since then, it means a monthly income of \$5 or less. The current price of a loaf of bread, assuming it's available, is 50¢. Therefore, 90% of the population can afford, at best, only 10 loaves of bread a month. Since mid-February, bread riots in towns across Bulgaria have become a daily fact of life, as crowds storm bakeries. Where there are no riots yet, people line up outside bakeries and wait for hours.

On Feb. 25, the Bulgarian media reported the deaths from

starvation of three children in an orphanage, warning that mass death tolls could be expected soon. Many of Bulgaria's approximately 1 million pensioners have been "living" on a daily, one-meal ration of soup and bread, provided by soup kitchens organized by the state, and by the Bulgarian Orthodox Church.

The Bulgarian government stated on Feb. 25 that the country had only 20 days of grain reserves remaining. Assuming that that figure is accurate (it is probably a best-case scenario), unless there is an immediate international food relief action, including, at minimum, a massive international airlift, Bulgaria will run out of bread by mid-March.

The first break in this situation occurred Feb. 26: The Swiss government, which is not a member of the European Union, announced that it is allocating 1,000 tons of emergency food supplies for Bulgaria. Within the EU, only Greece has offered help. The response of Greece, which borders on Bulgaria, reflects an urgent national self-interest. Should the Bulgarian famine be allowed to go out of control, at some point in March, a mass exodus of starving Bulgarians will cross the border into Greece. By that point, Bulgaria will have become Europe's "Rwanda," and northern Greece would be the European "eastern Zaire."

Meanwhile, like hyenas gathered around a carcass, an IMF delegation arrived in Bulgaria's capital, Sofia, on Feb. 24, to force the government to agree to what is called a "long-term stabilization program" and "accelerated privatization." As of March 4, the talks in Sofia with the IMF were still going on, in the familiar pattern of a desperate government capitulating to one demand after another for privatization, in order to get cash to buy grain.

Bulgaria had already agreed to one of the main IMF de-

mands in a meeting the previous week with a World Bank delegation: the imposition of a currency board to run all monetary and fiscal-budget policies—in effect, making the Bulgarian government and Central Bank enforcers of IMF-dictated currency board decisions. The IMF and World Bank also gave Bulgaria detailed lists of which enterprises are “lucrative,” and thus to be sold off, and which are not lucrative, and thus to be closed down.

The World Bank, for example, ordered Bulgaria to “re-draft” its plan to sell off a 25% stake in the Bulgarian telecommunications monopoly, and instead sell off a majority stake. Bulgaria has been told, either comply or receive no credits—credits that are desperately needed to purchase the 500,000 tons of wheat required, minimally, to see the country through the next harvest. The same message was conveyed to Bulgaria by the EU and the European Bank for Reconstruction and Development. The latter said it could “unfreeze” up to \$200 million—but only once Bulgaria reaches agreement with the IMF and the World Bank.

‘One grand, painful shock’

What the IMF’s “accelerated privatization,” means, can be seen by looking at Romania, whose new President, Emil Constantinescu, and new Prime Minister, Victor Ciorbea, have already signed its 1997 agreement with the IMF.

On Feb. 17, Prime Minister Ciorbea presented to the nation a “catalogue of measures,” billed as “one grand, painful shock,” that would cause at least “a 2% contraction” in Romania’s economy this year, according to his and the IMF’s admission, which deliberately understated the case. Ciorbea announced that 3,600 state enterprises, or 69% of the total, will be “privatized” by the end of 1997. No less than 2,750 of them will be sold off by May 31. And Ciorbea noted that they would be sold on “very favorable” terms to foreign investors—that is, very cheaply.

As has always been the case in “privatizations,” the sell-off is accompanied by “streamlining,” meaning drastic reductions of the corresponding workforce. By May 31, to use Ciorbea’s words, the “10 worst loss-making enterprises” are to be closed down. This measure alone will add 80,000 to Romania’s jobless. Budget austerity will be brutal. The 1997 budget deficit is set at 3.5% of Gross Domestic Product (a GDP that will shrink), compared to 5.7% in 1996.

Ciorbea also announced a sweeping “price liberalization,” starting with the immediate lifting of all subsidies for bread, food, and energy prices. (The first immediate effect his speech had was a run on the country’s bakeries and groceries, where citizens rushed to buy up as much food as they could afford at the old prices. Aside from food, the immediate effects were 50% price hikes for fuels, urban transport, railway tickets, electricity, heating, and telephone bills. Ciorbea declared that the “liberalization” would produce an average 1997 price increase of 72%!

Disaster in Albania

Not to be outdone, Sali Berisha, the President of Albania—which the IMF has called its “model pupil” in eastern Europe—once again, went to the head of the IMF class. Before everything exploded in his face, Berisha bristled with confidence that he and the IMF could sail merrily on. On Feb. 19, after talks with the IMF, Berisha, a close associate of both former British Prime Minister Margaret Thatcher and former U.S. President George Bush, went on Albanian TV to proclaim “the comprehensive privatization of the Albanian economy by the end of this year.” He stressed that “privatization” will be designed to “attract foreign investment,” and will include “the energy sector (including Albania’s oil production), electricity (including thermal plants and hydroelectric), telecommunications, mining (Albania is historically the world’s third largest producer of chrome ore),” and even “the water supply.”

Once this is rammed through, Albania will become the first 100% totally private economy in post-communist eastern Europe.

But this was before all hell broke loose in Albania, as a direct result of the dismal failure of IMF policies. These policies had included the IMF’s praise of the infamous pyramid schemes, which went bust in January and February, ushering in the crisis that has now reached the scale of civil war.

Even preceding the current explosion, unrest had been sweeping through Albania since January, when one after the other of the nation’s pyramid-scheme funds collapsed. Berisha’s and the IMF’s plan to deal with the pyramid schemes will now go down in history as one of the greatest miscalculations of this century: To restore a semblance of social stability, and keep itself in power, the regime was planning to reimburse the hundreds of thousands of Albanians who lost their savings in these funds. In order to do this, Berisha intended to use part of the proceeds of the “one shot” sale of all national assets to pay off enough of the population, and prevent a revolt. His scheme was then to take advantage of the temporary lull, or calm, and complete the plans for the IMF’s first outright dictatorship in eastern Europe.

Then came the mass revolt across southern Albania. Ironically, on the very day the revolt began, Feb. 28, with the takeover of the port town of Vlora by armed rebels, the IMF executive board in Washington announced that an IMF mission was coming to Albania in mid-March to work out the details of the “economic stabilization” package, including “total privatization.” Three days later, the IMF had its first overt dictatorship in eastern Europe, on paper anyway, when Berisha had his parliament declare an indefinite state of emergency nationwide.

Thanks to the IMF and “model pupils” like Berisha, the reality today is that the entire Balkans is poised on the brink of a catastrophe, with the potential, through mass starvation, civil wars, and even a Balkan War engulfing these victim countries and peoples, for a human death toll superseding the horrendous genocide committed in Bosnia.

'World markets' for cartels showcased at USDA conference

by Marcia Merry Baker

This year's "Agricultural Outlook Forum '97," sponsored by the U.S. Department of Agriculture on Feb. 24 and 25, was conducted as a policy ratification session for the production and trade demands of the multinational cartels that now dominate most domestic and international food and fiber markets.

Representatives of these interests made up most of the 900 people in attendance at this 73rd annual forum in Washington, D.C., apart from government offices, agricultural universities, and foreign embassies. On hand were Cargill, Continental Grain Co., Bunge, Mitsubishi International, Kraft Foods, Inc. (Philip Morris), H.J. Campbell Co., Inc., McDonald's, Perdue Farms, and Gold Kist, Inc. Among related financial circles in attendance were Saloman Brothers, Prudential Securities, J.P. Morgan, Morgan Stanley, the Netherlands-based Rabobank, NatWest Bank, Hongkong and Shanghai Banking Corporation, Midland Bank London, the International Monetary Fund, and the World Bank.

The underlying conference theme was: Where, and how fast, can cartel companies increase their strategic food control positions beyond what they already hold?

Featured, among the dozens of speakers at the 25 sessions, were Agriculture Secretary Dan Glickman, U.S. Trade Representative Charlene Barshevsy, economist Joseph Stiglitz (who is leaving the Council of Economic Advisers to be senior vice president and CEO at the World Bank), and others from the World Bank, the Organization for Economic Cooperation and Development (OECD), the European Union Agriculture Commission, and spokesmen for private companies such as McDonald's and Campbell Soup.

The conference, titled "Charting a New Course," featured rhetoric on how "world markets access" overrides national sovereignty, and [why] "increasing market share" is the goal. The subject of this rhetoric is not the United States, but private cartel interests, wherever they may be officially headquartered. The term "markets access" is the successor to the 1980s eight-year Uruguay Round "GATT-speak" about the claimed benefits of "free trade" and "level playing fields." Now that NAFTA, the World Trade Organization, and other supranational trade pacts are in place, the new, cartel-serving jargon uses terms such as, "market-based food security," and "sci-

ence-based trade policy" to refute any national policy proposal perceived to be against cartel interests.

Secretary Glickman—echoed by Barshevsy, Stiglitz, and Keith Collins (USDA Chief Economist)—led off with full praise for the U.S. economy, especially the export sector. Glickman said, "The outlook for American agriculture is very good, very bullish, very, very good."

Only questions from this reporter, and a few other attendees, posed any contrary ideas—or, indeed any reality—to the "New Course" panelists, in particular, on the obvious facts that a world financial blow-out crisis is imminent, and also that so-called free market policies are bankrupting farmers, and spreading food shortages and hunger. As for the question of financial breakdowns affecting markets, USDA's Collins averred that after 1987, there was an episodic "drop in exports to Mexico," and other downward adjustments, but today, crises are "in the past."

Market share for cartels, but not farmers

Increasingly, over the past few years, a huge flow of so-called "smart" money in international financial circles has gone into strategic positions in commodities—precious metals, agriculture inputs and output, economic minerals, fuels, and food processing. Cartelization, politely called concentration of ownership, has intensified in all categories. The process has been fed by the "smart money" recognition that the world bubble of speculation (stock markets, derivatives, foreign exchange, "emerging" stock markets, real estate, "financials" of all kinds) is unsafe, and huge profits and political power are to be had in commodities control.

For example, prominent in the world dairy cartel are Kraft (Philip Morris), Unilever, and Nestlé's, among others, while prominent in the world meat cartel are IBP, Cargill, and ConAgra. The same is true for other commodities.

In particular, London political and financial interests are at the center of most of these cartels, wherever the companies may be officially headquartered. A ranking of the top 20 food-processing companies worldwide, shows that the majority are British run, directly or indirectly. A book made available at the USDA conference provides relevant documentation, titled *Globalization of the Processed Foods Market*, (USDA, Economic Research Report No. 742, September 1996.

"More market share" was repeated so often by speakers at the USDA conference, it was like a battle cry. Trade figures released by the USDA Feb. 24, estimate that the value of annual world trade is about \$300 billion; and the U.S. share is running at about \$58 to \$60 billion a year. In turn, this is made up of the export sales of IBP, ConAgra, Kraft, and so on, originating from U.S. commodities.

Beat down the (national) barriers, was the theme from representatives of the meat cartel, the U.S. Meat Export Federation. Philip M. Seng, President and CEO of the federation, said that beef, pork, and lamb "sectors" (of packing and trade companies) must practice "in your face" micro-marketing in

all markets. He specified "U.S." meat export market-share goals, by nation, and by product, for 1996-2000. For pork, and pork variety meats, Seng wants an overall increase of 143% in tonnage exported. In particular, he wants a tonnage increase of 525% of U.S. pork to China, including Hongkong, and 600% to South Korea. For beef, he specified a 73% intended tonnage increase in U.S. exports from 1996 to 2000, targetting Russia for a 160% increase, and Mexico and South Korea for a 138% increase.

But what about the fact that low prices to the U.S. farmer are wiping out entire farm communities in the United States, and that similar breakdowns are taking place in Russia, Ukraine, East Europe, Ibero-America, and, in particular, Africa? There are food shortages already, and people are suffering. An attorney from Frederick County, Maryland (a dairying center), asked: "What do you say about farmer income going down? Exports are not benefitting us." Rep. Calvin M. Dooley (D-Calif.), speaking on the panel on "Meeting Global Competition for High-Valued Products," replied: "Farms are being reconstituted. . . . If your farm does not make in excess of \$100,000, you will need to get off-farm income to stay in farming."

Other speakers showed a similar attitude toward U.S. farmers. In his opening speech, Secretary Glickman, referred to the case of U.S. dairy farmers hit by low prices, saying that he will not approve of floor prices for farm milk, or any other such attempt to "micro-manage" agriculture.

And when it comes to farmers' objections over "concentration" (cartels) in commodities, such as beef—where four companies control more than 80% of all processing of U.S.-produced beef, panelist John Hardin, of Indiana, belittled American farmers' concerns. Hardin, saying that he himself raised cattle, and speaking as a member of the USDA Advisory Committee on Agricultural Concentration, said, "As the world economy becomes increasingly interdependent, large multinational companies have a significant competitive advantage in opening and expanding export markets," and farmers and ranchers should focus on this "new reality," and see themselves as "partners rather than pawns in the U.S. food system."

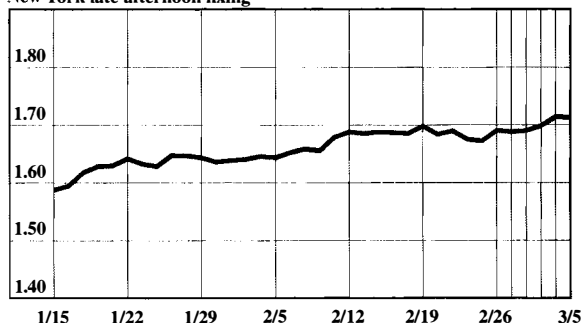
Hardin, and other speakers, especially denounced state legislators from trying to counter the multinationals, saying, they should not try "to stop or reverse the momentum of change."

This same attitude characterized the USDA panelists' responses to hunger. An official from the General Accounting Office raised the point that an estimated 35,000 children are dying each day worldwide from lack of food, so what could be done about that now? In reply, panelists in the session, "Market Stability for World Food Security" repeated what World Bank Agriculture Department Director Alex F. McCalla said, "food security is a challenge with many dimensions," and we must "stay the course with removing distortion to freer agricultural trade in all countries."

Currency Rates

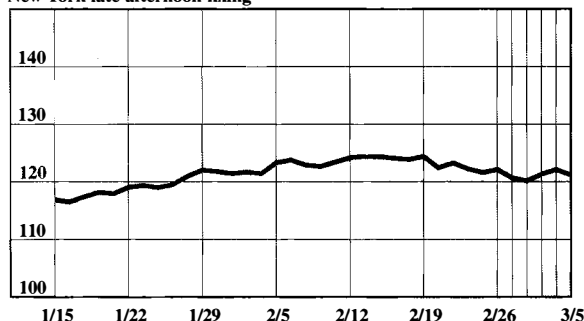
The dollar in deutschemarks

New York late afternoon fixing



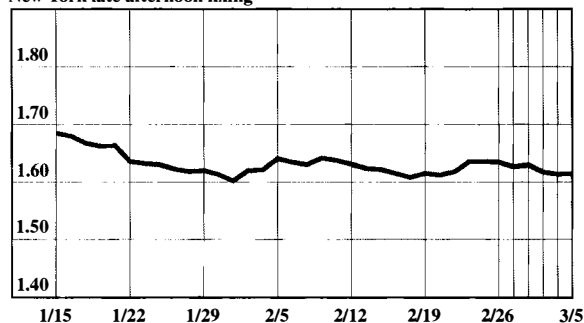
The dollar in yen

New York late afternoon fixing



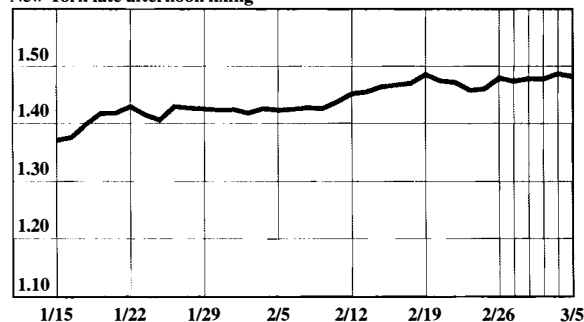
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Business Briefs

Transportation

China wants quality products, says German

China wants solid, high-quality products for its railway development programs, and a heavy-duty switch which the WGB Brandenburg firm has developed for the Shanghai Railway Authority may soon be produced in a joint venture, a spokesman for the firm told *EIR* on Feb. 27. The switch has been tested for almost a year, along with products of other companies, including from Japan, France, and Sweden, but only the WGB switch has survived 110 million tons of rail freight, without any damage.

This particular switch was developed by WGB, a *Mittelstand* (medium-sized) firm that produces 1,500 switches per year for Chinese rail transport needs, on the basis of modern German switches for high-speed rail lines. A core component, welded from a special steel, has been inserted, to make the new switch for Shanghai.

The Chinese told the Germans that China does not just want to buy a product made entirely in Germany. But the Chinese also understand that the Germans don't just want to sell the know-how, and leave all the rest to the Chinese. So, when the joint venture materializes, the switches will be built in China. The German firm will build the core component (the one made of the special steel) in Germany, and ship it to the Shanghai plant.

Communications

Optical cable linking China, Russia starts up

The first fiber optics cable linking China and Russia began operation on Jan. 28, China's *Renmin Ribao* reported. Joint inauguration ceremonies were held in Harbin, China and Khabarovsk, Russia, and television pictures were transmitted over the cable. This is China's first operating international land optical cable.

"The 970-kilometer China-Russia optical cable starts in Harbin in Heilongjiang

province, passes through Fuyuan, stretches over Wusuli Jiang at the China-Russia border, and reaches Khabarovsk, an exit point of Russia in the Far East. It is 820 kilometers long inside China, and 150 kilometers long inside Russia. It is linked with Beijing and Moscow through the domestic telecommunications systems of each country. It can also be linked with other international optical cables," the paper said.

The completion of the project "will further promote the development of a China-Russia strategic partnership, and increase political, economic, and cultural exchanges," the daily commented. Optical cable projects linking China and Japan, and China and the Republic of Korea, are also under way. "China will also complete a number of international optical cable projects, including the China-Southeast Asia land optical cable project, the universal optical cable project, the Asia-Europe optical cable project, and the China-North America submarine optical cable project," it said.

Space

Russian enterprises shrinking, bankrupt

Russia's space industry, the R&D and manufacturing facilities that were the guts of the Soviet Space program since the 1950s, has shrunk by 42% since 1991, Russian Space Agency (RSA) head Yuri Koptev said on Feb. 24, at a press conference marking the fifth anniversary of the establishment of the agency. "It has lost a lot of its fixed assets. We have grown old in this respect," he said. "Our group of satellites has also become old. [Their] age has doubled during the past five years." More than 60% of the satellites today are already past their design life, he said.

International cooperation added \$471 million into Russian space industrial enterprises last year, Koptev reported, which "is only slightly less than what was allocated by the state for the fulfillment of the federal space program." This funding for the Russian space effort was largely from payments for foreign astronauts to spend time on Mir, the Russian space station, and the \$150 mil-

lion or so NASA pays the RSA annually for the use of Mir and the construction of components of the international space station. But this supplemental support could not stem the hemorrhaging of the industry. According to Koptev, 11 enterprises "have been found to be on the verge of bankruptcy," but if they were paid what they are owed by the Defense Ministry and the space agency, eight would be "capable of surviving this situation."

In March, Koptev said, the RSA will be studying the situation at each enterprise, and will "determine the place, role, and workload of each enterprise." He added, "We will no longer take the attitude that we should support something for the sole reason that this may become handy at some point in the future. We will put an end to the former altruistic approach. We will not be able to afford this." However, he said that there are experimental facilities that will be given state support, because they "are our national wealth. They cost more than 5 trillion rubles. We can't throw away all this today while saying we will rebuild everything tomorrow."

Money Laundering

Threat to financial stability considered

The threat that money laundering in Asia poses to global financial stability, was the subject of a symposium in Bangkok, Thailand on Feb. 24-26. Fernando Carpentienri, the president of the international Financial Action Task Force, which hosted the symposium with the Thai Office of Narcotics Control Board, told the 170 delegates from 39 nations that the purpose of the meeting was to detail the threat to economic stability and to seek effective countermeasures, including recommendations for tough anti-money-laundering laws.

One Thai legal expert cited Chulalongkorn University's study of the "black economy" in Thailand, which showed that prostitution, gambling, narcotics, and assorted other illegal activities accounted for a minimum of \$30.8 billion in 1995. "Thailand is the main drug route originating in the Golden

Triangle and a massive amount of black money is laundered there," he said. He said banks are the main culprits. "Banks, hotels, restaurants, and many service sectors are part of money-laundering networks used by drugs syndicates."

The biggest money-laundering scandal to hit Thailand in the past year was the government's \$3 billion bailout of Bangkok Bank of Commerce, headed by British-trained banker Saxena Rakesh, a close political ally of former U.S. President George Bush's pal Adnan Khashoggi, and India's Chandraswami. In the past few weeks, a real estate company linked to the British Broadcasting Corp. was the first in the bloated real estate sector to default on payments.

Finance

Pensions looted to prop up the bubble

Pension funds are being looted to keep the speculative bubble inflated, Publio Fiori, national coordinator of the National Alliance, the second largest opposition party in Italy, and a member of the conservative parliamentary bloc, said in an interview with the Rome daily *Il Tempo* on Feb. 28. Fiori recently introduced a parliamentary interrogatory, demanding a "new Bretton Woods system."

Fiori stated, "It is the international speculators who want the sacrifices of the poorest. . . . A large chunk of financial operations are virtual operations, in the sense that they are uniquely based on speculation, without a productive apparatus backing them. Not accidentally, a large part of world investments today takes place as virtual titles, so-called derivatives titles, which allow colossal gains, on one condition: that the world economic system holds together. Otherwise, those huge gains will become huge losses."

Fiori warned, "We are going toward the loss of national identity to satisfy big speculators like [George] Soros." But, "a citizen is more important than a virtual operation on a virtual title," he said. "It is absurd that a left-wing government does not understand this." Fiori said that his party "will not ac-

cept taxes on pensions. The role of the right wing must be, above all in this phase, to defend those popular interests which today nobody wants to defend any more . . . as well as the middle class."

Debt

French state-run firms under impossible load

The debt of France's state-controlled companies is 600 billion francs (\$105.24 billion), Finance Minister Jean Arthuis admitted on Feb. 28, the *International Herald Tribune* reported. This is an estimate, but it is already about 6.3% of France's Gross Domestic Product, and more than twice the annual national public deficit. The admission came in the context of the latest state bailout, of FF 20 billion for the insurance Groupe GAN.

GAN has suffered huge losses on property loans and insurance underwriting in recent years. The government plans to privatize it after the bailout. GAN shares shot up on the stock market after the announcement, on the assumption, as one analyst said, "that the government is pretty much writing a blank check."

Arthuis acknowledged that saving Crédit Lyonnais (which is now being rescued for the *third* time), would cost the taxpayer at least FF 50 billion, but many analysts, looking at past bailouts, say this figure will be FF 100 billion.

The French government, which is cutting investment and social benefits to the bone to meet the Maastricht criteria, also bailed out Air France for FF 20 billion during 1994-96, GIAT industries for FF 3.7 billion in 1996, and Générale Maritime et Financier for FF 3.4 billion during 1993-96. It will also pour FF 11 billion into Thomson Multimedia Electronics, to make this company, like the others, "fit" for privatization.

Nearly all funds raised last year by selling the government's holdings of Elf Aquitaine and Renault, have gone into recapitalization of state companies, and the same will happen in 1997. Some FF 10 billion left over from last year's sales, will be used for rescues this year.

A CRASH on world stock markets is coming, said André Bartholomew Kostolany, in an commentary in the German daily *Frankfurter Allgemeine Zeitung* on March 1. Kostolany, 91, is known as "the *grand seigneur* of stock market gurus," and an advocate of traditional stock market investing, instead of today's short-term casino gambling practices.

GERMANY'S unemployment figures rose by 120,000, to a new postwar high of 4.8 million in February, increasing the rate to 12.5%, up from January's 12.2%. *Bild am Sonntag* reported March 2. February figures were to be officially released by the Federal Labor Office on March 6.

TAJIKISTAN President Emomali Rakhmanov signed a decision on border trade and speeding up development of a road project to China through the Kulma Pass, Tajik radio reported Feb. 18. Rakhmanov's press secretary said that the decision envisages opening a border trading zone with China in the Gorno-Badakhshan Autonomous Region.

INDONESIAN legislators approved a revised nuclear power bill, according to press reports. Research and Technology Minister B.J. Habibie told reporters that construction would be subject to public referendum. Agencies under his control have proposed building 12 nuclear plants.

ARMENIA AND IRAN will soon connect their power grids over the Arax River, Armenia's deputy energy minister said on Feb. 22. Iran reportedly plans to supply Armenia with 200 megawatts of electricity a day beginning in late March.

UKRAINE and Georgia discussed cooperation on Feb. 14. Interfax reported. Issues raised included starting the Poti-Odessa railway-ferry service. Ukraine's Prime Minister Pavlo Lazarenko "reaffirmed Ukraine's preparedness to participate in the supply of pipes and pumping equipment for the oil pipeline" from Azerbaijan across Georgia.

IMF policy for Russia, Ukraine must be scrapped

by Lyndon H. LaRouche, Jr.

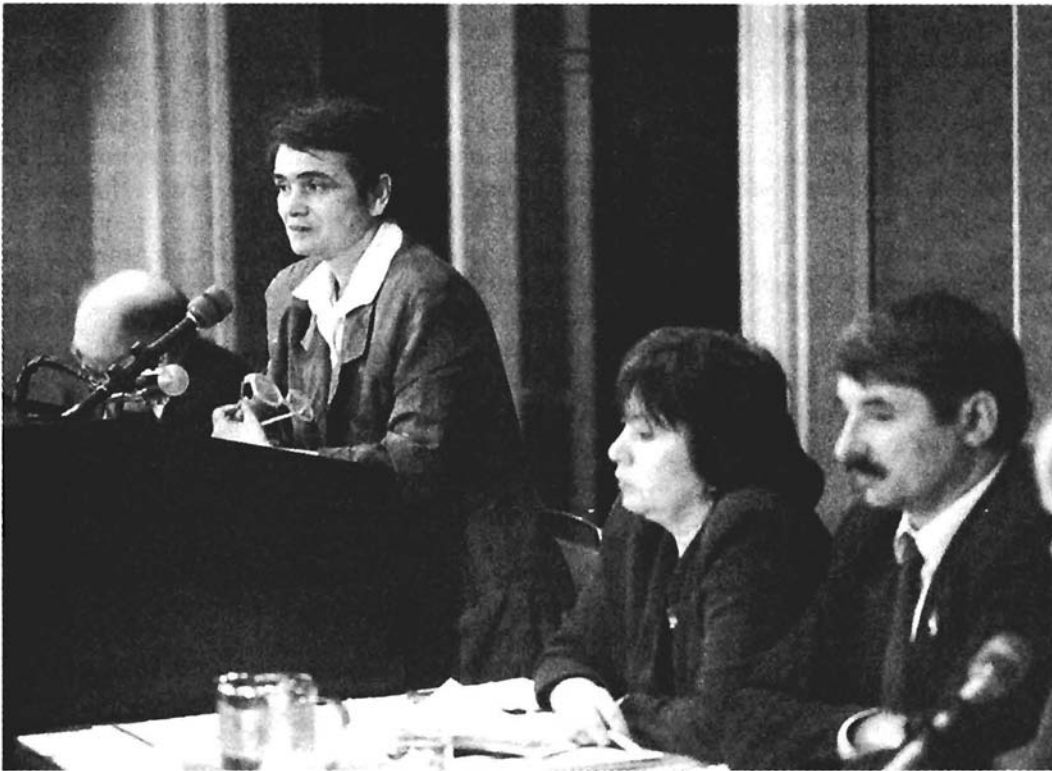
I shall speak for myself, and not, of course, for our guests. My function here is to situate the presentation which they will make in the circumstances of the United States and its policy today.

The policies of the United States toward the former Soviet Union, and, especially, toward the Russian Federation, Ukraine, and so forth, which were introduced under the direction, nominally, at least, of Margaret Thatcher of the British Commonwealth, or British Empire, as it's known in truth-in-lending policies, and her pet poodle, so described in her memoir, *The Downing Street Years*, George Bush; these policies, which, in my view, are clinically insane strategically, have been essentially continued by the United States government, and other governments, up to the present time.

These policies, and the lunacy of the current proposal to extend NATO eastward, an irrelevancy with dangerous implications, are things which must be changed. The setting for the change, is the fact that, as Lawrence Tisch, a well-known acquaintance of our Federal Reserve Chairman Greenspan, recently said, echoing many others around the world in the recent weeks, "We are now on the verge of a 25 to 30% crash in the New York financial markets fairly soon," which, if people have savings in those markets, they will lose most of them. And, we are facing two other crashes, which some people refer to as a systemic collapse of the financial system. Some leading voices have said that March or April could be the point at which this breaks out. For example, a crisis in Japan, spreading into Europe, then spreading around the world, can bring down the world's banking systems in a chain-reaction collapse, and that could happen this year, as early as spring or later.

Then, finally, we should know that we are facing a total vaporization of money and financial institutions, in the event that we wait long enough, until the derivatives bubble implodes in a chain reaction. That could also happen as early as this year.

In this context, the people who are defending present policies, or are trying to reinterpret them or adjust them, are practicing lunacy. They're playing with



The speakers at the Feb. 19 FDR-PAC policy forum, "Why IMF Policy for Eastern Europe and Russia Must Be Scrapped" (from left): Lyndon LaRouche, Dr. Tatyana Koryagina, Natalya Vitrenko, and Volodymyr Marchenko.

nitroglycerine on a hot summer's evening. The question is: how to change from the lunatic policies we presently have, to reach the safe ground of new, sane policies?

What I propose, is, there are three branches, independent branches, three legs, to a policy which will prevent this civilization, planet-wide, from plunging into a Dark Age akin to, in many respects, that of Europe's mid-Fourteenth Century.

The three legs are: first, the ability of the President of the United States to be induced to convoke an emergency meeting of a number of the planet's national powers, and other nations, in what might be called a New Bretton Woods Conference, in which the existing monetary, financial, trade, and tariff agreements of the world would be officially scrapped, peremptorily. And, at the same time, a new set of rules for monetary discipline, financial institutions, and tariff and trade, would be adopted, which would be premised largely on the successful phase of the 1946-1966 Bretton Woods agreements, with the addition, that since we have bankrupt central banking systems, we must replace them, as our Constitution provides, with national banking systems, as generators of productive credit, for both government investment, and for the private sector, as well as for international trade.

Additionally, we require, in the spirit of our beloved President, Franklin Delano Roosevelt, as expressed, for example, in spirit in his first inaugural address in March 1933, initiatives by the United States government in collaboration with other governments, to create a recovery program. We can not leave the world in disaster, and wait for the Invisible

Hand to steal all our wealth.

We must take initiative. The initiative now exists. It exists in the form of proposals for a continental Eurasian network of transportation-centered development corridors, linking the Atlantic Coast with the Pacific and with the Indian Ocean, a plan which was originally made in the United States in the late 1860s by the leading economist Henry C. Carey, who made this proposal for continental Eurasia, on the basis of the lessons which the United States had demonstrated in the continental railway system—the development of development corridors across the continent of the United States, from the Atlantic to the Pacific, using rails as a spine for opening up these territories generally for development.

Carey proposed that; that policy was continued, in Europe, through the friends of the United States and Europe, such as in Germany, typified by people such as Emil

In this section

The speeches in our *Feature* were delivered at an FDR-PAC policy forum, entitled "Why IMF Policy toward Eastern Europe and Russia Must Be Scrapped," in Washington, D.C., on Feb. 19. Translation, titles of the speeches, and the subheads have been supplied by *EIR*.

Rathenau, Georg Siemens, and so forth. This became the policy of Dmitri Mendeleev, the great Russian scientist, railroad builder, and industrial builder. It was the policy of Count Sergei Witte. It was the basis for the various kinds of proposals which the British went to World War I to prevent.

The policies again were potentially revived in a later period, and now have been revived again, with a very strong commitment by China.

This means to me, that the strategic interest of the United States lies in close cooperation with those nation-states in Eurasia which, currently or imminently, are prepared to enter into comprehensive agreements for economic cooperation and development, premised upon the Land-Bridge policy, which we've covered and described in some detail in a report on this subject.

That does not mean to leave out Africa, by no means, as the Land-Bridge report indicates. It defines what the development projects are that we have worked on for the development of Africa.

The Machine-Tool Principle

But, the third issue, which is of special relevance here today, is, what people have forgotten, that during this century in particular, the Twentieth Century, *there has been no significant development in any agro-industrial economy of the advanced sector, except through the influence on the economy as a whole, of the military-pivoted strategic machine-tool sector.*

It is for this reason, that never in the Twentieth Century has the United States enjoyed prosperity, except in an arms race. Not because the production of weapons produces wealth; they don't. But, because the production of the machine-tool sector necessary for technological parity and superiority in weapons design, results in a transformation of the strategic machine-tool sector as a whole, and that serves as a driver, the technology driver, of the entire economy.

This is demonstrated most dramatically, in the case of the former Soviet Union, in which, in the former Soviet Union, the one sector which was eminently successful, because it was driven to technological parity, for strategic purposes, with the allied forces of NATO, was the Soviet military-industrial sector.

There are some elements of a machine-tool sector, strategic machine-tool sector, in China. There is less development, but potential, in India, which is one of the nations which recently indicated its desire to cooperate with China in developing the Land-Bridge program.

There are significant strategic machine-tool capabilities in Japan. They're now on the way down, under a lunatic policy which the United States imposed upon Japan in the middle of the 1980s. They exist to a minor degree, a much lesser degree, in Korea. Though there is significant machine-tool capacity, there is a certain error in the South Korean economy, so it doesn't match—it doesn't match Japan. There's a significant

machine-tool sector in Taiwan.

The rest of the world generally lacks a machine-tool sector.

Thus, if we think upon a general economic recovery, it means that we must use the machine-tool sector in combination with infrastructure development, as the driver for a physical-economic recovery on this planet. We have virtually no significant structure of such a strategic machine-tool sector left in the United States. We produce machine tools, but they depend upon Japan and Germany for their quality. We have destroyed the economic and military strength of the United States by taking down the strategic sector.

In Russia and Ukraine, it's the same. We have a vast army of semi-employed and unemployed, or immigrant Russians, Ukrainians, and others, who formerly were engaged in the military machine-tool sector, which was like our strategic machine-tool sector, which had features which were analogous to those of the German *Mittelstand* strategic machine-tool sector, and organized under the German Chamber for Industry and Commerce.

So, therefore, if we are going to engage the vast population sectors of the world, China, South Asia, and so forth, and engage them in successful growth, we must supply them with the driving force of a machine-tool sector which they have not presently developed. In this perspective, the now-moribund former capabilities of the Soviet Union in the strategic machine-tool sector, are desperately wanted to be remobilized, to rebuild the economy of the countries of the former Soviet Union, and, also, to participate as a partner in the development especially of continental Eurasia, in the Eurasia Land-Bridge development.

The fundamental strategic interest of the U.S.

Now, this policy, in my view, is the fundamental strategic interest of the United States. If we mean by strategic interest, the security of the United States and its people, we *need* this. If we need to have a world which is safe for the United States and its people, we can not ignore the conditions of life, and political consequences of those conditions of life, in the area of the world which has the greatest concentration of the world's population, which is Eurasia.

Nor can we ignore the great moral blot on our conscience, of the policies of genocide which the British Empire, a.k.a. Commonwealth, is perpetrating on the population of sub-Saharan Africa, with the consent or considerable toleration from the United States, partly because people like George Bush and his friends have large investments in the Lake Victoria and Rift area of Africa. And, therefore, we go along with the British, to protect our investors in Africa, who are in there to reap the harvest, economic harvest, of genocide against the inhabitants of Central Africa.

But, generally, the strategic interest of the United States, is, as President Abraham Lincoln would agree with me, I am sure, if he were standing here, is to engage in cooperation to

rebuild a shattered planet with those nations of Eurasia which are prepared to do so. Throughout Eurasia, the Foreign Ministry of Russia, as represented by the activities of Yevgeni Primakov, has expressed solidarity with that perspective of cooperation. Germany and France, in a recent pact, implicit pact, launched, as an anti-British move by the French over the African policy, has expressed its interest in cooperation with China, Iran, and so forth, in this direction. Our fundamental interest is to scrap this illusion of NATO security, and to develop the basis for a new conception of security for the United States, which is based on the security of our nation, its economy, our people, and the world in which we live.

While the speakers, today, will not address all of these things which I have stated, I've described the situation which I view what's happening here. These are distinguished representatives of their own countries, in terms of their authority, as parliamentarians, and as professionals. And, I think they have afforded an American audience, both those here and those who will see the television reproduction of these events, a firsthand insight, in the words of persons who can speak with authority, of what the impacts of this insane policy which we continue to impose on that part of the world, are. And, to realize that *we must realize, that to continue the IMF policies, toward these countries and other countries, is an act of virtually suicidal, as well as criminal, lunacy.* That policy must cease; there is no excuse for it, there's no excuse for bowing to voices which insist on the litany, the mantra, the chant, "reform and democracy," "reform and democracy," when the

consequence of that policy, the content of that policy, despite its mislabelling, is Hell itself.

I would call attention to one other thing, just before I close, which is reflected in part in the current issue of *EIR*, and which has been otherwise in earlier editions of *EIR* recently.

During the closing weeks of 1996, relevant Russian institutions issued two documents. One, is a presentation under the direction of Academician Osipov, of a seminar in which I was featured, and in which one of our speakers participated, in fact, this past spring. And that was published, and it's very important to get that as a part of the environment of thinking which is going on in some circles in Russia [*EIR*, May 31, 1996].

The second one, which complements the first, is a report which was issued at the end of 1996, by Dmitri Lvov, the deputy director of the leading econometric institute of Russia, the Central Institute for Mathematical Economics. And, this [with other] representatives, has produced this report, which everybody who is concerned about that part of the world, should study [*EIR*, Feb. 21, 1997]. It combines a completely alternative approach, and I think that the two speakers today, will give you additional insight complementing what's seminal in that report, and defining and supplementing, that which is valuable. It's valuable to every American policy-shaper and influencer, to read this and know this. That we join together to bring to an end quickly that lunacy which has seized, in terms of our continuing policy, the legacy of Thatcher and Bush, the policy which, if continued, might mean the doom not only of Ukraine and Russia, but our own nation.

About the speakers

Dr. Tatyana Koryagina is an Academician of the Russian Academy of Natural Sciences, and a scientist at the Macroeconomic Research Institute, Ministry of Economics, Russian Federation. In the 1980s, she was a leader in the movement for economic reform, and one of the first economists publicly to advocate privatization in the service sector. In 1987-88, she served on the Commission on Economic Reform, under the U.S.S.R. Council of Ministers.

In 1989, Dr. Koryagina was active with the Interregional Group of Deputies in the Congress of U.S.S.R. People's Deputies. Elected to the Supreme Soviet of the R.S.F.S.R. in 1990, she had Boris Yeltsin's support in a bid for its deputy chairmanship. But Dr. Koryagina advocated a gradual transition to a market economy, and declined to support Yeltsin's adoption of "shock therapy."

In October 1993, defending the Constitution abolished by Yeltsin, Dr. Koryagina was inside the White House (parliament building) when it was besieged and stormed.

She was elected to the State Duma, the lower house of parliament, in December 1993 on the Agrarian Party slate, but declined her mandate. In 1996, she was a lead author of the economic program of the opposition candidate for the Russian Presidency, Gennadi Zyuganov. Dr. Koryagina has carried out extensive research on the criminalization of the economy.

Dr. Natalya Vitrenko and **Volodymyr Marchenko** are members of the Supreme Rada (parliament) of Ukraine. They are the founders and leaders of the Progressive Socialist Party of Ukraine.

Dr. Vitrenko has served as chairman of a subcommittee of the parliament's Commission on Economic Policy. Mr. Marchenko, who has a professional background as an engineer, is also a member of the Commission on Economic Policy, and of the Constitutional Commission of the parliament. They are outspoken opponents of the International Monetary Fund's policies in Ukraine. Vitrenko's public clash with "shock therapy" co-author Jeffrey Sachs of Harvard University, during the first period of post-Soviet reforms, was widely covered in the Ukrainian and Russian press.

U.S., Russia must ally against IMF immorality

by Dr. Tatyana Koryagina

Thank you. I would like to add something to what Mr. LaRouche said, about the participation of our Russian and Ukrainian delegation, and that is that we are prepared not only to give you as much information as possible on Russia and Ukraine; but, I should say, we have already received a lot from you, both when we took part in the two-day Schiller Institute conference, and in discussions with your specialists. The first conclusion I reached, which was somewhat unexpected for me, was that, while I thought I would have to paint the very difficult and gloomy picture of the situation in Russia, the data with which we have become acquainted on the United States economy, showed me that the crisis in the United States itself has reached such a magnitude, that, evidently, we in Russia are only halfway to such a condition.

A second important impression: I must tell you, that anti-American attitudes have begun to increase in Russia in recent years, because people link the situation in Russia, with America. But, on the first day of the Schiller Institute conference, I heard a Korean War veteran come to the microphone, and say that the real America was present in that auditorium.

Bush destroyed the United States. This we understand, because we were destroyed not only by Bush, but also by Margaret Thatcher, and they were also helped by Helmut Kohl. Therefore, in reality, there is no basis for disputes between the American and the Russian peoples. In fact, we face a common task. And, this common task is not only economic and political but, I believe it is, above all, a moral task. Because immoral people should not really be allowed to govern nations. And, immoral people cannot be economic scientists.

I remember reading in one textbook, the conversation of Malthus with the poet Carlyle. Malthus was presenting his theory on the overpopulation of the Earth. Carlyle exclaimed, "I never knew economics was such a gloomy science!" Today, at the end of the twentieth century, we could add something: It's hard to believe that economists could deliberately incorporate into their economic theories a gloomy way of life, wherein drug addiction, crime, corruption, homosexuality, treachery, and so forth, are accepted as natural.

I think that it's very important now to unite our efforts,

in view of the breadth and difficulty of the problems we have to solve.

The reformers are mentally ill

Now, let me make two more small observations on the question of insanity. Evidently it's not widely known, here in America, that people were recruited to implement the reforms in Russia, who were simply mentally ill. There have been reports published in the press, that both Yegor Gaidar and Grigori Yavlinsky spent time in mental institutions. What, then, could one expect from Yegor Gaidar, if his line of thinking was something like this? At the end of 1991, just before the beginning of shock therapy, he said, "We need to jump across the abyss." And, as his opponent in a debate, I replied: "You can't jump across an abyss. If you know that there's an abyss ahead, you should try to circumvent it. There could be some little bridge already built across the abyss!" It's very dangerous, but there are emergency situations, where you have to cross by such a little bridge. But, to presume that you're going to jump across the abyss, is insanity.

It's very interesting that Mr. LaRouche, if you recall, in his speeches has also employed this comparison, as a metaphor, with a leap across an abyss. This shows that the thinking of sane people is appropriate, while crazy people often use the same image, of a leap across the abyss. It was with this sort of philosophy and mind-set, that they launched the shock reforms in 1992.

We can say that, from the standpoint of theory, economic science in Russia was not prepared to criticize and refute the ideas of Milton Friedman. The lack of information made it impossible, for example, for us to make a critical analysis of the experience of South America or eastern Europe. It took many of my colleagues the last five years, this whole period, to understand what a very small group of economists was saying already in 1989 and 1990, when they proposed a different paradigm, an alternative to the monetarist theory.

The word 'democrat' is now a curse word

I myself lived through that period. Just days after Grigori Yavlinsky published the "500 Days" program, I criticized it very harshly, both from a theoretical standpoint, and respecting its prognostication of the type of changes that would occur in the economy. At that time, in the summer of 1990, I announced that the word "democrat"—and I was among the democrats—would become a curseword in Russia, and that it would be a terrible thing, to say in political circles that you're a democrat. Many of my colleagues, who had been on good terms with me, felt sorry for me. The democrats really sneered at me. But, today things are exactly as I said: The word "democrat" is a negative identification for a politician. This is unfortunate, because the people who are defending the people's interests, the interests of the majority, are really the democrats.

A year ago, I was in Siberia, in Altai. Local people told



“A year ago, I was in Siberia, in Altai. Local people told me about an incident a few days earlier, when a crowd had caught somebody who looked like Gaidar, and they wanted to beat him up. At first, he didn’t know what the problem was. When he realized it, he tore himself away from the people, and ran down the street shouting, ‘I am not Gaidar! I am not Gaidar!’ ” Above: former Russian Deputy Prime Minister Yegor Gaidar, at the White House after meeting President George Bush in April 1992. His reforms led to the proliferation of street vendors, as well as the criminalization of the economy.

me about an incident a few days earlier, when a crowd had caught somebody who looked like Gaidar, and they wanted to beat him up. At first, he didn’t know what the problem was. When he realized it, he tore himself away from the people, and ran down the street shouting, “I am not Gaidar! I am not Gaidar!” The attachment of intense feelings of that sort, to somebody’s political identification as a democrat, unfortunately, is also observed in the rural areas of Russia.

In 1993-94, agricultural enterprises had to pay the interest on their bank loans, in kind, with cattle. Huge herds of cattle were driven to the slaughterhouses. They died along the roadside, due to congestion. So many cattle were slaughtered, that there was not enough room in the refrigeration units to store the meat. The refrigerator warehouses were overflowing already, at that time, because people didn’t have enough money to buy meat. Milk was poured into the ditches. A cow does have to be milked every day. Despite such enormous losses, virtually all the agricultural enterprises remained in debt to the banks.

Thus, when I cite statistics, you have to have an image of this in real life: What is actually happening, behind each statistic, what’s happening with production, and what’s happening to the people.

Now, let me speak more theoretically, as an economist. Beginning with the Gaidar team, the Russian government proclaimed a notion that financial stabilization of the national

economy must be achieved, and that financial stabilization will occur when the inflation rate has reached approximately 25 to 30%. Some years ago, that seemed almost unachievable, because in 1992, annual inflation was 2,600% on the consumer market, and 3,300% on the wholesale market. In 1993, inflation on the consumer market was 1,500%. Against the backdrop of this enormous inflation, the collapse of production began.

In 1996, inflation was 22%; the Russian government achieved the unachievable. But, what do we see?

Instead of the potential economic growth, there was a further deepening of the economic crisis, the collapse of production, even by comparison with 1995. While earlier, in the 1992-94 period, we spoke about the crisis of an inflationary economy, in 1995-96, it became a debt crisis, a debt economy. In that respect, we’ve now taken a path similar to what goes on in America. The American economy is a pronounced debt economy. Precisely with the achievement of a lower level of inflation, there has been the onset of the gravest consequences for the destruction of the economic base.

While consumption and production of consumer goods has fallen not quite as much, a much bigger collapse occurred in the sectors that produce the means of production. By 1995, we had already experienced an almost twofold decline of production in some sectors, yet the decline continued in 1996.

I shall cite some figures. In the textile industry: 1995 pro-

duction of textiles, compared with 1990, already showed a drop by 85%. In 1996, there was a further decline by 18% [from the lower level].

There are many economists in the audience, and you understand that low inflation, a lack of money, and a huge volume of non-payments, are precisely the conditions for a potential total collapse, in which there is a complete shutdown of production. An economy with such significantly smaller volumes of production is a shagreen leather economy, an economy shrinking like shagreen leather. It prevents the enterprises from obtaining sufficient financial resources. We have had a large, and abrupt, increase in the number of loss-making enterprises.

Large increase in loss-making enterprises

In 1995, twenty percent of our firms were loss-making. In 1996, it was already 40%. In agriculture, the increase in the number of loss-making enterprises is the following: in 1994, already 59%; in 1996, 60 to 62%. Behind those figures, are the slaughtered cattle, the destruction of farms, and almost total unemployment.

If we look at the unemployment statistics in Russia, officially, things don't look so bad. We have a little over 70 million potential members of the labor force, and an unemployment level of around 7 million. In the rural areas, they count as employed, some people who sometimes receive no wages in an entire year, because they have no markets on which to sell what they've produced, because the crisis which the monetary system caused in the economy, was accompanied by an absolutely scoundrelly policy toward our domestic producers. The domestic market has been flooded by imports.

The overall share of imports on the consumer goods market is more than half, somewhere around 52%. But in the big cities, such as Moscow, where I live, that figure is around 80%. If tomorrow there were a panic on the currency markets—all these imports are paid for with foreign currency—the shops would be empty overnight. What's in the stores is relatively expensive, and people who are in private business in commerce, have very great difficulties. Therefore, inventory levels are low. The merchants minimize their risk, by purchasing no more goods than they immediately need.

In our studies, we consider the private retail sector to be already bankrupt. Only those firms will survive, where the retail network is used for money-laundering by the mafia. Such firms don't actually need to be buying and selling; they need only to look as if they are. If they're getting black-market cash from narcotics every day or every week, they pass it off as the receipts from goods sold.

In discussions here about the criminal economy and the narco-mafia, we were briefed on the "pizza connection"—drug money-laundering through pizzerias. I told our American colleagues, "We have a lot of pizzerias in Moscow, too!" As well as McDonald's. Moscow has become a laundromat.

In addition, I'd like to discuss the following question. I

have a huge quantity of statistics, but I understand there will be a discussion format today, with time for questions and answers. I can continue my academic lecture, presenting figures; or, I can mention these same statistics, in the framework of what is of particular interest to you. Please choose.

[laughter; translator: "I think it's up to you."]

If it's up to me, I'm also a creative person: I'm going to combine both approaches. Therefore, let me now continue the story about the events which took place in the social sphere. This means, first of all, what happened with the standard of living, and the criminalization of the economy. These are closely connected areas, because what the population does not receive, the mafia does. The people and the mafia are communicating vessels in a circulatory system. The great wealth of the people flows to narrow mafia groups.

Our Russian statistics are trickiest, about the standard of living. If we go by official data, things are not so bad in Russia. Last year, they did acknowledge a 15% decline in the real income of the population [for 1995], which was a big drop, but for 1996, they registered 5% growth. In reality, there was a decline of at least 6%, according to independent scientific estimates.

It's probably hard for you to imagine, that people could work for months, and not receive their wages. The nominal average wage in Russia, at the end of 1996, was 800,000 rubles per month, which is approximately \$160. That's a lot higher than in Ukraine; Natalya [Vitrenko] will tell you, how much worse things are in Ukraine.

That is, however, the recorded wage. But people don't receive it. The government's arrears in wage payments grew unbelievably during 1996, even though this was an election year. The Yeltsin team, as against the alternative economic program proposed by our group, kept assuring people, that now there would be no more arrears in the economy, that all the back wages and pensions would be paid as soon as Yeltsin were re-elected.

Let me give you some figures for the economy as a whole, and by sector, on the sums of money not received by our population.

Wage arrears in the trillions

As of Jan. 20, 1996, total wage arrears were approximately 21 trillion rubles [about \$4.2 billion]. On Dec. 20, 1996, they were 47 trillion rubles. In order to understand the orders of magnitude, note that when the budget is under discussion, there are battles for 500 billion, or 1 trillion rubles. If some sector demands an additional trillion rubles, the relevant deputies in the State Duma are denounced as wreckers of the economy, because the Russian economy cannot take such increases in spending from the budget. The officials cannot tolerate a 1 trillion ruble increase in the budgeted spending. The population, however, is shorted 47 trillion rubles in one year!

Look at the distribution of these arrears by sector of the

economy. In industry, arrears doubled from 11 trillion to 22 trillion rubles; in agriculture, from 3 trillion to 6 trillion rubles; in education, from 1.4 trillion to 4.5 trillion; in health care, from 800 billion rubles to 2.6 trillion; and, in science, there were no arrears at the beginning of the year, but by the end of the year, arrears were 1.1 trillion rubles.

Here, I must tell you about another trick. The institute where I work, is a government institution under the Ministry of Economics, which does macroeconomic studies. In the Soviet Union, there were nine research institutes under the Gosplan, of which only two remain. Last autumn, most of the staff of our institute had to take unpaid leave. In the winter, we were suddenly supposed to get the itch to go on vacation. But the fact that we did not receive our pay, was not counted as part of that 1.1 trillion rubles arrears in science sector wages. We were “on leave.”

For the first time last year, there were hunger strikes by members of the Academy of Sciences. Political hunger strikes. Another member of the Academy, the director of a nuclear center, shot himself to death. Many leaders of scientific institutions have begun to die of heart attacks and strokes.

These arrears take place against the backdrop of a wage level that's very low to start with. The R 800,000 monthly wage figure I gave you, was the average. Let me exhaust you a little more, with the average wages, broken down by sector. In the electric power sector, the average worker earned 1.6 million rubles per month—about \$300. In the fuel sector, 1.9 million rubles per month; 2.2 million rubles per month in the oil industry; in the natural gas industry, 3 million rubles—approximately \$600 a month. These are the industrial sectors of our Prime Minister Chernomyrdin, the sectors with the highest wage levels.

But, at the same time, in machine building, the wage level has declined to 600,000 rubles, in light industry, it is 400,000 rubles per month. In agriculture, 350,000. This is, you see again, the nominal wage—350,000 rubles, in the rural areas. And even that, is not paid.

What do people do, under these conditions? We have absolutely informal economic relations, which we study in the framework of the black economy. Part of this is quite ordinary economic activity. But it has taken on such a scale, that the statistics agencies do not capture it. These are small-scale services, which people provide for each other. To pay even for modest services, however, requires money. Thus, most of the families in rural areas have slashed their household consumption drastically.

In the last period of Soviet power, there used to be two or three hogs raised per family. It became difficult to feed and raise them, so the average fell to one hog per family. That was in 1995. But, as of 1996, we began to observe that that hog was not slaughtered for the family's own consumption, but was taken to market in the city, for sale at dumping prices. The peasants were forced to do this, to buy a notebook for a child in school, or medicine. You do have to buy some items.

The ‘benign’ and illegal shadow economy

We also have a pronounced division of our economy into one economy for the wealthy, and one for everybody else. Those who derived honest income in the black economy, received it from providing services for the wealthy. This is the approximately 20% of the shadow economy, which we call “benign.”

The other 80%, is economic activity that involves violation of the law. Approximately 25% comprises economic crimes in which income was concealed from the state. Individuals conceal their revenues. Some 45%, and growing rapidly, is the out-and-out criminal sector.

We estimated that, in 1995, the black economy was equal to 45% of GDP, which, in absolute figures, is in the range of 375 trillion rubles. So, 375 trillion rubles is the criminal economy. These funds circulate within a closed curve, which encompasses the entire illegal narcotics turnover, the black market in weapons, and the phenomenon of hired killers. Counting only confirmed cases of contract killings, chiefly of bankers, around 600 people have died in this way. It also involves kidnapping, and then a very horrible type of crime, which I have studied, namely the kidnapping of people for purposes of harvesting their organs. There is a black market in surgery: kidney transplant surgery, hearts, blood, and so forth. There were instances of this during the war in Chechnya, when the corpses of soldiers were found with the organs already removed.

These processes suck dry an economy that is already sick, and undermined. Without understanding this additional, criminal side, it would be impossible to elaborate means to overcome this super-crisis, especially if this were being done for Russia alone.

It's obvious, for example, that the Ukrainian mafia comes to Russia, or that narcotics from Tajikistan pass through Russia in transit to the Baltic states. There's criminal economic transshipment to the West, as well.

Our “Yaponchik” [Russian mafioso Vyacheslav Ivankov arrested by the U.S. FBI in June 1995], compared with these real criminals, is, shall we say, an innocent kid, who perhaps was jailed just *pro forma*. He was a major criminal kingpin, but he extorted money from Russian thieves, with the intention of returning the proceeds to Russia. This involved the interests of depositors in the Chara bank, among whom were artists and their organizations. So, in fact, Yaponchik was performing a “noble deed” for our artists; and American law enforcement, which arrested him, prevented him from sending the money back to Russia.

There has been a lot of discussion about the Russian mafia. The real mafia does exist, on a significant scale, in the United States. As a rule, these are respectable gentlemen, and very rich ones. It would be difficult for you to recognize them, from just seeing them. This requires very detailed, joint work by the law enforcement systems of the United States and Russia. This is the biggest danger.

Ukraine is being most cruelly destroyed

by Dr. Natalya Vitrenko

Respected colleagues, I would like to pick up on the thought expressed by Mr. LaRouche, and propose that Clinton assemble the representatives, the leaders of all the foremost countries, and ask them: Let us assess the situation today, and, if we don't like it, let's change it.

Then the question arises, with respect to our President and the Russian President, and others: What would they reply to Mr. Clinton? Are they not quite satisfied with the situation in their countries?

In fact, they like it very much. They are making their own personal, enormous fortunes. They believe in their own immortality, and they think that they will bequeath this money to their children, grandchildren, and great-grandchildren for 300 years ahead. Everything looks fine and dandy to them.

I have a document in my hand, which is the text of a speech given by our President [Leonid] Kuchma, at a special session at the Davos World Forum, on Feb. 1, 1997. Yesterday, our colleague Mr. Tarpley, when he was interviewing us for television, asked, "What is with your President? Don't your leaders see what is happening in the country? How can they look people in the eye?"

Let me tell you what President Kuchma said to the World Forum. I quote:

"An objective and unbiased analysis of the five-year process of building the nation of Ukraine, gives grounds to conclude, that the policy of affirming our independence has become irreversible, as has the policy of the accelerated reform of socio-political and economic life. The adoption of the Constitution, may be called one of Ukraine's greatest achievements."

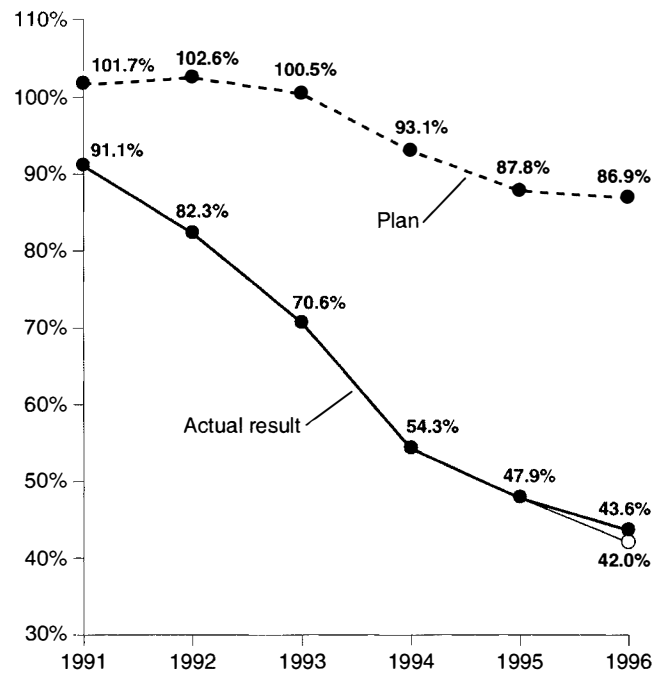
I say, that the adoption of that Constitution is a special black page in the history of our country, for which reason, Volodymyr Marchenko will discuss that in some detail.

Let us resume the quotations from Mr. Kuchma, on the economy: "In our country, a slight but nonetheless real increase in industrial production may be observed." These are the words of the President of a country, where industry is collapsing at a terrible rate, and therefore I will leave all that mysticism on the conscience of the President, and I would like to shift over to concrete data.

In order to see the shape of the curve of collapse of Ukraine's GDP, the solid line, below, is the actual annual change in GDP (**Figure 1**). Note particularly 1996: The government promised a 1% decline in 1996. My forecast was for

FIGURE 1
Decline of Ukraine's Gross Domestic Product, 1991-96

(percent of 1990 level)



a 9% decline. The actual decline was 10%.

If we look at the broken line, above, we see, year by year, the promises made by the government. Each year, they promised that there would be only a slight decline. For 1997, they promised 1.7% growth. Yet, every year, it falls further, and nobody is held responsible.

I would like to emphasize, that Ukraine is not Rwanda or Ecuador. Ukraine is a country in the center of Europe, a country which produced equipment for the space program, and the most modern submarines; a country which had the highest level of education in the world. Out of every 1,000 people employed, 974 had finished high school, and received special vocational or higher education. We were ahead of Russia and every other country in the world, in this regard. And, *this* country, in the middle of Europe, is being destroyed in the cruelest way.

There was not, in any other country in twentieth-century history, such a rate of collapse of GDP. Let me make two comparisons.

The first, is the U.S.S.R. during the Second World War. Only during the first year and a half of the war, when the Soviet Army was retreating, did production fall, and the GDP declined by 24%. By 1943, growth had recommenced. The second comparison, is fascist Germany, which *lost* World

FIGURE 2

Output of the key types of industrial products in Ukraine, 1990-96

(million tons)

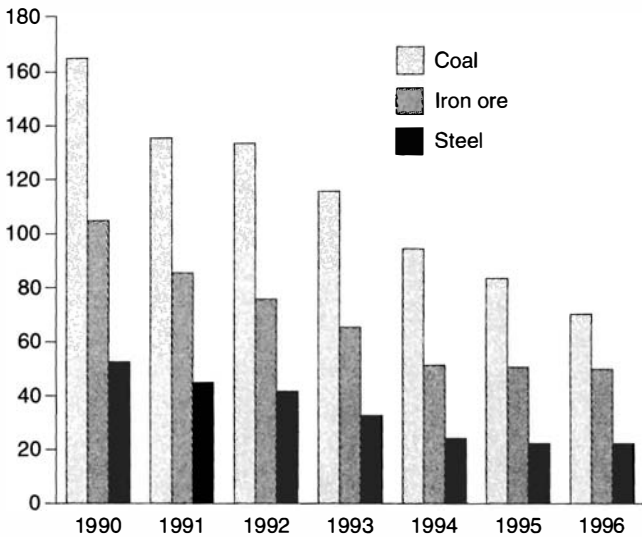
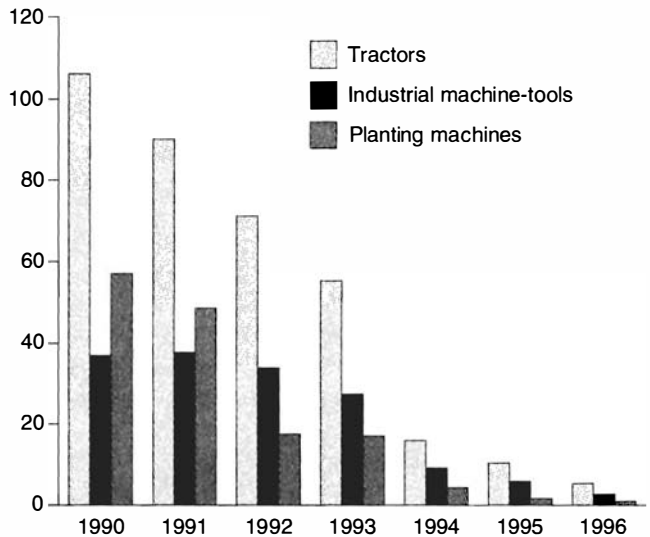


FIGURE 3

Output of the basic types of engineering industry products in Ukraine, 1990-96

(thousand items)



War II. The collapse of its GDP was 56%. Ukraine has lost 58% of its GDP.

Now, let us turn to the physical economy, and see the destruction of the most important sectors. This is Ukraine's basic industry: coal, iron ore, steel (**Figure 2**). The destruction of these sectors is continuing, although not as rapidly. Foreign investors still have a use for these products in Ukraine. Half the investments in the country (which are inadequate overall), go into these sectors. Nevertheless, look at coal mining; it has fallen more than twofold. Steel, two and a half times. The most intense destruction in Ukraine, is of machine building (**Figure 3**). This is the intellect of the nation, the concentration of high technologies. These are the products, without which a country can not exist. And I draw your attention to the fact that these are not tanks, submarines, or missiles, because we were told that Ukraine had too much of that military production. Here, we're talking about tractors, machine tools, and planting machines.

Lyndon LaRouche is a thousand times right when he emphasizes the machine-tool industry. To destroy the machine-tool industry of Ukraine—just look at it, by a factor of 15—means to drain every other sector: industry, agriculture, construction, and so forth.

Naturally, a collapse on this scale leads to a shrinkage of jobs. Ukraine, officially, has already lost 5 million jobs. Three million more jobs are part time, which means that of 22 million jobs that existed before, 8 million have been lost. These are the economic reasons behind the growth of crime, drug

addiction, and prostitution. Not only is machine building being destroyed, but also the consumption of food and finished goods. Here, we see consumer goods (**Figure 4**).

For Ukraine, which had highly developed light industry (and Ukrainian hides were highly valued on the international market); for Ukraine, which had complete food self-sufficiency, with high-quality food, it is simply a disgrace today, to depend on imports of the lowest quality. We've also concluded, that the goods for which there is no market, which nobody wants in Turkey, China, Germany, or America, are dumped into Ukraine, as if onto a garbage heap.

In Davos, our President said that he sees positive changes in various spheres. Let us look at yet another: agriculture (**Figure 5**).

Twenty-five percent of the black-earth soil in the world is located in Ukraine. But agriculture, which was already undercapitalized—there were no large investments in agriculture—and which needed to be brought up to modern levels, today has been completely drained by an unfair price differential, and the policy of breaking up the collective farms and state farms, in favor of an ephemeral independent farmer, who was going to feed everybody.

The natural result of reforms such as those carried out in Ukraine, is not simply a collapse in the volume of production, but also an alteration of the ratio between the legal economy and the black economy (**Figure 6**). The bars on this graph show the growth of the share of the black economy in GDP. Truth be told, we had a black economy before, as well, caused

FIGURE 4
Dynamics of output of non-food items in Ukraine, 1990-96

(million items)

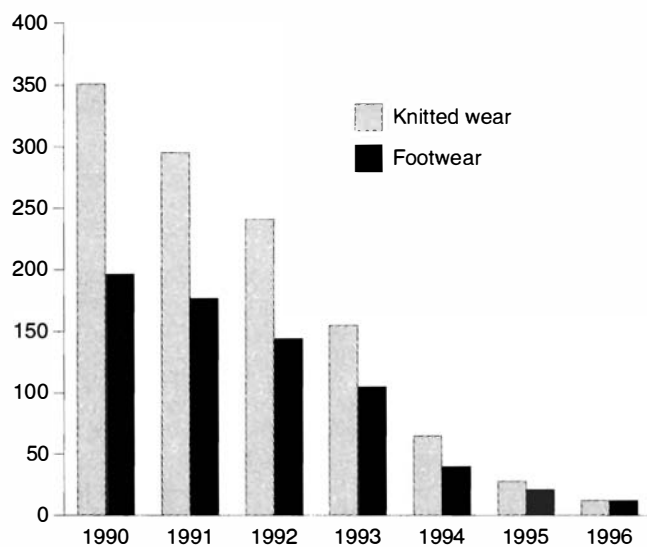
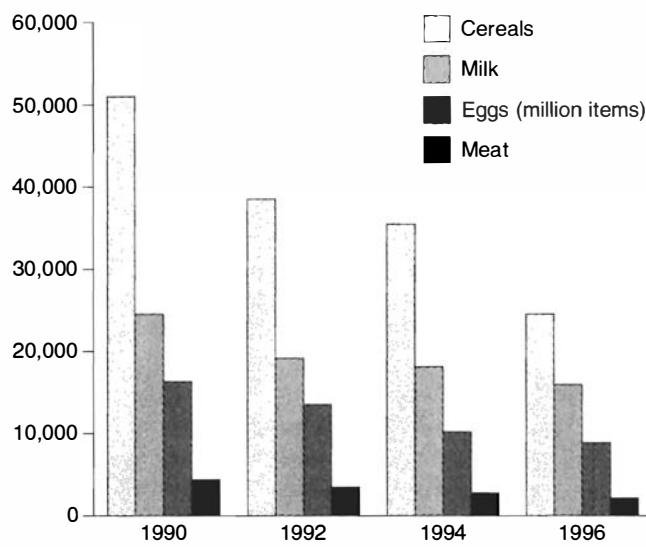


FIGURE 5
Dynamics of output of the basic types of agricultural products in Ukraine, 1990-96

(thousand tons)



by imbalances between the military-industrial complex sectors, and those producing final consumer products.

But, beginning in 1991, the black economy began to grow so rapidly, that by 1996, two-thirds of the GDP comprised goods and services from the black economy. Thus, Ukraine is going in a totally criminal direction, and becoming a country which is dangerous not only for life, but also for foreign investment, and for foreign visitors, because of the monstrous growth of crime.

The IMF boa: ‘deregulation, stabilization, privatization’

Of course, we have to answer the question: Why is this happening? Who proposes such recipes for economic reform?

It’s easy for me to address this audience, because I see people I have known for two years, and who know where I stand. In my article and our interviews, which were published in *EIR* in 1995 [April 14 and May 5, 1995] and at the beginning of 1996 [Jan. 5, 1996], we exposed this problem, and showed, with names and dates, when and how the IMF came to Ukraine, *through whom* it went to work, and continues to work there today, and how the government and the President, and the majority of the members of Parliament, while taking money from the IMF, and political support, do everything in their power to implement the recipes of the IMF, and carry out only those reforms that their masters allow them to.

The IMF got Ukraine hooked in 1992. That year, the first IMF credit was received: \$400 million. Today, Ukraine’s for-

ign debt is \$9.7 billion. (The solid line shows the growth of the foreign debt: \$9.7 billion). For 1997, eight percent of budget expenditures are allocated for debt service.

While granting these credits, the IMF sets strict conditions for the nature of the reforms. Its classic tendency is well-known: deregulation, macroeconomic stabilization, and privatization.

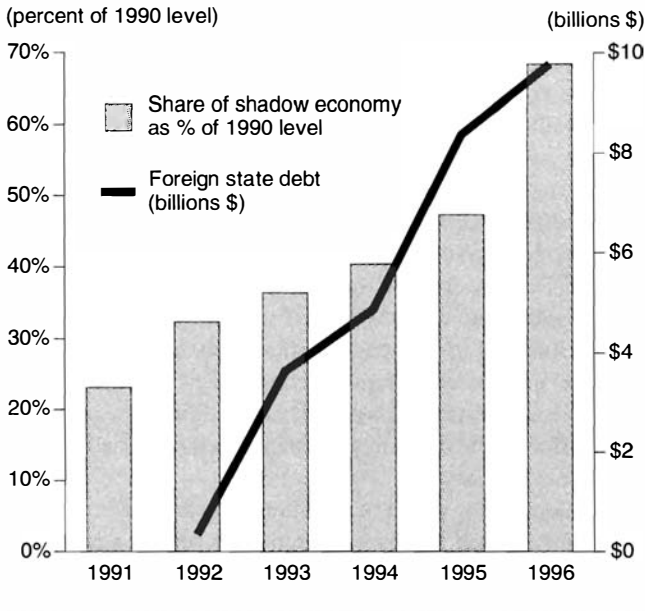
And here we have our President at Davos, giving his annual report to his masters, on how well he has fulfilled the instructions—to the letter. Prices have been decontrolled. Not only is there no foreign trade monopoly, there’s virtually no regulation of foreign trade. It has been preserved only for a few categories of goods.

For the sake of macroeconomic stabilization, social programs were slashed. In the name of this same mythical “stabilization,” as Tatyana Koryagina already told you (and, I should say, the masters are the same; therefore, the reforms are twin brothers), wages are not paid in Ukraine, either. Wages that have been earned are not paid, and, in violation of the law, the minimum wage level is not revised. Our law requires that, before the budget is adopted for a new year, the minimum wage level must be reviewed, in light of how much the cost of living has risen. But, insofar as the masters don’t permit this, in violation of the law, the minimum wage was not revised in 1996 in Ukraine. The minimum wage and minimum pension remain at \$8 per month.

This is surrealism. As an economist, I cannot explain to you what this even means. The expenses for a child are defined

FIGURE 6

Growth of the share of the illegal economy in the GDP, and in Ukraine's foreign debt



as one-third of the minimum wage; therefore, a single mother, who is raising one child, receives approximately \$3 per month.

Looking at the wage structure in Ukraine, we find that 71% of the Ukrainian population receive less than \$1 per day, \$25 per month (Figure 7). Twenty-seven percent receive more than that, but less than \$50 per month, and 2% of the population receive more than \$50 per month. Essentially, this doesn't express very much, because any normal person will ask, "How, then, do people live?"

People are essentially cast by the state into various areas of the informal economy. They survive by means of their kitchen gardens, they survive by engaging in speculation, they survive by selling their labor power in Russia, Turkey, the Czech Republic, Germany, wherever they can find work.

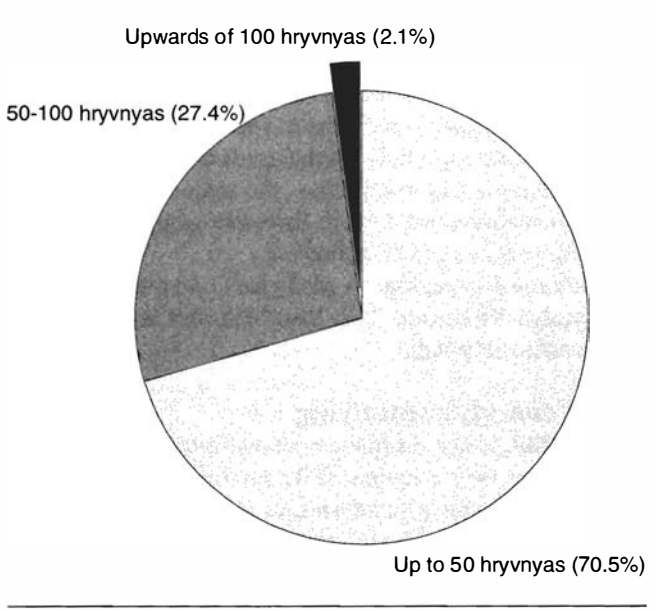
But it's intolerable, for a state to force its citizens to resort to such activity in order to live. This is the face of macroeconomic stabilization, according to the IMF's prescriptions.

They demand more and more with their conditionalities, up to and including totally irrational things. For example, one of their demands for 1997, is to raise the pension age to 65 for men and 60 for women. Before, it was 55 for women and 60 for men; the IMF wants it to be 65 for men. But the average life expectancy for men in our country today, is 62 years. We may conclude that men are not supposed to receive pensions at all.

The IMF's third demand is mass privatization. In Davos, the President reported that the privatization of smaller enterprises has been finished in Ukraine, and that masses of Ukrai-

FIGURE 7

Distribution of Ukrainian families, by level of real income per family member



Source: October 1996 "Socis-Gellap" survey.

nian citizens have become property-owners. Well, you just saw the structure of incomes, and you can draw your own conclusions about what kind of property-owners receive a dollar or less per day.

An even slightly attentive analysis of the property situation today, shows that the remaining state property, which comprises approximately 42% of enterprises, is, in effect, no longer under state control. These firms have become the property of their directors, who, in the absence of any supervision, simply loot this property. They buy raw materials wherever they can, and sell their products wherever they feel like it. Those who want to, pay wages; those who don't want to, don't.

But, at the same time, each of these directors is a contract employee, and, should he object to the policy at all, he is immediately kicked out, and he loses that source of income. Fifty-eight percent of the property is no longer state property. Five or seven years ago, people came to Ukraine to promote these reforms, including [Harvard economist] Jeffrey Sachs, [then Polish Premier Leszek] Balcerowicz, [then Czech Finance Minister] Vaclav Klaus. They argued that non-state property, was the most effective form of ownership, especially private property, and mixed-ownership firms.

Light industry is the most privatized sector in Ukraine. Eighty-eight percent of the enterprises there are no longer state-owned, but the decline in production in that sector is the greatest, and there is the largest number of idle factories.

If we look at private property as such, it's all in the shadows. Those who are actually property-holders, are afraid to be identified as owners, even if they have the majority share. They see the grapes of wrath ripening, and are afraid that if things blow up, they'll be the first victims.

Mass privatization has led to a situation, wherein the majority of the population has lost the right not only to manage factories, but even to work at them. The actual right to control the property is concentrated in the hands of the former higher [ruling Communist] party elite, the major figures of the shadow economy, and foreign investors with a shady past, like George Soros and his followers.

Tatyana Koryagina: A shady past, and present.

Natalya Vitrenko: Yes. Yes, both past and present—you're absolutely right.

Mines closed, towns dying

The IMF, seeing that there is no resistance in the country, and that the upper echelons of the establishment have been bought off, continues its reforms, each time advancing some new political figure, who is totally committed to the reforms. Here is a picture of the current prime minister of Ukraine,

Pavlo Lazarenko. He is a terrible figure in our state, who promises to support the current President, but is actually laying the ground for his own Presidential campaign.

In this interview, Pavlo Lazarenko says that the government has managed to make a break with the negative trends. The problem is, that we and he are speaking different languages. We say that the tendency is lower and lower, and worse and worse; they say that the turnaround has taken place, and the way out of the crisis is in sight. And, they are so sure of the support of the IMF, that they totally overtly and blatantly cite their masters' orders.

Lazarenko writes, "We are going to shut down the coal mines." That is a demand from the World Bank, and the IMF. The World Bank said, "We'll extend \$300 million to you." Only \$300 million! They give billions for the Mexico crisis, but \$300 million for Ukraine! It's insulting. You, at least, get billions to be destroyed; we are destroyed for mere millions. They offer this \$300 million, on condition that one hundred coal mines be closed.

A month ago, Volodymyr Marchenko and I were in Donetsk, and visited the coal mine named for the newspaper *Pravda*. It is being closed. There are coal deposits there, which could be mined for another 30 years. Five new drifts have been cut. But the order was received, to flood the mine within 17 months, although the technical norm is 30 months for the shut-down of an unprofitable mine.

This is just *massive* destruction. The entire town around such a mine dies. When we had discussions with the local inhabitants, the most painful thing was to see the faces of these 30- to 40-year-old men, who had lost their jobs.

What does Pavlo Lazarenko say, about what awaits Ukraine in 1997? "We are going to switch off power, to those who are behind on their electricity bills."

We have public-sector factories standing idle, because of the non-payments crisis. Everybody owes to everybody else. The creditors' side of indebtedness has reached 82% of GDP. The debtors' side is a little bit less. Instead of issuing money or circulating bills of exchange, in order to get production going again, instead of providing to enterprises the circulating capital they need, i.e., the ability to function, the premier says that their electricity will be turned off. He says, in conclusion, "Those who are unable to work in the new way, will experience real bankruptcy."

Forty-six thousand enterprises have gone bankrupt in Ukraine. This is what the current regime is preparing, and this is the brutal face of the IMF. And I would simply note that the World Bank and the IMF are treating Ukraine more and more harshly.

I'll show you just one example: credits for the development of enterprises. The World Bank is extending \$330 million, in three tranches of \$100 million each. Nine million goes to pay consultants, which is how our colleagues in Parliament, as well as government officials, are bought off. One million is for the duty-free supply of computers and other equipment

Vitrenko presents 'New Bretton Woods' appeal

Ukrainian members of parliament Natalya Vitrenko and Volodymyr Marchenko presented the "Urgent Appeal to President Bill Clinton to Convoke a New Bretton Woods Conference," at a press conference in Kiev, the capital of Ukraine, on Feb. 25. The appeal (for full text, see *EIR*, March 7, p. 42) was issued, with Dr. Vitrenko and Helga Zepp LaRouche, the founder of the Schiller Institutes internationally, as its initiating co-signers, following the Feb. 15-16 Schiller Institute conference in Reston, Virginia.

Selski Vesti, one of the largest-circulation newspapers in Ukraine, covered the press conference on the Appeal, as did the newspaper of Ukraine's parliament, the Supreme Rada.

On Friday, Feb. 28, Vitrenko took the floor in parliament, to present the Appeal, with its blistering indictment of International Monetary Fund-guided destruction of national economies, including that of Ukraine, and its call to reinstitute national sovereignty in economic practice. Her speech, in which she urged fellow Ukrainian parliamentarians to sign the Appeal, was carried live on radio. To date, 50 members of the Supreme Rada have signed.



“Ukraine is not Rwanda or Ecuador. Ukraine is a country which produced equipment for the space program, and the most modern submarines; a country which had the highest level of education in the world. And, this country, in the middle of Europe, is being destroyed in the cruelest way. . . . In fascist Germany, which lost World War II, the collapse of its GDP was 56%. Ukraine has lost 58% of its GDP.” Here, Germany begins to rebuild at the end of World War II.

for the consultants.

Here are the conditions under which the tranche is issued. They demand the elimination of indicative prices for cattle and hides. That means that, as a nation, we're not even allowed to set price norms. Elimination of all export duties on cattle and hides. Elimination of accounting procedures to record exports; that is, the country is forbidden even to keep track of what it has exported, and what imported. No record. Last of all, the finale, is the elimination of any quality control on imported goods. Thus, we are obliged to accept whatever is shipped in from all over the world. For this, we get \$100 million.

Thus, you see, the picture in Ukraine, as in Russia—although, indeed, our situation is worse—shows that our society is really on the verge of revolutionary unrest. We are beyond the point, where there could be just an evolution.

Potential for political mass strike

Two years ago, I myself proposed an economic program, and we hoped, if the Parliament had voted it up, to change the reform policy. Today, we are convinced that neither the President, nor the parliament, nor the government, will change the reform policy. It suits them quite nicely. So, the destruction may continue, and Ukraine become the sewer of Europe. The majority of the population will perish, because you have everything at once: criminality, various diseases, AIDS has begun to spread in the country. Or, there will be some conscious resistance of the population against this policy.

Therefore, today, as leaders of our party, which is called the Progressive Socialist Party of Ukraine, we have supported the initiative of the All-Ukrainian Union of Workers, to conduct a nationwide strike on March 18, the anniversary of the Paris Commune. We think that, if this action succeeds as a mass strike, objectively the workers will move from economic demands to political ones. Early parliamentary elections should be demanded. We will have to run for Parliament and win, and to create a government with a new reform program.

We know the President will oppose us—any President will oppose us, be it Kuchma, Lazarenko, Moroz [the head of the Socialist Party], or various others who are starting their run for the Presidential seat. But, each of them pulls the blanket tight only around himself. And each of them is so greedy and ambitious, that, without a doubt, the IMF will buy them off totally.

Therefore, if our Parliament were to abolish the post of President, Ukraine would become a parliamentary republic. We think that that would be the best way.

Therefore, with reference to the ideas expressed in the Declaration of our conference [here], I would like to introduce as a recommendation in the declaration, the conception of building a coalition in each country. The LaRouche movement is becoming a force to contend with, throughout the world. The number of its supporters is growing. And, thus, I would like to formulate it in such a way, that in each country, all efforts go to the formation of a coalition, and, by formation of such a coalition, to move to replace the regime, and, in that

shift of regime, to put the emphasis on the representative branches of power, ensuring the dominance of the representative branch.

The first step of the new regime, would be to put in place a ramified supervisory system, recruiting millions of people into monitoring functions. It seems to me, that this will be the right sort of mechanism of popular enthusiasm, if each person himself takes part, and has the opportunity to monitor things and influence change. Then, taking a total inventory of each country's resources, because not everything in Bolivia, in Mexico, in Bulgaria, in Russia, and in Ukraine, has yet been stolen or destroyed; on the basis of a full inventory, to know what the people actually have, then to create a bank in each country, with its own powerful financial system, and, of course, to replace the world financial system, because it would be very difficult to hang on in just one country. And then, we will move to build the Eurasian Land-Bridge.

Then, the new regimes, with the new economic policy, with healthy finances, will work to create new jobs, in order to raise the standard of living in their countries, and to assist the recovery throughout the planet. Then, our prospects are truly bright.

No support for IMF's 'imposed' reforms

by Volodymyr Marchenko

Taking part in the work of these conferences, both today's and the one that took place over the weekend, I got the impression that the LaRouche movement has delved thoroughly into the economic recipes imposed by the International Monetary Fund, and precisely forecast the consequences to which those reforms would lead, and, with the passage of time, is proceeding to more precise proposals about what needs to be done as alternatives to the IMF reforms.

How the IMF works, how its policies are imposed in our country, is clear. The recipes are the same for everybody: Credits are offered, with conditions attached, and there is no responsibility assumed for the results.

The scientists and citizens within the countries, however, having become familiar with the IMF proposals, have themselves already, to a significant degree, been able to forecast the sorry consequences, if they're implemented in every country. Neither the workers, nor people in industry and agriculture, nor the economists, nor the politicians, nor the citizens accept these reforms. And, there is no mass political support for these reforms within Ukraine. We refer to these reforms as "imposed"—against the will of the people.

How could these reforms be implemented in Ukraine and

other countries? Here, I would like to draw the attention of the LaRouche movement to the matter of the organization of power within a nation, because, in our view, it was precisely the organization of power, that made it possible to open the borders of our country to the IMF's policies.

The struggle to change the constitution in each country of the former Soviet Union, took place in different ways. It was a very fierce battle, almost everywhere. Tatyana Koryagina, as a deputy of the Russian Parliament, the legislative branch of the government, together with her colleagues, came under artillery fire in the White House. After the gross violation of the Constitution and the rights of parliamentarians, an illegal referendum was held, to adopt a new Constitution of Russia, which concentrated virtually all the power in Russia in the hands of one person, the President.

A forced constitution

The constitutional revolution in Ukraine proceeded in a milder form. The Constitution of Ukraine, however, was adopted against the will of the people, at night, when the parliamentarians were forced to work 24 hours a day, and there was free champagne being served to the deputies at the canteen in the Parliament. At the same time, the deputies were threatened with the possible dissolution of Parliament, and a ban of those parties that did not agree with the new constitutional conception. The articles of the Constitution were voted on not one at a time, as they should have been, but by groups of articles. Ukraine's Constitution was adopted with gross violations of procedural norms.

I would like to touch on just one problem of the Ukrainian Constitution—the powers of the President of Ukraine. Let us consider, whether it would be possible for our President to change the economic reform policy within the country.

Tatyana Koryagina gave the example of how people with mental problems were the ideologues for the economic reforms in Russia. We can cite similar examples in Ukraine. Let me mention one person: Viktor Penzenik, an ideologue for the implementation of IMF-prescribed reforms in Ukraine. Four times, the Parliament of Ukraine has forced the resignation of one or another government in which Viktor Penzenik was working, either as minister of economics or vice-premier. Yet, Viktor Penzenik remained and kept working under all the premiers; he's on his fourth prime minister.

Two years ago, the Council of Industrialists and Entrepreneurs of Ukraine passed a resolution, which was an ultimatum to President Kuchma, demanding the removal of Penzenik as an ideologue of destructive economic reforms. When they met with us, these industrialists were absolutely certain that Penzenik would be removed. However, he remained, and he's continuing to implement the same policy to this day.

How did this become possible?

I would like to draw your attention to the powers with which the President is endowed, in Ukraine. This is Article 160 of the Ukrainian Constitution. I will try to enumerate the

points, though not all of them.

The President of Ukraine appoints the prime minister of Ukraine, he appoints the leaders of the central organs of the Executive branch, he appoints the prosecutor-general, he appoints one-half of the staff of the National Bank of Ukraine, he appoints one-half of the members of the Council on Radio and Television Broadcasting, he appoints the head of the anti-monopoly committee, the head of the state property fund, and the head of the radio and TV committee. He has veto power over decisions taken by the government of Ukraine. He is supreme commander-in-chief of the Armed Forces of Ukraine. He hires and fires the higher officer corps of the Armed Forces.

The President heads the National Security and Defense Council. The President appoints one-third of the Constitutional Court. The President determines the composition of the judiciary, and much more.

Presidential control

What kind of responsibility is there, for the activity of the President? Theoretically, by referendum, the population has the right to express no confidence in the President. However, it is the President who schedules a referendum for the expression of the popular will.

There is the very interesting Article 111 of our Constitution, on the procedure for impeachment of the President, which is no-confidence in the President by the Parliament. The Parliament has tried to launch an impeachment process, because Kuchma, as prime minister, had signed a decree allowing the creation of pyramid investment firms, like MMM in Russia, which solicited cash from the population, and bore no responsibility for what happened to it. The parliamentary investigatory commission established that that decree was signed by the current President of Ukraine.

I shall tell you about Article 111, about the procedure that must be followed, to express no-confidence in the President. The Parliament holds hearings, it sets up a commission; for this to happen requires a simple majority. The commission is formed, does its work, and submits its findings for confirmation by the Parliament. The next vote requires a two-thirds majority, and that's not impeachment. The matter is turned over to the Constitutional Court. As I already mentioned, the President appoints one-third of the Constitutional Court, and he influences another third through the other institutions of the judiciary, appointed by him.

The Constitutional Court reviews the matter. If it determines that the President's actions are criminal, then the President is still not yet impeached. The Constitutional Court's decision is then returned to the Parliament, and there's one more review, which requires an 80% majority. This is still not impeachment, because this decision has to be reviewed by the Supreme Court of Ukraine. But, the President has a role in supporting the Supreme Court. Consequently, when yesterday Webster Tarpley asked us, during our television inter-

view, how the President can look the citizens in the eyes, when the economy is in the shape it is in—he can just not look in their eyes.

He is not worried about the domestic situation. What worries him, is international support, and, therefore, every time a new Constitution or new government program is about to be adopted, our President visits the United States. He secures political support, and proceeds to continue to implement the reform policy, requested by the IMF.

Under the current Constitution, it's virtually impossible to affect economic policy. The President vetoes parliamentary decisions, and may be overridden only by a two-thirds vote. We were able on three occasions, during 1996 and early 1997, to vote up a demand that the President speak before Parliament, giving a state of the nation report, and a report on foreign relations. He doesn't show up, and the Constitution gives us no grounds to call him to account.

'The IMF can sleep soundly'

If we look at the demands that have been implemented on the structure of power, which came from the IMF, we see that a President with this degree of power, is able, in addition to economic policy, to determine personnel questions. On his own, he appoints to the upper echelons of the Executive branch, those candidates demanded by the IMF. The IMF can sleep soundly, because it doesn't even have to be on the scene, in order for its cadre to carry out its policy in Ukraine.

There is also the question of the regions, which also do not accept the current economic policy. They have to be suppressed. How does the Ukrainian Constitution provide for this? This is done in Articles 180 through the 190s. According to these articles, full Executive branch power [in a province] belongs not to somebody elected by the population, but to a person appointed from above, by the President. He is answerable only to the President.

There is also a marvelous article in our Constitution, No. 41, which certifies the results of the economic policy carried out by the IMF. This article establishes the inviolability of only one form of property—private property.

Therefore, we say that even if we were to replace the President with a new one, the Constitution mandates that any President, objectively, will defend the consequences of the IMF's policy. The President is virtually independent of any influence from his own people. But, on the international level, conditions can be created around the President, either to discredit him, which he wants to avoid, or to provide him with political support. At present, he'll receive that support only if he implements the IMF's policy.

Therefore, if we look at means to change the economic reform policy, we in Ukraine, at least, see a change in the Constitution as one of the important conditions for this, a change in the power structure.

According to European and international norms, the government of any country should carry out the will of its people.

The task of politicians, is to provide a mechanism for carrying out the will of the people, because democracy is not so much the process of democratic elections, as the process of monitoring the activity of governments, Presidents, and Parliaments, and the extension of the mechanism of political supervision of the higher agencies of power. Only this can sustain an economic reform policy that is to the benefit of the nation.

From The Question Period

IMF, Soros death count raised at policy forum

These are excerpts from the FDR-PAC policy forum question and answer session on Feb. 19, on eastern Europe and Russia.

Helga Zepp LaRouche: We have heard that the reform policies have actually caused a collapse in the demographic development of Russia. Could you give us figures: How many people have been killed by these policies? And, second, could you comment on the dollarization in the economy?

Natalya Vitrenko: The question mentioned Russia, but I understand that the whole situation, also in Ukraine, is of interest.

In 1990, the population of Ukraine was approaching 52 million. At the end of 1996, there were 51 million people in Ukraine. That is, we have already lost 1 million. According to the government's plans—and we were given the calculations on this in the Parliament—a continuation of the reform policy will lead to a further reduction in the population of Ukraine, by the year 2000, by another 1.2 million people. Comparing this with somewhere in the United States, this would be equivalent to the population of the entire state of New Hampshire. The government quite calmly handed out these prognoses, which predict a fourfold increase in unemployment between 1996 and the year 2000, while the population is to fall by 1.2 million.

Based on the results of 1996, mortality exceeded the birth rate in Ukraine by 375,000. The average life expectancy has fallen from 75 to 71. Particularly terrible is the collapse of the birth rate, and mass abortions. Ukraine is first in the world in abortions.

Concerning dollarization of the economy: When Gaidar came to visit us and held a press conference at the Parliament of Ukraine—a briefing on how excellent his monetarist devices are—I asked him a question: “Doesn't it seem to you, that the growth of dollarization in both Russia and Ukraine, denotes a loss of sovereignty? Have we not shifted over to servicing the United States, which is suffering its own depres-

sion?” Yegor Gaidar began to deny this very vehemently, but so unconvincingly, that our press, which are by no means sympathetic to our positions in Parliament, nonetheless acknowledged that Gaidar's arguments were absolutely unconvincing.

The level of dollarization of the economy is constantly growing. In 1995, it was 32%, and by 1996, 47%. According to economists' calculations, we had helped America—by the fact that the dollar circulates in Ukraine—we have provided America \$10 billion in “emission revenues,” what is earned by printing those dollars.

Speaking in Davos, our President also counted among his successes, the implementation of a monetary reform. It was implemented in October 1996, in a way that totally contradicted what we recommended and international experience—even just the example of Ludwig Erhard in West Germany. A very primitive redenomination occurred: five zeroes were knocked off. What this effectively did, was legalize speculative capital, without any control, without any reduction factor; everything was just exchanged for the new bills.

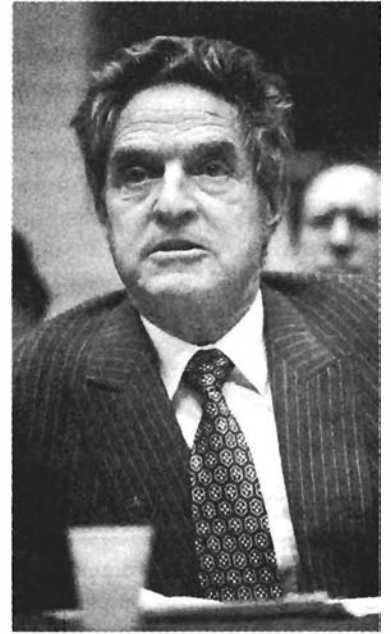
Conducting the monetary reform in that way, missed the chance to improve the financial system. There is no ban on the influx of foreign currency, and some of the IMF credits are used for interventions on the currency markets to provide artificial support for the hryvny [the Ukrainian currency]. If this drug addict's needle were removed, the hryvny would collapse.

Social damage from IMF policies

Tatyana Koryagina: We are trying to calculate the social damage from the policy of the IMF. There are definitely no precise figures; these are estimates. If we talk about the potential number of people who could die, as a direct result of the IMF reform policy, the most conservative estimate for Russia, would be that 2 million people have died already. But, besides the physical deaths, there are also a tremendous potential losses, which are now latent in society, having to do with stress, potential nervous breakdowns, the virtual cessation of family formation. There has been an enormous increase in the number of abortions in Russia. We currently have a project, which is attempting to make quantitative estimates of these results. Potentially, it may be possible even to express this in economic, and monetary, terms.

But, still, I don't think any monetary expression will convey the true scope of the losses, because when a nation is being destroyed, when the basis of whole peoples is being subverted, this is a loss for all of world civilization, for humanity. And, therefore, I think that the IMF can be brought to justice with even stricter responsibility than was applied at the Nuremberg trials. After all, fascist Germany was engaged in an openly declared war, as a state, and they did not conceal their cannibalistic philosophy. They didn't kill people in their apartments with a slow death, but they set up concentration camps. That could be ascertained, and physically confirmed.

I believe that the IMF, this international financial oligar-



“The general curriculum in Russian schools is largely utilizing textbooks published with money paid by George Soros. Basic science subsists on Soros’s money. Scientists at various institutes of the Academy of Sciences compete for grants from the Soros Fund. He pays for their trips abroad, mostly for members of the intelligentsia—those who exert the greatest strategic influence on society.” Russian students and speculator George Soros (right).

chy, is a kind of global phenomenon, which is more terrible than fascism. And, I think that even in the Schiller Institute, which is the most advanced in understanding the qualitative nature of fascism, of this policy, you have not yet investigated all the relevant parameters.

Dollarization a product of the criminal economy

On the dollarization of the Russian economy: Theoretically, there shouldn’t be any, because it’s officially against the law to circulate foreign currency in Russia. That’s in the legal economy. The most that’s allowed, is to purchase foreign currency, and for banks or enterprises to pay foreign contractors with foreign currency. For the enterprises, this is all recalculated in rubles.

If we talk about individuals, the official statistics, which omit the black market, show that during 1994, the Russian population bought \$25 billion. In 1995, it was \$30 billion. In 1996, there was a steep jump to \$47 billion purchased by Russians.

What’s behind this? What’s going on with the Russian population’s purchase of dollars and other foreign currency?

As I told you, the majority of people don’t have money. They don’t get paid. Thus, these figures reflect the super-high incomes of those who are directly involved in criminal business, or who provide services for this elite, for the effectively criminal economy.

There are some estimates by experts on transfers of foreign currency abroad. These are cumulative figures for the 1990s. The most conservative estimate is \$100 to \$120 billion.

Less conservative estimates approach \$300 billion. But, there are some estimates which put this in the range of \$700 billion to \$1 trillion. Here, a very interesting phenomenon comes up for study, which is that such quantities of foreign currency shouldn’t even have been in Russia in that period of time.

When we study different sub-sectors of the criminal economy, we have a sub-topic on “counterfeit.” The law enforcement agencies have assembled data, to the effect that up to 30% of the dollars circulating in Russia are counterfeit. Entire industrial shops for this, with such a quality product that even specialists had difficulty identifying it, were uncovered in Chechnya. In particular, one of the military operations during the Chechnya War, around a certain town, was connected with the discovery of one of these laboratories, this shop for counterfeiting money. These counterfeit dollars circulated not only in Russia but into the other CIS [Commonwealth of Independent States] countries, and eastern Europe, and some of it to Asia. There were also large flows of counterfeit dollars from Poland.

There are also data that show that a high volume of currency arrives as contraband—now, I’m talking about real money. This includes illegal shipments from the United States. In particular, there is evidence of illegal shipment of dollars from the U.S. Federal Reserve System, into Russia.

You have a better overview of cash circulation worldwide. The figure of \$1 trillion from Russia is of a high enough order, to be measured on a world scale.

In order for you to understand how economic activity is proceeding in Russia, let’s take the example of banks and insurance companies. I didn’t give you the official wage level,

but the average is 1.6 million rubles per month [\$320]. This is the money that, officially, passes through various institutions into the banks or insurance companies. We have a tax on wages, with a withholding system. Enterprises conceal and try to understate the volume of wages paid. Enterprises that have a large cash flow often pay salaries in envelopes, under the counter. Usually, there are not rubles in those envelopes, but, most frequently, dollars.

I can cite, for example, my colleagues, who left the Academy of Sciences and went to work for major banks. Officially, their wages are at a level of \$300 or \$400 [per month]. Off the books, they receive \$3,000 in their envelopes. This is while those of us working in science, with all our degrees and years of experience, receive something in the vicinity \$100 or \$150. Therefore, naturally, such highly paid working people can travel. Our research shows that almost all the revenues of travel agencies are from private individuals. It's the same thing with insurance companies. All the books are kept, in reality, in dollars. Only a small volume of activity is shown in rubles.

In providing goods and services for this relatively small, high-income group—if, for example, you go to have your car serviced, you'll never be told that the price for the repairs is, say, 250,000 [rubles]. The man will say, right off, "\$50." To build a house: How many dollars? To buy or sell a car: How many dollars? Therefore, the elite economy is almost totally dollarized, illegally.

As for what's in the legal sphere, this is also infected with dollars, through bribe-taking; bribes are customarily in dollars. These funds not only end up in the West, but some are also kept "under the mattress," as we say in Russia.

The huge jump to the level of \$47 billion, purchased last year at legal points of exchange, should be at least tripled, in order to estimate how much was obtained in all. People who have very high incomes, even if they are calculated in rubles, can only buy dollars illegally. As of last year, you have to show your passport when purchasing foreign currency.

Therefore, officially we do not have dollarization of our economic operations. Unofficially, we could be called a 51st state of the United States. We have *a lot* of American dollars in Russia.

Soros a 'new Mephistopheles for Russia'

Diana Terán: I have been *EIR*'s correspondent in Argentina for five years. I have seen the enormous growth of the influence there of an individual, whose name was mentioned at this conference, namely, George Soros. George Soros is now the largest landowner, of productive land, in Argentina. He says that he doesn't care about producing food, but only to derive profits. He is also planning to purchase the main oil company in Argentina, IPF. At Davos, he proposed to the Argentine minister of finance, to insure all mortgages in Argentina. Therefore, as Ibero-Americans we are very concerned about the influence of this person, who is also known

as one of the supporters of such organizations as the Andean Council of Lawyers and the Council of Coca Producers of Peru, Bolivia, and Colombia, in financing the campaign for the legalization of narcotics.

My question is, what is the influence of Soros in your country?

Koryagina: George Soros has enormous influence in Russia. He began to make open visits, visits which the press reported on, in the late 1980s. Now, in effect, the general curriculum in Russian schools is largely utilizing textbooks, published with money paid by George Soros. Basic science subsists on Soros's money. Scientists at various institutes of the Academy of Sciences compete for grants from the Soros Fund. He pays for their trips abroad, mostly for members of the intelligentsia—those who exert the greatest strategic influence on society.

George Soros has huge influence in the financial sphere. It is difficult to make a quantitative estimate of that influence, because there are some data, showing that a large number of investment companies and foundations are fronts, behind which stand Soros and his people. In particular, when we had the event known as Black Tuesday [Oct. 11, 1995] two years ago in Russia, there were indications that George Soros's money was involved in that financial crisis.

Since George Soros is a key figure for the IMF and World Bank, we should also note his huge influence on the Russian government. In February and March of last year, the Russian government signed an agreement with the IMF. Natalya Vitrenko described the analogous document for Ukraine. In our case, the demands entailed the privatization of the natural monopolies—in particular, the railroads. If the rail system is dismembered, it will be possible to say that all the preconditions have been met for Russia to fall apart. In that case, financial flows will circulate within more narrow territories. Since the majority of the money will continue to be speculative capital, George Soros should be listed as the third figure, after Bush and Thatcher, among the destroyers of Russia.

At that point, it will have to be said that his activity led to the dismemberment of Russia, and that he will have subverted, through education, our cultural roots. This element should be specially noted. Neither Bush nor Thatcher achieved such a depth of negative influence.

Soros, therefore, is a new Mephistopheles for Russia in the 1990s.

Vitrenko: I'll add that this is the case, not only for Russia, but for Ukraine. I met George Soros in 1992, at the same time I had my argument with Jeffrey Sachs. George Soros was presenting the idea of divesting industrial firms of their social infrastructure. It was a specific feature of the Soviet economy, that, through the industrial branch ministries, the enterprises were responsible for building social infrastructure.

Since Soros acts in a more scoundrelly fashion than many people, he did not speak openly at the conference. He set up a lavish banquet spread, and invited key people to attend.

Then, while hosting people at this lavish table, he let them know what they should do. People could see that he is a man of means. Thus, in 1992, he put forward this idea of how to save the enterprises, how to lower prices. The costs of maintaining the social infrastructure had been incorporated into the cost of production.

I, of course, immediately spoke to rebut him. I had defended my doctoral dissertation, on the idea of preserving the social sphere by the enterprises' bearing responsibility for it. But, I could see the extent to which Soros had bought off the Academy of Sciences of Ukraine, key scientists, politicians, the extent to which he had built himself, so to speak, a reserve airport in Ukraine. I understood then, that when Ukraine's property and land would be put up for sale, just as in Argentina, he would become a major latifundist.

Koryagina: May I add something? It was very useful for me to hear what Natalya Vitrenko said just now. I did not know, that the idea of liquidating the social infrastructure, at enterprises, had come from Soros. In Russia, Grigori Yavlinsky argued on behalf of this theory. It was part of the experiment, field research, he carried out in Nizhni Novgorod, under Governor Nemtsov (another one of the young men Soros counted on).

My observation is that George Soros will *not* be a latifundist, neither in Ukraine nor in Russia. The maximum that he'll earn, is to be driven out of the country. The situation that has

come about may be resolved, to some degree, by a social explosion. There may be various levels of intensity in various regions, but that is the only way it will happen.

To impose upon people, who lived under quite different conditions, such a new way of life—we had many shortcomings in the old times, but we did not know destitution. We didn't have officials who could simply spit on everybody. The question arose of where people should complain, in the regions, or directly to Moscow. Strange as it might seem, the *nomenklatura* feared those complaints. All of this is still alive in people's historical memory. Therefore, people are living through this situation, gritting their teeth. They will not tolerate the appearance of some Russian latifundist, and a foreigner, even less so.

'Red roosters' for Soros

I can make another forecast. If he tries to move here, he will receive "red roosters," such as we had at the beginning of this century—[the flames] when landowners' estates were burned out. When the fire brigade arrives at the pile of ashes, they will also be glad. The same thing will happen with the police. These people are crazy, if they think they can just barge into another country with such thievery. You, in America, are the docile ones. . . . We've only stayed quiet about what's being done to us, for five years. But an answer will come from Russia soon.

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Guadalajara	1600	Shanghai	0600*
Havana	1700	Singapore	0530*
Helsinki	2400	Stockholm	2300
Ho Chi Minh City	0600*	Sydney	0800*
Honolulu	1200	Teheran	0130*
Hong Kong	0600*	Tel Aviv	2400
Houston	1600	Tokyo	0700*
Istanbul	2400	Toronto	1700
Jakarta	0500*	Vancouver	1400
Jerusalem	2400	Vladivostok	0800*
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Albania's plunge into civil war could re-ignite Balkans

by Konstantin George

Thanks to the financial destruction of hundreds of thousands of people, many of whom lost all their possessions through International Monetary Fund-approved pyramid schemes that went bankrupt, the nation of Albania is at the brink of civil war. A large part of southern Albania has fallen under the control of armed rebels, and the regime of President Sali Berisha has mobilized forces from the country's north, including paid mercenary units, and sent them south. As of March 6, Berisha's forces were poised outside several key rebel-held towns, and the crisis is threatening to spill over into a new Balkan war.

The blame for this horror belongs squarely on the IMF and its British Empire controllers. Until early this year, the IMF had hailed Albania as its "model pupil" and "showcase." Since 1992, Albania has been ruled by Berisha, who came to power in an election campaign co-funded by the British Tory Party, and with the aid of a Project Democracy-organized "cultural revolution." The latter was a mass rampage during the winter of 1991-92, in which most of the existing industry was plundered in a peacetime orgy of unparalleled destruction.

"Model pupil" Berisha never missed a chance to show his fidelity to the British monarchy and to former U.S. President George Bush. He awarded Bush with Albania's highest honor, the Skanderbeg Medal, after Bush had left the White House. On a 1994 visit to London, he presented Queen Elizabeth II, British Prime Minister John Major, Foreign Secretary Douglas Hurd, and Agricultural Secretary Douglas Hogg, with treasures stolen from Albanian museums.

The regime of Thatcher-Bush crony Berisha has destroyed Albania, and provides an example of where eastern Europe will find itself, so long as IMF policies are in control.

Berisha's folly

Since the start of the current Albanian crisis, Berisha and his government have committed one miscalculation after another. They underestimated the depth of popular rage among the hundreds of thousands who lost most or all of their possessions. The only possibility of avoiding a plunge into armed revolt, was to reach an agreement offered by the opposition, to appoint a non-party, or all-party, transitional government, leading to early parliamentary elections, and thus provide a ballot box vent for the people's rage.

Berisha not only rejected this approach but, in late February, reaffirmed that the Parliament, brought to power in the fraudulent elections of May 1996, would vote, on schedule on March 3, to re-elect him to a second five-year term in office. The timing was an outright provocation; his first term does not expire until April. In response, mass protests became armed revolt on Feb. 28. On March 3, martial law was imposed throughout Albania, and Parliament duly voted a second term for Berisha. As a result, the revolt escalated out of control.

The most fatal miscalculation that might occur—unless there is concerted international pressure, led by the United States to stop it—would be for Berisha to order his forces to storm the towns under rebel control. The far south of Albania contains a large ethnic Greek minority, about 250,000 people; and three of the towns in rebel hands—Saranda, Gjirokaster, and Delvino—have substantial Greek populations. So far, the Greek minority has stayed out of the fray, trying to avoid antagonizing either the regime in Tirana, or the rebels. This prudent course is not surprising. Taking sides in a situation where the outcome is up in the air, could end in disaster for the Greek minority: If it were to join the rebellion in an organized manner, and should Berisha win, it would become the scape-

goat of the subsequent repression. By the same token, the Greek minority cannot antagonize the rebels, who after all, are its next-door neighbors.

A Balkan war nightmare

The looming nightmare is, should Berisha's forces enter these towns and begin an indiscriminate slaughter of the population, including the Greek minority, there would be a Balkan-wide tragedy and possibly a new Balkan war. Short of the Greek minority, or sections of it, being massacred, Greece would not militarily intervene, regardless of any hot-head proclivities among certain of the Pan-Hellenic Socialist Movement (PASOK) in the Constantine Simitis government. The reason lies in the Turkish-Albanian defense pact of 1993, which provides for Turkey to come to Albania's assistance if there is a foreign attack. The great majority of Greeks recognize that Greece, which is (relatively) the only prosperous country in the region, has nothing to gain and everything to lose from a new Balkan war. Besides, if Athens wanted to destroy Albania, it would merely have to expel its 400,000 Albanian guest workers from Greece; their places could easily be filled by starving Bulgarians.

However, there are other players in the Balkans. The Serbian fascist regime of Slobodan Milosevic, for example, has a compelling need for a "patriotic" distraction, to deflect the Serbian mass strike movement against him. For Milosevic, even without the threat of a Greek-Albanian conflict, the unravelling of Albania through civil war, would be his cue to launch a massive slaughter and expulsion of the ethnic Albanians of Kosova province. That, in turn, would automatically spill over into ethnic conflicts in the Republic of Macedonia, where tensions are already high between its Slavic majority and one-third ethnic Albanian minority. Any eruption in Macedonia, would then spread into neighboring Bulgaria, a nation teetering on the brink of mass starvation, because of the imposition of IMF dictates.

By March 5, Albania's neighbors began taking the first preparatory military measures. Greece put on alert its Eighth Division, based in the Greek province of Epirus bordering Albania. It also imposed tight border controls on March 3, in fear of a mass exodus of Albanians. The Republic of Macedonia also placed its Army on high alert March 5, fearing an influx of Albanian refugees into the western part of the Republic, where its large Albanian minority is concentrated.

The Italian Armed Forces have been on alert since March 4. Italian vessels are patrolling the Straits of Otranto, between Italy and Albania, in the expectation of a mass exodus by boat to Italy, from port towns like Vlora. On March 5, Italian Foreign Minister Lamberto Dini went so far as not to rule out an Italian military intervention into Albania, in his words, to prevent criminals from taking advantage of the chaos.

The pattern of preparatory military measures by Albania's neighbors, coincided with Berisha's rejection of a hastily prepared attempt by the European Union and the Organization

for Security and Cooperation in Europe to mediate the crisis. Both groups had authorized former Austrian Chancellor Franz Vranitzky to head such a mission. Similarly, Berisha had failed to respond to urgent demands from the United States to avoid a civil war and seek a political solution with the opposition, leading to early elections.

'Pyramiding' toward civil war

The current Albanian crisis was triggered in January, when the chain-reaction bankruptcy of the notorious pyramid scheme funds vaporized the savings of hundreds of thousands of Albanians. The first phase of the crisis featured mass protests throughout the southern half of Albania, the region hit by the bankruptcies. That the south was hit, was no coincidence. Nearly all of the nearly 500,000 Albanians working abroad—including up to 400,000 in Greece, and tens of thousands in Italy—stem from the southern half of the country. The remittances sent back to their families in southern Albania, are what provided most of the money that flowed into these funds.

In January, when the pyramid schemes went bankrupt, about \$1 billion in deposits went up in smoke. Hundreds of thousands, who had moved from having nothing for decades, to a "decent" living standard—measured by Albanian standards—were reduced overnight to again having nothing. At that point, a popular revolt began sweeping the south.

Then, beginning on Feb. 28, the protests escalated into armed insurrections, sweeping town after town in southern Albania. By March 5, the Berisha regime—as even Foreign Minister Tritan Shehu, was forced to admit in telephone discussions that day with his Italian counterpart Lamberto Dini—had lost control over substantial sections of the south. Shehu admitted then that armed rebels were in control of the southern Albanian towns of Vlora, Saranda, and Delvino. But Shehu's admissions were already outdated. The southern town of Gjirokaster had been in rebel hands since March 2, and the town of Tepelene, to the north of Gjirokaster, was taken over by armed rebels on March 5. In south central Albania, rebels are at least partially in control of Fier, and definitely command the support of the population in the towns of Lushnje and Berat.

Nothing better illustrates the regime's loss of control than the seizure by the rebels of several bases of the Albanian Army and Navy in the south. The rebels plundered the stores of weapons, seizing more than 11,000 weapons by March 3, and meeting no resistance from the garrisons. Added to this was the booty from the Tepelene garrison on March 5, which included sixty 120-mm cannon.

The physical presence of the Albanian Army in the south no longer exists—units have dissolved, and the soldiers have gone home. For the regime, ironical as it seems, these events have been seen as the lesser of two evils: Most of the troops were young recruits, predominantly from the south and predominantly peasants, and their families were among the hundreds of thousands who lost everything after the collapse of the various pyramid schemes. For the regime it was better to

have the recruits go home to their villages, and not linger at the bases, situated just outside the towns that have become centers of the rebellion.

The dissolution and disaffection in the Army was at the center of the fight between Berisha and his Chief of General Staff Gen. SHEME Kosovo, who is also the Army chief, whom Berisha fired on the evening of March 3, after the state of emergency was proclaimed. It is a sign that Berisha's troubles with the Army are not over, that he was forced to go outside the normal Army leadership, to find a replacement for General Kosovo. On March 4, Berisha appointed Gen. Adem Copani, who had been Berisha's personal military adviser. Further signs that Berisha has lost control over large parts of the Army, include the curious fact that the announcement that General Copani was replacing General Kosovo, was made not by the Albanian Defense Ministry, but by the Interior Ministry.

Also, when the state of emergency was declared on March 3, Berisha placed his close crony, Bashkim Gaveideda, boss of the Shik, or secret police, in charge of the emergency. Most of the forces sent south to crush the revolts, are special units from the Shik, the Interior Ministry, and armed mercenary units recruited from the north of Albania, through funds disbursed by Shik and the Interior Ministry.

This makes it clear why the regime hopes that most of the Army in the south disperses. What happens when the military does not go home, but instead stays and joins the rebellion, can be seen in the southern coastal town of Saranda. By the afternoon of March 4, six patrol boats from the Saranda naval base, were functioning as a technically competent manned unit on the side of the rebels. Similarly, on March 4, two Albanian MiG-15 pilots, ordered to strafe a convoy of civilian cars in the south, instead flew their planes to Italy and asked for political asylum.

The most critical days of the crisis are approaching. The danger of a Balkan war grows through two routes: The first, massacres against the Greek minority, and/or an outrage against the Albanian population of Kosova launched by Serbia's British-controlled fascist Milosevic. The second route, already advanced, is the process of fragmentation in Albania. This process has gone beyond the "north-south" divide. There is no coherent, or centrally coordinated rebellion in the south, but rather, numerous simultaneous, local rebellions, each with its own command, and each operating more or less independent of the others. Under conditions of such fragmentation, each local entity will seek out a special relationship with neighbors of Albania, which would redraw the Balkan map, threatening in the near future, a new Balkan war.

The Albanian case now proves the warnings of Lyndon LaRouche and *EIR* over the years, that the continuation of IMF policies and the existence of sovereign nations are not compatible, that IMF policies will lead to the literal destruction of nations. Today, the horror is wrecking Albania. Unless the IMF is stopped, tomorrow it will be all the Balkans, and beyond.

Clinton defies British on U.S.-Mexico clash

by Valerie Rush

President Clinton withstood intense pressure from British assets and their dupes inside the U.S. Congress and media networks, and resolved Feb. 28 to certify Mexico as a good-faith ally in the war on drugs. At the same time, he informed Colombian President Ernesto Samper Pizano for the second year in a row that his country will be denied such certification as long as the narcotics cartels continue to pull the strings of the Colombian Presidency.

Close collaboration between the U.S. and Mexican governments against the drug cartels and their political protectors, would not only put the brakes on the murderous narcotics trade, but would help expose the rot of a financial system addicted to the multibillion-dollar profits of that trade. That is just what the opium-tainted City of London, and the likes of Sir George Bush and Carlos Salinas de Gortari, want to prevent.

In the weeks leading into Clinton's Feb. 28 decision, the drumbeat for decertifying Mexico began among Bush Republicans, fed by revelations in the *New York Times* and elsewhere of widespread "narco-corruption" within Mexican political circles. Some even began to scream for shutting the U.S.-Mexican border, to "punish Mexico" for its supposed lack of cooperation. Stampeded by the media barrage, Democrats, led by Sen. Dianne Feinstein (Calif.), joined Republicans in demanding that Clinton de-certify Mexico. The announcement on Feb. 18 that Mexico's newly appointed drug czar Gen. Jesús Gutiérrez Rebollo had been arrested on charges of running protection for the head of the Juárez drug cartel, was presented by U.S. certification opponents, not as confirmation that the Zedillo government was prepared to act, but as proof of government corruption.

That such corruption exists is not news, either to the U.S. or the Mexican governments. In fact, narco-corruption was fostered throughout the political and financial systems of Mexico, under the *direct joint collaboration* of the previous Salinas and Bush Presidencies. What is news is that the current administration in Mexico is now moving to root out that corruption, and that the Clinton administration is undoing some of the damage done by Bush's pro-drug policies. In the Feb. 28 press conference on certification, U.S. Secretary of State Madeleine Albright described the Mexican government's arrest of Gutiérrez Rebollo as "an act of political courage of the highest order." It is precisely that political courage which convinced President Clinton to certify Mexico.

The ramifications of an effective anti-corruption drive in Mexico were drawn by *El Financiero* columnist Jorge Fernández Menéndez, who wrote Feb. 25 that the corrupt “associations” now being unveiled between Mexican state security agencies and the drug cartels, date back to the early 1980s, when George Bush, former CIA director and vice president in charge of Reagan’s “war on drugs,” ran his Contra-cocaine pipeline, from Colombia, through Central America and Mexico, onto U.S. streets. Fernández Menéndez pointed out that the Mexican cartels were so heavily involved in the Contra-drug resupply operations set up by Bush that the Mexican druglords even lent their ranches for training the Contras. “Evidently, an operation of this sort . . . could not have been carried out without the backing of very powerful groups,” he stated. If one wants an explanation for the narco-political scandals erupting in Mexico today, one needs to look for their sponsors back then, he said.

Pressures continue

The pressure on Clinton is by no means lessened, now that his certification decisions have been announced. In the U.S. Senate and House, challenges to the President’s decision to certify Mexico have been submitted, with an eye toward overturning certification within 30 days. In hearings before the House National Security and International Affairs subcommittee just prior to the certification deadline, committee chairman Dennis Hastert (R-Ill.) repeatedly denounced Mexico for a laundry list of anti-drug “failures,” and threatened the Clinton administration that “a double standard that undermines the role of certification in our international drug strategy could be questioned by some. . . . I fully expect that if Mexico is certified and if Colombia is decertified, a close examination of this decision by Congress certainly will follow.”

By deliberately blurring the distinction between the cartel-owned Samper government in Colombia, and the Zedillo administration in Mexico, the anti-Mexico lobby hopes to blow the whole certification process up into an embarrassment for the Clinton administration. Not surprisingly, this is precisely what City of London mouthpieces have been promoting all along.

Exemplary is the London financial establishment’s *Economist* magazine, an advocate of drug legalization which has been as fulsome in its praise for Samper’s narco-dictatorship in Colombia as it has been in its denunciations of Mexican “narco-corruption.” In its Feb. 22 pre-certification issue, for example, the *Economist* waxed indignant that Washington is so tough on Colombia’s Samper Pizano, despite the fact that “Colombia has hit its mobsters hard. . . . What more do they want? Ernesto Samper’s head on a charger?” The magazine suggested that things are so dirty in Mexico that U.S. troops could some day end up marching into Mexico City to “clean up.” Despite that, protests the *Economist*, the Clinton administration still insists on “bashing Colombia, while lauding Mexico.”

Similarly, the British-dominated UN has come to Colombia’s defense, with its International Narcotics Control Board issuing an annual report which, according to one journalist, gives “rave reviews” to Samper’s so-called “anti-drug initiatives,” just as the INCB did last year.

The U.S. government has a different view of Samper’s efforts. In the press conference with Albright, Assistant Secretary of State for Narcotics Affairs Robert Gelbard described the results of a year of “narco-dominance” in Colombia: drug seizures down; drug cultivation vastly expanded; repeated sabotage of anti-corruption investigations through threats and bribery; imprisoned drug lords given light sentences, and allowed to conduct their trafficking business from prison, etc. Gelbard singled out Samper and Interior Minister Horacio Serpa Uribe for the most serious charge: aiding and abetting the drug cartels. Even as Colombian law enforcement was pressing ahead with prosecutions of the Cali Cartel mafia, he said, those two were “attempting to negotiate a deal with those same criminals.” Gelbard added, “The denial of certification was taken in support of the law-abiding citizens in Colombia, so that long-festering corruption problems will be adequately addressed.”

Although anticipated economic and trade sanctions have not yet been imposed on Colombia, the Clinton administration is reserving the right to do so should the corruption problems in Colombia “continue to fester.”

The decertification of Colombia, aimed explicitly at Samper and his narco-corrupt coterie, has enraged the Colombian President, whose first response has been to suspend his country’s drug eradication program, which had been jointly planned, financed, and executed with the United States. Although Samper’s spokesmen claim the decision is “purely technical,” a means of reevaluating the program “to make it more effective,” there are many who recognize the move for what it is. Independent Prosecutor General Alfonso Valdívieso, for example, said, “We wouldn’t want to imagine that this could be interpreted as a capricious decision, and a hurried response to the decertification, because this could become a serious encouragement to criminal behavior.”

Samper is also tightening his grip on the country as a whole. On Feb. 28, the opposition daily *La Prensa* published its last issue. Its owners, which include former Colombian President Misael Pastrana and his son, former Presidential candidate and Samper rival Andrés Pastrana, charged that the paper had been forced to close by a systematic campaign of financial strangulation. Specifically, they pointed to a prohibition imposed by the Samper government on any official agency advertising in the newspaper, and intimidation of private advertisers.

It was *La Prensa* which first published revelations in 1994 that Samper was elected to the Presidency with \$6 million in contributions from the Cali Cartel, revelations which were later whitewashed by a corrupted Congressional investigating committee. Samper has now taken his revenge.

Fact-finding mission to Sudan finds reality not what the British claim

by Muriel Mirak Weissbach

In an editorial in the Feb. 7 issue of *EIR*, Lyndon LaRouche warned that the Clinton administration would be entering a quagmire, like that of the catastrophic Vietnam War, if it were to participate in the military invasion of Sudan, being mounted by the British Commonwealth empire, and its proxies in Eritrea, Ethiopia, and Uganda. Since the invasion from Eritrean and Ethiopian soil started on Jan. 12, Washington has tried to walk the tightrope: On the one hand, State Department spokesman Nicholas Burns was forced to retreat from explicit support of the invasion, and to urge all neighboring countries to stay out of the fray. On the other hand, however, crucial political cover, as well as military logistics, has been provided by parts of the U.S. government. Not only did the State Department agree in November to provide \$20 million in military aid to what it called the “front-line states” engaged in aggression against Sudan, but reports from the front charge that U.S. aircraft have been used in support of insurgent forces.

The consensus among those complicit in the British war against its former colony, is that a military defeat of the Khartoum government is near. The strategy against Sudan, shaped over 18 months by British Intelligence’s Baroness Caroline Cox, and associated players in the House of Lords, the Foreign Office, and the Colonial Office (Overseas Development), has been to extend the front of military aggression, from the south, to the long eastern border with Ethiopia and Eritrea, and to set up the government in the capital, Khartoum, for overthrow. This strategy is based militarily on the destruction of a hydroelectric power plant at the Rosieres Dam, near the Blue Nile State capital of Damazin, which would cut off 80% of the capital’s supply of water and electricity. Under such circumstances, the British believe, the population would be easily whipped up into a frenzy to stage an uprising against the government.

To this end, Baroness Cox and her associates carefully prepared and engineered an alliance between the political elements of the opposition, Sadiq al-Mahdi of the Umma party and Mohamed Osman al-Mirghani of the Democratic Unionist Party (DUP), and the sole military rebel group still fighting the government, the Sudanese Peoples Liberation Army faction led by John Garang. Cox also set up the arrangements whereby the Eritrean government of Isaias Afwerki would host her government-in-waiting, giving the new alliance, known as the National Democratic Alliance, the former

Sudanese embassy in Asmara as its headquarters, and would deploy a greatly enhanced Ethiopian military machine to lead the invasion. (The U.S. Ambassador to Sudan, Timothy Michael Kearney, was reportedly present, when Afwerki handed the embassy building over to the rebels.)

Now, the belligerent forces under British colonial command have been putting out the story, on the Cable News Network (CNN) and other complicit media outlets, that their victory is near. On Feb. 25, the former leader of the Congressional Black Caucus, Rep. Donald Payne (D-N.J.), testified in hearings of the House International Relations Committee, on talks he had held in Uganda with the “liberation people in southern Sudan.” Payne wanted to know what the state of preparedness of American aid agencies was, regarding the humanitarian catastrophe which he thought was imminent in Sudan.

U.S. Agency for International Development administrator, J. Brian Atwood, who also testified, said there were difficulties in transporting food to the war zone, but that “the situation is even more tenuous there, in terms of the longevity of the Sudanese government. . . . There is a major effort under way, and we may see a major change in the coming weeks.” Payne replied that as the Garang forces “continue to move toward the hydroelectric [dam], once that area falls, then Khartoum is going to lack electricity and energy, and that is really going to shift things, and it is in the near future.” Payne was referring explicitly to the allegedly imminent fall of the Khartoum government.

U.S. has no direct intelligence reading

It has been of utmost importance to the British to ensure that the U.S. participation in their eastern African scheme, be entirely organized and controlled by the British themselves. Washington must be led, blindfolded, by London, to do its dirty work. In point of fact, the Clinton administration, has *no direct intelligence reading* on the situation in Sudan, and has had none since Jan. 31, 1996, when, under British prompting, it withdrew its embassy personnel from Khartoum. The British had just engineered the passage of a resolution in the United Nations Security Council, condemning Sudan for allegedly harboring of terrorists, when the State Department cabled its embassy in Khartoum, to abandon the post, on the grounds that the security of the diplomatic personnel was not guaranteed. Ambassador Kearney, who since that time has



There are 3.5 million displaced persons in Sudan, the result of the British-organized war to destroy that nation. Here, the Schiller Institute fact-finding team visits a refugee camp in the Blue Nile State. At left is María Elena Milton, the LaRouche Democrat who earned national recognition for her campaign against Gingrich Republican John Shadegg in Arizona. Lawrence Freeman is at center in cap, and at right is Sudanese Education Minister Abu el-Hassan Maken.

been relocated to Nairobi, Kenya, with his staff, thus has no independent evaluation of Sudanese developments. He is utterly dependent on the eyes and ears of the British, who have quietly remained behind in Khartoum.

Even Representative Payne, who has accepted the appointment given him by Baroness Cox, as the token black politician supporting the genocidal war, has been informed primarily by British briefings on Sudan. Congressional hearings on alleged slavery in Sudan, in which he took part last year, featuring Baroness Cox, were prepared by Cox's Christian Solidarity International (CSI). Legislation which Payne presented at year's end, for sanctions against Khartoum on grounds of support for slavery, was shaped by Cox's Congressional testimony.

When it came time for Payne to join the war effort on the side of the British, he did not bother to inquire more closely into the military or political realities in the nation whose destruction he is willing to oversee. Payne travelled Cox's route to the area, flying to Uganda, to meet with Ugandan dictator Yoweri Museveni, and with SPLA representatives who were holding out in Kampala. But he did not venture to discuss the situation with the legitimate representatives of the Sudanese government or National Assembly (parliament). Nor, apparently, did Payne bother to inspect the actual military relationship of forces, along the front line, created by the invading armies. He evidently thought it more prudent to stay away from the combat zone, and simply believe the press reports he was being fed, on the inexorable advance of the "rebels" toward Damazin, the imminent destruction of the dam at Rosieres, and the collapse of the Khartoum government, that was to follow immediately thereafter. Such press reports were

being filed from Cairo, Adis Abeba, Asmara, and Nairobi—far from the front.

A U.S. delegation gathers firsthand reports

It is to the credit of the United States, that a group of four political and civic leaders had the courage to do what Cox has made sure Payne, et al., do not do: travel to Sudan; explore the political, social, and economic reality; visit the combat zone; and develop an independent assessment of the reality on the ground, so as to be able to help shape a sound foreign policy approach to the nation. The four, who visited Sudan Feb. 17-25, under the auspices of the Schiller Institute, were Harold James, a member of the Pennsylvania state legislature and the chairman of its Legislative Black Caucus; Theo W. Mitchell, a former member of South Carolina's State Senate, and a former Democrat nominee for governor (the first African-American to seek statewide office in South Carolina since Reconstruction); James Barnett, the head of the Coalition of Black Trade Unionists for northwest Alabama, and a longtime civil rights activist; and María Elena Milton, a LaRouche Democrat who earned national recognition for her campaign for Congress against Arizona Rep. John Shadegg, a Gingrich Republican. Accompanying the delegates were Lawrence Freeman and Muriel Mirak Weissbach, both of the Schiller Institute.

The delegation went to Sudan at the invitation of the Khartoum State Assembly. Their mission was to investigate the plethora of allegations against Sudan that it was violating human rights: from slavery to oppression of Christian and other non-Muslim religious groups. Given the dramatic escalation of events just prior to their departure, the delegation decided, as well, to investigate the nature of the military con-

frontation in the eastern part of the state. Therefore, it added to its itinerary a visit to the combat zone in Damazin and the Rosieres Dam, in the Blue Nile State.

Preliminary report of the Schiller delegation

What follows is a preliminary, partial report of the findings of the delegation, which is the first to conduct such an on-the-ground, fact-finding mission. It is hoped that the relevant government authorities in the United States, will make use of the findings presented here, to correct their faulty intelligence assessment and revise the U.S. posture toward the war there, before it falls into the quagmire.

Religious oppression and the war

Allegations spread by Cox's CSI, and other non-governmental organizations operating as intelligence fronts, assert that the "Islamic fundamentalist" government in Khartoum is waging war against Christian and animist populations in the south. The war is thus presented as a war of religions, and the aim of the Khartoum government is said to be to annihilate the non-Muslim populations, or force them to convert to Islam. This war against its own people is portrayed as the first step in a long march across Africa, which the "Islamic fundamentalist" north is said to be undertaking, in coordination with the Islamic Republic of Iran, to "Islamize" the African continent.

In the course of the war, Islamic "militias" are allegedly commissioned by the government to make raids against animist tribes, capture their women and children, enslave them, and force them to become Muslims. Internally, the government is accused of persecuting non-Muslims, especially Christians, refusing them the right to worship, the right to meaningful employment, and the right to equal participation in political and civic affairs.

During its week-long stay in Sudan, the delegation found no evidence to indicate that any of these allegations are true. The International Council for Peoples Friendship (CIPF) received the Americans on Feb. 22, and gave them an initial briefing. Ahmed Abd Al-Rahman Mohamed, the secretary-general of the CIPF, explained that the purpose of the CIPF was to promote "people to people" friendship. Although on the grassroots level, he said, there were no problems in relations among religious groups, at the institutional level, there was a need to create a vehicle for dialogue. The resulting Inter-Religious Dialogue Association initiated a religious dialogue in 1991, and held a second conference in 1993. At that conference, Helga Zepp LaRouche, founder of the Schiller Institute, spoke on ecumenical dialogue. The next year's conference, in 1994, attended by a high-level Vatican delegation, gave rise to the Sudanese Inter-religious Dialogue Association.

The CIPF secretary-general explained to the delegation, that the north-south divide in Sudan does not correspond to a

religious divide, as there are Christians and Muslims in both areas. The fact that 1 million southern Sudanese, in search of refuge from the war zones, had decided to flee to the capital in the north, Khartoum, instead of emigrating to a neighboring country to the south, he offered as evidence that non-Muslims among the southerners had no fear of persecution. "Why would they come to their enemies?" he asked.

The real divide, he said, was the one created by the British colonial masters, who pursued a policy of strict separation between north and south, even through legislation (the Closed District Order of 1930), which forbade travel of Sudanese citizens from one area to the other. The objective of the act was "to create self-contained racial and tribal units in the south." This difference was further exacerbated by differences in education: Whereas the predominantly Muslim population in the north had access to schools and the university in Khartoum, until independence in 1956, Sudanese in the south could have access to education only through the church, which monopolized schools. This meant that one had to convert to be able to go to school.

The secretary-general complained of pressures on Sudan regarding religion: "For Americans, religion is a personal question, so why should they try to impose it here?"

Churches and mosques operate unhindered

Later that day, the U.S. delegation received a report by the Ministry of Social Planning, which documented the status of Christians under Sudanese law. Prepared by a Christian undersecretary, Angela Hart, the report showed that there are 149 churches, plus 242 churches in shantytowns (camps); 475 foreign preachers; 222 church-related schools and institutes; 82 health centers, and so on. The churches in Sudan include the Catholic, Coptic orthodox, Episcopalian, Evangelical, Presbyterian, Sudan Interior, Pentecostal, Maronite, Greek, Ethiopian, Eritrean, Armenian, Brothers, Interior African, Sudan Christ, New Apostolic Church, Seventh Day Adventist, and so forth. It was stressed, that equality before the law in Sudan is guaranteed through citizenship, regardless of creed, color, ethnic group, and so on.

The Schiller Institute group took the opportunity to visit places of worship on Friday, the Muslim holy day, and Sunday. Friday is a holiday for all Sudanese, and Sunday, Christians also have a half-holiday, to attend church, if they wish. On Friday, Feb. 21, the group walked to a mosque near its hotel in North Khartoum, without any accompanying Sudanese personnel. The group was cordially invited into the mosque after prayers had ended, and was given a tour of the mosque and its Quran school. The young boys attending the school, came from all parts of the country, and had been admitted on the basis of their having memorized a certain number of Suras (chapters) of the Quran. The students showed the delegates their wooden writing tablets, on which they had written those Suras in the process of being memorized.

The elder members of the mosque extended their hospitality to the visitors, insisting that they join them for their



The Schiller Institute delegation poses with a group of students outside the National Museum in Khartoum, during its Feb. 17-19 visit to Sudan. Members of the delegation (back row, left to right): Theo Mitchell, James Barnett, Lawrence Freeman, and Harold James; (third from right, seated): María Elena Milton.

Friday meal. One striking feature noted by the delegates during the impromptu visit, was the fact that the mosque belongs to the Khadmiyya sect, an Islamic sect associated in Sudan with one of the opposition parties, the DUP, which is currently allied with the foreign aggressors. A photograph of the group's spiritual and political leader, was on display. This means, that despite the current situation, in which sect followers are in a state of belligerency against the Sudanese government, the mosque was allowed to conduct its regular worship services, and even to invite in foreign guests and converse with them.

On Sunday, the American fact-finding group attended mass at the Catholic Cathedral in Khartoum. The group arrived as the Arabic-language mass was concluding, and stayed for the English-language mass, which followed. This was very well-attended, and was conducted as in any other Catholic church anywhere in the world. The group also visited a second Catholic church, between masses, and spoke with the Italian parish priest there. This priest explained that his principal activity was training missionaries in Sudan, a task he was carrying out under quite normal conditions.

The third church the group visited was a Coptic Church in Omdurman. This church, also full to capacity, is the oldest church in Sudan, having been established by missionaries centuries before Islam arrived. The Coptic Church, which the British colonial power had prevented from operating in the south (because its language of worship was Arabic, not English), is well represented, particularly in northern Sudan, and is the second largest denomination, after the Catholics.

The delegation met with numerous Christians throughout its visit, including many who occupy high-ranking positions

in the Parliament and government. Among the latter, was Bishop Gabriel Roric, State Minister of External Affairs. Bishop Roric is an Episcopalian church leader, who comes from southern Sudan. He explained that in Sudan, the church has decided to experiment, practicing cooperation with the government instead of observing a strict separation of church and state. Bishop Roric's briefing concentrated on the history of the civil war, which has plagued Sudan since 1955, shortly before the British colonial masters withdrew. The war started, he said, as "a fight to solve the problem of political rights of citizens," and it "was never a religious problem."

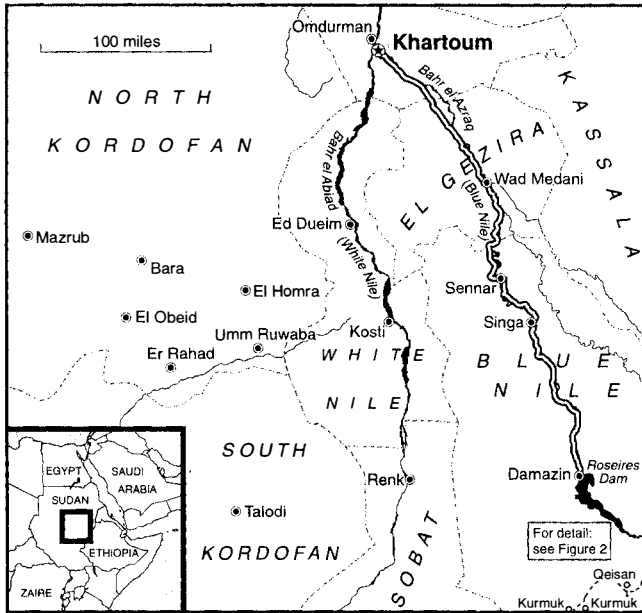
Bishop Roric said that SPLA faction leader, John Garang, had made the religious question an issue, as a "political offensive against this government," which has opted for peace negotiations. The bishop also stressed that those political figures, like Umma party leader Sadiq al-Mahdi, who are part of the British-led aggression today, had never utilized the opportunities they had, to do something positive for the country. Sadiq al-Mahdi, who had been in power as prime minister until 1989, never tried to solve the political problem of the south, and never made any attempts at opening talks with the rebels, to negotiate a peace settlement.

Meeting with the opposition

The most insightful evaluation of the political line-up among the warring factions was provided to the Schiller delegation in a lengthy meeting with political and military leaders of the rebels, both Christians and Muslims, who had formerly fought alongside Garang. Under the auspices of the Higher Council for Peace, and its chairman, Mohamed El Amin Khalifa, the American group met with Simon Mori, of the SPLA;

FIGURE 1

Route of the Schiller Institute delegation



Mohamed Haruka Kafi, of the SPLA/M Nuba Mountains; Arok Thon Arok, the founder of the SPLA; Taban Deng Gai of the SSIM; and Dr. Riak Machar, head of the SSIM. Also present was Ambassador Shafi al Mohamed, president of the Human Rights Department of the Foreign Ministry.

All these leaders represent factions of the rebels, which have joined the government in a bid for peace. They signed the Political Charter of April 1996, which outlined the principles for a durable peace. The Nuba Mountains group joined the Political Charter, by signing a separate document in July that year. (See *EIR*, Jan. 24 and Feb. 14, 1997.) Together, they represent 80% of the rebel forces formerly at war. At present, their military contingents are deployed alongside those of the Sudanese government, in the south.

Arok Thon Arok, who founded the SPLA, which John Garang later joined, was unequivocal in his commitment to peace. Summarizing the reasons which led him and others in the SPLA and SSIM, to seek an agreement with the government, Arok said, "Priority must be given to peace to achieve stability and development; only thereafter can we talk about the system of government, whether liberal or participatory democracy." Arok reiterated the need to "make peace now with the government of the day." War, he said, "is not for itself, but is waged to achieve objectives, which we feel we can achieve by peaceful means." Reflecting on the devastation caused by the continuing conflict, he said, "The message of war has reached every household, which has martyrs, wounded, people who are without food, education, medical attention, all over the country, north, south, east, and west."

The economic crisis, Arok added, which is a result of the war, "is being felt to a greater degree by southern Sudanese

citizens, because they have been displaced or have become refugees abroad." Thus, he said, "when we saw that these people, who are the people we took up arms to liberate, are the ones being destroyed by the war, we had to give peace a chance." Mr. Arok also pointed to the broader, strategic implications of the current attacks against Khartoum. Sudan, he said, "is a vast, huge country, now under siege. If the central authority of the state, which is being targeted, does disintegrate, then none of the country's problems will be able to be solved."

Sudan, with its 583 different tribes, he said, its vast territory, and many different cultural, religious, and ethnic components, is very different from Somalia. Yet, he said, if the central power disintegrated, there would be no force capable of putting it together again.

An 'open-ended' Political Charter

The Political Charter, which he and others signed last April, is an "open-ended document," which remaining rebel factions can join, and which will be the basis for a peace treaty. Arok stressed the importance of the Political Charter, which "covers all important issues: identity, national unity, power and wealth sharing, the system of government, and the relationship between religion and the state." He explained how the Political Charter came into being: "Dr. Riak Machar, head of the SSIM, from the forests in southern Sudan, wrote to the Khartoum government, asking them to visit the war zone. We thought, if the government were serious about peace, it would respond. We didn't believe anyone would. Then the first vice president arrived at the camp. There was no way out: the dialogue began, and a draft of the charter as well. The first vice president then left for Khartoum, saying he would write to Machar, which he later did, inviting the rebel leader to Khartoum, to continue the dialogue. Machar had to consider, that the vice president had travelled to the war zone, where anything could have happened; he thought he could not refuse the invitation, and went to Khartoum."

Mohamed Kafi, chairman of the SPLA/M from the Nuba Mountains, stressed the fact that the current government, of Gen. Omar al Bashir, is "the first government to acknowledge the problems in the Nuba Mountains" and to seek a negotiated settlement. Kafi, a Muslim, also emphasized the fact that power sharing and sharing the immense potential wealth of the Nuba Mountains, was at the root of the conflict, not religious considerations. He said that the problem was that the agricultural resources of the area, which had been highlighted at the 1975 World Food Conference as the potential breadbasket of the continent, had been under the control of northerners, and that had to be changed. Now, in the dialogue with the government, power sharing and wealth sharing were being worked out.

The former rebel leaders provided precious insight, as well, into the character of rebel faction leader John Garang, with whom they had fought for so many years. Garang, who "took up arms with a 1983 manifesto, said he was launching a

war of national liberation from the brutal and destructive acts of the traditional Sudanese sectarian parties, the Umma and the DUP.” Then, Garang changed his tune, and, “instead of fighting for unity, called for the division of the country. Instead of fighting the Umma and DUP, he is now cooperating with those parties he had identified in his manifesto as the enemy.”

Another former rebel leader, Taban Deng Gai of the SSIM, ridiculed the characterization of Garang given by Cox, Bona Malwal, Francis Deng, and other opposition figures, as “a Christian fighting slavery and fighting Islam.” Taban Deng, was a field officer in Garang’s ranks, who split from him in 1991, when SSIM leader Dr. Riak Machar left Garang. At that time, Arok Thon Arok, the SPLA founder, and another leading military commander, Karabino, also joined ranks with Machar. Thus, as Mohamed Kafi added, Garang does not represent any “mainstream” at all. Against him today are the SSIM, together with the SPLA Bahr al Gazal, the SPLA Bor, and the SPLA Nuba Mountains, plus the Equatorial Defense Force and the Union of Sudanese African Parties.

Garang supported from abroad

Garang’s forces, which represent only 20% of the SPLA fighting forces, are able to still wage warfare only because of the “huge force” built up in Ethiopia and Eritrea to support him. According to intelligence gathered from prisoners of war, and others on the ground, there has also been U.S. logistical support for the Garang forces. Rebel troops have reportedly been airlifted from Entebbe, Uganda, to Asmara, Eritrea, and then deployed to fight near Kassala. Furthermore, there have been reports of C-130s, flying from southern Sudan to western Ethiopia. Reports of U.S. planes involved in transport have been picked up in Adis Abeba and in Nairobi.

The assessment of the rebels’ strength and backing—provided by military commanders who had spent more than a decade with Garang in combat, and therefore know him well—was fully confirmed by Sudanese government military commanders in eastern Sudan. As the Schiller Institute delegation was able to verify, firsthand, during a trip to Damazin, the headquarters of the Blue Nile State, and to the strategic dam at Rosieres, the area is fully under government control and well fortified. (See *EIR*, March 7, p. 50.)

The weak, the poor, and the homeless

The continuing warfare against Sudan has brought untold suffering to the population in a poor country. It was, therefore, the concern of the fact-finding group, to inquire into the fate of those who are particularly exposed to the ravages of war: the poor, the homeless, the orphans, and the handicapped. During a lengthy session at the Ministry of Social Planning, the U.S. political figures received in-depth briefings on the efforts being made by the government to provide for the weakest members of society.

In its meeting with the Minister of Social Planning, Mohamed Osman Khalifa, and the State Minister of Social Planning, Dr. Sayda Mohamed Bashar, the fact-finding group

learned that many of Sudan’s economic problems had been the direct result of the application of the Structural Adjustment Program of the International Monetary Fund. Minister Khalifa explained that his large ministry, with three undersecretaries, sees as its priority, the eradication of poverty. The means through which they are trying to alleviate suffering, include the Zakat, a religious tax levied on all Muslims. Through Zakat, one pays 2.5% of one’s savings, or a percentage of one’s agricultural yield (which varies, according to whether the land is irrigated or not). In this way, 60 billion Sudanese pounds were raised last year and allocated to the fight against poverty.

In addition, Khalifa described the social bank for the poor. This Savings and Social Development Bank, constituted in 1995, under the supervision of the minister for social planning, is, he said, “the first bank registered in the name of the poor.” According to the bank’s founding document, its objectives are “to promote and encourage savings awareness among citizens, to collect savings, and hence invest them in economic and social development spheres.” The bank is to provide financing, “especially projects directed toward the poor, small producers, craftsmen, professionals, productive families, low-income people, the Zakat beneficiaries, students, women, organizations and individual employers.”

The bank’s authorized capital amounts to 500 million Sudanese dinars, paid by various endowments and corporations. The transitional order which established the bank states: “The bank’s capital is an endowment (Waqf) possessed by the poor. It shall be managed according to the provisions of this act, and no body is entitled to claim any private revenue as for the funds paid as subscriptions in the bank’s capital and resources.”

The minister explained that the bank was set up to provide capital for those who have no collateral, because of their poverty. In place of collateral, a bank/family partnership is established and co-managed through labor and/or land. Among the first projects financed by the bank, were family clothing manufacturers, employing 15 families, and providing revenue to support 20 families.

Another focus of attention of the Social Planning Ministry is the condition of women and children. Women are given micro-credits, in order to begin income-generating activities. There is, in addition, a special project for displaced women. The most exposed among children, are those without homes. In programs jointly run with Unicef and some international non-governmental organizations, Sudan has set up reception centers for street children, where they are provided with vocational, spiritual, social, psychological, and health assistance, before being reunified with their families. Children stay a maximum of six months in the reception centers.

The vagrancy of children is caused by the war which has displaced so many people, and adverse weather conditions, such as the drought of the early 1980s. It was pointed out that, although many children are found on the streets, there are no children categorized as “orphans” in Sudan, in the sense of having no family members. Given the existence of the ex-

Religious, civil relations in Sudan

The following is from a report on the status of Christian-Muslim relations in Sudan, prepared by the Ministry for Social Planning. It was presented to the Schiller Institute delegation on Feb. 22.

The Sudanese are one nation, united by one citizenship . . . belief in religions forms a basic factor in their fabric and culture. The Sudan today has restored the morals of the holy books, the Quran and the Holy Bible. Islam is the religion of the majority of the population, and Christianity and African creeds are professed by a considerable number among them. Freedom of worship is guaranteed to all Sudanese, as the Holy Quran states that "There shall be no compulsion in religion." . . .

The Rights of the Non-Muslims under Islamic Jurisprudence: Rights, like the right to life, and the right to marriage, divorce, and cohabitation, [are defined by] the religion or custom followed by the concerned people [Christian law for Christians, law of custom for native African religions.]

Civil rights: A non-Muslim has the following rights: Equality before the law, prosecution, appeal; sanctity of the family, of the individual; freedom of conscience and choosing one's faith; freedom of worship and the relevant religious expressions and celebrations; construction of churches; freedom of expression of religious views and arguing with Muslims about their belief. A non-Muslim woman may not be compelled to embrace Islam if she is

married to a Muslim husband.

Economic rights: Islam guarantees for the non-Muslim the right of work, of trade, of possessing and inheriting land, [real] estate. In brief, they enjoy all the economic rights on equal footing with Muslims.

Political Rights: As the Sudan is a multi-religious, multi-cultural society, the non-Muslims derive their rights by virtue of their citizenship, and law. The non-Muslims in the Sudan have not acquired their status following the war with the Muslims; rather, their status is that of natural citizens. The salient feature that describes the status of the non-Muslims in the Sudan today may be summed up as follows:

1. Equality in rights and duties irrespective of race, culture, creed, or ethnic origin, including political rights, such as holding public posts, nomination, and election.

2. Custom and *Sharia* [Islamic law] are the two sources of legislation. Custom and tradition among non-Muslims have thus become an important tributary of national legislation, which enables them to preserve their specific character and identity.

3. Adoption of legal pluralism at two levels: a) The federal level, where states having a non-Muslim majority are exempted from application of *hudud* [definition of a criminal act according to Islamic law] and other penalties of a specific religious nature. b) The personal level, within the states that apply Islamic laws: Here the non-Muslim is not subject to legal [prosecution] in crimes which his religious denomination does not consider to be crimes punishable by law.

4. Full expression of their religious and cultural identities as well as raising their families according to their faith and culture. . . .

tended family, children with only one parent or with none, are reunited with members of the extended family. Financial support, as well as foodstuffs and clothing, are provided for families with no bread-winner, and complete support for education (schooling, books, school uniforms, etc.) is provided through the Zakat chamber and social care centers. The chamber in Khartoum State, currently supports 400 families, including 2,000 children.

Similar agencies have been created, and are supervised by the Ministry for Social Planning, to provide care for the aged, and the disabled.

Aid for the 3.5 million displaced persons

A social category of special concern is that of displaced persons. The Schiller Institute delegation met with a large group of intellectuals from the south, in Khartoum on Feb. 22, and heard direct reports on the condition of the most exposed, the refugees and internally displaced persons, who

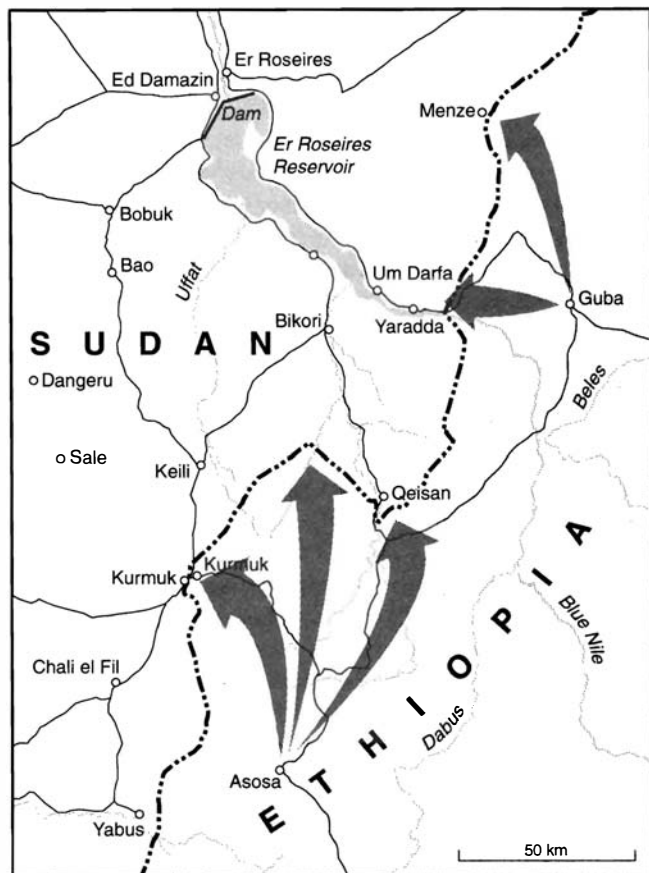
have sought safety from the war zone, by fleeing abroad, or by moving to the north. There are 3.5 million displaced persons in northern Sudan, from the southern war zones, and another 1 million abroad. As Dr. Ghazi Salahuddin, secretary-general of the National Congress, stressed, repatriation of these citizens is a top priority, because "no one is in a worse situation than a refugee in Africa."

Dr. Salahuddin also emphasized the importance of organizing international efforts to repatriate these citizens, who otherwise will be used as cannon fodder by Garang, who is recruiting among the refugees. Until now, the international agencies, such as the Red Cross and the United Nations, he said, have, at best, turned a blind eye to this group of people. In some cases, they have actually collaborated with the rebel forces. The incident in which an International Red Cross plane was caught carrying rebel troops and materiel in southern Sudan, is exemplary.

The drama of the displaced persons population was played

FIGURE 2

British-backed military thrusts against central Sudan



out before the eyes of the American visitors, when they travelled to a camp in the Blue Nile State. Following extensive briefings on the nature of the foreign invasion, the group rode for an hour over rough, makeshift roads, to Kerma, the site of a new camp for displaced persons. There, they saw the most elementary of shantytowns: Each family had been given a plot of land, on which to build a makeshift hut of straw. In hut after hut, families crowded together, with nothing but the black, volcanic ash-like soil, for a floor. Most were people who had been forced to leave their homes, when the Ethiopian-rebel invasion began; they had nothing but the shirts on their backs.

Until they were given refuge at Kerma, they had sought shelter with family or relatives in nearby villages. Some, who had been evacuated with government help from villages near the combat zone, had brought with them a few belongings—a blanket, a few pieces of clothing, or cooking utensils. According to the Commissioner of Rosieres, Ali M.A. Mageit, and Mohamed al-Hassan, the minister of health and chairman of the displaced persons committee, seven to eight villages in Rosieres province had been affected immediately by the

Ethiopian aerial bombardments, forcing civilians to flee for their lives. Those in Yaradda and Menze, two of the locations occupied by the invaders, fled westwards, and ended up in Kerma, where at least temporary shelter and a minimum supply of food were available. There are now eight camps in the area of Rosieres, two south of Kerma, and the others north. About 11,000 displaced persons are thus taken care of in Rosieres province, within the larger displaced person population of 40,000 in the state.

The problems in the camps are immense, as Mohamed al Hassan readily acknowledged: The people may be safe and have basic needs supplied, but they are certainly not happy. There are no educational structures yet in the new camps. The thatched roof huts are inadequate, and the Sudanese have applied to international humanitarian aid agencies for help, at least for tents and blankets. As yet, none but the Muslim Red Crescent organization, has responded. In the Kerma camp, the only such humanitarian group is the Birr International (*birr* is Arabic for water well), which has 6 people on hand to service 4,300 in the camp. Food is shipped in once a week (sorghum, cooking oil, nuts) and only the simplest medical supplies are available.

Displaced persons swell urban populations

What happens to people, such as those displaced by the most recent invasion, after months, if no improved conditions are made available? Most will try to migrate to urban centers, like the capital, in search of something more permanent. The dimensions of the urban problems created by such migratory flows of displaced persons, over the years of the war, are beyond imagination. A study prepared by Dr. Sharaf Eldin Ibrahim Bannaga from the ministry of engineering affairs, and entitled “Unauthorized and Squatter Settlements in Khartoum,” provided the basis for a background briefing given to the Schiller Institute delegation at the Khartoum State Ministry of Housing. During the course of this briefing the delegation realized that the displaced persons arriving in the capital over decades, have swelled the numbers of city residents, but there has been no corresponding increase in housing.

The population of the three major urban centers, Khartoum, Khartoum North, and Omdurman, went from 730,000 in 1970 to 1.8 million in 1983. From 1983, when the war began again, to 1991, it grew to 3.36 million, and since then has risen to 5.5 million. Given the lack of any centralized infrastructure plan in the 1980s, people streaming into the capital simply occupied land indiscriminately and established themselves as squatters. In 1991, a plan was drafted by a group of consultants of the World Bank, and passed on to the government. The idea was to spread out the population, by setting up urban centers along the Nile River, southwards away from the city. These “localities” are now 35 in number, divided among 7 provinces (3 in Omdurman, 2 in Khartoum, and 2 in Khartoum North).

When the consultants recommended by the World Bank started their survey, they found that two-thirds of the total

area of the three Khartoum cities, and their populations, were squatters. To alleviate crowding, the consultants decided either to integrate the settlers into existing urban areas, if possible, or to relocate them entirely.

The plan developed by the government, and now in effect, is based on a self-help system: The government gives a plot of land (minimum 200 square meters) to homeless citizens and provides water and educational facilities in the area. The citizen must do the rest. Forty percent of the total area in the capital which has been designated for such development, is allocated for infrastructure: roads, schools, and public utilities. Government housing is provided for local government administrators, police, and so on. The rest must be done as private initiative.

The shortcomings of such a system are obvious; just as obvious is the reason that major, government-sponsored housing projects for low-income families have not been launched. Under a state of siege, cut off from any international aid or reasonable credit, the Sudanese are forced to make do with what little they have, and pursue such makeshift solutions. What is extraordinary is that, under conditions of years of internal warfare, now exacerbated by external, foreign aggression, the Sudanese have managed to survive at all.

Basic human rights denied—by British geopolitics

When, therefore, one speaks of human rights violations in Sudan, one must face the simple fact, that millions of human beings are being denied their most basic human rights—to life, meaningful labor, and a future—by the continuation of a war steered from abroad. It is not only the human rights violations committed by the invading Ethiopian and SPLA troops last January, documented by an independent commission of inquiry (see *Documentation*), but the continuing violation of the right to peace and development, as a result of the geopolitical commitment of the British Empire, to destroy Sudan.

And, it must be stressed, these rights are being denied to Sudanese Muslims as well as to Sudanese Christians or Sudanese animists. The Schiller Institute delegation found that there was no distinction of religion, ethnic group, or geographical origin, among the dwellers in the displaced persons camps, or in the sprawling squatters' neighborhoods, or anywhere else.

This reality, which a group of American legislators and trade unionists were able to grasp firsthand, is what official Washington is blocking out. Having evacuated its diplomatic representatives to Nairobi, the United States has cut off what contacts it had. One of the priorities defined by the Schiller Institute delegates, in the course of their visit, was to ensure that the U.S. government reverse its rash decision of last year, and immediately reestablish its full diplomatic presence in Khartoum.

This means, as well, initiating a wholesale reevaluation of American policy vis-à-vis Sudan. Ironically, it is to the United States that those circles most doggedly seeking an end to the

war, would like to turn for international support. In their meetings with the former SPLA and SSIM rebel leaders, as well as in their encounter with military commanders at the front, the members of the Schiller Institute's fact-finding delegation heard the same refrain: Why doesn't the United States help broker peace in Sudan, instead of supporting the aggressors?

One of the leaders of the former rebel forces stated outright, that the U.S. government had been a major factor in hindering peace initiatives which, earlier, had been made by the group of countries in IGAD, the Inter-Governmental Authority for Development. He further reported, that the U.S. Embassy in Nairobi had told the former military leaders, that they "could not defend the peace" which they were embarking on with the Political Charter, because they "had no weapons." When the former military leaders responded, that they hoped they would have the support of the American people, it was indicated to them that Washington would smash every initiative taken. The same former colleague of Garang also said, that some U.S. circles were "pressuring South African President Mandela not to create a venue for peace negotiations for Sudan."

U.S. policy-making on Sudan 'immature'

The problem of U.S. policymaking is not a mystery to members of the Sudanese intelligentsia. Dr. Ghazi Salahuddin, the secretary-general of the National Assembly, which is the constituency organization of Sudanese society, minced no words in his evaluation. "The problem in our relations with the U.S.," he told his American guests, "is that they have given the responsibility for policymaking to immature, political adolescents, whether in the State Department, or the CIA." He said that although these agencies had been trying for seven years to "prove the allegations of Sudanese support for international terrorism," they, the CIA and others, had "failed miserably."

The problem is, Dr. Salahuddin said, "that there is no mature person in any of these agencies, to fulfill the tasks assigned." Indeed, he said, one big problem is "the staffers of the Congress." These are the ones who, without any knowledge of the subject, have been presenting papers and studies on slavery, terrorism, and the like.

Furthermore, U.S. responses to Sudan's gestures of good will provoked only consternation. Dr. Salahuddin referenced the efforts made by his country, to mediate in inner Palestinian conflicts. "Take the case of Hamas," he said: "We do not believe in terrorism. In the case of Hamas's opposition to the Palestine Liberation Organization, we decided to use our moderating influence, by bringing together PLO Chairman Arafat and Hamas representatives, in the interests of the peace process." Two such meetings did in fact take place, he reported, in Khartoum, under the auspices of Dr. Hassan al Turabi, now speaker of the National Assembly. Yet, no word of acknowledgment was to be heard from Washington. Not to mention the fact that Sudanese government went out of its way, to facilitate the freeing of an International Red Cross

plane and its crew, which had been caught red-handed in southern Sudan, with rebel troops and supplies on board.

Dr. Salahuddin stressed that the message he would like to have the Schiller delegation take back to Washington, was a message one would think any rational U.S. government official would be delighted to hear. "Sudan," he said, "represents an opportunity, also for American business." Not only would investment in the country be profitable economically, but, also politically. As a leading Muslim country, Sudan "represents a chance for the United States to reach out to Muslims, instead of antagonizing them," he said. There are increasingly hostile attitudes emerging in some Muslim countries in the Middle East, he added, even in Saudi Arabia, Pakistan, and Turkey. None of this is necessary. "We represent an opportunity for the United States to think rationally and maturely," he said.

The question is, does someone in Washington want to think "rationally and maturely"? Or is the entire government apparatus foolishly committed to obeying London's foreign policy dictates? In the wake of the Schiller Institute's week-long trip to Sudan, the U.S. ambassador was reported to have gone to Khartoum for a visit. Since the shutdown of the embassy, he has been known to stop in for a few days now and again. This time, according to reports, he was staying for two weeks, for extensive discussions with members of the government.

Could it be that rationality is returning to Washington?

Documentation

Atrocities by invading forces are verified

The following report of the Sudan Judiciary was prepared by the Judicial Committee on the Alleged Violation of Human Rights Committed During the Invasion of Kurmuk and Gaisan Areas in the Blue Nile State on Jan. 12, 1997. This document was made available to EIR in mid-February by the Judicial Committee.

By the order of the Chief Justice No. 30, 1997, dated Jan. 26, 1997, a committee was set up to investigate the facts surrounding the armed invasion of the areas in the Blue Nile State on 3rd Ramadan 1417 (12.1.97).

The committee travelled to this region and spent an eight-day period investigating the allegations of Human Rights abuses, during which time they heard and recorded 40 eyewitness testimonies of those affected by the armed aggression in their districts. The Committee visited Karama camp situated about 58 kilometers southeast of Damazin town, and en route

also visited the town of Rosieres. From the evidence of those witnesses on oath the following information has been verified to the satisfaction of the Committee:

On the night of Saturday, 2nd Ramadan, armed forces which had gathered at the Sudanese/Ethiopian border began to make preparations to invade the Republic of Sudan. On Sunday morning 3 Ramadan (Jan. 12, 1997) at 6:05 a.m., these forces occasioned three rounds of shelling and artillery fire which was launched as a warning. Consequently, 15 minutes later, the warning was followed by heavy artillery fire and tanks. Subsequently, the whole area came under severe attack from the Ethiopian Infantry, which launched an attack on the towns of Kurmuk and Gaisan.

Reports estimate the invading forces to number around 3,000 heavily armed men. The soldiers then targetted the towns, their suburbs, the police station, and the Sudanese Armed Forces, resulting in a large number of casualties among the elderly, men, women, and children. Witnesses stated that the bodies of the dead remained unburied and rotting in the streets for more than two weeks. At the time of the Committee's visit, information from Kurmuk confirmed that there were still corpses in a state of decomposition in the open air being eaten by wild birds, dogs, and other animals. In fact, the whole environment of the town has been totally contaminated, and as such is completely unhealthy.

As a direct consequence of this heavy firing, the inhabitants, including women, children, and the old, fled from the town to evade random gunfire from the invading forces, who looted the town, especially shops, the marketplace, businesses, and houses. The seized property was transported across the border back inside Ethiopia. Then, the remaining population of Kurmuk was rounded up around a small area called Birka about 20 kilometers north of the town. They were about 5,000 captured, some of whom were severely traumatized by the killings they had witnessed.

Following the fall of Kurmuk and Gaisan, the towns were handed over to the rebel Sudanese forces. The Ethiopian soldiers tried to return across the border with some haste, afraid of being noticed. This was an attempt to make the operation appear as if it was carried out by the rebels only. Some were heard saying that they should not be seen inside Sudanese territories during the daylight with the heavy machinery. This was an attempt to avoid being seen, photographed, or recognized because this might lead to problems with the United Nations. Following their departure, the occupied areas were handed by the Ethiopian army over to the "Allied" forces, as they term themselves. They consisted of Maban, Edoc, Hommag, Engessona, and some other tribes. These forces exercised ferocious, violent, and inhumane actions, slaughtering, killing and torturing, looting, raping, and other atrocities. Stated below are some examples of what has been verified by a number of witnesses on oath:

1. The civilians who were taken out of Kurmuk and the nearby villages were seconded to the area of Birka, a small lake with shallow water. Approximately 5,000 people,

women, children, the old, and some students were forced to sit on the ground for more than three days and were prevented from moving, even to urinate and to pass excrement, which they were ordered to discard in or near the places they slept. No shelter or medical care was offered, nor were they shielded from witnessing torture and killings.

2. All personal effects that had been rescued were confiscated, (even) clean clothes; gold watches, jewelry, and papers were also stolen.

3. They pulled out some men and students at random whom they suspected to be members of the National Defense Force and executed them in front of the captives.

4. Three women were taken to a makeshift tent close to Birka and were raped repeatedly. Their screams and cries could clearly be heard by the captives.

5. Two girls were executed for no apparent reason in full presence of the captives.

6. Some women were woken in the middle of the night on the pretense of being taken to fetch drinking water, but they managed to escape and hide themselves amongst the male captives.

7. A young man called Atif was slaughtered by knife on the grounds that he was a member of the National Defense Force. He had claimed that he was studying, and following his death his identity card fell from his clothes, and he turned out to be a bona-fide student.

8. Abdul Hamid was an officer in the Sudanese Armed Forces and came to the Birka area to quench his thirst, thinking that the people there were Sudanese soldiers, and was surprised to find opposition soldiers. He was shot with rapid machine-gun fire, despite the fact that his hands were raised and his gun had been discarded. In the morning, soldiers from Masan, Homage tribes speared and mutilated his body in full view of the captives.

9. A number of the Fellate tribe (of Nigerian origin) were murdered at the Ethiopian/Sudanese border. Complete families were annihilated by shooting. During the battle, a one-year-old child was killed. Successive swift bullets were poured into the child's body until it turned black from the gun fire penetrating his body. This tribe suffered 44 casualties.

10. Some pregnant women and nursing mothers who had just given birth were made to walk for three days. One of them had delivered only a day previously. She had to crawl on her stomach until she was picked up by two Sudanese soldiers who transported her in an attempt to save her life. But they were caught in an ambush by the rebels, who forced them to take their clothes off and remain with undergarments only. The Sudanese men were then shot in the back. The woman lost her baby and was left without assistance. She managed to make her way to a main road, where she was picked up and taken to Damazin. We (the Committee) visited her at the hospital and registered her statement on oath.

11. A female student under 16 was among three other girl students. One of the rebels tried to shoot her; however his

bullet missed and hit one of his own colleagues in the hand. While he was attending the wounded person, the girl escaped and gave evidence.

12. The Commissioner, President of the Local Town Council, and Secretary of the National Council were all murdered by the rebels, and their corpses were paraded openly to be seen by others.

13. The number of lost people can not be exactly determined. They range from all ages and sexes; however, when escaping to avoid the gunfire, they ran towards areas populated by wild animals only. In general, it is believed that they must have died either of hunger or thirst or have been consumed by wild animals.

14. We (the Committee) met some people who managed to escape from the camps, and they were unaware of what has happened to their families. One of them worked extremely hard to find his family, but in vain.

15. The Maban soldiers attacked a fellow tribesman in the Birka area, because he refused to join the actions of the rebels. They tortured him and asked him to pick out some of the soldiers that he thought were with the government. In actual fact, he did not know any of them; however, in an attempt to render himself from further abuse he began pointing out some people randomly. The chosen individuals were immediately shot or slaughtered in the manner suffered by the student Atif.

16. Two women teachers were shot by the Ethiopian soldiers, one of whom was shot in the thigh and the other was taken to the Ethiopian town of El Kurmuk (the border between the two Kurmuks is separated by a stream of about 100 yards).

17. At Damazin Civil hospital, the Committee found five people had been travelling in a lorry and were blown up by a mine. They were all seriously injured. They are still in the hospital and in a critical position. These mines were planted by the invaders in some of the places they occupied. One witness who deserted the rebel forces described some of methods of torture used by the rebels against the children and civilians. He stated that the rebels killed the civilians in a vicious, vengeful, and destructive manner in settlement of previous personal and tribal grievances.

18. The Captives suffered from hunger, cold, and diseases, as there was scant supply of food provisions. In the end, the food supplies were completely exhausted, and then they relied on whatever they could capture from passing lorries. They captured only one lorry.

19. Kurmuk town became extremely unsanitary and unsuitable for human or even animal life, because of environmental pollution caused by the rotting corpses. Therefore, returning to the city in such circumstances would result in serious (health) consequences because of the diseases that may prevail given the lack of clinical and medical supplies to combat disease.

In the light of the above mentioned, we are satisfied that at least the following international instruments, have been flagrantly violated:

a) Section 5. of the Universal Declaration of Human Rights reads: No one shall be subjected to torture or to cruel, inhuman, or degrading treatment or punishment.

b) Section 12. of the same declaration reads: No one shall be subjected to arbitrary interference with his privacy, home, or correspondence nor to attacks upon his honor and reputation. Everyone has the right to the protection of the law against such interference or attacks.

c) Section 3. of the African Human and Peoples Rights: Subsection 2. It prohibits the interference in the internal affairs of member countries in the Charter.

d) Subsection 3 [of the above]. Requires countries to respect the sovereignty of all states and lands and right of self-determination.

e) Subsection 4. Mandates a country concerned to settle disputes through negotiation, reconciliation, and arbitration. It also constitutes a violation of Section 43 of the Versailles Convention, which protects the countries from being occupied by other countries.

It is proved that the Ethiopian Military Forces occupied Kurmuk and Gaissan towns and their suburbs, which is clearly within the Sudanese border. In addition, it is a violation of Section 2 Para 3 of the United Nations Convention, which prohibits the waging of war, or to threaten to use force in the international relationship. It imposes that a state member should reach a settlement through peaceful negotiations without endangering the peace, security, and justice.

f) Section 51 of The Charter of the United Nations reads: "Nothing in the present Charter shall impair the inherent right of the individual or collective self-defense, if an armed attack occurs against a member in the United Nations, until the Security Council had taken the steps necessary to maintain international peace and security. Measures taken by Members in the exercise of this right of self-defense should be immediately reported to the Security Council. . . ." It is the view of the Committee that Sudan has acted perfectly in accordance with this article.

The Ethiopian Army also committed crimes against women, children, and the elderly contrary to sections 30 and 31 of the Hague Convention which obliges countries not to use force against unarmed civilians, or those not assisting military activities of the army. The Ethiopian troops have directed its military activities against these classes of people.

The Ethiopians allowed Sudanese rebels to mutilate corpses; therefore, it is considered that the Ethiopian troops have aided and abetted the rebels to commit these crimes.

h) The Geneva Convention, signed Aug. 22, 1948, imposes an obligation on legitimate invading forces to protect civilians and abstain from taking civilian hostages and attacking human integrity; and also these actions are a violation of Section 14 and thereafter to the Geneva Convention, which imposes the good treatment of the injured, pregnant women, or children less than 7 and all children under 15. It also prohibits taking the money or property of these civilians; this consti-

tutes a violation of section 15 of the Hague Convention and sections 3 and 5 of the Geneva Convention 1949 for the protection of civilians.

We now submit our report during the fixed time in the conveying order of the Committee, and we have come to the conclusion that the Ethiopian Army attacked the civilians, including the old, nursing mothers, and children, and put the lives of the inhabitants of this region under the stress of fear and terror.

Conclusion

1. On Jan. 12, 1997, 3 Ramadan 1417, the towns of Kurmuk and Gaissan were simultaneously attacked and houses were burnt down.

2. The military invasion consists of the Ethiopian Army and some Sudanese Rebels, with a few unidentified white men.

3. A huge number of civilians were killed (approximately 600). Their bodies were scattered for days and were eaten by wild animals.

4. They used silent tanks, heavy artillery, semi-automatic weapons, G.M.4 and GM3, Kalashnikov and R.B.J.

5. Schools and government houses have been destroyed, and all goods have been taken from market, houses, shops, and the invading forces have also confiscated gold, money, and the clothes of civilians.

6. Fellata tribes (of Nigerian origin) in the area have been killed, due to private disputes and grievances; for example, disputes over ownership of land, water wells, and grazing lands.

7. A one-year-old child was machine-gunned to death.

8. Crimes of rape were committed against the female population, close to the area where the captives were kept.

9. Some Sudanese government officials have been slaughtered with knives in front of the same group.

10. They executed death sentences against some civilians, using machine guns at random. As a result of this, a teacher named Munira was seriously injured in her right leg.

11. A huge number of cattle has been captured and confiscated.

12. The rebels ordered captured civilians to return to Kurmuk on foot. Their future is uncertain, bearing in mind that the town has been emptied of all food provision.

N.B.: We (the committee) certify that the above is a true and concise translation of our Arabic Report on Human Rights Violations, committed during the invasion of the Ethiopian Army on a Sudanese territory on Jan. 12, 1997, and afterward.

Signed and sealed, Feb. 15, 1997

Mustafa Muhammed Bashar, Justice of the Supreme Court, President of the Committee

Hussein Awad Abu El Gassin, Justice of the Supreme Court, Member of the Committee

Hashim Hamz Abdul Majid, Justice of the Supreme Court, Member of the Committee

Successes mark Peru's 1996 war on drugs

by Manuel Hidalgo and Dennis Small

Five years ago, the government of Peruvian President Alberto Fujimori delivered a major blow to the international drug cartels, by taking dramatic steps to dismantle their narco-terrorist shock troops, including the Shining Path and Túpac Amaru (MRTA) gangs. The Peruvian President did this by temporarily shutting down the narco-corrupted national Congress and Supreme Court in April 1992, arresting Shining Path capo Abimael Guzmán in September of that year, and proceeding to take down most of the remaining narco-terrorist apparatus over the succeeding year or so. As a result of these steps—along with the fortunate spread of the *Fusarium oxysporum* fungus, which is deadly to coca leaves—total coca cultivation in Peru fell by a dramatic 16%, from 129,000 hectares under cultivation in 1992, to 109,000 in 1993. Peru is the largest producer of coca leaves in the world, although most of the coca is ultimately processed into refined cocaine in neighboring Colombia, before export to the United States and Europe.

Back then, Fujimori achieved this over the howls of protest of the British financial establishment, their human rights and nongovernmental organization (NGO) lobbies, and the vociferous opposition of the Bush State Department.

In 1996, Peru achieved an even greater reduction, 18%, in hectares under coca cultivation, only this time it was done with U.S. help and cooperation, not hostility. Now the stage is set for a "Phase II" assault, which is designed to further dramatically reduce coca leaf production in the country.

The Clinton White House has taken public notice of these achievements. In his Feb. 25 public presentation of his administration's anti-drug strategy, Clinton said of Peruvian-U.S. cooperation: "We've made a start. . . . In Peru, coca cultivation dropped by 18%. In the next decade, we want to completely eliminate the cultivation of coca for illicit consumption. If we help with alternative crops, that is a viable policy in many cases," said Clinton, while flanked by White House drug policy adviser Gen. Barry McCaffrey. Underscoring that the anti-drug effort can't be done without adequate funding, McCaffrey took the opportunity to demand more anti-drug assistance for countries such as Peru. At present, he said, the United States is spending \$25 million in Peru, \$25 million in Colombia, and \$50 million in Bolivia, amounts far below what is necessary. Coca production will never be reduced, he

emphasized, unless there is serious support for alternative crop development.

And then on March 1, President Clinton certified Peru as fully cooperating with the United States in the anti-drug effort. President Fujimori saw the certification as recognition of the efforts made by his government, as well as by the Peruvian police and Armed Forces.

It is interesting to note that Peru achieved the 1996 reductions in coca production, despite the fact that it only began serious eradication efforts in October 1996. Rather, the U.S. and Peruvian cooperation centered on interdiction efforts against the all-important air-bridge between Peruvian coca and coca-paste operations, and the Colombian laboratories for refining into cocaine hydrochloride. The United States provided Peru with sophisticated radar facilities, and associated technical support. The Peruvian Air Force and the Army's offensive against narco-terrorism effectively were able to reduce the air-bridge's operations to a minimum.

The result was a drastic fall in the coca price, from \$60 to \$8 per 25 pounds; at various secret storage sites, coca was left to rot, due both to the fact that it couldn't be shipped and that peasants had ceased growing it. According to official U.S. government statistics, the number of hectares under coca cultivation dropped from 115,000 in 1995, to 94,700 in 1996. (*EIR* has estimated that actual hectares under cultivation in 1995 were 129,000 in 1995, based on interviews with well-informed Peruvian field experts; that would mean that 1996 cultivation dropped to about 106,000 hectares.)

By way of comparison, Bolivian coca cultivation dropped 10%, from 49,000 to 44,000 hectares in the last year, while in neighboring Colombia, it increased by 32% (from 51,000 to 67,000 hectares), replacing Bolivia as the world's second largest producer.

Second phase beginning

The Peruvian government and Armed Forces are now embarking on a second phase of their assault against drugs. Last October, they began fumigating coca fields; prior to that, they were only authorized to eradicate coca in seedbeds. Equally crucial, was the approval last December of a new banking law, which ended impunity for the crime of drug money-laundering.

On Feb. 13, the Peruvian government formally announced its goal of eradicating illegal coca production over the next ten years—an unprecedented policy statement—as well as a plan to dismantle, with U.S. assistance, the "riverine bridge" between Peru and Colombia, set up by the cartels to replace the preexisting air-bridge. On Feb. 14, President Fujimori delivered the first 60 patrol boats to the police, and announced that with U.S. help, Peru would win the "riverine war" against the cartels, just as it had won the air war. This is a daunting challenge. Riverine warfare on the Amazon and its tributaries is logistically very difficult, according to experts consulted by *EIR* in both Lima and Washington.

What's behind the BRA?

Only Her Majesty Queen Elizabeth II, and her mining friends, know for sure.

Throughout the last week of February, the Australian news media howled that the government of Papua New Guinea had hired Sandlines International, a London-based mercenary organization, to assassinate the leadership of the Bougainville Revolutionary Army (BRA). Sandlines is affiliated with Executive Outcomes, the notorious "private sector" arm of the British Special Air Services (SAS).

Some 10,000 souls out of Papua New Guinea's population of 4 million, have been killed in a BRA insurgency which has been raging in the island-province of Bougainville, off the eastern tip of Papua, since 1989. Papua New Guinea's prime minister, Sir Julius Chan, answered the press hysteria, as reported by the Asia Pacific Network on Feb. 24, that Sandlines/Executive Outcomes was not hired to assassinate anyone, but to train the nation's defense forces: "Yes, there is training going on at the moment, training for our under-equipped, under-trained, and under-resourced Security Forces. I'm sick and tired of our boys coming back in body bags."

Chan also made it clear, that Papua New Guinea had not wanted to hire mercenaries, but was, in effect, forced to, after its allies denied it assistance. As Chris Wariambu, minister counselor at the nation's Washington embassy told *EIR* on Feb. 26, "Papua New Guinea has military alliances with Australia, the United States, and New Zealand with respect to training and equipment. The government has been trying to bring normalcy to Bougainville, and has sought assistance from these countries, but to no avail." The U.S. State Department's Papua New Guinea desk officer promised to return

a call to *EIR* on the matter, but did not.

Prime Minister Chan further charged that Australia had previously agreed to this training program. Only when whipped by the news media, did Australian Prime Minister John Howard deliver a formal *démarche* against Papua New Guinea, which was then echoed by the United States and the European Union, he said. Chan also questioned the purpose of the media onslaught: "Is there some political agenda that is behind their motives, to possibly destabilize the government and disrupt the June elections?"

There is, in fact, a plot to destabilize the country, which hosts some of the richest gold and copper deposits in the world. The Panguna copper mine on Bougainville, for instance, was, until the fighting shut it down in 1989, the world's largest open-cut copper mine, which provided 40% of Papua New Guinea's government revenue.

As the British Crown-centered world financial oligarchy has moved to grab whatever physical assets—food, petroleum, raw materials, and so on—it can, in the face of the looming world financial disintegration, it has orchestrated a two-pronged destabilization against Papua New Guinea: On the one side, by the terrorist BRA; and, on the other side, by the International Monetary Fund and World Bank, whose rabid demands for budget-cutting and austerity create conditions for the terrorists to flourish.

Before the recent media-orchestrated uproar, the Chan government had quietly offered to buy the Panguna mine from its owners, Conzinc Rio Tinto of Australia (CRA)—of whose parent company, Rio Tinto Zinc, Queen Elizabeth, the Queen of Papua,

as well as of Australia, owns a substantial share. CRA's founding chairman, Sir Maurice Mawby, was for years the "Chairman of the Benefactors' Committee" (that is, the chief fundraiser) for the Prince Philip-founded Australian Conservation Foundation, the "mother" of radical environmentalism in Australia, whose networks provide political support for the BRA.

Asked who finances the BRA, an Australian police source with extensive counter-terror experience replied: "Look at the mining companies. You will definitely find big Australian money backing them." Another BRA cheerleader is the British intelligence front, Amnesty International.

When Prime Minister Chan's government came to power in 1994, it announced a cease-fire, and, in May 1995, granted all rebels an amnesty. But, the insurgency flared up in early 1996, immediately after Papua New Guinea expelled a World Bank team, which had been demanding radical "structural adjustments." Chan charged at the time that the World Bank had "destroyed many countries."

Not long after the World Bank was kicked out, a dynamite bomb was thrown into Chan's first floor office. That same day, July 31, Chan attacked Australia's lack of action against Sydney-based members of the BRA, as "condoning treasonous acts" against Papua New Guinea. But finally, under continual pressure, the country did sign an IMF "structural adjustment program," which mandates the forced sell-off ("privatization") of much of the nation's assets, including its precious raw materials holdings.

Under one pretext or another, the British are determined to steal Papua's vast riches, whether through "privatization," through an "independent" BRA-run Bougainville, or through Executive Outcomes' taking its payment "in kind," as is its usual practice.

International Intelligence

Former ambassador bucks British line on China

Britain's former longtime ambassador to China, Sir Percy Craddock, bucked the conventional wisdom on "confronting" China and seeking its breakup, in an article on the death of Deng Xiaoping for the *Sunday Telegraph* of Feb. 22. "The only way forward will be constructive engagement, a patient effort to integrate the new great power fully into the international community," urged Sir Percy, who, as Margaret Thatcher's foreign policy adviser, led the British negotiations over the return of Hongkong to China. He has frequently polemicized against the confrontationalism of Hongkong Gov. Chris Patten, and the "breakup China" mob of Gerald Segal.

"Plans for containment of China would prove counter-productive folly," he said. Rather, constructive engagement "will call for a shrewder appreciation of the changed balance of power and for a more informed, less emotional, West-centered approach than hitherto. The febrile reporting of the past week and the British policy errors of the past five years are good examples of how to get it wrong.

"The West has a vast and growing stake in a stable, peacefully evolving China. It has relatively few means of bringing that about. But a constructive relationship with China would be the pre-condition, for that and for any tolerable new world order."

GIA resumes distributing Satanic paper in London

The Algerian Armed Islamic Group terrorists (GIA) resumed distributing their Satanic periodical *Al-Ansar* to mosques in London in February after an eight-month hiatus, according to the Arabic daily *Al-Hayat*. GIA's *Al-Ansar* disappeared from London last June, after France heavily pressured British authorities to crack down on Algerian terrorists in London who were involved in the bombings of the Paris Metro. *Al-Ansar*, headlining its issue, "Blood, Blood . . . Destroy, Destroy," is now back to take credit for the recent butchery of the wives and chil-

dren of members of the legitimate, but banned, Islamic Salvation Front (FIS). *Al-Ansar* details the Satanic nature of this mass murder, which GIA carried out, in fact, in concert with the Algerian military intelligence unit tasked to annihilate the support base of FIS and its militant faction, the Islamic Salvation Army.

As documented by *EIR* (Oct. 13, 1995), the two most prominent GIA leaders who give marching orders to their death squads in Algeria, complete with "theological" arguments, are Abu Musaab al-Suri and Abu Qatadah al-Filistini, both operating from mosques in Britain.

Soros makes populist bid to take over Maastricht

Arch-speculator George Soros is moving to capitalize on the popular rage against Maastricht austerity in Europe, by forming a populist "pro-Maastricht" countergang to Sir Jimmy Goldsmith's populist "anti-Maastricht" Referendum Party in Britain and Other Europe party in France. On Feb. 6, Soros held a closed-door meeting in Brussels with 39 European political figures—typified by such men of the people as High International Representative to Bosnia Carl Bildt, and monetarist Count Etienne Davignon—to map out his "Charter Europe."

Soros is planning a \$20 million propaganda blitz building up to the European Parliament elections in 1999, demagogically calling for a "Europe of the People" not just a "Europe of the Currency." The blitz begins in May 1998 with a Congress of Europe that is to rubberstamp Soros's "Declaration of Interdependence." A Jacobin manifesto Soros had circulated at a private meeting in Davos, during the elite World Economic Forum, urged, "The people of Europe must impose their authority over the European governments."

In a related development, British Foreign Secretary Malcolm Rifkind, speaking to the Konrad Adenauer Foundation in Bonn on Feb. 19, warned that popular distrust of Maastricht would bring it to the same sorry end as the Eastern European regimes: "Democracy has to come from below, not

above," intoned Her Majesty's foreign secretary. "It was the absence of real legitimacy that brought down the regimes across Central and Eastern Europe eight years ago." He concluded, sanguinely, "As Immanuel Kant once said: 'Out of the crooked timber of humanity, no straight thing was ever made.'"

Serbian opposition leader becomes Belgrade mayor

Zoran Djindjic, the leader of the Serbian opposition group, Zajedno, was appointed mayor of the capital, Belgrade, on Feb. 21. The appointment took place at a session of the City Council, where Zajedno has a majority. The opposition organized a celebration in the streets, this time to hail the victory. The Defense Ministry (still under the control of President-dictator Slobodan Milosevic) withdrew equipment from the Information and Alert Center, and the State Security Service removed its personnel, who, until now, have guaranteed the security of the Belgrade City Council building.

During a "Belgrade liberation" celebration ceremony, new conflicts emerged between the opposition leaders Vuk Draskovic and Djindjic, reportedly due to mistrust, as well as rivalry: Draskovic claims Djindjic is not loyal to their agreement whereby Djindjic should become prime minister, Vuk Draskovic President, and Vesna Pestic speaker of the Parliament. At one point during the ceremony, Draskovic said he did not wish to speak, since he did not understand what was being celebrated when the majority of Serbia's problems still remain unsolved.

Bosnians denounce bombing of Franciscan monastery

The Franciscan Monastery of St. Anthony in Sarajevo was struck by two bombs on the evening of Feb. 20, by what Bosnian President Alija Izetbegovic called "either miserable cowards or conscious enemies of Bosnia." The ancient monastery, which is greatly respected by the Muslim population, had been under police protection since rocks were thrown through a stained glass window

during mass on Feb. 18.

On Feb. 10, a leading monk from St. Anthony's was assaulted in Potoci near Mostar, on the same day that Muslims from Mostar, en route to a cemetery, were victims of an armed attack. *EIR's* Bosnian sources say that, "what is at work here are the same forces that provoked the 'war of the victims' " in this area of central Bosnia in 1993. At that time, both Croatian and Bosnian counterintelligence found that the confrontation was caused by operatives of Britain's MI-6, individuals working with the SAS forces that had trained and armed both Croat and Muslim gangs.

The Croatian Peasant Party of Bosnia (HSS) strongly condemned the attacks as an attempt to destabilize Bosnia on the eve of the April 13 visit of Pope John Paul II to Sarajevo. The head of Bosnia's Islamic community, Mustafa Effendy Cenric, communicated a message to the Franciscan provincial father, that the attack "is a malicious attempt aimed at destroying the good that people of goodwill of all religions in Bosnia-Herzegovina have been building and preserving with love for centuries."

Cisneros porn TV draws church ire in Venezuela

A petition signed by 30 Venezuelan bishops and by more than 32,000 Catholic priests, religious, and parishioners, was submitted to Minister of Transportation and Communications Moïses Orosco Graterol, demanding that he shut down two pornographic TV channels owned by LaRouche-hater Gustavo Cisneros and his family, in partnership with Hugh Hefner's Playboy Enterprises. In a statement, Teresa Castellanos, who heads the steering committee of the anti-porn campaign (and who is also a member of the Ibero-American Solidarity Movement, founded by LaRouche's co-thinkers), said that the petitioners include Archbishop Tulio Manuel Chirivella of Barquisimeto, president of Venezuela's Conference of Bishops, and past president Archbishop Domingo Roa Pérez of Maracaibo. "The counterculture promoted by Playboy, which is based on pornography, materialism, and he-

donism, will only help to ensure the definitive destruction of our nation."

Lara's Gov. Orlando Fernández Medina, who had already announced he was banning Cisneros's DirecTV pornography in his state, said that he was joining the crusade for a nationwide ban. Moreover, Chacao Mayor Irene Saez, a former Miss Universe and likely Presidential contender, said she, too, was jumping on the anti-Cisneros/Playboy bandwagon. Cisneros, who had the Spanish translation of *EIR's* book *Dope, Inc.* banned in Venezuela, owns the local franchise of the Miss Universe contest.

Lebanon arrests Japanese Red Army terrorists

On Feb. 18, Prime Minister Ryutaro Hashimoto of Japan announced that Lebanese authorities had arrested five Japanese Red Army terrorists. Hashimoto told reporters he had been informed by Lebanese officials that the terrorists, all of them Japanese, were captured in the Bekaa Valley, where they had been holed up for years.

Among those arrested, said Lebanese officials, were Kozo Okamoto, 49, involved in a joint operation between the JRA and the Popular Front for the Liberation of Palestine in May 1972, resulting in a shootout at Tel Aviv's Lod Airport in which 26 people died and 78 were injured. Okamoto was sentenced to life imprisonment in Israel, but was released in a Palestinian-Israeli prisoner exchange in May 1985. Another JRA member among those being held in Beirut, Kazuo Tohira, was implicated in the September 1977 hijacking of a Japan Air Lines plane in Dhaka, Bangladesh.

According to Reuters, it may take years for Lebanon to extradite the five to Japan, both, because the two countries have no extradition treaty, and because Lebanon may seek to try them on charges of carrying forged passports.

The Japanese Red Army component of the "terror international" is active in the Túpac Amaru seizure of the Japanese ambassador's residence in Lima, Peru. The terrorists continue to hold 72 hostages, in the siege that began Dec. 17, 1996.

ROMANIA'S exiled King Michael returned home but only small crowds turned out to see him at church on March 2, although the head of the Orthodox Church hailed him as a son of the nation. New centrist President Emil Constantinescu said the king's prestige could be used to promote Romania's foremost foreign policy goal—early admission to NATO alongside favorites Poland, Hungary, and the Czech Republic.

A BREMEN CLINIC which tested a computerized euthanasia program, was forced to cancel the program after media exposés. Under the program, developed in London by René Chang, a patient's life hinges on the prospects for survival determined by a computer. Frank Ulrich Montgomery, President of the Chamber of Hamburg Doctors, declared: "If the survival of a man is made dependent on economic criteria, then we are at the point, ethically, where the Nazis stopped working."

THE POLISH bimonthly magazine *Militaria* published two articles, in successive issues, on the drug plague. The first, on drugs in general, cited *EIR* as its source, and the second, by Anna Wei, exposed George Bush's role as a drug kingpin.

THE INDIAN ARMY brigade guarding the center section of the Himalayan frontier with China is being withdrawn, the *Hindustan Times* reported Feb. 17. This withdrawal of the 9th Independent Brigade is "possibly the first step in implementation of an agreement signed" by the Indian and Chinese foreign ministers during Chinese President Jiang Zemin's visit to India in November 1996.

SOUTH ASIAN drug abuse has reached "alarming" proportions, according to a UN International Drug Control Program report, "Working for a Drug-Free Future In South Asia." The latest trends include a soaring rise in the abuse of codeine-based cough medicines, as well as of illegal opiates, spreading throughout India, Bangladesh, and Nepal.

The U.S. Constitution's new life

by Lyndon H. LaRouche, Jr.

Feb. 25, 1997

There is no competent reason to doubt, that, during his present term in office, President William Clinton will be called upon to provide global leadership through acts of great pungency and force. He and other relevant leaders will be called upon, to act quickly, and effectively, with that quality of great resolution, which U.S. President Franklin D. Roosevelt promised in his first inaugural address of March 4, 1933. Those leaders must bring forth, quickly, a new economic, monetary, and financial system of trade and other cooperation, among a consort of sovereign nation-states, to supplant a rotted-out, collapsing, speculative bubble of globaloney.

The moment for such epoch-making decision is near. Two interrelated questions are thus posed. Might this President, and his prospective partners in such decision, find the will to act, in time? If so, might they act wisely; might they approach that awesome moment adequately prepared? The provision of schematic working-papers, such as scenarios and programs, is no substitute for clear conception of principle. We who are qualified, must now supply such decision-makers with those notions of principle, upon which the choice, between success and ruin, depends absolutely. To that end, the following is supplied.

The deepest principles of law embedded in our U.S. Federal Constitution, compel me to say: I can not accept the claim of the widely travelled Michael Novak, nor U.S. Associate Supreme Court Justice Antonin Scalia, to be a Christian. I speak not as spokesman for a church, but only of facts, as a botanist might assure us that no bush could comprehend a truly human interest. Nonetheless, Christians ought to accept my authority in this case, on such axiomatic premises as those

underlying the Apostle Paul's celebrated I *Corinthians* 13.¹ The crucial issue prompting those references to personalities, here, is defense of the fundamental law of the U.S.A.: most emphatically, the "Welfare clause" within the Preamble of our Federal Constitution.

It is already known to some, that, since about the age of five or six, at the latest, I have abhorred the contemptibly polite custom of "company manners," the which evades crucial issues, as by shifting the discussion to today's weather, by lying outrightly, or by agreeing, implicitly, from the outset, to limiting utterance to what is termed, with lying euphemism, the "civility" of ambiguous, impersonal *speaking in mere generalities*. To assure my readers that I mean business, I convoke here that pungency and force, the which is rallied by relevant, sharp, references to the relevant, disgusting *personal characteristics* of Novak's and Scalia's influence in public life.

I do not gloat over the unhappy spiritual estate of Biblical goats, into which the public figures Novak and Scalia have permitted themselves to fall. I do but warn the sheep, not to be misled by those widespread, false claims which are all too commonly attached to the names of these two, or other

1. In Latin, those premises are *imagodei*, *capaxdei*, and *caritas*. The original, Platonic, pre-Byzantine Greek of St. Paul's *agapē* should be preferred to its Latin translation, as *caritas*, on account of the bowdlerization which the term *caritas* (and, also, the English translation, as "charity") has suffered from those who unable to find that true, Platonic meaning of *agapē*, which is accessed by passing through the "needle's eye." Paul's use of the latter term, coincides with Plato's notion of the quality of emotion expressing absolute passion for justice, and therefore for truth, a passion lacking in Justice Scalia, for example. See Socrates vs. Thrasymachus and Glaucon, in *The Republic*, Book II, *passim*. For the model for Thrasymachus, and Scalia, see Plato's presentation [*Apology*] of the prosecutor Meletus, in the celebrated political trial of Socrates.



“One might reference the opening passage from the 1776 U.S. Declaration of Independence: ‘When in the Course of human events, it becomes necessary . . .’ So, now, as then, and in the time of the grandfather of our own U.S. Constitution, that of Solon of Athens, we have entered a most extraordinary time in history, a time when tectonic events are shaking and toppling long-standing institutions, and new ones must be crafted to replace them, lest civilization achieve the ultimate political extreme of ‘free trade,’ that state of turbulent, perfect entropy, the which is otherwise recognized by the name of chaos.”

influential goats of kindred, stray persuasions. As the lawyer would put his questions in the following colloquy:

“Is there a carrier of that disease in this room today?”

“Yes.”

“Name one . . . name a second.”

I employ the focus upon specific personalities, to illustrate a most timely, most crucial issue of constitutional law, a principle which Justice Scalia violates, again and again, and that, sometimes, with a manifest, virtually demonic passion. His violations, are not crimes of first impression, but, by their morbid implications for practice of government, must be placed in that category of a Locke-rooted, radical positivism in law, the which is genetically akin to the culpable practice of law by Nazi judges such as the notorious Roland Freisler.²

2. Officially, Freisler’s titles as an official of the Nazi system, were General Prosecutor (*Generalstaatsanwalt*) of the People’s Court, and State Secretary in the Reich Justice Ministry. See *Der Prozess gegen die Hauptkriegsverbrecher vor dem Internationalen Militärgerichtshof* [“The Nuremberg Trials” of November 1945-October 1946] (Munich, Germany: Delphin Verlag GmbH, 1947-49), Vols. I-XXIII; X 84, XII 203, XVIII 300, XX 301]. He is most often recognized for his conduct of the trial of the “July 20, 1944 defendants.” Freisler is a product of the radical-positivist legal tradition of G.W.F. Hegel’s political co-thinker, the notorious neo-Kantian, Karl Friedrich von Savigny. The irrationalist current of positivist law which Scalia represents, that derived from the axiomatic premises of John Locke, is even more radical, more immoral, closer to the brutish doctrine of *The Republic*’s Thrasymachus, and the prosecutor of Socrates, Meletus, than that of Carl Schmitt, the latter the principal architect of that *Notverordnungsrecht* employed to establish Nazi dictatorial power. Experience shows that the U.S.

So, the political advocacies which Novak cloaks deceitfully with the colors of “the Christian right,” are of the same philosophical characteristics as Scalia’s perversities: adherence to the putrid meaning supplied to the term “democracy,” by John Locke, and by Meletus of Athens before them both.

My referencing those matters, is prompted, in lesser part, by certain, most recent, ongoing discussions with representatives of Russia, Ukraine, and other eastern European nations: on the subject of those practical problems of constitutional law, the which are forced to our attention by the recent years’ horrifying experience in such nations. My experience, over several decades, in dealing with these and related problems of statecraft, persuades me that the only efficient approach to discussion of such matters, is to adopt the original intent of the U.S. Federal Constitution as the benchmark from which to survey the issues of constitutional law as they might arise in any region of the planet.

In the greater part of that which is to be said below, one might reference the opening passage from the 1776 U.S. *Declaration of Independence*: “When in the Course of human events, it becomes necessary . . .” So, now, as then, and in the time of the grandfather of our own U.S. Constitution, that of Solon of Athens, we have entered a most extraordinary time in history, a time when tectonic events are shaking and toppling long-standing institutions, and new ones must be crafted to replace them, lest civilization achieve the ultimate political extreme of “free trade,” that state of turbulent, perfect en-

Federal Fourth Circuit bench is a hot-bed of Scalia-like, radical-positivist practices.

tropy, the which is otherwise recognized by the name of chaos. At this moment of writing, the world as a whole has reached the brink of the greatest, most deadly, global financial implosion in history.³ As we shall explain more fully, later in this report, that clause, as excerpted from the opening passage of the *Declaration of Independence*, and as compared to Solon's constitutional poem, has a very rigorous sort of significance in the proper method for adducing the *intent* of expressed constitutional law.

In this present time of global, systemic crisis, the only decisive issue before us all, is whether or not we are able to escape from institutions as powerfully entrenched, and as doomed, as Belshazzar's Babylon, to escape into the safety of durable new institutions. As the principal composers of the U.S. *Declaration of Independence* and *Constitution* showed, by their practice, civilization's existence rests upon a cornerstone in law, a notion of law which must be preserved throughout that *Platonic* process of change, the which is represented by a *deductively discontinuous* transit, from a doomed old order of law, into the choice and realization of a new one. So, Solon understood, in writing the poem which stands as the first true constitution in history; so, with aid of reference to the U.S. Eighteenth-Century revolutionary experience, we must comprehend the tasks which confront the true leaders of all mankind, today.

A principal obstacle tending to prevent that necessary approach from being adopted, is the fact, that, outside the U.S.A., even among the putatively best-educated strata, there is not more than a tiny minority, today, which is not totally misinformed in the matter of the strategic historical setting and original intent of that U.S. Constitution. This is notably the case among the nations which have emerged from the former Comecon association. On such accounts, we must begin by clarifying that history.

The history which underlies the U.S. Constitution

The intent which underlies the 1787-1789 composition of the original U.S. Federal Constitution, is found in the history of the cumulative experience of English-speaking American colonists, from "the Course of events" during the preceding

3. Throughout this report, our use of the term "history" refers to the known correlation between explicitly given "subjective" history, as supplied by the surviving shards of language and art, as those are sustained, or corrected by what might be adduced from a scientific quality of experimental knowledge of past or present, referenced ideas and events. A more rigorous reading of such combined subjective and experimental evidence of history, is implicit in B. Riemann's 1854 habilitation dissertation. In that latter approach, the emphasis is upon those reconstructable, revolutionary discoveries of underlying principle, the which account for the increase of mankind's *potential relative population-density*. The notion of a *science of history* depends upon that Riemannian, experimental-physical approach to the efficient history of ideas, or true history. A science of history bases its account upon man's struggle for truth; it relegates mere opinion, however popular (and usually erroneous), to the category of pathological, clinical phenomena.

two centuries, most emphatically since the accession of King James I (Stuart) in 1603. For the purpose of situating the original intent of the U.S. Constitution, we must distinguish three general periods in pre-1776 American history: 1) From the accession of James I, through the ouster of James II; 2) from the accession of the imported English tyrant, William of Orange, until the accession of William's protégé, imported George I, as first monarch of the United Kingdom, in 1714; 3) The preparation for the establishment of a sovereign American nation-state, over the years beginning approximately (slightly before) 1714, through the first election of President George Washington, with Alexander Hamilton as the first U.S. Secretary of the Treasury.⁴

Beginning with the founding of the Plymouth colony, and the Massachusetts Bay Colony, the English colonization of North America was accomplished by parties which, like the great tragedian William Shakespeare,⁵ typified the literate, relatively more than "plebeian" strata of the populations of England, Scotland, and Ireland, and also the Netherlands, and Germany.⁶ Although some of the colonists had been victims

4. For background on these periods of the common history of Britain and English-speaking North America, see H. Graham Lowry, *How The Nation Was Won: America's Untold Story* (Washington, D.C.: Executive Intelligence Review, 1988). It is notable, that the third period coincides with near exactness to the life-span of Benjamin Franklin. This was the Franklin, known in Europe not only as the father of the American Revolution, but, also, as "The American Prometheus" of Georg Forster's tribute. In his tribute to Franklin's included Promethean role as a scientist, Forster employs the celebrated *Götterfunken* ["Gods' Sparks"] of F. Schiller's *An die Freude* ["Ode to Joy"]. Forster's tribute provoked the reference to Franklin's "sparks," expressed by an asset of British Foreign Service head Jeremy Bentham, Franklin-hater Mary Wollstonecraft (Godwin) Shelley, in her famous anti-Franklin, anti-Percy Bysshe Shelley (i.e., of *Prometheus Unbound*), propaganda-tract, *Frankenstein, or The Modern Prometheus*.

5. The Erasmian development of the English language to the level of the usages of William Shakespeare, represents the high-point of development of the cognitive potentials of that language, to the present date. His English is a product of the influence of Dante Alighieri and his followers, most notably by the way of the Fifteenth-Century Italian, "Golden Renaissance." As the Venetian Party's Cecil family, and Cecil rogues such as Francis Bacon, gained added power under the reign of James I, the great English Sixteenth-Century, Erasmian Renaissance in Classical art, science, and language, was aggressively brutalized by the influence of such agents of Paolo Sarpi's anti-Renaissance "Enlightenment" as Francis Bacon, Thomas Hobbes, John Dryden, Alexander Pope, Samuel Johnson, et al. Thus, England's greatest composer of the period, Bacon-hated John Bull, remained in exile, and Shakespeare, relegated to virtual internal political exile from the stage for the concluding years of his life, died, under highly suspicious circumstances, after a dinner shared with Bacon's three-penny playwright, Ben Jonson. ["On the Death of Shakespeare and the Case of the Rime-Encrusted Dryden," presentation by Webster G. Tarpley, to the ICLC/Schiller Institute semi-annual conference, Feb. 16, 1997.] Thus, the great tradition of Classical tragedians Aeschylus and Shakespeare could be continued, and advanced further, only outside England, by a German, Friedrich Schiller.

6. Exemplary is the fact, that, during the 1790s, the U.S. adult population had a literacy above 90%, in contrast to a rate of somewhat-higher-than 40% in the United Kingdom. This superior literacy of the U.S. adult was qualified by European eyewitnesses' references to the U.S. "Latin farmer," an expression of the quality of educational practices first established in

of religious, or other forms of political persecution, in their nations of origin, the underlying issue which defined the wars of 1776-1865, between the U.S.A. and the British monarchy,⁷ was the fight between the English patriots and the encroaching influence of that so-called "Venetian Party" which first consolidated power in London with the accession of King James I.⁸

Venice's displeasure with the Restoration Stuarts' reluctance to give full support to Venice's orchestration of wars against France,⁹ opened the second phase of the relations between London and English-speaking North America, the which began with the toppling of James II, and the accession

such places as the Seventeenth Century Massachusetts Bay Colony and William Penn's and Jonathan Logan's Commonwealth of Pennsylvania, and pursued most energetically by the publishing and other programs of Benjamin Franklin. There is no factual basis for today's widespread, credulous acceptance, throughout western Europe, for example, of myths which are consistent with the fraudulent theses of rabid Anglophile President Theodore Roosevelt's favorite historian, Frederick Jackson Turner, of *Frontier and Section* notability. The key to the issues of the U.S. *Declaration of Independence* and *Constitution*, is that the typical citizen of English-speaking North America, was vastly superior to the typical English subject in moral and intellectual attainment: from the Seventeenth Century to approximately the present time.

7. The U.S. Civil War was a surrogate war with the United Kingdom of British Foreign Service chief Jeremy Bentham, Bentham's protégé, Lord Palmerston, and Bertrand Russell's grandfather, Lord John Russell. Britain used a cabal of Bentham's and Palmerston's agents from among the "Tory" faction of wealthy U.S. drug-trafficking and slave-owner families, to organize a London-directed break-up of the U.S.A., and recarving of the map of the Americas (as the correspondence of the traitor August Belmont reveals the purpose behind London's, and his own sympathies for the Confederacy). See Anton Chaitkin, *Treason in America*, 2nd ed. (New York: New Benjamin Franklin House, 1985). The allied fleet of the British, French, and Spanish navies, which invaded and occupied Mexico in 1863, was the fleet whose deployment had been intended to include forcibly breaking the United States' naval blockade of the Confederacy. The British backed off from the intended battle with U.S. forces directly, when the U.S. ally, Czar Alexander II of Russia, sent his fleets, under sealed orders, to New York and San Francisco, and threatened to unleash war throughout Europe, should Britain and Napoleon III's France take any action in support of the Confederacy. Britain, later, organized the assassination of President Lincoln, an act of war against the U.S.A. which President Andrew Johnson was not inclined to notice.

8. Throughout the Seventeenth and Eighteenth Centuries, the political current identified with the modern British monarchy's ruling Privy Council, was commonly identified as "the Venetian Party." Although Venice's oligarchy seized top-down control over the Sixteenth-Century English monarchy during the reign of Henry VIII, the present-day form of British political culture is rooted in the influence of Venice's Paolo Sarpi, from the 1580s onward. From the death of Queen Anne, on, throughout the remaining entirety of the Eighteenth Century, the policies of the British monarchy were controlled, top-down, through the continuation of Sarpi's strategic aims, by the network of Venice's spy-master Antonio Conti and his followers.

9. Summarily: the process of the Tudor Reformation supplied an added dimension to the British monarchy's already long-standing, endemic, bloody-fisted claims to Scotland. England's fresh, Venice-directed break with France, the Stuarts' Sixteenth-Century, dynastic alliances with France, and the circumstances of the Venice-orchestrated Cromwell dictatorship, played upon the shaping of the foreign policies of the Restoration Stuarts, in the manner which has occupied the attention of certain later British historians.

of the bloody tyrant William of Orange. It was during the reign of William and Mary's successor, Queen Anne, that the influence of the leading scientific mind of Europe, Gottfried Leibniz, served as the center of reference for a few years' efforts by English patriots, to wrest control of England, Wales, Scotland, and Ireland from the alien grip of the usurpacious Venetian Party.¹⁰

By the time of Queen Anne's death, the English patriotic cause had been defeated in London. From that point on, the English patriots looked chiefly to the semi-autonomous colonies in North America, as the place from which to organize a base for freeing the United Kingdom from the grip of the victorious Venetian Party.¹¹ During that entire period, through and beyond the establishment of the Federal Constitution, the political struggle within English-speaking North America, was the work which enabled the followers of Gottfried Leibniz's influence to establish their supremacy, over the influence of John Locke.¹² Beyond reasonable objection, the anti-Locke characteristics of both the U.S. 1776 Declaration of Independence and the 1787-1789 Federal Constitution, attest to the intellectual and moral supremacy of the Leibniz party, in determining the intent of law upon which the U.S. Federal Republic was founded.¹³

The two crucial examples we cite in evidence of that, are the following. From the Declaration, "life, liberty, and the pursuit of happiness," a phrase which was the virtual war-cry of the international Leibniz party (and its American branch) against the "life, liberty, and property" of the pro-slavery, Locke party.¹⁴ From the Constitution, we excerpt, as evidence, the following passage from within the Preamble: "provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity . . ." ¹⁵ These conceptions persist in Leibniz's writ-

10. Lowry, op. cit.

11. The principal Seventeenth-Century English colonies, established under charters issued prior to 1688-89, were not governed by England, but, rather, like today's semi-independent nations under the British Commonwealth, were semi-autonomous states owing allegiance solely to the monarchy (then, as Commonwealth states to the monarchy/Privy Council today). The key issue leading into the U.S. Declaration of Independence, was a succession of efforts, by London, to nullify those charters under which the English colonies enjoyed approximately that degree of independent self-rule nominally awarded to Commonwealth members today.

12. Lowry, op. cit.

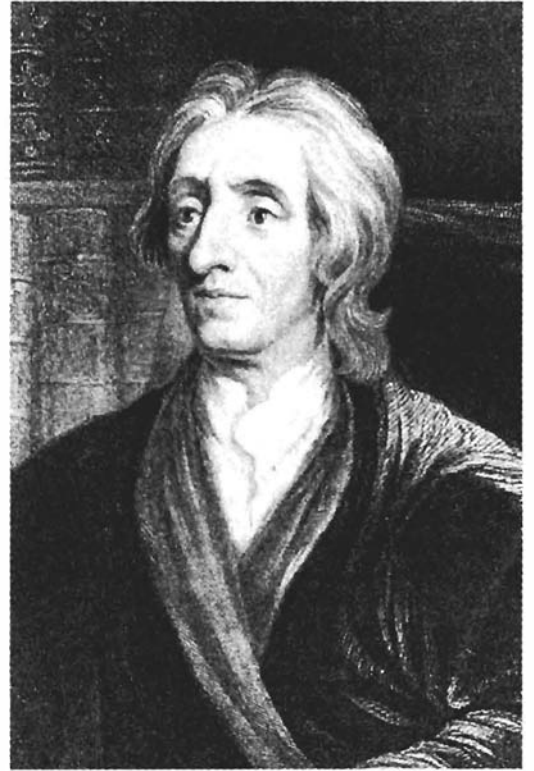
13. Philip Valenti, "The Anti-Newtonian Roots of the American Revolution," *EIR*, Dec. 1, 1995, pp. 12-31.

14. *ibid.*

15. The inclusion of "and our Posterity" has pervasive implications for our argument throughout our defense of the U.S. Constitution here. The crucial point to be emphasized on this account, is implied by the mooted question, with which the patriotic prosecutor challenges the accused malefactor, the radical democrat: "By what means is the opinion of our unborn Posterity represented within the institutions of self-government?" (That accused perpetrator might be a representative of the U.S. National Endowment for Democracy, or its putative progeny, the International Republican Institute.) The



The phrase from the Declaration of Independence, “life, liberty, and the pursuit of happiness,” was the “virtual war-cry of the international Leibniz party (and its American branch) against the ‘life, liberty, and property’ of the pro-slavery, Locke party.” John Locke (right), and Gottfried Wilhelm Leibniz (left).



ings on economy, philosophy, and law, from his 1671 *Society and Economy*,¹⁶ through his posthumously published *New Essays on Human Understanding*.¹⁷ These conceptions were those adopted, as acknowledged refutations of, and antidotes to Locke’s dogma, among the leading American patriots, such as Franklin.

That same philosophical division, between the patriotic followers of Leibniz and the “Tory” tradition of Locke, is the only standpoint from which competent views may be adduced on the characteristic features of post-1789 U.S. history, down to the present, London-steered, “neo-conservative” efforts to destroy the U.S. Constitution.

Throughout the pre-history and history of the U.S.A., the

Preamble thus makes the existence of right respecting the presently living adult individual’s, or majority’s opinion, *today*, contingent upon accountability to unborn Posterity, *at any distantly future time*. To show the U.S. Federal Constitution’s intent, we are, thus, like those Classical scholars who shaped its design, forced back to review of issues posed by Plato’s Socrates, in Book II of *The Republic*. The interpretation of the principles of constitutional law, must never flow from so corrupt a source as a so-called “electoral mandate,” or other momentary whims of “popular opinion”; that law must be derived, as Leibniz and the chief framers of our Constitution recognized, from the reasoned notion of the natural rights of *all* persons, and the rights of society itself, as a unifying entirety of those persons, past, present, and yet unborn.

16. Nancy Spannaus and Christopher White, *The Political-Economy of the American Revolution*, 2nd ed. (Washington, D.C.: Executive Intelligence Review, 1996); pp. 247-262.

17. Cf. P. Valenti, op. cit.

division between American patriots and Tories, the war of patriots such as the Careys, Henry Clay, John Quincy Adams, Abraham Lincoln, and others, against, principally, the British East India opium-trader and slave-owner interests of the U.S. oligarchical families, was a division between the axiomatic standpoint of Leibniz, against the persistence of that alien infection, the heritage of John Locke. With some exceptions, such as that psychologically, and, therefore, politically complex, devotee of Locke, Thomas Jefferson, most of the Lock-eans, such as the New England opium-traders, and the treasonous authors of the constitution of the Confederate States of America (CSA), were rabid Anglophiles. These treasonously inclined Anglophiles, devotees of Locke’s dogma, form the kernel of the Wall Street Liberal American Establishment, down to the core of U.S. President Clinton’s most savage adversaries, such as the Mellon family’s Richard Mellon Scaife, of today.¹⁸

Thus, Bank of Manhattan founder Aaron Burr, an agent of Jeremy Bentham personally, as also of Bentham’s British Foreign Service, led that pack of opium-trafficking traitors known as the 1814-1815 “Hartford Convention” plotters, from Boston, Newburyport, Salem, Yale, and New York, who organized financing for a British military invasion of the U.S.A., during the U.S.’s second, 1812-1815, war against the

18. Anton Chaitkin, op. cit.

British Empire. The same pack of traitors from the “Hartford Convention” oligarchy, at the same time they presented themselves as “abolitionists” in New England, supplied traitors, such as the founder of the later Ku Klux Klan, General Albert Pike, who were, from the 1820s on, a key part of the slaveholder conspiracy which created the CSA.¹⁹ President Theodore Roosevelt, was a product and continuation of that treasonous, rabidly Anglophile Confederacy tradition; President Woodrow Wilson was a fanatical devotee of the memory, and co-author of the revival of the Ku Klux Klan.²⁰ The force behind the “Contract with America” of the corrupt, confessedly revolting Speaker of the U.S. House of Representatives, Newt Gingrich, is that same Confederate slave-owner’s tradition of “Life, Liberty, and Property,” which was the chief point of difference between the U.S. Constitution and the abomination known as the constitution of the CSA.

The issue of two, 1941-1945 and 1950-51, battles of the Pacific, between the patriotic General Douglas MacArthur, on the one side, and Winston Churchill, Averell Harriman, and Harriman-directed President Harry Truman, on the opposing side, is another instance of the continued, often bloody division between the patriotic heritage of Leibniz’s influence and the perennially treasonous impulses of the Locke tradition.

This battle between the immiscible constitutional heritages of Leibniz and Locke, throughout the combined, post-1714 pre-history and history of the U.S., is brought to the surface in the clearest terms by the continuing battle between patriot and Tory over crucial issues of economic and related policy.

Since the factional battle within the mid-1780s U.S., to supersede the failed U.S. Articles of Confederation by the 1787-1789 U.S. Federal Constitution, the consistent correlative of this ongoing battle between patriot and Tory, has been the patriots’ adherence to what the first U.S. Treasury Secretary, Alexander Hamilton, identified as the U.S. commitment to a policy named “The American System of political-economy,” and the Tories’ contrary commitment to the policy against which the War of Independence had been fought, the

19. *New Federalist* pamphlet, “Bring Down the Pike Statue Now: Why the KKK National Monument Must Fall,” April 1993; and, Anton Chaitkin, “National Park Service Historian Is Chief of ‘Aryan’ Secret Society,” *New Federalist*, Vol. 7, No. 17, May 10, 1993, p. 12.

20. Chaitkin, op. cit. U.S. President Woodrow Wilson, a person with well-documented affinities to the memory of Albert Pike’s original Ku Klux Klan, launched the birth of the second Ku Klux Klan from the White House, through public endorsement of the film, originally entitled *The Klansman*, later renamed *Birth of A Nation*, which was used to bring the 1920s Klan membership up to an estimated 4.2 millions adult Americans. The production and immensely profitable distribution of that KKK recruiting-film, involved the founders of the Hollywood Metro-Goldwyn-Mayer organization; the film established the paradigm for Hollywood’s use of feature films to brainwash the U.S. and foreign film and TV audiences into accepting utterly fraudulent, Anglophile propaganda as “history.”

“free trade” policy set forth in the British East India Company propaganda-tract otherwise better known today as Adam Smith’s *Wealth of Nations*.

In brief, what Hamilton (like the Careys and Friedrich List after him) identified as “the American System of political-economy,”²¹ combined chiefly two elements.

Respecting the principles of a physical science of economy, the American System is derived in all crucial features from the work of Leibniz, his founding, and original elaboration, of economic science as a branch of physical science, during the interval 1671-1716.²²

However, the Seventeenth-Century Massachusetts Bay Colony pioneered in discovery of the effective policies respecting the use of a state-created productive credit in the form of a paper currency. This, and the prosperity it had fostered, were crushed under decrees of the hated British Governor Andros and the policies continued under the English butcher, William of Orange. The tried and proven principle of such a paper-currency policy, was kept in the colonists’ public view, through the notably included efforts of Cotton Mather and his follower Benjamin Franklin.²³

Both of these converging tributaries, from the wellspring of Leibniz and that of the Seventeenth-Century Massachusetts Bay Colony, flow into the common stream of what the first Administration of President George Washington defined as the anti-“free trade” policy known world-wide, throughout the Nineteenth Century, as “The American System of political-economy.”²⁴

Under the Washington and John Adams administrations, the American System was the policy practiced by the U.S., with stunning success.²⁵ The philosophically complex Jeffer-

21. Allen Salisbury, *The Civil War and the American System: America’s Battle with Britain, 1860-1876* (Washington, D.C.: Executive Intelligence Review, 1993). Friedrich List, *Outlines of American Political Economy (1827)*, with Commentary by Michael Liebig and Epilogue by Lyndon H. LaRouche, Jr. (Wiesbaden, Germany: Dr. Böttiger Verlags-GmbH, 1996).

22. For a taste of the connection between the economic policies of Leibniz and U.S. founder Benjamin Franklin, see Spannaus and White, op. cit.: pp. 214-227, pp. 262-276. In that location, note (pp. 390-454) Treasury Secretary Alexander Hamilton’s elaboration of Leibniz’s “productive forces of labor,” in Hamilton’s celebrated, Dec. 5, 1791 Report to the Congress *On The Subject of Manufactures*.

23. On Cotton Mather’s part: Lowry, op. cit., pp. 40, 302-303. On Benjamin Franklin’s part: Spannaus and White, op. cit., pp. 247-262.

24. Spannaus and White, op. cit.

25. Although, under President John Adams, the circles of Aaron Burr’s Boston allies, around the Lowells, were already deployed on behalf of a British Foreign service operation, Sir John Robison’s lying *Proofs of a Conspiracy* (New York: George Forman 1797). They aimed, successfully, at bringing down the Federalists through the folly of the Alien & Sedition Acts fostered by the hoax of Robison. [See Chaitkin, op. cit. See, T. Jefferson on Robison, p. 105, Note 10.] Robison was an Edinburgh-based, former British ambassador to Russia, and a personal agent of the British foreign intelligence service head Jeremy Bentham, and Jeremy’s brother, Russia’s Admiral Sir Samuel Bentham.

son and the husband of Aaron Burr's asset Dolley (Payne Todd) Madison, President James Madison,²⁶ had come under effective control of the circles of their Secretary of the Treasury, the British agent Albert Gallatin, who attempted to destroy the United States as his cousin and anti-American political ally, Jacques Necker, as Treasurer of France, had bankrupted France.²⁷ Gallatin was the "Svengali" who duped "Trilby" Presidents Jefferson and Madison into a "free trade"-premiered, Newt Gingrich-style destruction of the U.S. economy, over the 1801-1814 interval.

To trace the experience of the U.S. Constitution from the time of the second (1812-1815) of a series of wars, the which Britain either fought or otherwise organized against the U.S., it is indispensable to put to one side, as virtually Hollywood-style political fiction, both the currently "politically correct" academic accounts of the so-called "two-party system," and also the putative, mythical autobiographies circulated on behalf of either the Democratic and Republican parties of today. The 1812 revolt of the "Warhawks," led by Speaker of the U.S. House of Representatives Henry Clay, is the first of a series of turning-points in the species-character of the predecessors for what are presented as the two leading U.S. political parties of today.

The "Warhawks" forced President Madison to muster the ruined economy of the U.S. into a masterful naval defense against British aggression, despite Dolley and Secretary of the Treasury Gallatin.²⁸ John Adams's disorientation in the affair of the Robison hoax, and the Gallatin-induced follies of both Presidents Jefferson and Madison, had discredited both the Federalist and Democratic-Republican political parties.²⁹

26. Anton Chaitkin, *op. cit.*

27. Necker had caused the bankruptcy, thus triggering the 1789 Revolution, and, after that, played a key part, together with his crony, Philippe Egalité, Duke of Orleans, in organizing the obscenity celebrated as the Fall of the Bastille, and, later, in triggering that series of events, which, subsequently sent Philippe's cousin, Louis XVI, to the guillotine. The family of Mallet (a.k.a. Mallet-Prevost) is a member of the notorious 200 families of Geneva, the Geneva-Lausanne-Paris-London extended family of Mallet, Prevost, Mallet-Prevost, Schlumberger, and DeNeuffize. This entity has been prominent internationally, as one of the leading elements of the Great European "Venetian Party," since the period of the Eighteenth-Century network of salons of Voltaire, et al., established by Paris-based Venice spy-master Abbot Antonio Conti. Albert Gallatin and Jacques Necker, the man who, as Treasurer of France, bankrupted Louis XVI's France for the benefit of London, were cousins of the Geneva Mallet-Prevost family. E.g., Chaitkin, *op. cit.*

28. *ibid.*

29. A study and comparison of the several successive editions of Mathew Carey's *The Olive Branch* (Philadelphia: M. Carey and Son, June 1, 1818) [Select Bibliographies Reprint Series, Books for Libraries Press, Freeport, N.Y.: 1969] is the single most crucial source-documentation of the roots and initial phases of shaping of the policy-issues underlying the transformations of the U.S. political party-system during the 1812-1865 interval.

From 1812 on, what became later, first, the Whig Party, and, still later, Abraham Lincoln's Republican Party, was the result of the emerging alliance among 1) Speaker Clay's forces within the Congress, 2) Franklin's agent Mathew Carey, and his son Henry C. Carey, and, 3) the patriots who split out from the leading circles of the Federalist Party, led, and typified by John Quincy Adams. The opposition to the Clay-Carey-Adams, "American Whig" current of the Nineteenth Century, was an assortment of 1) the London-controlled slave-owners' oligarchy, 2) London-controlled, Boston (and Yale) opium-trafficking "Brahmins," and, 3) the London-controlled New York (e.g., "Wall Street") financier oligarchy, the latter typified by the Martin Van Buren who was, variously, President Andrew Jackson's controller, the creator of Jackson's land-bank swindle (the cause of the 1837 Panic), and Jackson's successor as President.

The conflict between the "protectionist," Leibnizian patriotic principles of constitutionality, the which inhere in "The American System of political-economy," versus the adversary influences of John Locke and Adam Smith's empiricism and "free trade," is the true test to be employed in all periods, and in respect to all crucial political, and foreign-policy issues.

Thus, only in name, was the Democratic-Republican Party of "protectionist" Presidents James Monroe and John Quincy Adams, the Democratic-Republican Party of "free traders" Jefferson and Madison. That party's evolution under the Presidencies of Monroe and Adams, produced the forerunner of the later American Whig Party of Clay, Carey, Adams, et al., the which begat the Republican Party of Abraham Lincoln, James Garfield, James G. Blaine, Mark Hanna, and William McKinley.

The "free trader" Democratic Party of Jackson continued as the party of the slave-owner conspiracy of British agent August Belmont, and, also, Presidents Franklin Pierce and James Buchanan, and maintained that tradition until President Franklin D. Roosevelt. The assassination of patriotic "American Whig" President William McKinley, in 1901, brought that rabidly Anglophile spawn of the Confederacy, Theodore Roosevelt, into office. Although the patriotic, protectionist traditions of the U.S. Constitution continued to be represented by some members of Congress, in both leading parties, the Anglophile heirs of the Confederacy and Wall Street branches of London finance reigned.³⁰ The U.S. had virtually no patriotic party in the Presidency,³¹ from the Sept. 14, 1901 assassination of McKinley, until the March 4, 1933 inauguration of Franklin D. Roosevelt.

Throughout this process, of ebbs and flows in the ongoing conflict between "organic" patriotic and Anglophile philo-

30. e.g., Morgan, Kuhn-Loeb.

31. There are, admittedly, actual, but subordinate, qualifying complexities in both the Taft and Harding administrations.

sophical currents in U.S. political and economic life, the Federal Constitution's Preamble found its constituency in the interaction among three key features of U.S. life: 1) the tradition of our wars against the hateful British imperial monarchy; 2) the traditional emphasis upon, and role of universal public education in fostering a citizenry qualified to vote intelligently, and to undertake new roles in the course of scientific and technological progress; and, 3) the emphasis placed upon public investment in basic economic infrastructure as, like a suitable quality of universal public education, a precondition for successful realization of increases in the productive powers of labor through investment in scientific and technological progress.

However, in the United States, as in both eastern and western Europe, during the entire Twentieth Century to date, there has been no period of general prosperity in any of these nations, except as a by-product of preparations for generalized warfare among leading powers. This is key to understanding the drastic political shifts in practice of constitutional law, and related matters, inside the United States, as it is also to understanding the history of political-economic changes inside North America, Western Europe, the former Soviet Union, and throughout the world taken as a whole, during the course of the Twentieth Century to date.

In our U.S.A., the persistence of a broad-based, effective constituency for those principles of our Constitution referenced here, depended upon the intersection of public education with the labor-force requirements of combined, interdependent, public development and maintenance of basic economic infrastructure, and large percentiles of the labor-force occupied in high rates of investment in scientific and technological progress in infrastructure and in production of improving qualities of physical goods.

As I have presented this case in earlier locations, it is the coincidence of requirements of scientific and technological progress in strategic machine-tool design of products and productive processes, with matching requirements in generalized public education, on which the sustainable increase of the per-capita productive powers of labor, and standard of household existence, depend.³² Insofar as the contingency of possible general modern warfare was not in view, the empiricist political power centered in Venice-style financier oligarchy, worked to lessen the rates of scientific and technological progress to a relative minimum (thus, fostering economic recessions and depressions). In the case of the U.S.A. and Europe, this point is most readily, most dramatically demonstrated, by considering the history of ebb and flow in the development and employment of the strategic machine-tool-design sector.

When the number of credible military powers had been reduced to two, and when those two had entered into a process

32. e.g., Lyndon H. LaRouche, Jr., "Return to the Machine-Tool Principle," *Executive Intelligence Review*, Feb. 7, 1997.

of so-called "détente" agreements, following the developments of 1962-1963, the dominant political forces, as typified by the Anglo-American-Dutch financier oligarchies, judged that generalized warfare among major powers was no longer likely. Through a sequence of 1966-1996 changes in policy, all motivated by "post-industrial" utopianism, the earlier U.S. and European commitment to progress, has been reversed. Per-capita scientific and technological progress has not only been arrested, but reversed; in consequence, the world as a whole is now at the verge of the worst world depression, and threatened cultural collapse, in history.

During a period of approximately thirty years, this reversal of economic progress, combined with normal demographic attrition, has brought about profound changes, for the worse, in the leadership of U.S. institutions, and popular opinion. This unfolding process of political, economic, and cultural degeneration, of our population and institutions, has removed from power most among the class of productive managers and related professionals who were competent in organizing production. The labor-force itself, has been transformed from its former orientation, production, to a parasite's view of consumption per se. The social basis for the U.S. Constitution is wasted near to the point of irreversibility; the very continued existence of the United States as a sovereign nation, is in imminent jeopardy, a development devoutly desired by the doomed Belshazzar of today's Babylon, finance-oligarchical London.

Under what it finds to be such presently auspicious, determining, economic-cultural conditions, the "neo-Confederate" Rehnquist-Scalia U.S. Supreme Court, has put itself foremost, in its Hell-bent efforts to destroy everything for which the U.S. Federal Constitution had stood for more than two hundred years.

A similar trend has reigned in the former Soviet Union and Warsaw Pact, and accelerated to beyond the limits of semi-autonomous national viability, in Russia, Ukraine, and elsewhere, today.

The intent of the U.S. Constitution

As I have elaborated this argument in a number of earlier locations, the presently ongoing process of disintegration of the world financial system, reflects a two-fold process.³³

The immediate cause for this collapse is what has been described by some as a "cultural paradigm shift," introduced about thirty years ago, as a shift in axiomatic assumptions underlying all facets of policy-shaping, away from the traditional commitment to investment in scientific and technological progress, to the type of "post-industrial" utopianism asso-

33. Lyndon H. LaRouche, Jr., "Clinton Must Call a New Bretton Woods Conference" [Feb. 15 keynote address to the Presidents' Day conference of the Schiller Institute and International Caucus of Labor Committees], *Executive Intelligence Review*, March 7, 1997.

ciated with the “rock-drug-sex youth-counterculture” induced among susceptible “Baby Boomer strata” during the 1964-1972, foundation-directed operations to that effect.

The second, deeper factor shaping both the way in which that “cultural-paradigm” shift was introduced three decades ago, and the way in which this shift unfolded on a global scale thereafter, is a deep conflict between two irreconcilable conceptions of man and nature, which had dominated European civilization and its world-wide impact for about four centuries. This deeper conflict within the pre-history and history of the U.S.A., is that, between patriot and Anglophile, which I have summarized here, above.

As I have summarized the case in various published locations:³⁴ For approximately four centuries, since the accession of England’s James I, not only the United Kingdom, but Europe and, increasingly, the world at large, has been dominated by a conflict between two irreconcilable forces within the reach of the powerful modern-European civilization taken as a whole. The most efficient choice of names for these conflicting forces, is the heritage of Fifteenth-Century Italy’s *Golden Renaissance* versus the “Venetian Party’s” Sixteenth-Seventeenth Centuries’, English-French-Geneva *Enlightenment*. That global setting of the difference between the Renaissance intent of the U.S. Constitution, and the opposing, Enlightenment (empiricist, Cartesian, positivist, and existentialist) dogmas, of the British monarchy, the Holy Alliance, and Napoleon III’s France, is the only standpoint from which comprehension of the internal and external features of U.S. history can be attained.

As I have given the case in various such locations, although the bloody fact of this specific slaughter is readily documented by relevant morticians of the historian craft, the conflict can not be understood, except by focussing attention upon the underlying axioms of the opposed philosophies, rather than resorting to the *posthoc ergo propter hoc* approach to “specific issues” which appear on the surface of wars, revolutions, and kindred tectonic events of history. In brief, just as the definitions, axioms, and postulates of a formal geometry pre-determine what types of propositions will, or will not qualify as theorems of that geometry, so, the immiscibility which prompts the theorems of Renaissance to irrepressible enmity against the theorems of the Enlightenment, and vice versa, lies not in the facts pertaining to theorems as such, but, rather, lies in the governing definitions, axioms, and postulates respecting the notion of man and mankind’s relationship to the universe at large.

The only existing method for dealing rationally with continuing processes based upon discontinuities among differing systems of underlying definitions, axioms, and postulates, is that first developed by Plato, as employed by physicist

34. *ibid.*

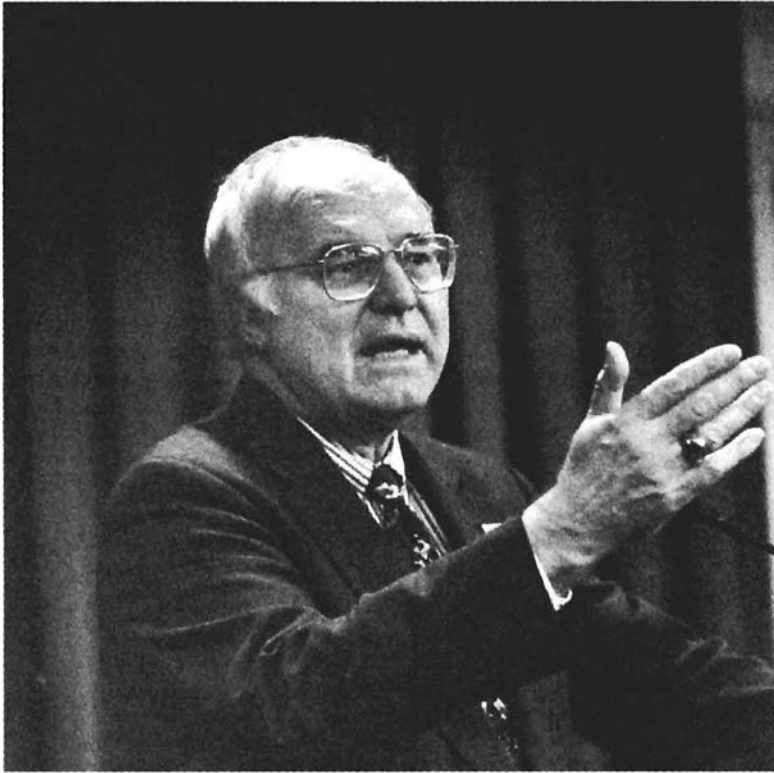
Bernhard Riemann to effect a thorough-going revolution in physical science.³⁵ As I have elaborated this repeatedly, the difference between Renaissance and Enlightenment is rooted, axiomatically, in the view of human nature supplied in exemplary fashion by Plato and by Christianity: that man is created in the image of God, a fact demonstrated in the history of mankind by the use of the individual person’s developed cognitive powers for validatable, original discovery of scientific and related principle. The entirety of progress in mankind’s potential relative population-density, from the mere several millions living individuals never exceedable by ape-like hominids, is a demonstration of the *universal efficiency* of that developable, creative cognitive power, the which inheres in the newborn individual person.

For example: Using Riemann’s referenced, revolutionary discovery in mathematical physics, these discoveries of principle may be represented for measurement of their effect, in terms of the measurable changes in effective Riemannian physical-space-time curvature resulting from their discovery and application. Each such change not only alters the array of definitions, axioms, and postulates on which a relevant mathematical-economic model might be premised, it changes the characteristic effect, upon the economy as a whole, of every action or event occurring within that economy.³⁶

The discovery of each of the principles on which such progress in potential relative population-density depends, occurs in a non-deductive mode, within the sovereign precincts of the internal cognitive processes of the original discoverer; the principle is made known to each student, or other person who replicates the original mental act of discovery, in the same way, using the same non-deductive cognitive processes. It is the function of the individual human mind in this cognitive way, which is the sole source of the increase of the productive powers of labor (e.g., physical-economic profit of the economy considered as a whole). This is the mode of

35. Bernhard Riemann, *Über die Hypothesen, welche der Geometrie zu Grunde liegen*, *Bernhard Riemanns gesammelte mathematische Werke*, H. Weber, ed. (New York: Dover Publications, 1953). On this see, among other locations, Lyndon H. LaRouche, Jr., “Return to the Machine-Tool Principle,” *loc. cit.*

36. Consider a moot illustration which I used in a one-semester course taught during 1966-1973: the case of the plumber. Presume for the purposes of illustration, that the skills and techniques of the master plumber had altered only slightly over the 1946-1966 interval. Consider the significant advances in technology of production in general which had occurred over that same two-decade interval. Consider the proposition, that the value of the plumber’s work had increased as a result of the advances in technology which had occurred outside his craft. Put it this way: The technological curvature of physical-economic space-time, had increased significantly during the 1946-1966 interval; therefore every necessary economic act occurring within that physical-economic space-time has a correspondingly enhanced value in 1966, relative to the benefit of the exact-same form of plumber action performed in 1946. As if to say, that the social value of the house is the service it performs for the useful people who inhabit that house.



"The deepest principles of law embedded in our U.S. Federal Constitution, compel me to say: I can not accept the claim of the widely travelled Michael Novak [left], nor U.S. Associate Supreme Court Justice Antonin Scalia [right], to be a Christian. I speak not as spokesman for a church, but only of facts, as a botanist might assure us that no bush could comprehend a truly human interest."

individual cognitive life through which man obtains increasing degrees of obedience from the universe.

The only possible, formal representation of this process of economic growth, per capita of labor-force, and per square kilometer of the planet's surface, is the Riemannian mode. The method which underlies that mode is Plato's method of hypothesis, as advances were built upon that Classical foundation, by Leibniz, Riemann, et al.

This developable potential within each individual, is referenced, in Latin, by the terms *imago dei* and *capax dei*.

As I have stressed repeatedly, in relevant earlier locations, every pre-historic trace of man known to us from archeology, and so forth, is qualified as human, only on the condition, that some correlated artifacts are found, the which betray fruits of distinctively, specifically human activity not possible for any conceivable "higher ape." Thus, the entirety of our knowledge of humanity, into the most remote portions of the accessible past, depends upon reconstructable proof of individual acts of original, or replicated original, efficient discoveries of principle, the which could have occurred, not through mere sense-experience, but only through that quality of discovery, or rediscovery of valid, axiomatic principles of nature, which is the specific characteristic of what Plato identifies as *ideas*. The motive-force of extended concentration, which enables the individual mind to break through paradoxes of an ontological character, to discover, thus, validated, axiomatic qualities of principles, of Classical art and science, which solve such

paradoxes, is the quality which Plato associates with the passion for justice and truth, *agapē*.

Hence, as we encountered these terms at the outset, the qualities of individual human nature, are the developable characteristics identified there by *imago dei*, *capax dei*, and *agapē*.

Although this is the principle, respecting human nature, upon which Christianity is premised, European civilization failed to establish political and social institutions meeting the requirements of human nature, until the Fifteenth-Century Renaissance produced the first modern form of nation-state, in Louis XI's France. This principle, which sets the individual person apart from, and above lower forms of life, is responsible for every achievement through which the human species has increased its potential relative population-density, improved the demographic characteristics of populations and their households, and improved the physical and cultural quality of individual and household life. Yet, until the Renaissance, and the associated emergence of the modern European form of sovereign nation-state, committed to universalizing education, and to fostering general participation in scientific and technological progress, less than five percent of the population, in any part of the world, in any culture, actually achieved a condition of life suited to the nature of human individuals.

The Renaissance's initiation of the modern European form of sovereign nation-state, assigned to the state the re-



“The consistent correlative of this ongoing battle between patriot and Tory, has been the patriots’ adherence to what the first U.S. Treasury Secretary, Alexander Hamilton, identified as the U.S. commitment to a policy named ‘The American System of political-economy,’ and the Tories’ contrary commitment to the policy against which the War of Independence had been fought, the ‘free trade’ policy set forth in the British East India Company propaganda-tract otherwise better known today as Adam Smith’s Wealth of Nations.” Hamilton (right), and Smith (left).

sponsibility, as a virtual personality, for ensuring those rights of the individual person—past, present, and future, which are implicit in individual human nature as we have identified it here. The Preamble of the U.S. Constitution addresses that notion of law incumbent upon the virtual personality of the sovereign nation-state.

This obligation of the state is correlated with the problems posed by the fact that individual human life is mortal life, a finite span, within whose limits “justice delayed, is justice denied.” We each come into society as newborn strangers, and might hope to leave it as having been a blessing which had been bestowed upon that society which one’s mortal existence has touched between the coming and passing. A life so lived, has met the “test of death.”

In contrast to the axiomatic presumptions of the Enlightenment, those of Hobbes, Locke, Adam Smith, and Jeremy Bentham’s *Introduction to the Principles of Morals and Legislation*, what I have just stated here, is the fundamental self-interest lodged within the entirety of the individual’s mortal existence. As Locke, Adam Smith’s moral philosophy, and the so-called “Newtonian,” Maupertuis-Bentham hedonistic calculus,³⁷ typify empiricist presumptions, the Enlight-

enment proffers a supposed “self-interest” located in the so-called instincts and senses of the bestialized individual, an interest which ends with the termination of that individual life. In fact, the outcome of one’s life depends upon its continuing outcome for mankind after its mortal passage has been concluded, and upon its part in enriching the meaning of lives lived before one were born. This, our fundamental self-interest in the consequences for mankind of our having lived, is the only standpoint of cognitive reference, the which defines persons impassioned to discover the nature of that interest which is common “to ourselves and our Posterity.” Only citizens agapically impassioned, so, are qualified to judge matters according to the constitutional law upon which the U.S. Federal republic was founded.

The individual comes with no built-in advantages for this mortal labor, except the developable powers associated with *imago dei, capax dei*, and, above all else, *agapē*. The natural

Louis Maupertuis. The British East India Company’s Haileybury School of economics (Adam Smith, Thomas Malthus, David Ricardo, et al.), and also the French-Swiss (Lausanne: Leon Walras) and later Austro-Hungarian (von Mises, Von Neumann, et al.) positivist schools of political-economy, are also direct outgrowths of the same work of Ortes and Maupertuis on which Bentham premised his “hedonistic calculus.” In fact, the principal axiomatic fallacy of all of today’s generally accepted classroom and textbook economics, all systems analysis and “information theory” included, is derived from this Maupertuis-Ortes root.

37. Euphemistically said: “the felicific calculus.” Bentham’s idea of a “Newtonian calculus” of morals is, most immediately, the joint work of the Contisalons’ Giammaria Ortes (the originator of the Malthus hoax) and Pierre-

right of such an individual, is that his or her potential of this sort be developed, expressed in a suitable way, beneficial to the society, and that the good he or she might bequeath, thus, be defended to the benefit of that society's Posterity. That manner of living, is Leibniz's state of *happiness*. That can be found in many vocations. In the best of circumstances, each individual must find that choice of vocation for himself, or herself. The function of society is to keep open the doors which permit every young and adult citizen to access, and practice such a vocation.

To the degree, that this individual passing through mortal life, might be developed into an adult personality which grasps the point we have just made, that individual is morally qualified as a citizen. The many such citizens, are each characterized by that same ordering principle which must govern the sovereign conscience of the sovereign nation-state's unity as a virtual personality, thus bringing coherence between the Many self-governed and the One government by means of which their vital interest is represented.

All among these colligating considerations, are underlain by a deeper ordering principle, an ordering principle of the type which Plato associates with *hypothesizing the higher hypothesis*, and Leibniz with the term *Analysis Situs*.³⁸ the necessity for increase of mankind's dominion over the universe in which our species is located, with which mankind interacts. This requires not only an inviolably axiomatic devotion to realizing scientific and technological progress, furthering thus the potential relative population-density of our species within the Solar System, and beyond; it requires the continued development of those forms of art which are known as Classical, in the sense of Classical Athens, art which celebrates and fosters the joyful excitation of *agapē* within the individual mind. Unless we submit to that underlying ordering-principle, our nation, perhaps even our species, will not survive.

The Enlightenment would have it otherwise. Its image of man is Hobbesian, Lockean, the disgusting image of man in Mandeville, Adam Smith, and Jeremy Bentham, the so-called materialist image. This is not an academic issue; it is a statement of axiomatic social policy of practice. In that image, the usurious lust of a Marquis de Sade, Voltaire, Wall Street speculator, or the social order inhering axiomatically in all empires modelled upon the paradigm of ancient Babylon and

Rome, requires victims, many victims, thus to satisfy an order of society pleasing to devotees of Adam Smith and Speaker Newt Gingrich: in which, in effect, ninety-five percent of those who are permitted to live are milked, laden, harnessed, and culled, as cattle might be, as were, in fact, the African-American "property" under the perverse, Lockean constitution of the CSA.

The unfortunate thing, is that in every typical course and textbook provided in universities today, the method which is employed, whether in social studies, in political science so-called, in economics, in history, even in grammar, in mathematics, and so on, is the method premised on the false, underlying assumptions of the Enlightenment. One sees the ugly face of the Enlightenment worn, like gargoyle masks, by the talking heads on the Sunday morning TV "talk-shows." One sees the false-to-humanity scenarios of the Enlightenment, acted out, on stage, before camera, in all varieties of modern popular entertainments. The so-called "news media" purport to explain almost any incident according to the algebra of the Enlightenment view of man and nature.

Thus, we have come around to the opening clause of the U.S. Declaration of Independence: "When in the Course of human events, it becomes necessary . . ." In "the Course of human events," we have come again to such a time, as that of which Solon sought to warn the Athenians, by his writing of his constitutional poem. Our Declaration of Independence and Constitution were created out of the struggle to arouse the people of North America against the degradation which the British monarchy had deployed to corrupt the morals and economy of the colonies. Once we had won our Federal republic, the problem seen by our Solon, Benjamin Franklin, was "how to keep it." Franklin, like Solon, foresaw the danger, that a time would come when the people of the United States might lapse into a form of moral decay such as that from which they had once freed themselves in a perilous struggle against their London oppressor. So, indeed, into such peril our nation was plunged by the moral degradation which gave birth to the CSA, a degradation from which we rescued ourselves at the price of a hideous Civil War. So, indeed, have we backslid again, today, into a far more perilous predicament than that of 1861-1865, not only for our republic, but, this time, for civilization as a whole.

The passage, "When, in the Course of human events, . . ." must be read, in such contexts as these, as having a Riemannian quality of scientific specificity. History is distinguished by breaking-points in culture and related institutions. These discontinuities are marked chiefly by the combination of some devastating paradox with either an appropriate solution, or the tragedy ensuing from the failure, or refusal to develop that available solution. Human knowledge is thus defined, in all respects, as the contemporary individual's cumulative replication of the paradoxes, and solutions, or want of employed solutions, which distinguish many such

38. Given an anti-entropic, Riemann series of successive, experimentally validated, mutually inconsistent hypotheses (e.g., physical space-time curvatures), ordered respectively according to increased formal cardinality. The ordering principle corresponding to the anti-entropy of that series, lies outside, and above the domain of any deductive mathematical derivations, within the domain which Leibniz sometimes identified by the term *Analysis Situs*. In Plato's writings, *Analysis Situs* lies above the domain of hypotheses, such as that set of interdependent definitions, axioms, and postulates which underlies a Euclidean geometry, in the domain of higher ordering-principles governing sequences of hypotheses: *higher hypothesis*.

breaking-points in the discernible history of mankind and mankind's ideas to date. Solon's poem reflects upon that scientific principle, in its role as a constitutional principle of statecraft.

It is solely from that scientific vantage point, that a competent historical reading of constitutional intent might be situated and derived.

Today's popular and so-called learned opinions, alike, are imbued with an underlying misconception of the human individual, and mankind's relationship to nature, which is wicked; these opinions fall upon the ear, like passing footsteps of a culture marching toward its doom. It was against precisely that march toward doom, that a wiser generation of leading American patriots, like Solon before them, set forth the now-neglected Constitution on which this nation achieved great things, but now no more. Against such a perilous time, the founders of our Federal republic provided the Constitution for whose intent justices such as Rehnquist and Scalia have appointed themselves official grave-diggers.

The Soviet comparison

The crisis before us, is not merely a U.S. crisis, but a global one, which requires a global solution. The standpoint which this writer puts forward, as the premise for the solution, is the standpoint of the U.S. Constitution, on the condition that the actual content of that Constitution's crucial features be accurately apprehended. There should be no doubt that the revival of those constitutional principles is indispensable for the U.S. itself. The same is easily shown, as the U.S.'s celebrated James G. Blaine would agree, for the other states of the Americas. For Germany, France, Italy, and so on, the same general observation would be more or less readily accepted by anyone who has recognized the profundity and onrush of the present global crisis. The exemplary question implicitly so posed, is: What of other regions of the world? The former Soviet Union, for example?

The passing of the institution of the neighborhood's backyard henhouses, has deprived our citizenry of a once valuable source of insights into certain forms of human behavior. So, today, silly people flutter, clutter, and squawk, as might chickens occupied by an hysterical wish not to see the shadow of a hawk over the henhouse. They were ecstatic when they saw that the Berlin Wall had fallen (and the Soviet system, too). Now, they wish to delude themselves, as fowl opinion is wont to do, that the collapse of the once-feared Soviet power means, that the system based upon "free trade," is thus vindicated, unchallenged by no credible, remaining danger. Contrary to chicken-witted certitudes, the recent collapse of the Soviet system is the mirror of the immediate future of this planet, the immediate future of the "free trade" system, most emphatically.

Meanwhile, recent years' experience has impressed upon a rapidly increasing ration of the populations of Russia and Ukraine, for example, the most devout wish that they had the

Soviet economic system back. For a moment, they, as people of an implicitly defeated nation, had wished to find careers within the world order of the occupying power, the financier oligarchy behind the UNO's International Monetary Fund (IMF). They found that they had been truly admitted to the Western order of things, the crime-boss-run "informal economy" of the IMF's "Third World" slum-district.

The relevant point here, is that there is a common constitutional principle lodged in the ironical juxtaposition, during the past thirty years' "Course of human events," of the approximately simultaneous spiral of internal collapse within both of the interacting, and convergent, Western and Soviet economic systems. To adduce the solution to that apparent paradox, we must situate the trends of the recent thirty years within the larger, global context of the recent, 1946-1996 interval as a whole. Both systems have enjoyed comparable successes, at the same time they were preparing their commonly impending doom; rigorous attention to those ironical juxtapositions is indispensable, as a source of insight into the right constitutional choices of pathway toward economic recovery.

The comparable successes are those which were developed within the interaction of a relatively universalized scientific education with the "military, scientific-industrial complex" of both of the principal adversarial alliances. In other words, the combined economic and military successes achieved within that "complex," through the forced-draft mobilization of the relevant strategic machine-tool-design sector. Relative to the pre-1976 U.S. economy, the Soviet failures lay in the resistance, from within the bureaucracies of the large state civilian-sector enterprises, to assimilating the spillover of advanced technologies into the general practice of basic economic infrastructure, agriculture, and manufacturing.³⁹ The relevant, commonly shared, potentially fatal delusion, respecting the private capitalist corporation, on both sides of the pre-1989-1991 East-West divide, was the shared acceptance of the Hobbes-Locke-Smith-Bentham view, the British Mont Pelerin Society's fanatical delusion, that the secret of success in private capitalist enterprise, is the miracles which might be wrought by random walks through the trackless jungles of individual human greed.

The secret of the successful U.S., privately owned, capitalist enterprise, was always the proper relationship between the leadership of the closely held middle-industry enterprise, and the impetus of scientific and technological progress supplied to such enterprises through the mediation of the strategic machine-tool-design sector.⁴⁰ The problem for the Soviet system was that aspect of Soviet ideology's anti-voluntarist, "objective," "materialist" conception of individual human nature, which Marx and other relevant influences adopted as follow-

39. Lyndon H. LaRouche, Jr., "Return to the Machine-Tool Principle," loc. cit.

40. *ibid.*

ers of the English-French Enlightenment.⁴¹ For that reason, in the Soviet system, as in the Twentieth-Century U.S.A. (for example), all significant investment in scientific and technological progress tends to be suppressed, except as otherwise dictated by the imperatives of preparation for, and conduct of general annihilation-warfare among principal powers.⁴²

Unless, and until Russia, Ukraine, and relevant other nations dump the anti-Christian, Enlightenment dogma respect-

41. The most singular irony of Soviet history is, that as the defeated Mensheviks insisted, V.I. Lenin had won by "cheating," by acting on a *voluntarist* principle, thus violating the rule of so-called "orthodox Marxist" "historical objectivity" required by the solemn, Hegelian hesychasts George Plekhanov and Karl Kautsky. So, the principal strategic-economic successes of the Soviet system, in the strategic machine-tool-design sector of the Soviet military scientific-industrial military complex, and in the very establishment of the Soviet state (by Lenin), depended upon the Soviet system's sly overlooking of its own Benthamite, Enlightenment principle of "objective historical determinism."

42. The term "annihilation," as indicating a category of military policy, is employed here in the sense stipulated by Alfred (Graf) von Schlieffen, *Can-nae*. It signifies, as General Douglas MacArthur's brilliant execution of 1942-1945 exemplifies this, not the annihilation of people, but, rather, the annihilation of an adversary power's war-fighting capability. The term "wars of annihilation" is to be read as the antonym for "Eighteenth-Century cabinet warfare." The distinction between the two kinds of warfare applies to both "regular warfare," and such forms of "irregular warfare" as revolutions.

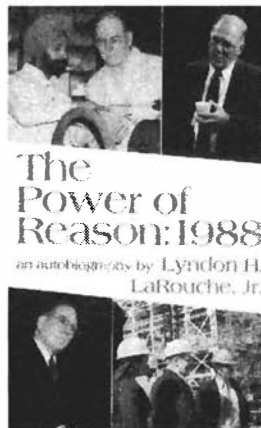
ing individual human nature, which is the common coin of Bentham, Plekhanov, the Mont Pelerin Society, Justice Scalia, and Michael Novak, and accept what we have identified as that alternative, Renaissance, "voluntarist" conception of individual human nature, commonly expressed in the achievements associated with the military-centered, strategic machine-tool-design sector of both the pre-Malthusian U.S.A. and former Soviet Union, there could be no sustainable economic recovery, either in the U.S.A., for example, or the territory of the former Soviet Union and its former Com-econ partners.

The characteristic motivation of the successfully developed individual human personality, is not greed, nor any other expression of Hobbes' and Locke's Seven (and more) Deadly Sins. The characteristic motivation is that associated with validated revolutionary discoveries of principle (and student's reenactment of such discoveries) in science, in Classical forms of art, and in the employment of the same motive, and the same cognitive faculties for the practice of statecraft. On that account, the U.S. Federal Constitution, was then, and remains today, the model instrument for constructing those global, ecumenical agreements among sovereign nation-states, the which are urgently wanted now, to rescue this planet from an otherwise inevitable, early plunge into a prolonged, planet-wide "New Dark Age."

Books by Lyndon H. LaRouche, Jr.

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

—Former U.S. Attorney General
Ramsey Clark



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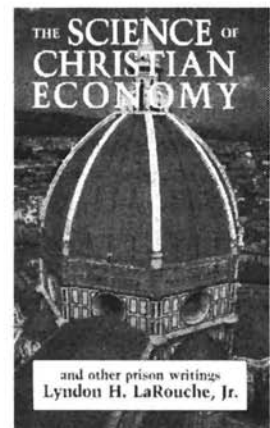
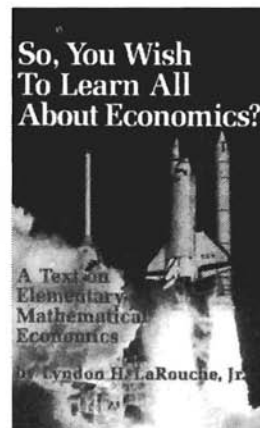
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‘The Silk Road Lady’ presents Land-Bridge in New York

by Dennis Speed and Nancy Spannaus

On Feb. 27-28, Schiller Institute founder Helga Zepp LaRouche held a series of intensive seminars and briefings in New York City, titled “The Eurasian Land-Bridge: The ‘New Silk Road’—Locomotive for Worldwide Economic Development.” Representatives from 26 nations, as well as from the international press, attended a Feb. 27 afternoon briefing, which premiered the *EIR Special Report* of the same title, which was recently released in English by *EIR*, and of which Zepp LaRouche is co-author.

The Eurasian Land-Bridge is a plan for rapidly industrializing the world, on the basis of Great Projects of transport, communications, energy, and water infrastructure sited along development corridors integrating all of Eurasia, from western Europe to China, tying in all the nations in between, and transforming the economy of the whole.

On Feb. 28, eleven Chinese journalists attended an “insiders’ briefing” in Lower Manhattan—which was then reported, within 48 hours, in both mainland China and Taiwan through television and radio, and in every major Chinese-language press outlet in the United States. The character of that press coverage, especially as compared with the continued blackout in Europe and the United States on the ongoing implementation of this decisive global industrialization strategy, was startling in its truthfulness.

The warmth of Mrs. LaRouche’s reception was demonstrated in the banner which was draped behind the podium, and is shown on the cover of this magazine: “We warmly welcome the Silk Road Lady.”

The headline of the Hongkong-based *Sing Tao* newspaper read, “Helga LaRouche Releases a new Special Report titled: Construct Eurasian Land-Bridge to Invigorate the World.” The *United Journal*, circulated throughout the United States

and Canada, reported, “Mrs. ZeppLaRouche said that at present the superficial prosperity of the Western economies is, in fact, simply ‘bubble economies.’ The key character of this kind of economy is that, over 90% of capital investments flow into purely speculative financial instruments; that this form of economy is reaching the point of serious crisis and collapse, which one day in the future, when it collapses, will cause a terrible crisis for the world.”

Sun Yat-sen’s ‘Grand Design’

The Schiller Institute’s recent re-publication of the groundbreaking study of Chinese physical economy written by Dr. Sun Yat-sen, “The Vital Problem of China,” was cited by the *United Journal*. “Helga Zepp LaRouche, at yesterday afternoon’s press conference, stated that today’s China cannot get rid of the present crisis, without reading Sun Yat-sen’s ‘The Vital Problem in China.’ . . . This book ought to be on every Chinese family’s bookshelf. . . . Lady LaRouche . . . has for many years . . . devoted herself to push the countries in Europe and Asia to build the Eurasian Land-Bridge. . . . Sun Yat-sen . . . envisaged the Land-Bridge as the key construction item.”

Dr. Sun (1866-1925) also recognized, as does the Schiller Institute, the opposition of the British Empire (now called the Commonwealth) to this “Grand Design.” He stated, “For centuries Britain has followed unswervingly a certain policy, viz., a policy of seeking friends among those countries which can be sacrificed in order to further her own interests. . . . The present friends of Britain are no more than silkworms, and they are receiving the tender care of Britain simply because there is still some silk left in them.”

Building such a system of “land-bridges” does away with

colonial dependence, and creates, in the words of Rui Xingwen, a participant in the May 7-9, 1996 conference in Beijing on the Land-Bridge, “the start of a new economic era for a new civilization.”

Zepp LaRouche, who had led an Institute delegation to that historic Beijing conference, entitled “International Symposium on Economic Development of the Regions Along the New Euro-Asia Continental Bridge,” is given credit for significantly influencing China’s development policies. For example, a journalist from the *United Daily* asked at the press conference what other countries, besides China, could now be expected to adopt the Schiller Institute’s ideas of continent-wide economic development.

The *International Daily News* was particularly optimistic, and graphic. “[Zepp LaRouche] believes that the phenomena of the world economy nowadays are totally fake, that is, the phenomena of the bubble economy. . . . She proposed, that the two biggest economic powers in the world, China and the United States, should take the leadership and cooperate with other countries to build up a railway that circles the world, which looks like a great bridge connecting all parts of the world.”

Lessons in statecraft

In the Feb. 27 afternoon session, Zepp LaRouche startled many of the attendees, and delighted others, by proposing sweeping changes in U.S. foreign policy to accommodate the creation of the Land-Bridge. For example, she pointed out that U.S. policy toward Iran should shift, and support Iran’s attempts to correct earlier mistakes of the 1980s, “just as the Chinese are seeking to correct the disastrous policy of the Cultural Revolution.” She also called for an end to the International Monetary Fund’s looting of the former Soviet Union and East bloc, including Bulgaria, Ukraine, Albania, and other nations. She also urged President Clinton to convene the world’s nations in a “New Bretton Woods” conference, to make credit available for a massive reconstruction effort.

A diplomat from one of the main Land-Bridge countries, who expressed his astonishment at the level of detail and breadth of vision in the *EIR Special Report*, asked, “Did you collaborate with other international agencies in preparing this report?” Zepp LaRouche responded that it was not that the Schiller Institute had worked with government institutions, but that world government institutions were attempting to assimilate the ideas of physical economy, pioneered by Schiller Institute co-founder Lyndon LaRouche. “Remember, LaRouche predicted—and to my knowledge, he was the only Western economist [to do so]—the collapse of the Soviet Union in 1983. This was at the time when he was proposing a practical change of the system of collaboration between the U.S. and the Soviet Union around the SDI [Strategic Defense Initiative]. . . .

“It had nothing to do with what the media said, in terms

席勒勒學會重印孫中山著作 推動歐亞大陸橋計劃

【本報紐約訊】以紀念歐陸十八世紀大哲人萊布尼茲命名的全球性研究機構「席勒勒學會」昨(廿八)日在華埠金豐酒樓舉行記者會，隆重推出歐亞大陸橋計劃的著作「中國死亡問題」同時公布歐亞大陸橋計劃的長遠構思。席勒勒學會主席萊布尼茲(譯音)表示，歐亞大陸橋計劃的構思，是席勒勒學會主席萊布尼茲(譯音)與席勒勒學會主席萊布尼茲(譯音)共同構思的。席勒勒學會主席萊布尼茲(譯音)表示，歐亞大陸橋計劃的構思，是席勒勒學會主席萊布尼茲(譯音)與席勒勒學會主席萊布尼茲(譯音)共同構思的。席勒勒學會主席萊布尼茲(譯音)表示，歐亞大陸橋計劃的構思，是席勒勒學會主席萊布尼茲(譯音)與席勒勒學會主席萊布尼茲(譯音)共同構思的。



席勒勒學會主席萊布尼茲(譯音)與席勒勒學會主席萊布尼茲(譯音)在記者會上。 (攝者：加爾海人納到會學席勒勒。對「聯時大」)

Chinese newspaper coverage of Helga Zepp LaRouche, at a press conference in Chinatown on the Eurasian Land-Bridge, in New York City on Feb. 28.

of ‘Star Wars.’ It was a very misunderstood proposal, but it basically suggested the same idea, as the Eurasian Land-Bridge.”

She continued, “For a long time, he [LaRouche] was the only voice, with very few exceptions, both in terms of predicting why the monetarist system doesn’t function, but also why the planned economy doesn’t function. He proposed the third way, based on physical economy.”

How to change the world

This was the second briefing for diplomatic representatives which *EIR* and the Schiller Institute have held on the Land-Bridge report, which was released first, in English, in Washington, D.C., on Feb. 5. In New York City, the questions focussed heavily on what could be done to save the world from the depredations of the IMF. One questioner asked how countries could overcome their feeling of helplessness, and how a small force, such as the Schiller Institute, could change the whole world, which is currently being ripped apart by rivalries and economic suicide.

Mrs. LaRouche answered at length, stressing the necessity of shifting the situation within the United States, particularly the Presidency. “For historical reasons, given the fact that the world is in such a mess, Europe doesn’t function, other parts of the world are not powerful enough, or they are just regional powers; without the U.S. government, it is not possible to do this reform. And, the specific history of the U.S., as a country, the Declaration of Independence, the U.S. Constitution, the tradition of national banking . . . the specifics of the Constitution, giving the President the power to do that. All of these elements are important. We must focus

on the office of the Executive branch in the United States. There is no other single approach, than to focus on this President, on President Clinton, despite all of his problems and his shortcomings. It would be a complete illusion to think that the kind of reform, we are proposing, could be made without him.

“What prevents Clinton from doing this? I don’t exclude the possibility that he considers that this system is collapsing. The fact that there was, over the weekend, such an emergency meeting, and not for the first time—the same discussion was at the G-7 summit in Halifax two years ago, and now the situation is much more advanced. How do we counter the fact that Wall Street, for sure, does not like that, and Wall Street wants to make more profit, and more profit? It’s like the famous Malaysian monkey trap, you know; the monkeys want to get the nut in the trap, and they don’t want to let loose; that’s how they catch monkeys. The hand around the nut is too big, so the monkey sticks to the nut, and that’s how you catch the monkey. And, Wall Street is hanging on to speculation like that.

“So, how do you counter the power of Wall Street? It is our experience that the situation is so desperate, that some people who are moral, and not all parliamentarians are immoral, not all trade union leaders are immoral, not all government people are necessarily immoral—even though it’s a fast growing phenomenon—we have been approached by so many people in the last period who tell us: ‘Look, if we do what the IMF demands, that means I will kill so many people in my country. If I pay the debt to the IMF, or to the World Bank, or New York banks, that means that I have to cut the social system, I have to cut the health system by 20%, that means so many people will die. What should I do? What is the way out?’

“I cannot give you a guarantee that this initiative will succeed. It’s like a test of survival. When people see that one civilization is coming down, when the Soviet Union collapsed, East Germany collapsed, one day it looked normal, and the next day it was gone. We are, in the West, exactly like that: One day it’s normal, the next day it’s gone.

“What we in the Schiller Institute are trying to do right now, is to mobilize every resource, every moral parliamentarian, every moral trade union leader, social leader of any institution, to focus on the need to have this reform. And, I’m optimistic that we can do it. I was involved in many other mobilizations, which looked impossible. One of them was to get my husband out of jail, which was not supposed to happen, and we did it. I’m absolutely convinced that we have the right concept to change the system.

“On another level, obviously, this is just the immediate emergency reform, and the guarantee that mankind will not repeat this present insanity is universal education. You cannot blame the condition of the world on governments forever. . . . If people continuously vote for bad government, that in part is the system of corruption. So, there is no shortcut other than to have, together with the economic reform, a new moral

Renaissance. I’m convinced that Man is capable of overcoming great evil, when confronted with his possible extinction, and I think we are at that point, when you are confronted with the fact that all these axioms of your belief, that you thought were the right ones, collapse. For example, it happened, most prominently, in the recent period in the Soviet Union: a system of 70 years collapsed, obviously, because there were some wrong axioms.

“Now, I don’t think that people have undergone sufficient investigation of what these axioms were, which were wrong, but I can assure you that all popular beliefs held right now by Western governments, Western parliaments, Western universities, are collapsing. This disintegration of the world that you are seeing right now, would not occur unless the basis of thinking were completely mistaken. And, I think it will be up to us to go—as it has happened in history when you had a collapse—then it depends on a relative handful of people to think what were the causes for the collapse, and what were the periods in human history where one can orient to, and which were helpful in overcoming previous collapses.

“Look at the collapse of the 14th century which is, maybe, not as bad as what could happen now, but it was pretty bad. You had the entire banking system collapsing; you had the Black Death; the reduction of the European population, by between one-third and one-half; superstition, witch-burning, flagellants, a complete collapse for nearly 100 years. And out of that emerged the Italian Renaissance, laying the foundation for modern European civilization. I’m absolutely optimistic! The Schiller Institute may be small, relatively speaking, to the enormity of, let’s say, Wall Street and the money they move everyday—our portfolio is minuscule compared to that—but, we have developed over the years a tremendous authority.

“If you stick to a certain method of thinking, and that method proves right, again and again, then people start to realize their illusions of other institutions have brought them into terrible misery. We are in an excellent position right now. From that standpoint, I’m convinced that if we can get this reform on the table, and we know exactly what to do—to do the kind of universal Classical education in all countries, which in the final analysis is the only resistance against any repetition of this dilemma. But, the changes in the next period will be gigantic, and we are at the most crucial point in history, and I can only tell you: Don’t sit on the sidelines, be part of it, because it is an exciting fight, and there is hope to win.”

Mrs. LaRouche also addressed a group of approximately 100 supporters of the LaRouche movement, during her trip to New York City. After a brief concert in honor of the 100th birthday of the great Classical singer Marian Anderson, her presentation and the discussion focussed on the significance of the Land-Bridge proposal. The proposal was put in the context of the 22-year battle of the LaRouche movement for a new, just world economic order, based on development for all people.

Organizing for change, changing to organize!

by Marianna Wertz

While mass strike eruptions against British-International Monetary Fund “free trade” austerity policies are already occurring across Europe and reaching into such “Asian Tiger” nations as South Korea, in the United States, the AFL-CIO is preparing for similar mass action here, by spearheading a drive to organize large sections of the unorganized. “Organizing for Change, Changing to Organize!” is the title of the campaign, announced at the federation’s winter Executive Council meeting in Los Angeles in late February. A series of 12 regional conferences will begin at the end of March and conclude in August, aimed to answer the questions, “How do we meet the challenge of organizing hundreds of thousands of new members? Where do we find the organizing talent? How can we mobilize members and community support? Where do we find the resources?”

That this campaign is preparatory to an expected eruption of mass-strike activity in the United States, is evident from the 26-page campaign pamphlet, also titled “Organizing for Change, Changing to Organize,” issued for union leaders and members by the AFL-CIO prior to the Executive Council meeting. In the section titled “Can we Turn It Around?” the pamphlet gives as a reason for “optimism,” that “overworked, underpaid and saddled with debts, American workers are anxious and angry. Economists are warning employers of a coming ‘revolution’ against low wages and lack of respect in the workplace.”

The pamphlet begins by noting that union membership is “lower than at any time since the Great Depression.” “Since the 1970s, changes in the nature of the work done in our country and the emboldened anti-union attitude of public as well as private sector employers have driven union membership to its lowest level since 1935, when it was less than 14% of the workforce.”

The pamphlet then addresses the failure of the union movement itself to challenge the decline in membership, prior to the revolution brought about by the leadership team of President John Sweeney, Secretary-Treasurer Richard Trumka, and Executive Vice-President Linda Chavez-Thompson, who were elected in October 1995. “Instead of organizing,” it notes, “unions hunkered down. In the face of the changing workforce and a growing anti-union movement, the labor movement collectively chose the shortsighted strategy of try-

ing to protect current contracts of members instead of organizing new members. More and more resources poured into defensive contract battles, plant closings and crippling strikes, leaving little time and few resources for organizing.”

The federation’s current strategy—to devote at least 30% of financial resources and manpower *at every level* to organizing new members—appears to be paying off already. The March 4 edition of the AFL-CIO’s weekly *Work in Progress* reports several recent victories in organizing. Among them, the 5,200 flight attendants at TWA ousted their unaffiliated union and joined the AFL-CIO-linked Machinists, bringing to 80% the number of the airline’s employees in the union. At another airline, 500 Reno Air flight attendants recently filed for representation by the Teamsters, hoping to better a situation in which their pay is capped at \$1,000 a month, and there is no retirement or health insurance plan.

There are four keys to winning the battle for new members, states the pamphlet: 1) Devote more resources to organizing; 2) develop a strong organizing staff; 3) devise and implement a strategic plan; and 4) mobilize your members. It is clear from the detail in which these four points are spelled out, that the AFL-CIO’s leadership is committed to the drive and intends to make sure that it succeeds. It also makes clear that they are preparing for a period of mass strike.

‘Organizing is rarely simple’

For instance, in the section on “Mobilize Your Members,” the pamphlet directs union leaders to “build a mass mobilization team.” “Since organizing is rarely as simple as winning an election and getting a contract, many unions have turned to mobilizing their members in demonstrations that make issues public, pressure public officials to assist and disrupt the daily routines of targeted employers. Mobilizing the members gives your union strategic and tactical flexibility. It also allows participation by a large number of members. . . .

“As much as any other program you will institute to build your organizing, a program that moves your members into actions and mass activities against employers has the potential to redefine and energize your union.

“Well-planned and executed mass actions will build confidence and lessen fear concerning things like legal liability, police response, and bad press.

“You can introduce your membership to mass activities by tying some of your routine activities, like conventions or big meetings, to organizing activities—mass handbilling, pickets and marches, and flooding public meetings”—which is precisely how the winter Executive Council meeting was conducted.

The “Organizing for Change” one-day regional conference schedule is: Seattle, March 26; Miami, April 19; New York City, April 29; Los Angeles, May 14; Boston, May 22; Atlanta, June 7; Philadelphia, June 10; Cleveland, June 16 (tentative); Minneapolis, July 17; Chicago, Aug. 7; Austin, Aug. 8; and Denver, Aug. 14.

Dairy farm crisis is a 'free-trade' disaster

This interview with Clint Van Vleet, president of the Texas Milk Producers Association, was conducted by Marcia Merry Baker and Marianna Wertz, on Feb. 27.

EIR: Nationally, farm milk prices dropped by 25-30% from last October to January 1997, down from \$16.50 per 100 pounds to \$11.40, or so. What led up to the crisis situation for dairy farmers, with the "milk dumping" or "milk give-away" protest actions that took place in Texas, and in many other states this January?

Van Vleet: To understand the dairy farm crisis, you must first understand how milk is priced. For the last 50 or so years, the U.S. government has had the milk marketing order system in place, which is designed to ensure that consumers will have a plentiful supply of affordable milk and dairy products, because they are such an excellent source of calcium and protein.

This federal order system worked well for many years, primarily because of the dairy support price, which sought to maintain a parity-price return to the dairy farmers. Parity is cost of production plus a fair profit. However, in 1982, the support price was decoupled from any level of parity, thus beginning the move to free-market-based competitive pricing. As the 1980s and '90s wore on, the support price was continually lowered, to the point that it no longer is an effective tool in stabilizing milk prices.

Farm milk prices are now set off of cheese prices, which are being dominated by the cartel of cheese buyers led by Kraft/Philip Morris. So a free market in competitive pricing really doesn't exist, and the farmers are being fed to the wolves.

EIR: There are very few dairy farms left in most states. How is it in Texas?

Van Vleet: There are only about 1,600 dairy farms left in Texas, and I expect that number to fall by 200 before the end of 1997, which means that even more milk and dairy products will have to be trucked into Texas. Texas is already a milk-deficit state, meaning that Texas dairies don't produce enough milk to meet the needs of Texas consumers. We're already trucking in milk and dairy products. This is bad for Texas consumers and rural Texas communities.

EIR: What kind of emergency economic relief should there be now for dairy farms?

Van Vleet: We need cost-of-production pricing, with milk moving from farm to market under volume contracts so that production and demand can be coordinated. It's that simple.

EIR: The "free trade" crowd likes to say, that food supplies can come from "global sourcing." They say, U.S. future milk supplies can be assured from giant factory herds, such as the 15,000-cow operation in Mexico, on the Texas border.

Van Vleet: There isn't much extra food in the world, but when America "global sources," it is really a matter of the rich buying up the food supply of the world's poor. I pity the developing nation that allows America to become dependent upon it for its food source; because I can see a situation in the future where we send the Marines into some South American country to maintain order: The real reason will be because we have become dependent on them for food, and they tried to raise the price, or whatever. A Third World nation, like Argentina, Brazil, Chile, will lose their sovereignty if they let us become dependent upon them for food.

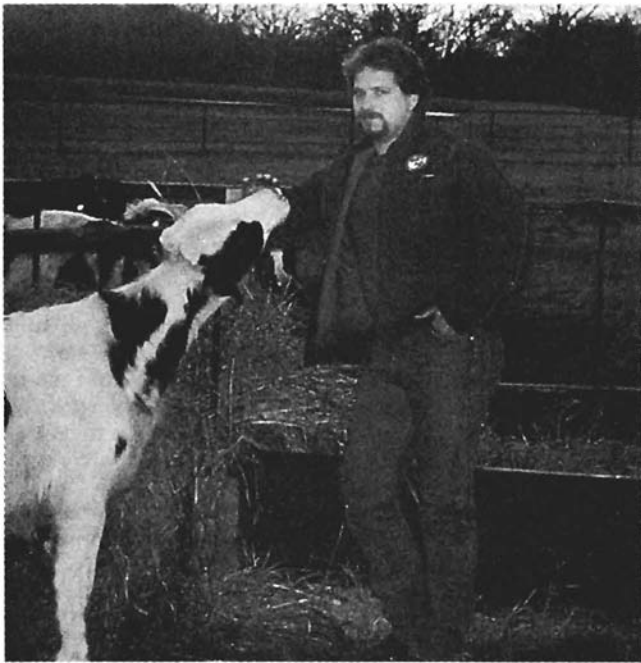
On the factory herd operations, the fact of the matter is that these big dairies have not proven that they can produce milk any more cheaply than the small dairies can. As you put out [of business] more small dairies, and you have just a few big dairies, they will then set their own price. And, they will be lined up with the cartel companies, and then people will really pay for food.

EIR: Secretary of Agriculture Dan Glickman says that only a so-called "market"-based pricing policy will be pursued nationally—even though it is well known that a cartel of dairy companies dominates processing, and rigs prices here and abroad (Kraft/Philip Morris, Unilever, Nestles, and so on). Glickman said, that the federal government will purchase more dairy products for domestic and international food relief, and school lunches, to create pressure to drive up farm milk prices. But, in deference to the 1996 Farm Law ["FAIR"—Farm Agriculture Improvement and Reform law], he will do nothing else to "micro-manage" prices for the dairy farmer.

Van Vleet: Name me one major industrialized nation that has proven it can economically feed its people on a free-market-based agriculture system. There are none. Free market means that there will be zero surplus.

EIR: You have been leading an educational campaign among farmers in Texas, on what the economic crisis is about, and what citizens must do. Can you tell us about that?

Van Vleet: Yes, I have been trying to show farmers how government economic and monetary policy affects them, and how it affects other types of laborers, and also how what happens to the farmer affects the rest of the country. I get into some subjects that a lot of people haven't really thought about.



“ ‘Free trade’ only gives more power to these worldwide mega-corporations, to control countries, their people, and their elected officials” —Texas Milk Producers Association head Clint Van Vleet.

For instance, in one of the papers we sent out, I showed how, when you have supply-side economics applying to food, what goes on is the government having to cut the budget in order to feed the interest on our debt. In order to cut the budget, they’ve got to push people off of welfare. In order to get people off welfare, there have to be some new jobs created; even if they’re not good jobs, they still have to create new jobs, because they can’t just kick them out on the street.

EIR: Not yet, anyway.

Van Vleet: They probably will start doing that. In order to create these jobs, companies have got to grow and expand, but they can’t do that unless the Federal Reserve continues to inject new money into the economy. The Federal Reserve can’t do that if inflation rises. If inflation rises, then the Fed raises interest rates and closes down the economy.

So, what they’re doing, we feel, is holding down food prices, even if it means they’ve got to import the food to keep the price down. They’re doing that to keep inflation from rising, so they can keep creating and loaning out new money and keep this economy growing. The problem is, it’s all growing on debt, which will eventually catch up with us.

So, part of the reason we feel we’re being manipulated, is to get people off welfare. I myself would have better ways of doing this than that.

EIR: Italian dairy farmers also have been staging actions. They used their equipment to shut off highways to big airports

in Milan, Rome, and Venice. They are being fined for trying to market milk over a production quota assigned to them by the European Union. But the quotas on Italian dairy herds add up to only 60% of the national milk consumption of Italy.

Van Vleet: In a world with starving people, we have all this going on!

EIR: What do you say about Philip Morris/Kraft and the dairy cartel domination of milk?

Van Vleet: Free trade only gives more power to these worldwide mega-corporations, to control countries, their people, and their elected officials.

In conclusion, I would like to say that the free market is what human beings had before they established civilizations. The sole function of a country’s government should be to build and maintain infrastructure, so that the people can triumph over the elements, while leaving the non-essential side of the economy to run its own course. It looks as though the U.S. government is doing exactly the opposite. The winners will be these cartel corporations, and the losers will be the common people.

In order to stop this insanity, farmers and laborers must begin to work together, to build a new America.

What I see happening right now is, these corporations want to grow, they want to be the big dogs. In order to do that, they’ve got to accomplish two things that are usually opposing: One is, they have to increase corporate profits. The other thing is, they have to hold down prices, hold down inflation, because if inflation rises, interest rates rise, and then that whole speculation on Wall Street that builds up their stock value comes to a halt.

So, they have to increase corporate profits at the same time that they hold down prices. The only way they can do that is to lower their labor costs by, for instance, instead of having only one person in each family working, now we have two—that is, in effect, a reduction in what they’re paying for labor. They’re getting more work for less money. They also turn to other countries to get cheap labor, and they hold down commodity prices, as in farming. But when they do that, it becomes very difficult for them to keep up the purchase of consumables, because in order to keep all this going, the company’s got to be selling something; they’ve got to have somebody buying it. So, in order to keep up consumables purchases, somebody has to extend credit.

Right now, what is feeding this so-called economic boom, is only credit. Eventually, it’s going to come to an end. And it’s going to come to an end in an ugly way. And for America, it means a lot, because we are now a service-based economy, and when you stop the credit card money, and the credit money stops floating around, people aren’t going to be spending money on all these services and we’re going to have massive unemployment.

We’ll then see how important it is to have a plentiful supply of food in America.

National News

'Race science' leader Kingsley Davis, 88, dies

Sociologist Kingsley Davis, an architect of UN population policies and a collaborator of Nazi eugenics planners, died Feb. 27 at the age of 88. He was a collateral descendant of Confederate President Jefferson Davis, and named a son after him. According to his obituary in the March 5 *New York Times*, Kingsley Davis "created a sensation," when he wrote in *Science* magazine that the unbridled growth of the developing (meaning non-white) countries must be checked with stern measures going "beyond zero population growth."

During the early 1950s, Davis was a director of the American Eugenics Society, and headed the sociology division of Columbia University's Bureau of Applied Social Research from 1948-55. There he worked with Franz J. Kallmann, who continued at Columbia the work in genetics he had earlier done for Adolf Hitler, to "justify" the extermination of the genetically unfit. From 1954-61, Davis was U.S. representative to the UN Population Commission, which began its genocidal planning under the leadership of Secretary of State John Foster Dulles.

Brits push George II for U.S. President

Texas Gov. George W. Bush is dubbed "Favorite Son" by the *Times* of London, in an editorial headline March 1. The whelp of ex-President George H.W. Bush—Margaret Thatcher's poodle—is touted as a leading Presidential candidate for 2000. The "extraordinary fundraising scandal" which has struck the new Clinton administration, "implicating both President and vice-president in the process," has made the "once smooth transfer of the Democratic Party into the hands of Albert Gore appear rather less certain," the *Times* offers. Noting that Bush is a Southerner and governor of "wealthy Texas," the editorial declares, "For the moment, at least, Mr. Bush is the Great Right Hope."

An accompanying puff-piece, headlined "Go-Getting Texas Leader Weighs Up Oval Office Odds," cites Bush's attack on President Clinton as "the ultimate entitlement President," while claiming that he himself has fulfilled his own promises on welfare reform, reducing juvenile crime, and education. Bush did not comment on running for the Presidency, but the *Times* says he is better able than his father "to span the country club set and the Religious Right within the Republicans."

For Bush to be elected, the article notes, there would have to be a "sharp change of national mood" away from support of the view, held by President Clinton, that government can make a difference to people's lives. But, if the electorate "grows as cynical of government as Mr. Bush predicts, his message may have found its day," the article concludes.

Coverup crowd moves against trial for Ray

The possibility that James Earl Ray might finally have a day in court, to prove he was innocent of the 1968 assassination of Martin Luther King, has forced some interesting critters out of the woodwork. Katharine "Black Widow" Graham's *Washington Post* provided space March 2 for a commentary by Richard Billings, former counsel to the House Assassinations Committee, demanding that Ray *not* be granted a trial, because the case has already been solved, and Ray's guilty plea should stand.

Billings himself was part of the operation put together to sustain the Warren Commission's coverup of the British-directed assassination of President John F. Kennedy. In 1967, *Life* magazine undertook an investigation of the JFK assassination, designed to counter New Orleans District Attorney Jim Garrison's investigation of the Perminde apparatus and his prosecution of Clay Shaw. Richard Billings, who had been *Life*'s Miami bureau chief in the early 1960s, was chosen to head the weekly's "investigative" team.

Publicly expressing doubts about the Warren Commission, whose coverup Garrison was destroying, Billings's team went to

New Orleans and pretended to join forces with Garrison for a while. Then, the team reported that Garrison was "corrupt," and "was taking favors, if not bribes, from Carlos Marcello's people," the mafia. After helping block the prosecution of Kennedy's killers, Billings fed the line that "the mafia killed Kennedy" to the subsequent House committee investigation, derailing any serious pursuit of the conspiracy.

Budget amendment defeat a victory for nation

The U.S. Senate's narrow rejection of the Balanced Budget Amendment upheld the Constitution against the insanity of the Conservative Revolutionists' Contract on America. The vote on March 4 (66 in favor and 34 against) fell one short of the two-thirds majority vote required. Senate Minority Leader Tom Daschle (D-S.D.), who rallied opposition to the amendment, commented after the vote, "This is a victory not for Democrats, but for the Constitution. This is not a campaign position paper we are talking about changing. It is the most inspired, the most important political document in the history of the world. People have died to defend our Constitution."

As former Democratic Presidential candidate Lyndon LaRouche put it, in a Feb. 4 radio interview with "EIR Talks": "If the Balanced Budget Amendment, as proposed by Sen. Trent Lott [R.-Miss.] and others, had been in effect during the time that President Franklin Roosevelt was in office, Adolf Hitler would have won World War II, and the United States could not have recovered from the Coolidge Depression of the 1930s."

Speaking on the Senate floor before the vote, Sen. Robert Byrd (D-W.V.), who has opposed the amendment since it was introduced in 1986, first recalled the accomplishment of the men who had gathered on the floor of the Constitutional Convention in Philadelphia in May 1787. Byrd then declared, "Throughout this debate, I have heard debt and deficits portrayed as 'immoral.' What folly that is! While most would say that gambling debts are bad, or immoral, would anyone claim that borrowing to send a child to college or to provide a home for

Briefly

WELFARE CHEAT Gov. George W. Bush Texas, is preparing to implement the first privatization of welfare services. The scam would allow a private company to set up its own system, to screen applicants for more than \$8 billion in welfare benefits, while eliminating up to 7,000 unionized state jobs. The plan has been put on hold by the Clinton administration, pending federal approval.

THE DOOMED DERIVATIVES bubble was pumped up further by Sen. Phil Gramm (R-Tex.), during a Senate banking hearing March 4. Denouncing a recent Securities and Exchange Commission regulation, Gramm fumed that "these rules will induce firms to use derivatives less," and eliminate the latest "innovations" in risk management. The new regulations in question were adopted by the SEC on Jan. 26, and will require companies to report on their financial statements their risk from derivatives.

PENNSYLVANIA Gov. Tom Ridge is cutting wages on state construction projects by up to \$6 an hour, on the basis of a so-called "survey of prevailing wages." Ridge's latest Nazi-like austerity move, projected to cut public works spending by \$100 million a year, was announced at York County Prison, where nearly \$1 million will be saved in construction costs.

'WORKFARE must not be allowed to become synonymous with indentured servitude in this state," Stanley Hill, executive director of New York City's largest municipal union, told the welfare reform task force of the New York State Assembly Feb. 7.

DE-INSTITUTIONALIZING the mentally retarded has resulted in a sharply increased mortality rate. A 1996 study, tracking over 18,000 retarded adults in California from 1980 to 1992, found that risk-adjusted mortality rates were 72% higher among those not receiving institutionalized care. A follow-up study for 1993-94 reported the rate at 82%.

one's family is an evil or immoral thing? Indeed, it can be immoral not to borrow. And by denying future leaders the budgetary freedom to borrow for investments for future generations, are we not depriving those future citizens of the birthright of realizing their full potential?" Byrd asked.

"By subjugating every other objective and every national endeavor, everything from protecting an ally, to building up to fight a war, to conquering an epidemic, to feeding the starving, to investing in public infrastructure, to educating our children . . . to protecting our economy in the event of a recession, everything will be held hostage to the all supreme god, the gold calf, of balancing the budget each and every year. Is this what the American people want?"

AFL-CIO President John Sweeney, in a statement following the vote, said the amendment "would endanger Social Security, slow growth, make recessions worse, hamper our ability to cope with natural disasters and economic emergencies, cripple investment in the future of the nation and impose severe cuts in programs at all levels of government."

DOJ 'Lost Trust' frameups thrown out

On Feb. 28, U.S. District Judge Falcon Hawkins issued a stinging, 86-page order dismissing with prejudice the Justice Department's (DOJ) "Operation Lost Trust" cases in South Carolina. The sting was part of the DOJ's notorious "Frühmenschen" judicial targeting of black elected officials. Judge Hawkins declared, "The court is convinced that the totality of the government's actions in these matters rises to the level of egregious prosecutorial misconduct," and ruled that the cases can not be retried. The landmark ruling has potentially far-reaching implications for a number of other "railroads" run during the 1980s by the Bush Justice Department—and comes in the midst of growing support for the exoneration of former Presidential candidate Lyndon LaRouche.

The "Operation Lost Trust" cases stemmed from a Justice Department sting operation launched against 28 legislators, many of them African-American, and other politi-

cal figures in South Carolina in 1989-90. This was the largest single assault by the Bush Justice Department against black politicians and their white political allies.

The case was featured in independent hearings on Justice Department misconduct, convened by the Schiller Institute on Aug. 31-Sept. 1, 1995. The two-day hearings, chaired by noted civil rights attorney J.L. Chestnut and former U.S. Rep. James Mann (D-S.C.), also took testimony from the Israeli attorney for John Demjanjuk, and from the International Solidarity Committee in support of then-Austrian President Kurt Waldheim, as well as from Lyndon LaRouche and his attorneys, Odin Anderson and former U.S. Attorney General Ramsey Clark.

Physicians issue call to reduce their numbers

Six of the nation's professional physician organizations released a joint statement in Washington Feb. 28, claiming that "the United States is on the verge of a serious oversupply of physicians." Bowing to the savage demands for "cost-effectiveness" by insurance companies and HMOs, the medical groups decided to defend the reigning policy of dismantling the nation's health care system.

Dr. William Jacott, a trustee of the American Medical Association, said that "the numbers of physicians being produced is largely a reflection of the unlimited federal support of graduate medical education that permits increase in program size without regard to the needs of the nation." Dr. Jordan Cohen, president of the Association of American Medical Colleges, called for expanding the federal Health Care Finance Administration's program of paying hospitals to train fewer doctors, currently on demonstration in New York.

The joint statement also asserts that the needs of "under-served" communities can not be met by increasing the supply of physicians. It calls instead for federal funding to encourage medical students "to gain experience in rural and inner city communities, so that they will have an appreciation of the needs and challenges of practice in these communities."

Editorial

Clean up the Justice Department

Do you remember the nursery rhyme that went: "For the want of the horseshoe nail . . . the rider was lost . . . the kingdom was lost"? Sometimes, it works the other way: one new piece of evidence, or one added judicial decision, added to the balance, could be the margin of difference that leads to a long-overdue clean-out of the corruption in the U.S. Department of Justice. A Feb. 28, 86-page decision against Justice Department misconduct, handed down by U.S. Federal District Judge Falcon Hawkins, could prove to be that one added decision that makes the crucial margin of difference.

At the close of August 1995, a "blue ribbon" commission was convened to investigate certain charges of misconduct by the Criminal Division of the U.S. Department of Justice. That Commission, co-chaired by former South Carolina Congressman James Mann, and distinguished attorney J.L. Chestnut, reviewed testimony and evidence of racially and other politically motivated targeting of victims of prosecutorial misconduct in three types of cases.

The first group of cases was the evidence of racist targeting of elected African-American officials in the FBI's *Frühmenschen* and analogous cases. In this category, the Commission heard evidence on the conduct of Hickman Ewing, presently chief assistant to Special Prosecutor Kenneth Starr in the "Whitewater" inquiries and prosecution, in the 1983-1993 case of Tennessee Congressman Harold Ford. Also heard, as part of the same category, were some of the same cases on which Judge Hawkins has just ruled.

In the second category, was the case of the politically-motivated targeting of Lyndon H. LaRouche, Jr. and his associates.

In the third category, charges of abuses by the Office of Special Investigation (OSI), there were two cases considered. The first of these two, was the knowing fraud by the Justice Department in setting up John Demjanjuk for trial in Israel. The Federal Sixth Circuit had already ruled, that the Justice Department had perpetrated a massive "fraud upon the court," in that case. The second case heard, was the fraudulent targeting of the President of Austria, Kurt Waldheim.

Now, mesh the Hawkins decision with the cases

considered by the 1995 Mann-Chestnut Commission, noting the Federal Sixth Circuit decision in the Demjanjuk case, all examined in light of repeated instances of cover-ups for their predecessors and subordinates, such as Jack Keeney and Mark Richard, by Attorney General Janet Reno and her FBI Director, Louis Freeh, and with the implications of the recent exposure of the FBI's Quantico scandals. The unaddressed issues of the Ruby Ridge and Waco cases, then also fall into place as showing the same set of corrupt officials, using the same repertoire of practices, as in the indicated cases considered by the Sixth Circuit, the Mann-Chestnut Commission, and Judge Hawkins. The Hawkins decision qualifies to become the critical added margin of difference added to the package of evidence, court decisions, and other qualified findings already on the record.

This package ought to be put high on the agenda of the U.S. Senate's Judiciary Committee. Clearly, there could be few issues more deserving of Congressional oversight than a long-standing pattern of massive corruption within the U.S. Department of Justice.

It is past time that both the Federal Executive and the Congress faced up to the political reality, that the richly earned lack of credibility of the U.S. Department of Justice, is the leading edge of that growing contempt for the Federal Government, the Congress, and the leadership of the parties, which prompts the profoundly disgusted, more than half the U.S. eligible voters, to stay away from elections. Washington must cease to delude itself; the recent elections gave no one a clear mandate for anything. Official Washington will regain popular confidence only when it begins to earn that confidence.

In today's collapsing world, the demoralized overwhelming majority of our people will not find their courage again, until they believe they have a new Franklin Roosevelt, who shapes public opinion, rather than merely following it. The people wish to see a strong United States, with a courageous and capable government, which can deliver solutions to otherwise terrifying problems, and which resolves to clean up the kind of hideous corruption to which Judge Hawkins's decision points.

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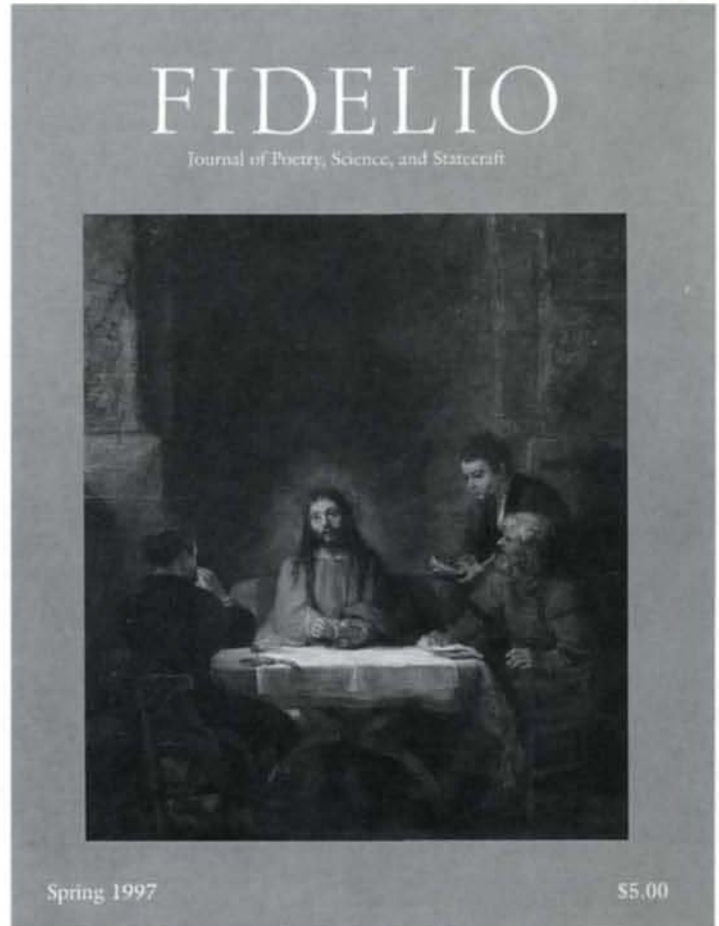
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