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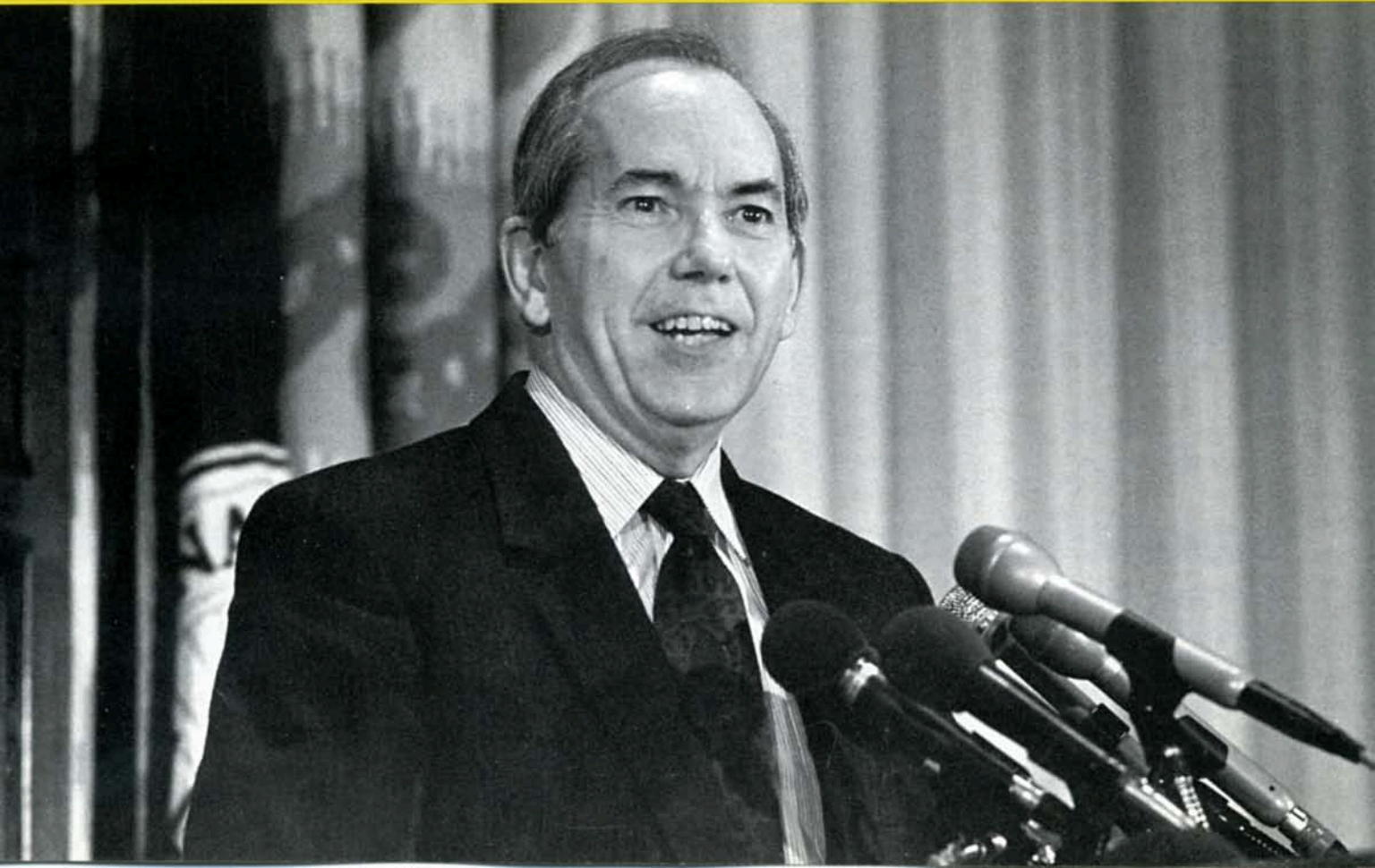
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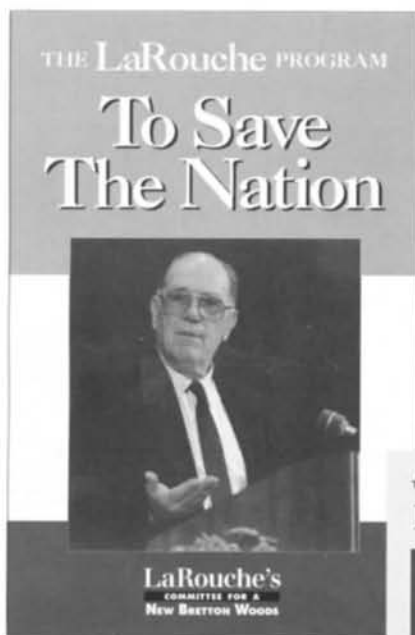
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From the Associate Editor

The policy shift on the issue of gold, taken by European central bankers with the backing of the U.S. Fed's Alan Greenspan, poses in a dramatic way the opportunity—and necessity—for Lyndon LaRouche's economic reconstruction policies to be implemented rapidly. The bankers' eleventh-hour move to reinstitute a measure of government control over the hyperinflated international financial markets, reported in *Economics*, shows that they realize what most Americans still don't: *how very close we are to a financial meltdown.*

In this situation of world crisis, and with the ongoing self-destruction of Al Gore's campaign, LaRouche's bid for the Democratic Party Presidential nomination is being viewed with more openness than ever before, by policymakers and citizens alike. While Gore tries to maintain that the choice is between "Coke and Pepsi" (himself and Bill Bradley), everybody at the top knows very well that there is another option for Democrats, especially now that LaRouche—who received over 600,000 votes in the 1996 election—has been officially certified for Federal primary matching funds.

In this issue, we feature a wealth of intelligence analysis of how the British-run oligarchy has functioned historically, and is functioning today, bringing us to the very brink of nuclear war:

- The *Feature* presents case studies of Ibero-America and Africa, showing how the oligarchy has imposed Jacobinism and genocide—and counterposing to this a Leibnizian policy of true justice, a LaRouchian policy of a global renaissance.

- In our *Strategic Studies* section, Umberto Pascali writes on what the real game is that is being played in Kosovo: how the Kosovo Liberation Army (KLA) was installed in power by the British and the U.S. State Department, pushing aside the elected representative of the Kosovars, Ibrahim Rugova. The article documents the British imperial modus operandi over centuries, and its current manifestation in the doctrine of the "New NATO."

- In *International*, we report the current British operations against Russia in the Caucasus; against Mexico through the Chiapas insurgency; and against nation-states in general, as laid out, in his own words, by oligarchical lackey Juan Enríquez Cabot.

Susan Welsh

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A professor at Georgetown University Law Center in Washington, D.C., Dr. Edelman was an Assistant Secretary of Health and Human Services during the first Clinton administration. He resigned from that position in 1996, in protest against President Clinton's signing of the welfare reform legislation.

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Now that the party's over, bankers make a move on gold

by William Engdahl

The Sept. 26 declaration by 15 European central banks, declaring a five-year policy on gold sales, has underscored again the fundamental reality of the current world financial system: The system is hopelessly bankrupt, the party is over, and some central bankers are asserting the fact that the role of gold, as a crucial component of monetary affairs, must be preserved.

The bankers' move came on the eve of the annual International Monetary Fund (IMF) meeting, which, as it did last year, appears determined to try to paper over the implosion of the world financial system. The crisis being created by the rise of the Japanese yen and collapse of the dollar; the crisis of South Korea; the exploding U.S. trade deficit; the crises throughout Ibero-America; the crisis in Russia—all of these, they were prepared to ignore, as long as the leading international banks could be propped up.

The European central bankers' action goes directly against that taken by British Prime Minister Tony Blair and Bank of England head Eddie George last June, when the British central bank sold off a chunk of its gold cheap, for the benefit of private speculators. The Sept. 26 action also creates the potential for bringing gold back into the financial system as a gold-reserve system, in the fashion of the postwar Bretton Woods system—a system which worked, unlike the floating exchange-rate system that replaced it. In that respect, the latest action creates an opening for the New Bretton Woods policy which has been championed by economist Lyndon LaRouche. LaRouche noted that, in respect to the gold policy statement, the bankers were showing a certain amount of realism in an attempt to keep the world situation from going completely out of control.

The new policy

The European central banks, led by the new European Central Bank, issued their press release late Sunday night

during the ongoing IMF talks, just before markets opened in Asia on Monday morning. The text of the statement, read to the press by ECB President Wim Duisenberg, was the essence of brevity. It read: "In the interest of clarifying their intentions with respect to their gold holdings, the undersigned institutions make the following statement:

"1. Gold will remain an important element of global monetary reserves;

"2. The undersigned institutions will not enter the markets as sellers, with the exception of already decided sales;

"3. The gold sales already decided will be achieved through a concerted program of sales over the next five years. Annual sales will not exceed approximately 400 tons and total sales over this period will not exceed 2,000 tons;

"4. The signatories to this agreement have agreed not to expand their gold leasings and their use of gold futures and options over this period;

"5. The agreement will be reviewed after five years."

The statement was signed by the 11 member central banks comprising the European Monetary Union, so-called Euroland, along with their ECB. In addition, notably, it included non-EMU members Sweden, the Bank of England, and the Swiss National Bank. The combined member national central banks together with the new ECB together comprise the world's largest single holder of gold, some 12,574 tons as of Jan. 1 when the euro single European currency was launched.

A move in preparation for months

It is clear that this move to insert gold back into the monetary system had been in preparation for months. An article in the Sept. 30 issue of the French daily *Le Monde* reported that the German Bundesbank and the French central bank had been collaborating to achieve such a new policy. An article

in the Sept. 30 London *Daily Telegraph* was even more revealing.

The *Daily Telegraph*'s "City Comment" column reported that until this week, the view that gold was "like any other commodity and had seen its day," had driven the price down to just a bit more than \$250 an ounce. "Suddenly, being short looks less smart, and the price of cover has shot up: borrowing gold now costs an eye-watering 9%.

"The Bank of England would never actually go short, but it has been selling the country's gold reserves under the Labour *diktat*. The official line is that history is, well, history, and that gold is merely an absurd anachronism which pays no interest to its owner.

"Never mind that it is the only central bank investment which is not a liability on someone else," noted the *Telegraph* ironically. "Never mind that Alan Greenspan, the 74-year-old chairman of the U.S. Federal Reserve, told Congress in May: 'We should hold our gold. Gold still represents the ultimate form of payment in the world. Germany in 1944 could buy materials during the war only with gold. Fiat money *in extremis* is accepted by nobody. Gold is always accepted.'

"Mr Greenspan may not be infallible," comments the *Telegraph*, "(though the markets believe he is), but this philosophy has helped to put a quarter of the world's extracted gold into the vaults of the central banks. They cannot sell it in serious amounts without undermining the price, as Labour has discovered. This is why the pronouncement of no more central bank sales has sent the price up by nearly \$30 in less than a week."

Broader implications

The implications of the gold move are broad indeed. In fact, it represents a giant step toward government controls over the international financial markets. The indication that Greenspan is committed to maintaining a role for gold, also denotes that this was not a European move against the United States, but a statement of (belated) institutional sanity.

In the short term, the bankers' action will deal a heavy blow to those speculators who have been betting on the continued fall in the gold price. These speculators who have been involved in what is called the "gold carry trade," were headed for the same kind of losses which speculators in the "yen carry trade" suffered in the fall of 1998.

Within hours of the ECB gold statement, the price of gold began to soar, and what market participants called "panic buying" ensued. By Sept. 28, the gold price in London had broken the \$300 barrier—far above the mid-\$200 level which it had sustained for months.

Market sources indicate that the rapid rise was attributable, in part, to the fact that speculative hedge funds that were involved in gold, and had borrowed "short," were now rushing to buy gold, to fulfill their contracts before the price rose even higher.

When a speculator does gold carry trade, similar to playing yen carry trade, he borrows gold from a central bank at typically 0.5% interest. He then sells the actual central bank gold, for dollars, which he then puts into speculation in stocks or bonds yielding far more than 0.5%. Because gold for the past several years has been falling and falling, it was a "sure bet" that the borrower could always repay his gold loan in the future, by buying gold three months, or a year later, at the far cheaper price. But now, the situation has shifted.

"A lot of funds are now forced to cover their short positions," commented George Andersen, a senior economist with a major continental European banking group. "Once the market realized they couldn't any longer cover themselves by borrowing central bank gold, panic has been the order of the day. The gold issue was on the agenda of the G-7 for all to see before Sept. 26, but all eyes were on the yen. Some hedge funds and banks are in dire straights as a result of this decision. Blood is flowing, and you will read it soon on the front pages of the London *Financial Times*."

Andersen notes, "The European Central Bank decided, 'enough is enough.' When the euro was launched in January, there was intense debate inside Europe whether to give gold a central role in backing the new euro. That at the time was not done, leaving many to doubt how much the ECB valued its gold reserves. Now they have made it clear for all. Gold, as the ECB stated, 'will remain an important element of global monetary reserves.'"

Bankruptcy reorganization required

No move on gold, by itself, will stabilize the financial system, of course. The speculative floating-rate system, in effect since 1971, has generated hundreds of trillions of dollars in short-term debt obligations, as opposed to approximately \$41 billion in real world product. That debt will never be paid, and this fact is being reinforced week by week, as nation after nation goes into bankruptcy crisis. Only a bankruptcy reorganization, followed by a regime of currency and capital controls, and massive long-term credit issuance for major capital infrastructure projects, will reverse the decline.

In addition to the crisis in Ecuador (see article, p. 9), the last week of September featured a showdown between South Korea and its creditors. One of the first nations to get IMF "help" in the 1997 financial crisis in Asia, South Korea remains totally swamped by debt, and unable to pay. The crisis centers on the huge Daewoo conglomerate, which has already been forced into radical cutbacks, at great cost to the Korean nation. But foreign creditor banks are demanding that their debts be paid preferentially, a demand that Korean creditors and institutions have stoutly resisted. Daewoo has \$5 billion in foreign debt, of which nearly \$3 billion is due by the end of 1999.

Eastern Germany ten years later: the unfinished challenge of reconstruction

by Lothar Komp

More investments have been made into the eastern parts of Germany since the fall of the Berlin Wall than in all other eastern European countries taken together. By the end of 1998, more than 1,300 billion deutschemarks had been invested in urgently needed transportation arteries, in far too few new production facilities, in countless supermarkets, and now and then in office complexes (which remain unoccupied). Yet, today, the eastern states of Germany have rates of unemployment double those of the rest of the country, and only half of the western states' economic productivity, tax revenue, and industrial jobs per capita.

The process by which the east was supposed to catch up with the west stalled in mid-route, and the gap between east and west, has actually opened wider over the past two years. The first, "booster stage" of reconstruction has burned out, and unless the second state ignites soon—which has to include the reindustrialization of eastern Germany and the re-establishment of the traditional export markets in eastern Europe and Russia—there will be a collapse into economic and political chaos.

The LaRouche plan of 1990

In October 1988, when prominent West German politicians publicly labeled the constitutional provision for the reunification of Germany as "unrealistic," or even a "delusion," Lyndon LaRouche, at a press conference in Berlin, spoke about the imminent collapse of the economies of the eastern system. He offered the Soviet leadership a comprehensive program for economic reconstruction, which would have begun in an exemplary way in Poland, if, in exchange, the Soviet leadership agreed to German reunification. Thirteen months later, the Berlin Wall came down.

In 1990, LaRouche presented a detailed plan for the industrial and infrastructure development of the East, the "Paris-Berlin-Vienna Productive Triangle." LaRouche stressed that, after 50 years of neglected investments in industry and infrastructure, the immense challenge could only be met if the unprecedented density of machine-tool capacities in the Paris-Berlin-Vienna triangle region were mobilized. This economic development in eastern Europe would also create

the most favorable conditions for the modernization of industry and infrastructure in the eastern part of Germany, including the creation of technologically advanced, middle-sized industries.

But all of the German federal government's plans and designs in this direction were dropped, at the latest following the assassinations of Deutsche Bank Chairman Alfred Herrhausen on Nov. 30, 1989, and of Karsten Rohwedder, head of the Treuhand agency (which was responsible for reorganizing industry in eastern Germany), on April 1, 1991. Instead, efforts were limited to the isolated development of eastern Germany. The result of this misguided policy was inevitable. The old export markets to the East collapsed, while at the same time, the Maastricht Treaty's austerity policy unleashed a devastating recession in western Europe. In such an environment, the reconstruction of the East was transformed into entrepreneurial cannibalism: In exchange for short-term investments and promises to create jobs, the Treuhand gave away east German firms to Western firms. At the drop of a hat, 3 million industrial jobs disappeared, together with a priceless treasure in skills and experience, which would have been crucially important for reconstruction of the former East bloc.

Enormous state investments . . .

Fortunately, the German federal government did not always abide by the letter of the radical free-market economic recipes which were being preached, in chorus with the International Monetary Fund, against eastern Europe and Russia. Up to the end of 1997, the state invested a total of DM 162 billion in east German infrastructure, of which DM 76 billion went for transportation (DM 40 billion for rail lines, DM 21 billion for federal highways, DM 14 billion in public transportation and local roads, and DM 1.6 billion for waterways). In the process, 11,500 kilometers of roads and 5,300 km of rail lines were either modernized or newly built. Some DM 50 billion were invested in east German telecommunications, and another DM 36 billion in economic infrastructure.

In addition to its own investments, the federal government also kept its hand in the game with respect to invest-

ments by private parties in the new states. But, in contrast to the dirigistic promotion of investments that prevailed in the immediate post-World War II period in West Germany, which were key to its postwar “economic miracle,” and which were based on a farsighted plan for economic reconstruction, this time the government distributed money as if out of a watering can. By the end of 1997, that amounted to DM 22 billion in investment grants, and DM 47 billion in special amortization investments into private economy to the tune of DM 510 billion. Many of the promoted projects were very important for the region’s economic development, but others were pure waste.

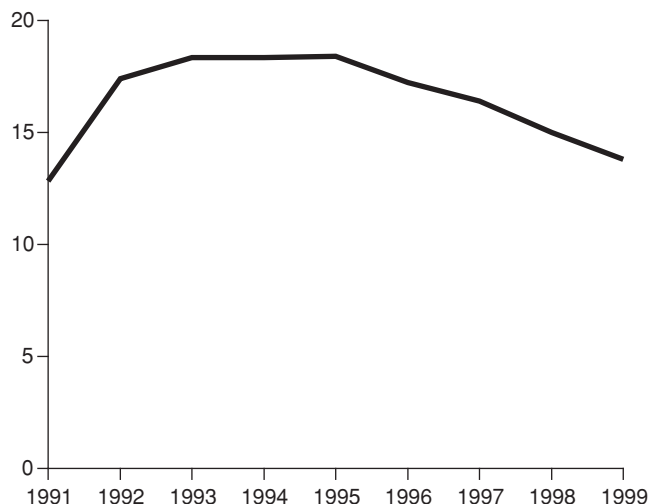
Another DM 38 billion was provided by the government for investment seeding in the framework of “social tasks,” which spawned investments on a volume of DM 181 billion. In addition, firms which made investments, and homeowners, were supported with credits; here the Kreditanstalt für Wiederaufbau (Reconstruction Bank) played a prominent role. By the end of 1997, the Kreditanstalt had provided 720,000 individual credits in the new states of Germany, at a volume of DM 121 billion. These credits leveraged investments of DM 210 billion, modernized more than 3 million housing units, and secured or created some 2.5 million jobs.

All in all, the total of public and private investments into Germany’s new states during 1991-98, according to calculations of the IFO Institute, reached a volume of DM 1,300 billion. The largest chunk, DM 430 billion, went into the account of firms in the service sector, while investments in industry, construction, and agriculture together accounted for only DM 320 billion. Another DM 330 billion went into housing construction, and the remainder of DM 220 billion was direct federal government investment, primarily for modernizing infrastructure.

And yet, these impressive figures can’t hide an alarming trend. Although the economic performance of the new states of Germany is still far below the western level, and although there is still an immense demand for investment in modernization of infrastructure, public budgets and private firms have recently begun to wind down their investment plans (see **Figure 1**). Investments by eastern German municipalities into infrastructure, for example, were reduced in steps from DM 18.7 billion in 1992, to DM 12.9 billion in 1998. A considerable share of the private investment made in the past years was only investment pledged by western firms when they took over privatized eastern firms. But these contractually fixed investments passed their peak in 1995-96, and this activity has now run its course. While investments in eastern German processing industries during 1993-95 were well over DM 18 billion, they are now below DM 14 billion. The downward trend would have been steeper, had it not been for a few large industrial projects (especially in chemicals and electrical technology), for which no follow-on is in sight, and which are now peaking.

FIGURE 1
Capital investments by the eastern German industrial sector (companies with at least 20 employees), 1991-99

(in billion deutschemarks)



Source: IFO Institute.

... but no targetted industrial development

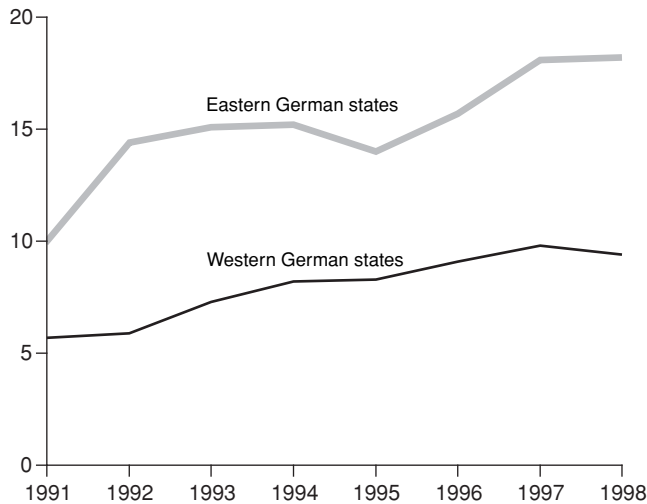
The situation on the labor market is already worse than bleak. Compared to 10 million employed in 1989, there are now only 6 million employed in the new German states (see **Figure 2**). Some 1.5 million people have left their home states for economic reasons. There are more than 600,000 commuters who still live in the east, but who earn their money in the west. Another 1.5 million are registered as unemployed. Of the remaining 6 million jobs, 1 million are sustained only by state programs. The construction sector, which had become the pillar of the economy, has been collapsing over the past two years, and the bottom is not in sight.

The lack of industrial jobs in the new states is catastrophic. In the summer of 1999, the number of industrial employees in eastern Germany (including mining and quarries) was below 600,000 (see **Table 1**). Apart from a few show-factories — in the automobile sector, for example — or in electrical technology, the new states have become an industrial wasteland. In the process, Berlin, which was once the largest industrial city in Europe, has been deindustrialized at a breathtaking pace: Some 270,000 of its 400,000 industrial jobs at the beginning of the decade have disappeared, and this happened primarily in the western section of the city. The impact on public budgets is considerable: Per-capita tax revenues of communities are at 40% of the prevailing western levels. And the approximate equalization of living standards in both parts of Germany

FIGURE 2

The official unemployment rate in Germany, 1991-98

(percent)



Source: Federal Labor Agency.

can only be sustained for the foreseeable future by annual transfers of nearly DM 200 billion.

Machine tools as a technological motor

Remaining industrial capacities suffer from an acute lack of research funding by which new products and processes are developed, and by means of which jobs can be secured over the long term. With low profit margins and extremely thin capitalization, many eastern German industrial firms cannot afford to finance their own research activities. Research and development personnel have wilted from 80,000, at the time the Berlin Wall came down, to 19,000. Without state support for R&D, which has declined since 1996, the situation would be considerably worse. The lack of industrial research is expressed in the fact that *only 3.6%* of total German exports come from eastern German production.

The strength of the machine sector, especially machine-tool firms, is of central importance for the intensity of research in any industrial region. Continuous technological innovation, which is characteristic of every export-intensive machine industry, has a particularly powerful spin-off effect on other industrial sectors—for example, production of new materials, or measuring and control technologies. A quarter of the total industrial research in eastern Germany today, is accounted for by the machinery sector. But, this is the sector which has been hit hardest of all industrial sectors since 1989 (see **Figure 3**). For example, Saxony’s machinery sector, with its facilities in Chemnitz and elsewhere, was at the top of

TABLE 1

Industrial jobs per 1,000 residents (only firms with at least 20 employees)

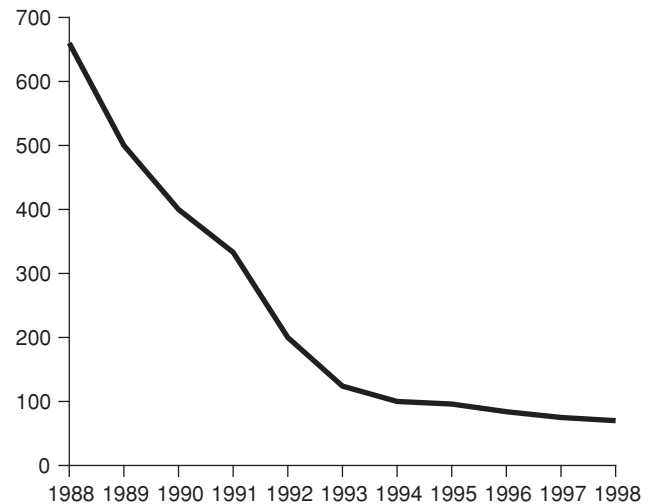
Berlin	36
Brandenburg	36
Mecklenburg-Prepomerania	24
Saxony	44
Saxony-Anhalt	38
Thuringia	43
West German (average)	85
Baden-Württemberg	117

technological performance worldwide at the end of the 19th century, and the machine sector maintained its importance even in the times of the communist German Democratic Republic within the old Comecon. Nearly one-fifth of the G.D.R.’s total industrial turnover was accounted for by machine tools. But now, of the 660,000 jobs in east German machine tools at the beginning of the decade, only one-tenth still exist. Without a renaissance in machinery, there is no chance that the urgently necessary reindustrialization of the new states of Germany will succeed. Both of these goals can only be reached if the enforced isolation of the “Reconstruction of the East” program is overcome, and if the long-overdue Marshall Plan for the rest of the devastated East bloc is finally begun.

FIGURE 3

Employment in eastern German machine-building sector, 1988-98

(in thousands)



Source: VDMA.

Ecuador defaults, and the dominos fall

by Gretchen Small

One year ago, with the world's attention focussed on Russia and Brazil, and on whether or not giant hedge funds would go under, no one gave a thought to the nation of Ecuador, a small country of 12 million people in South America, with a total public foreign debt of just over \$16 billion. While this sum is high on a per-capita basis, it is of complete insignificance for a global system flush with \$300 trillion in financial paper.

Yet such is the state of the global financial system today, that the functioning of the system itself has been threatened by Ecuadoran President Jamil Mahuad's announcement on Sept. 26, that his government could only pay \$50 million out of the \$94 million in interest payments due on its Brady bond debt on Sept. 28. A mere \$44 million in interest not paid on sovereign bonds has become a worldwide, systemic threat.

On Oct. 1, after a sufficient number of creditors refused to accept Ecuador's offer to pay that \$44 million with the collateral behind the bonds, Ecuador was formally declared in default. What precisely this declaration will trigger, remains to be seen. Until Sept. 28, no nation had ever defaulted on their Brady bonds, which are a type of sovereign debt created in 1989-90 under the Bush administration, by writing down, repackaging, and then selling at a discount (some backed by collateral and some without) the sovereign debts upon which nations had already defaulted.

Ecuador's action could trigger a domino effect by other countries who issued Brady Bonds, and in far greater sums. This includes Ibero-America's biggest debtors (e.g., Mexico has \$20 billion in Brady bonds outstanding; Brazil, \$45 billion; Argentina, \$22 billion; and Colombia, \$9 billion), as well as other such bankrupt countries as Pakistan, Ukraine, Romania, the Philippines, and Nigeria, among others.

Chicken games in end times

The Ecuadorian government had forewarned its creditors a month ago that non-payment was possible, when it postponed interest payments for 30 days, a grace period permitted in the contracts. In the end, the government opted for an attempted compromise, despite its desperate financial straits, and announced that it would make a partial payment, and

would withhold payment from those bondholders whose bonds were backed by collateral. Those bondholders were urged to collect their interest due from that collateral (U.S. Treasury bills), so that formal default could be avoided. Otherwise, the creditors would have been legally entitled to call in their bonds, seize assets, etc.

But Ecuador could not pay, because it has no money. Its trade has collapsed in the world depression, and when the speculative credit flows that had kept afloat the debts of developing sector nations for the past few years, abruptly ended after the 1997-98 global financial crises, the roll-over game came to an end. Over the course of 1999, the government sought to come up with its payments by every wild scheme imaginable, going so far as to seize half the deposits in the national banking system last March, in an attempt to procure some cash with which to pay the foreign creditors. On Sept. 26, President Mahuad was forced to declare his government could not pay. As he told his nation: "Our country only has a future if it manages to reduce the weight of its external debt. This is an immense, undeniable truth."

Ecuador is not the only bankrupt party involved. Equally bankrupt—if not more so—are its bondholders and the International Monetary Fund (IMF). Since 1995, when other governments reached the end of the line as Ecuador now has, in stepped the IMF, organizing the megabillion-dollar bailout packages required to ensure that the foreign creditors of Mexico, South Korea, Indonesia, Russia, Brazil, et al., one by one, were paid.

Now, that game has run its course, too. With not enough liquidity to ensure everyone gets paid in full, and the stakes in Ecuador relatively smaller, the IMF tried to play a chicken game with the country's private creditors on this one. It refused to sign an accord with Ecuador this past August, and demanded the government and its private creditors work out a deal instead, in which every party took some hit.

A sufficient number of bondholders refused to go along, and the IMF's game has just been called. According to London's Gramercy Advisors Llc., a group of about 35% of the bondholders are demanding immediate payment on the Brady bonds principal. Ecuador cannot pay.

All kinds of dicey questions are now raised: Will the creditors retaliate by attempting to seize assets? What will other debtors in similar straits, do? What will be the effect on today's daisy-chain financial system, of the activation of the cross-default clauses written into many contracts? Whose Ecuadoran bond-based derivative deals will go under in some unexpected far-off corner of the world, and what will be the consequences of that, too?

Regional chain-reaction already under way

The most immediately hysterical reactions, perhaps, are coming from the other governments of Ibero-America, which have tried so hard throughout the 1990s to keep speculative

capital flowing into the region, by being the “best boys” at playing by the rules of the IMF system. Peru’s Economics Minister Victor Joy Way was one of the first to respond, loudly assuring one and all at the IMF-World Bank annual meetings in Washington, D.C., that Peru is “not going to have a problem in the question of its debts. . . . We do not intend to enter into any renegotiation of the foreign debt. . . . The possibility that it does not fulfill its payments on its foreign debts is null.”

But the reality is otherwise. As *EIR* documented in its study published in its Aug. 27, 1999 issue, “New statistics Show Ibero-American Economies Are In Free Fall,” not even the IMF’s order that the drug trade be included in Ibero-America’s national statistics, can hide the fact that *in the first quarter of 1999, alone*, physical economies across the region had fallen by 15-20%, and the rate of collapse was accelerating, such that what has begun “is a drastic, non-linear free fall, an implosion which will have wide-ranging economic, political, and social consequences.”

Colombia in free fall

Each new phase of collapse generates another. Colombia, whose officials had for months repeated, just as adamantly as Peru’s Joy Way now promises Peru will pay, that they would not abandon the trading band system it had adopted to defend its currency, the peso. A major portion of Colombia’s trade, however, is carried out with Ecuador, and the value of Ecuador’s currency, the sucre, has collapsed, falling 17% in the week before Mahuad’s partial payment announcement. On Sept. 26, Colombian authorities announced they were abandoning the trading band, and the peso will henceforth float freely.

The value of the Colombian peso has yet to collapse as rapidly as some feared (it opened on Oct. 1 at 2,020, down from the mid 1990s before the float was adopted), but that is largely because the government jacked interest rates up from 16.5% to 22%, and sold dollar-denominated domestic debt, so-called TES bonds—similar even in name to the infamous *tesobonos* sold by the Salinas government in Mexico which blew out in December 1994.

Despite the official line, inside Colombia it is now assumed that, by the end of this year, Colombia will find itself in Ecuador’s situation: unable to pay its debts. Colombia is being ripped apart by a narcoterrorist insurgency, and its economy has ground to a halt. The government statistical agency, DANE, reported recently that Gross Domestic Product dropped by an unprecedented 7.6% in the second quarter of 1999 (and Colombia, at IMF insistence, counts “illicit crops” as part of its GDP). Construction and manufacturing declined by 24% and 17%, respectively, in the same period. Official unemployment now stands at 20%. Bringing the end-point closer, the IMF ordered Colombia to impose a “real fiscal adjustment,” that is, to savagely slash federal, state, and municipal budgets, freeze public-sector wages, and tax

broader layers of the population by eliminating most exemptions.

A Brazilian currency crisis brewing

The competitive devaluations across the region, are accompanied by the collapse of the much-ballyhooed free trade zones. Brazil’s devaluation and subsequent free-float of its currency, the real, last January, devastated Argentina, 30% of whose exports go to Brazil. Trade battles between the two neighbors escalated, until they have now, de facto, buried Mercosur, the common market of the south which join Argentina, Brazil, Uruguay, and Paraguay. The *coup de grace* was delivered by Brazil, which announced on Sept. 20 that 400 Argentine dairy, leather, and textile products which up until now had been exported to Brazil under favored Mercosur conditions, would henceforth be taxed. Altogether, these products made up 90% of Argentine exports to Brazil. Alejandro Sampayo, director the Argentine chamber of textile industrialists, FITA, called the decision “more serious than the devaluation of the real last January. . . . This represents a rupture of trade.”

Desperate Argentine businessmen and exporters are pressuring the Menem government to abandon its currency board system, and devalue the peso, now pegged in a one-to-one relationship to the dollar.

The “Big One” about to blow out in the region, however, is Brazil—the proud owner of the title of holder of world’s largest foreign debt. All the signs of end-game are present here, also, as the government maneuvers to entice in sufficient foreign capital to just meet payments through the end of 1999, a sum estimated by *Gazeta Mercantil* at around \$20 billion, for Brazil to meet all its foreign obligations—amortization and interest payments, services, and trade—without a further drop in reserves. The George Soros-run Central Bank is moving rapidly towards a general lifting of all capital controls, its admitted goal. The first step, was the announcement that, beginning Sept. 14, companies involved in oil and natural gas exploration, processing, and transport, as well as generation and transmission of energy, will be permitted to open foreign currency accounts inside Brazil, for any foreign investments or loans that they bring in. The government is projecting that some \$50 billion will come in, eventually, under this scheme. The next step, according to the Central Bank’s Director of International Affairs, Daniel Gleizer, will be to end all restrictions on profit and dividend remittances abroad. Like Colombia, the Brazilian Central Bank is also resorting to the sale of highly explosive dollar-denominated domestic debt.

Brazilian Central Bank liquid reserves, however, are down to \$23 billion, and the IMF accord requires that these reserves not drop below \$22 billion. Either Brazil will have to borrow much more abroad—which will be even more difficult after the Ecuadoran default—or the IMF will have to renegotiate its agreement with Brazil. And the worst has yet to hit.

Dope, Inc. is back in the saddle in Panama

by Carlos Wesley

Alvin Weeden, whose activities as a drug money-launderer have long been known to U.S. authorities, was confirmed as Panama's Comptroller General, by a two-vote margin by Panama's Legislative Assembly on Sept. 28.

Weeden's appointment could not have taken place without at least the tacit acquiescence of Madeleine Albright's State Department. The post makes Weeden the chief financial officer for the new administration of Panamanian President Mirya Moscoso—at whose Sept. 1 inauguration Attorney General Janet Reno, ironically, was the United States official representative—and gives him virtually total control of the entire payroll and of nearly every single penny spent by the government.

U.S. Ambassador to Panama Simón Ferro kept silent, even though sources say that a well-placed word by him might well have caused Moscoso to rethink Weeden's appointment. When asked by *EIR* what was the U.S. stance on the appointment, a State Department spokesman demurred that the drug charges against Weeden might be “unproven allegations.” When that didn't wash, he said that there would be no comment while Weeden's confirmation process was ongoing. When it was pointed out that Weeden had already been confirmed—24 hours earlier!—another spokesman said: “In that case, we would still have no comment.”

Other Clinton administration officials were not as sanguine. “Around here we are not pleased with Weeden's appointment,” said an official involved in anti-drug activities. The source complained that Ambassador Ferro had not even bothered to file a report on Weeden's nomination, forcing officials to rely on press reports.

The case against Weeden in Panama was presented by Congresswoman Teresita de Arias, who broke ranks with Moscoso's ruling coalition, noting that Weeden had been named by Steve Samos during the 1985 criminal trial against Sunshine Bank of Miami in the U.S. Federal Court for the Southern District in Miami, as among those who helped him launder money for admitted drug-trafficker José Antonio Fernández. A financial wheeler-dealer who was also involved in the drugs-for-arms Iran-Contra operations, Samos turned state's evidence in exchange for immunity for himself; his former wife, Alma Robles; and his former brothers in law, Winston and Ivan Robles, who were Weeden's law partners. Arias said she was willing to surrender her parliamentary immunity if Weeden wanted to sue her for slander, reported *El Panamá América*.

The return of the Dadeland Gang

While lying that there had never been such a criminal trial in the United States, Weeden, nonetheless, did not take up the legislator's challenge to bring suit against her. As *EIR* reported when the Sunshine case first broke, Weeden *personally* transported at least half a million dollars in drug money for Fernández. It didn't end there. In 1993, Weeden and his then-boss, Customs chief Rodrigo Arosemena, were named by former Panamanian Attorney General Rogelio Cruz, himself tied to drug cartels, as suspects in the disappearance of several containers of ethyl ether belonging to the Panama Canal Commission, which ended up in the hands of the Colombian cartels. Ether is used to extract cocaine from coca leaves.

Weeden is not the only figure with shady ties in Moscoso's government. Carlos Rodríguez and publisher Roberto “Bobby” Eisenmann, who were co-owners of Dadeland Bank of Florida at the time it was laundering the drug money for Fernández (who was actually a shareholder in Dadeland), are both advisers to the President. Eisenmann is the head of Transparency International in Panama, an NGO that “fights corruption” by destabilizing governments it dislikes. They appear to apply the principle that “it takes one to know one.” Transparency's chief expert on government corruption, for example, is Elliott Abrams, George Bush's former Assistant Secretary of State and the only figure in the Iran-Contra scandal who actually pleaded guilty.

It was under Iran-Contra that the crack-cocaine epidemic was unleashed on the United States, and Abrams, *personally*, according to a July 26, 1989 report from the General Accounting Office (GAO), authorized the illegal disbursement of \$1 million in funds belonging to the Panamanian government that had been seized by the United States, which went to purchase weapons that ended up in the hands of Colombian drug lord Rodríguez Gacha. One of those weapons was used to assassinate Colombian Presidential candidate Luis Carlos Galán, paving the way for the current takeover of Colombia by the drug mafias.

Guillermo Ford, another of Dadeland Bank's former partners, with reported ties to convicted Medellín Cartel chief money-launderer Ramón Millán Rodríguez, is being mooted as Panama's next Ambassador to the United States, or to Great Britain.

The appointment of Weeden and the others has raised eyebrows, since it came a scant three months before the United States is scheduled to hand over full control of the Panama Canal and withdraw the last remaining American soldier from Panamanian territory. Earlier this year, Panamanian Congressman Miguel Bush Riós twice travelled to Washington to warn that Colombia's narco-terrorist FARC has set up camp in Panama's Darién jungle. Bush also noted that drug trafficking and drug-money laundering in Panama have increased five-fold since the 1989 invasion ordered by George Bush, ostensibly against drugs—a fact confirmed by U.S. law enforcement officials.

Kissinger and Wall Street embrace Venezuela's Chávez

by David Ramonet

Venezuelan President Hugo Chávez's previous visit to the United States culminated in a fond embrace between Chávez and Sir George Bush, the most anglophile of the former U.S. Presidents since Harry Truman. In his latest Sept. 20-23 tour to New York and Washington—whose purpose was to obtain the seal of approval from the controllers of the globalized financial market—the most striking detail was Chávez's embrace of Sir Henry A. Kissinger, the former U.S. Secretary of State, confessed agent of Britain's Queen Elizabeth, and ex-adviser to former Venezuelan President Carlos Andrés Pérez, another Bush buddy. Kissinger was invited by Chávez to visit Venezuela in December.

Everywhere he went, President Chávez took great pains to erase his image of the "Danton of the Caribbean," which he has taken great pains to cultivate inside Venezuela, ever since achieving the tacit elimination of the legislative and judicial power—and their concentration in his National Constituent Assembly (ANC)—by means of threats and Jacobin terror tactics. As Msgr. Baltazar Porras, president of the Venezuelan Bishops Conference, put it, "When one needs to justify various things before the international community, it is because something isn't going well."

In fact, Chávez justified himself before the UN General Assembly; before U.S. President Bill Clinton, who met with him for an hour at the United Nations headquarters in New York; before officials of the International Monetary Fund (IMF), the World Bank, and the Organization of American States; and before Sir Henry Kissinger, who rejected the notion that Chávez's government is, or could be, an authoritarian regime. In Kissinger's opinion, Venezuela under Chávez "could make a great contribution to democracy and to progress in Latin America and throughout the continent."

A large part of Chávez's time was spent in meetings with the dictators of U.S. public opinion: He met with the board of directors of the *New York Times* and the *Washington Post*; the directors of the Hearst chain; and he gave televised interviews to Fox TV and CNN. The financial group, J.P. Morgan, organized a meeting with the entire financial press, such as the *Wall Street Journal*, *Journal of Commerce*, and *Financial Times* of London. J.P. Morgan was heavily involved in organizing Chávez's tight agenda. Not surprisingly, Morgan is the

group that is designing the global bond package through which Chávez's government hopes to once again substitute old bonds for longer-term and more onerous ones, which will enable Venezuela to remain chained to the moribund financial markets.

Another important aspect of Chávez's tour was the meeting he held with the Anglophile lobbies. On Sept. 22, the Washington-based Inter-American Dialogue—one of the leading promoters of "peace dialogues" with narco-guerrillas, as a means of eliminating national military forces from the continent—joined with the Carnegie Endowment for Peace to organize a breakfast at which Chávez gave one of his speeches before a select audience at the Brookings Institution.

Later, Chávez met with a group of businessmen from the American Chamber of Commerce, during which he explained that it is *his* revolutionary plan which will guarantee that Venezuela remains inserted into so-called "globalization." According to Chávez, until he became President, "a corrupt and decadent political clique" (not the usurers of the City of London and of Wall Street) had looted his country. But from here on in, he insisted, investments "will be much more secure, and will rest upon more solid bases," once the ANC concludes its work.

Advice from the State Department

This view was echoed in Caracas by Michael Skol, a former U.S. Ambassador to Venezuela and currently one of the directors of the U.S. section of Transparency International, a powerful non-governmental organization (NGO) founded by the World Bank and controlled by the British monarchy. Skol was in Caracas on Sept. 22, to meet with his friend Aristóbulo Istúriz, vice president of the ANC. "I am quite optimistic about what is happening in Venezuela," declared Skol. He emphasized that what is going on there now does not worry him, since "there is no doubt, and this is understood better in the United States now, that the old Venezuela is finished, and that changes are necessary."

Chávez's visit to the United States was preceded by a visit one week earlier by an ANC delegation, which met with various political, economic, and media figures. The delega-

tion returned to Venezuela in the company of three “observers,” who were sent by the State Department in their capacity as “technical advisers” to the ANC. They are Robert Baker, Robert Whirter, and Peter Messite. In his first comments as an observer, Messite described an ANC document on human rights as “admirable.”

Chávez’s ‘revolution’

So far this year, national food consumption in Venezuela has fallen by 10.6%—according to the most recent study of the firm Datanálisis—the result of unemployment which grew from 11.6% in December 1998 to 17.4% at the end of August 1999. The informal economy already encompasses some 54% of the labor force, while industrial employment has fallen 14% during the first half of this year, according to the National Industrial Council (Conindustria). This means that 39,514 workers have lost their jobs. In 1996, the industrial labor force was 450,511 workers; today, it is 243,539 workers.

During all of 1998, which was a bad year, the decline in family income was 3.85%, while in the first eight months of the “revolutionary” year of 1999, the decline is already 5.5%. The concentration of income has reached proportions that make so-called “savage capitalism” look pale by comparison: Dividing the families by income into five levels, from A to E, Datanálisis finds that family income for the wealthiest sector, representing less than 10% of the population, is concentrated 33 times in comparison to the income level of sector E. In sector E, income barely covers 40% of the basic market basket, and 58% of the food basket. In sum, poverty now encompasses 79% of the population.

This reflects the brutal contraction of public spending under Chávez, despite the fact that the price of oil—Venezuelan’s main export product—has doubled during the first eight months of 1999, guaranteeing that international reserves remain above \$14 billion.

Obviously, with such shock treatment, inflation has fallen, simply because “no one is buying.”

Chávez’s Finance Ministry, meanwhile, has put an iron clamp on public spending, worse even than if Venezuela were under a strict IMF program. There is no payment going to vendors, nor contracts with the private sector, nor are allocations going to the state governments to pay vendors and employees. Things are so bad, that when the Association of Governors informed the Venezuelan Bishops Conference (CEV) of this, Msgr. Baltazar Porras said that, under these circumstances, “We cannot and must not play with hunger, and with the needs of the people.” The president of the CEV indicated that this situation has no explanation, in view of the increase in oil revenues: “Every day, we read in the newspapers about the increase in unemployment, the fall in buying power; given these [oil] resources, there should be a normal flow to the [state] governments, to enable them to meet their obligations with their workers.”

What more guarantees will the globalizers demand?

WHO reports dramatic rise in world diseases

by Jutta Dinkermann

The World Health Organization has issued a report showing that the world has dangerously underestimated the threat of bacteria and viruses to national security and economic growth, and may soon miss the opportunity to protect people from this risk. The report, “Removing Obstacles to Healthy Development,” was covered in the *Weekly Epidemiological Record* on Aug. 20, and is available on the Internet at <http://www.who.int/infectious-disease-report>.

As the report shows, infectious diseases are now the world’s leading killer of children and young adults, accounting for some 13 million deaths each year. Each hour, 1,500 people will die from infectious diseases—over half of them children under five. In 1998, only six diseases—AIDS, malaria, tuberculosis, measles, diarrheal diseases, and acute respiratory infections—accounted for nearly 90% of these deaths.

The report warns explicitly against being fatalistic about the situation, because this would make things only worse. There is also no reason for pessimism, since most of these illnesses can be treated. Effective medicines and control strategies are available to reduce dramatically the deaths and suffering caused by infectious diseases. *Most of the 13 million deaths a year from infectious diseases can be prevented*; low-cost health interventions already exist to either prevent or cure the infectious diseases which take the greatest toll of human lives. Indeed, most of the interventions have been widely available for years. The report says that most of the deaths from infectious diseases in developing countries could be prevented for \$5 a person and argues, “In an age of vaccines, antibiotics, and dramatic scientific progress, these diseases should have been brought under control.”

What is lacking, is the money, in a world seized by a lunatic binge of financial speculation, which is sucking the lifeblood out of the physical economy—although the WHO does not say so.

The report does say: “In 1990, bilateral, multilateral, foundation and NGO partners provided just over \$800 million to help developing countries control infectious diseases. This represents less than 2% of total donor funds. . . . With these disparities, it is not surprising, that a child born in a developing country today runs a 1,000-fold greater chance of dying from

measles than a child born in an industrialized country. Or that children born in Singapore are likely to live 40 years longer than children born in Sierra Leone.”

A window of opportunity

Having underscored both the feasibility of action and its many benefits, the report argues in an unheard-of tone of urgency for this UN-related bureaucracy, that the world “has a window of opportunity” to make dramatic progress in controlling these six leading killers and protecting people against new diseases. As the report stresses, “*the cost of failure will be high*: Increased drug resistance and the emergence of new bacteria and viruses could make the control of infectious diseases *both scientifically and economically unlikely* in the future.

“It is in the best interest of all countries to support global initiatives to control infectious diseases. Any segment of society that ignores the spread of infections among its neighbours, does so at its own peril. When a country becomes a weak link in the chain of global surveillance and disease control, everyone is affected. . . . Smallpox provides a very striking example. If smallpox had not been eradicated in a few remaining countries in 1977, the world might still be paying a heavy price today. Unforeseen was the imminent emergence of HIV/AIDS. Immunization with the smallpox vaccine—made from a live weakened virus—would now be *fatal* for many people whose immune system is impaired by HIV.

“Just a few years’ delay and global eradication of smallpox may have become impossible without the discovery of a new vaccine. Had smallpox not been eradicated—at a cost then totalling \$300 million—it could be among the top six infectious killers in the world today. Without past concerted efforts to fight the disease, smallpox would still be causing at least a million deaths a year and costing governments billions of dollars in health-care costs. These lessons have been overlooked. *The progress that the world can make today against infectious diseases may not be possible a decade from now. Increased drug resistance and the unforeseen emergence of new microbes could close the window of opportunity for controlling infectious diseases.*”

A shift in emphasis

In its concluding chapter, the report outlines priority steps for combatting infectious diseases and issues a call for action to reduce their impact—as obstacles to healthy development as well as leading causes of death and suffering. The attached call for action, issued by Dr. Gro Harlem Brundtland, is far from what is needed, being infected by the “green” tendencies for which the former Norwegian Prime Minister is famous. But, some interesting changes have occurred. For example, Brundtland (as well as the report itself) make none of the usual obligatory obeisances to the alleged “danger of overpopulation,” the need for “family planning” as a solution, and

similar hogwash usually brought up when health policy is being discussed by international agencies. Reality has had its impact.

Brundtland writes:

“Two futures are equally conceivable as we enter the 21st century. The rapid economic and scientific advances of the past decade can be built upon, and the impact of infectious diseases can be cut dramatically. Or, infectious diseases can continue to burden human development, new diseases can emerge, and drug resistance can reverse the scientific progress of the past century. Unlike our ancestors of a thousand years ago, we know both the causes and the solutions for most of the epidemics that plague us. How will history refer to us if we fail to control infectious diseases at the beginning of the new millennium?”

While this is fairly accurate, the most important problem of Brundtland’s call for action is she is essentially begging for more crumbs from the international community, rather confronting the magnitude of the problem by calling for an emergency program of the magnitude and seriousness of an Apollo program, and in the context of a global financial reorganization.

The problem of HIV/AIDS

The magnitude of the World Health Organization’s shortcomings becomes clearer, when it comes to the fight against the AIDS epidemic. Although the report presents very clear ideas about what has to be done about almost every other devastating disease in the world, it fails miserably when it comes to AIDS. It states that “expensive anti-retroviral drug therapy for HIV/AIDS is still way beyond the means of most developing countries,” so all that is left is condoms, sex education, and prayer for the emergence of an AIDS vaccine.

In fact, the magnitude of the AIDS problem is so enormous that world leaders must make an agreement to tackle this challenge with the necessary resources for doing so, at the same time declaring it one of mankind’s noblest enterprises. According to the latest UN figures, life expectancy in the most HIV/AIDS-affected regions in Africa has, in the recent period, dived from 60 years to 43 years.

The material provided by WHO clearly shows:

1. The economic strangulation of the Third World has caused the re-emergence of old diseases and the evolution of new diseases.
2. The fight against most of the diseases plaguing mankind is exclusively a question of political will.
3. Mankind—including the financial oligarchy—must now either act or sign its own death sentence. To wage this fight is no longer a question of whether or not one chooses to act morally or feels compassion for the victims. It is an objective life-and-death matter for *all* of mankind, which, according to WHO—must be answered, at the latest, in the next ten years.

New tax will savage economy

The Howard government's new business tax "reforms" will loot the economy to prop up the speculative bubble.

Millionaires in Australia will soon be paying less tax on investment income than factory workers pay on wages, following the Howard government's adoption in September of the "Ralph Review's" outrageous recommendations on business tax reform. As of Oct. 1, Australia's capital gains tax for individuals will be halved, leaving most people obligated to pay an astoundingly low tax of only 15 to 20% on the sale of stocks or real estate.

The government also adopted other Ralph Review recommendations, including slashing taxes on foreign investment, which will allow big U.S. and British investment funds to buy up even more of the country, and cutting the company tax rate, from 36% to 30%. These giveaways will be paid for by scrapping much of the accelerated depreciation allowance, one of the few remaining pillars of what is left of the physical economy.

The Review committee had been commissioned by Treasurer Peter Costello more than a year ago, to advise the government on business tax reforms to make Australia more "internationally competitive." The Ralph Review is one facet of a sweeping, British Crown-directed reorganization of Australia's financial and military affairs, that has been under way since a 1995 report by Britain's Royal Institute for International Affairs, "Economic Opportunities for Britain and the Commonwealth," recommended building up Australia as Britain's base from which to loot Asia. (See *EIR* 1997 Special Report, "The True Story Behind the Fall of the House of Windsor.")

Review head John Ralph is one of

the Queen's senior representatives in Australia. He heads her private Australian charity, the Queen's Trust, and is the former chairman and CEO of the mining giant CRA, the Australian wing of the world's largest mining company, Rio Tinto, which has since merged with its parent. Queen Elizabeth is the dominant stockholder in Rio Tinto, whose present and "former" executives dominate most corporate boards in the country.

The Ralph Review is a re-run of the disastrous early 1980s Kemp-Roth bill in the United States, which slashed capital gains taxes and fostered the build-up of the largest speculative bubble in history. The Ralph recommendation to lower the company tax rate from 36% to 30%, will provide an immediate \$2.4 billion windfall for the profits of big business, which are already at record highs. It also opens a massive loophole for tax avoidance, as it enables high-income earners to switch their affairs so that they could pay the 30% company rate, rather than the 47% top marginal income tax rate.

Costello claimed he would try and close the loophole, but said that "drawing a line" was a "very delicate and difficult process." The previous Labor government had passed the current capital gains tax after a series of scandals erupted about tax frauds by the wealthy amounting to tens of billions of dollars.

The revenue losses caused by the Ralph measures will be paid for by scrapping most of the accelerated depreciation allowance (which allowed businesses to write off the value of their plant and equipment at a faster rate than they actually depreciated) —

a savage blow to the physical economy.

While looting the physical economy, the Ralph plan will further inflate the speculative bubble — just as it was designed to do. Amazingly, before he put forward his proposal to halve the capital gains tax, Ralph asked the Australian Stock Exchange (ASX) to conduct research into the effects of doing so, ostensibly because the federal Treasury, which is responsible for such research, "couldn't afford it." As expected, the ASX's study strongly recommended such a cut, by which untold billions will pour into the stock market. Australia's 4.4 million shareholders already represent the second-largest percentage of stock-owning population in the world, after the United States, and the country will soon fulfill — right on the edge of the greatest financial crash in human history — Prime Minister John Howard's vision of Australia as "the greatest share-owning democracy in the world."

The Ralph Review is the second installment in a major overhaul of the taxation system which began last June, when the goods and services tax (GST) was passed, introducing a regressive 10% consumption tax. The tax changes are provoking outrage among the poor and middle class. "Once again the government is giving excessive benefits to a privileged few at the expense of providing services that unite and benefit us all," said Father Nic Frances, the executive director of the Brotherhood of Saint Lawrence.

With the GST in place, whose rates can be further raised at a moment's notice, and with business taxes now slashed, it is clear who is going to wind up paying the many additional billions in taxes required to support Australia's British-directed gambit in East Timor, and an expected dramatic military build-up.

Business Briefs

Forecasting

Malaysian journal covers LaRouche's 'triple curve'

In a feature article in Malaysia's *Smart Investor*, authors Long Shih Rome and David Tan review various "bear" scenarios for the stock market going into the new millennium, including Lyndon LaRouche's "triple curve" collapse function, which is run as an illustration.

Under the subhead "Global financial meltdown: the bear to fear," the authors say such a systemic collapse is the only bear scenario that is out of Malaysia's control. Malaysia's capital controls will insulate it from the immediate shock of capital flight, the authors write, and will also hinder hedge funds from shorting stocks or currency markets.

"According to non-orthodox economist Lyndon H. LaRouche, Malaysia belongs to the survivors club, which is a strategic triangle formed by China, Russia, and India. This group of countries is determined not to be pulled down by globalization and the international financial crisis. Apart from proposing reform in the international financial system, the only umbrella of protection is for these countries to trade among themselves." The article reviews "how close the world was to financial meltdown" following the LTCM blowout in the fall of 1998, and as confirmed in the latest report of the Bank for International Settlements.

Under the subhead, "The Triple Curve Collapse Function," the authors write: "LaRouche predicts the present world financial order is due for a collapse unless remedial actions are taken. He explains this prediction by his Triple Curve Collapse theory. To date, LaRouche has been accurate in predicting the financial crisis in Indonesia, Russia, and Brazil. LaRouche's Triple Curve Collapse theory shows the growth of three variables in any economy: financial aggregates, monetary aggregates, and physical-economic input/output."

Describing LaRouche's schematic diagram, the journal writes that financial aggregates, representing the current \$165 trillion of derivatives worldwide, have been growing exponentially since the early 1990s.

Monetary aggregates have also been growing in order to liquefy the financial system. In contrast, the output of the physical economy has been contracting. "The interaction of these three curves creates hyper-instability, which threatens a financial meltdown."

"To avert this meltdown, LaRouche proposes several measures: writing off the speculative paper, adopt a New Bretton Woods monetary system among sovereign nations, foster economic boom through building great infrastructure projects (water management, railways, power projects, etc.). Finally, nations can protect themselves by putting in place exchange and capital controls. It is in the latter measure that the Malaysian economy and to a certain extent, the Chinese economy (through non-convertibility of the Yuan), are insured against a meltdown."

Smart Investor has a circulation of about 20,000, mainly in Malaysia, Indonesia, and Singapore.

Foreign Debt

Anti-IMF resolution passed in Scotland

The Scottish National Party (SNP) passed a resolution at its annual conference in Inverness on Sept. 25-26, denouncing the austerity conditionalities of the International Monetary Fund and calling for debt relief for the Third World. Here is the text of the resolution:

"Recognising: i) that the majority of Third World debt now amounts to sums far beyond the capability of the recipients to ever repay the principal outstanding together with compounding interest; ii) that any further financial aid is being almost wholly used to partially pay accrued interest with the debt continuing to increase; iii) that the structural adjustments linked to debt repayment which are being imposed on governments by the International Monetary Fund are destroying the debtor country's capability to offer its population education, healthcare, nourishment, and the degree of social support expected of a civilised society;

"It is therefore resolved that this Party shall adopt a policy supporting Third World

debt cancellation and shall actively work with like-minded countries or organisations to achieve this aim while simultaneously reviewing the policies and structure of the International Monetary Fund and World Bank."

An amendment was added after the last paragraph, reading: "Conference reaffirms its wholehearted support for the Jubilee 2000 campaign."

Infrastructure

Israel's Peres promotes development projects

Israeli Minister of Regional Cooperation Shimon Peres, one of the architects of the Oslo peace accord with the Palestinians, is reviving the idea that economic development is necessary to underwrite any peace agreement between Israel and its neighbors, according to an article by Abraham Rabinovich in the *Washington Times* on Sept. 19.

That concept, which Lyndon H. LaRouche, Jr. promoted under the name "Oasis Plan," was blocked by the International Monetary Fund and the World Bank, which denied funds to the Palestinian Authority, and, to the extent that they encouraged "development" projects at all, favored construction of gambling casinos and tourist resorts.

"For 50 years we built borders with barbed wire and mines," Peres said. "Now, we've got to build them with industrial parks, high-tech and water desalination plants and power stations."

According to the *Times* story, Peres is now focussing on a series of joint industrial development projects along the borders with Jordan. He told the *Times* that he is not in the least upset that his government portfolio has not yet been defined, nor has a budget yet been provided. He said that the most important achievements of his career did not occur through top government posts, but through periods when he was either out of government, or working in subordinate positions, when he played a pivotal role in building Israel's defense industry, including its nuclear weapons program. Now, he says, "there isn't

THE IMF predicts 6.5% growth for Malaysia in its latest World Economic Outlook, the Bernama news agency reports. "A strong economic recovery is now under way in response to fiscal and monetary stimulus and the pegging of the exchange rate at a competitive level," according to the analysis. The 6.5% growth estimate exceeds Malaysia's cautious projection. One year ago, Malaysia adopted measures to protect its economy from speculators and the IMF.

THAILAND'S Prime Minister Chuan Leekpai denied on Sept. 23 that his government was considering Malaysian-style capital controls. *Manager Daily* had reported that a return to a fixed-exchange rate was being considered following the sharp fall of the Thai currency, the baht, to below 41 to the dollar.

THE CHICAGO Mercantile Exchange has instituted trading in "weather futures," AP reported on Sept. 22. Bets can now be placed on the average temperatures in Atlanta, Chicago, Cincinnati and New York, with plans to later add Dallas, Philadelphia, Portland, Oregon, and Tucson, Arizona. "Businesses are gambling on weather anyway, and this allows them to hedge their positions," said Jeff Porter, vice-president of Koch Energy Trading in Houston.

THE UAW is telling its members to buy U.S. Series I savings bonds rather than invest on the stock market, because "the party could be ending." The October issue of the United Auto Workers' *Solidarity* magazine writes that "the AFL-CIO encourages union members to save part of their earnings in secure, competitive investments."

THE BANK OF SCOTLAND on Sept. 24 launched a hostile \$34 billion bid to take over the \$297 billion National Westminster Bank, a bid which, if successful, would create Britain's second-largest bank. The terms of the bid would require NatWest to drop its planned \$17 billion takeover of Britain's Legal & General insurance group.

just a new Middle East. There is a new world, and any people who try to cling to the old will become increasingly backward and poor."

Petroleum

U.S. decries BP-Amoco role in pipeline project

The United States on Sept. 21 accused the consortium led by BP-Amoco of blocking progress on a proposed \$2.4-3 billion pipeline for transporting oil from Azerbaijan to western markets via Turkey, according to the *Financial Times*. It quoted John Wolf, the U.S. President's special envoy for Caspian energy, as saying that he shared Turkish leaders' "frustration at the pace" of negotiations by the Azerbaijan International Oil Consortium (AIOC) on a pipeline from the Azeri capital of Baku to the Turkish port of Ceyhan.

"Now the ball is squarely in the AIOC's court," Wolf said, after meeting Turkish President Suleiman Demirel in Ankara. "It has to stop using the process of negotiations to block the solid test of Baku-Ceyhan in the marketplace." The *Times* claims that "Wolf's remarks increased U.S. pressure on the oil companies to agree to a project wanted for strategic reasons by both Washington and Ankara." Turkey is desperately in need of such projects, especially after the devastating earthquake.

David Woodward, the president of the AIOC, rejected Wolf's accusations. "In fact, we are not hiding behind the negotiations and we are not trying to drag out the negotiations," he said. "Our companies have considerable experience around the world in what it takes to raise financing on the order of \$2 billion."

As *EIR* reported in our cover story of Sept. 10 ("An Oil Family: The Brzezinskis and 'the Great Game' in the Transcaucasus"), former U.S. National Security Adviser Zbigniew Brzezinski was previously a consultant on Caspian Sea oil matters for Amoco. The AIOC consortium was set up after Heidar Aliyev took power in Azerbai-

jan in June 1993. In 1998, Amoco was taken over by British Petroleum (BP).

Protectionism

UNCTAD endorses capital controls

The UN Conference on Trade and Development annual report for 1999, presented by UNCTAD President Rubens Ricupero on Sept. 20 in Geneva, warns of new "destructive" financial crises, and endorses Malaysian/Indian-style capital controls. The report emphasizes that in almost half of the developing countries examined, economic conditions are either stagnant or deteriorating.

Due to rapid liberalization in the 1990s and declining terms of trade, many developing countries are facing widening trade deficits and are becoming ever more dependent on foreign capital inflows. At the same time, about 40% of those private capital inflows are nothing but "hot money," that is short-term speculative funds, which have proven to be extremely unreliable. Between 1996 and 1998, net private capital flows to developing countries dropped by 70%. Almost every developing country in the world has been badly affected by the Asian crisis. And, the recent collapse of the Brazilian currency, the real, is now hitting all Ibero-American nations, in particular pushing up their external debts.

The report points out that "the two largest developing countries, China and India, have been striking exceptions in this otherwise bleak landscape. . . . It is notable that both these countries had resisted the temptation to pursue premature trade liberalization and rapid integration into the global financial system." UNCTAD promotes a reregulation of financial markets, if necessary including capital controls, as Malaysia and India have done.

Ricupero noted at the Geneva press conference that nothing has been done by the international community to prevent the outbreak of future financial crises similar to that of Asia in 1997-98. He added: "I have no doubt that new crises will come, and they will probably be as destructive as this one."

Toward a just world economic order—or a new Dark Age

The current global financial system is hopelessly bankrupt, Lyndon H. LaRouche, Jr. told the semi-annual conference of the International Caucus of Labor Committees and the Schiller Institute, meeting in Reston, Virginia on Sept. 4.¹ “My alternative, rather than letting it disintegrate, is to shut it down.” That means, restoring the United States to the principles that allowed President Franklin D. Roosevelt to mobilize this country out of the depths of the Depression, to win World War II. It means establishing a new global financial and monetary system, along the lines of Roosevelt’s Bretton Woods System—the system which met its demise in 1971, when President Nixon removed the gold backing for the dollar. Most importantly, it means carrying out a revolution in the way citizens and elites think and conduct their lives: a new renaissance.

On the second day of the conference, LaRouche’s wife, Helga Zepp-LaRouche, the founder of the Schiller Institute and its president in Germany, gave a second keynote speech, heading up a panel which gave the audience an intensive briefing on the world strategic situation. The speakers zeroed in on the choice before us: Are we going to plunge into a Dark Age of war, poverty, terrorism, and Jacobinism? Or, are we going to seize the opportunity provided by the economic and strategic crisis, to bring about a renaissance, a truly just new world economic order, as the philosopher Leibniz defined a scientific concept of justice?

Describing the intensification of British-steered regional conflicts, Mrs. LaRouche stressed that “this is the sure road to World War III: either chaos, a Thirty Years’ War, or indeed a global nuclear war and a Dark Age.

“The only way the world will come out of this terrible mess,” she said, “and avoid a disaster which would make the

two world wars of this century look like a picnic, is for the United States, China, India, Russia, and hopefully continental Europe and Japan and other countries, to adopt, in the short term, the LaRouche program for the New Bretton Woods and the Eurasian Land-Bridge.”

“You must get a sense of the excitement of what the world could look like in a short period of time,” she said, “with the New Silk Road, which would not be a silly geopolitical manipulation around pipelines, but where large infrastructure corridors around all of Eurasia are built, as densely as you could find it, for example, let’s say in Germany today.” She described a world of high-technology development—maglev transportation, modern nuclear power plants—a world in which each child receives a quality education, and has bright prospects for the future. In such a world, there would be no breeding grounds for war and terrorism.

“The only way this can happen,” she said, “is if the United States—and you are key to that—takes leadership, so that President Clinton changes U.S. policy in support of the Eurasian Land-Bridge. And this will only happen if the LaRouche Presidential campaign explodes in the coming days, and that you go out of this conference with a noble commitment that this misery can not continue, that you become the instrument to change American policy. . . .

“I believe, with Confucius, Plato, Leibniz, and Schiller, that man is limitlessly perfectible. Therefore, I don’t think that the early nineteenth century or the Ming Dynasty were the last periods where man could produce outstanding works. I’m certain that the era of the Eurasian Land-Bridge, will be the true springtime of all humankind.”

In this *Feature*, we publish two other speeches from the same panel, focussing on case studies of Ibero-America and Africa. The speakers were *EIR*’s Ibero-America Intelligence Director Dennis Small and Africa Intelligence Director Linda de Hoyos.

1. Mr. LaRouche’s speech was published in *EIR* on Sept. 17. Mrs. LaRouche’s speech appeared in the weekly *New Federalist* on Sept. 20.

Justice vs. Jacobinism

by Dennis Small

In 1702, which is just about 300 years ago, the great German philosopher-statesman Gottfried Wilhelm Leibniz, in a very short essay called “Meditation on the Common Concept of Justice,” began with a question, which I want to read to you, and which I think is of the greatest significance to the current strategic crisis, and to the solution that we have to provide to it.

The question itself is of significance; needless to say, so is the answer. Leibniz said:

It is agreed that whatever God wills, is good and just. But there remains the question whether it is good and just because God wills it, or whether God wills it because it is good and just.

This is not a play on words. The question is: whether that which is good and just, is so because God wills it, or to the contrary, whether God wills it because it is good and just.

Now, I won't take a poll as to who chooses which of these two answers. Take your own internal mental poll, and keep that in the background, as we develop some ideas with regard to this question of justice.

The issue of justice today is clearly fundamental. There is no question, I think, for most people at this conference, that the current world situation is a complete, total disaster, and must be immediately changed. And we have often spoken of the need to build, in its stead, a just new world economic order. In fact, most of us probably have some concept of “economic order.” If you then talk of a *world* economic order, that idea is also straightforward. And if you add that it must be “new,” that is simple enough. But exactly what does this idea of a *just* new world economic order mean?

To be able to answer that, of course, you have to be able to address the issue raised by Leibniz's quotation, in an appropriate fashion. I have chosen to address the issue of justice, and the question of a just new world economic order, through the prism of recent developments in Ibero-America, to get a handle on this concept.

Ibero-America in free fall

Under the pressure of the world financial crash, we see entire nations shattering. They are shattering economically;



EIR Ibero-America Intelligence Director Dennis Small: “It is only a Leibnizian concept of justice that can put an end to Jacobinism and the powers behind it, which are today making a hell of Ibero-America and the entire world.”

they're shattering politically; and, most importantly, they're shattering psychologically. The insanity and the psychosis which prevails today stretches from the lunacy of the recruiting of child narco-terrorists that you heard about yesterday in the case of Colombia, to the disaster that's affecting Russia, and to perhaps an even greater lunacy, which is the hysterical denial of these other insanities which prevails in this country, the United States of America.

Observe what has been going on economically in Ibero-America. Look at the case of Mexico, and the production of consumer goods there from 1981 to the present (**Figure 1**). Applying LaRouche's physical-economic methodology, you can see that in the 13 years between 1981, when IMF policies were imposed on Mexico, and 1994, the production of consumer goods in Mexico dropped by approximately 20%.

Then, after the explosion of the debt bomb in Mexico in December 1994, with the wonderful “solutions” provided by the IMF, and by Harvard-trained economists, and Yale-trained economists, and Chicago-trained economists, another 20% collapse in the production of consumer goods was achieved, only this time it didn't take 13 years to bring it about — they pulled it off in four years.

But now, we have all been told, the world financial crisis has been solved, never to return. They got it under control, and the Mexican economy, like the rest of the world economy,

FIGURE 1
Mexico: consumer goods production

(index: 1981=100)

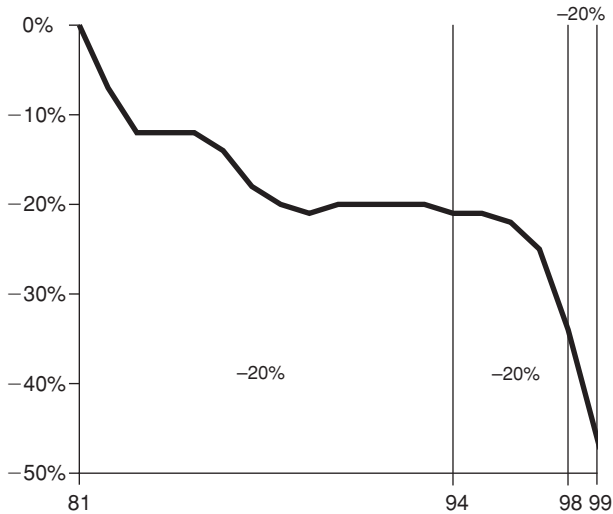
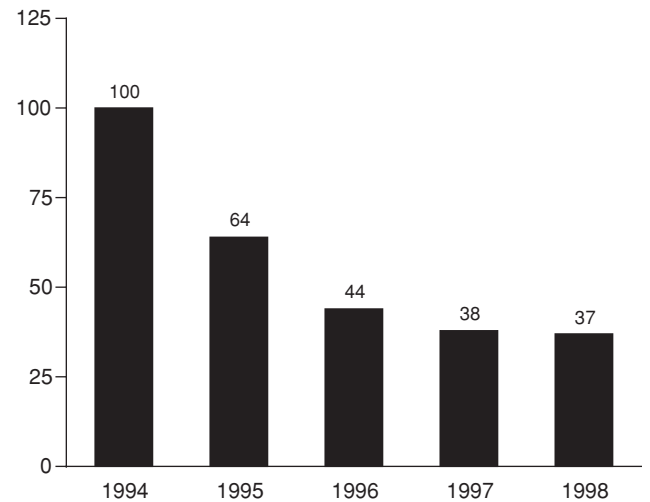


FIGURE 2
Mexico: commercial bank loans

(index 1994=100)



is turning around, and staging a “recovery.” But look at what has happened to the consumption of consumer goods in the “recovery”: It has dropped another 20%, this time in only one year.

So you have a free fall going on in Mexico. You have a total implosion of a physical-economic process.

What has happened to the financial side, to the banking system? *There is no Mexican banking system. It's gone, as it is in many other countries.* Oh, sure, there are banks there. They have their shingles hanging out on the door. But they are essentially vacuum cleaners to suck money out of Mexico—about \$105 billion so far—and ship it abroad to the foreign creditors.

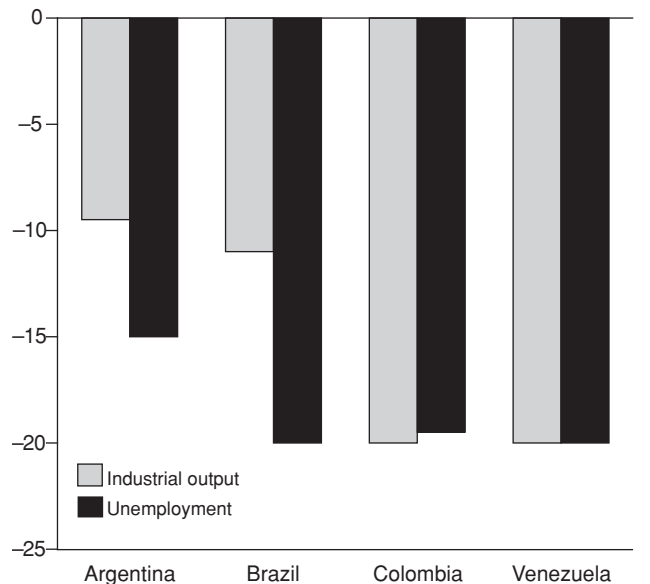
What about lending by Mexican banks inside Mexico? As **Figure 2** shows, if it was at an index value of 100 in 1994, over the last four years it has dropped down to 33. Today there are only one third of the bank loans to Mexicans that were occurring at the already miserable levels in 1994. This is a complete collapse.

If you look at the rest of the continent, you will see that there is an implosion going on across the board, both in industrial output and employment (**Figure 3**). Industry in Argentina and Brazil, over the first quarter of 1999, has collapsed at the rate of about 10% per year. But they are the relatively lucky ones. In Colombia and Venezuela, industry is collapsing at the rate of 20% per year.

Now look at unemployment. You have rates of unemployment of 20% in Colombia and Venezuela—and these are the official rates; the actual physical-economic reality is far worse.

FIGURE 3
Industry and unemployment

(first quarter 1999)

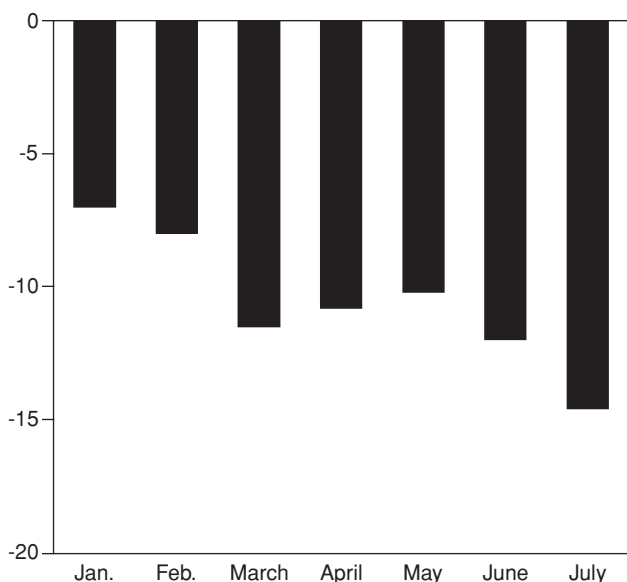


But that's still not the worst of it. Not only are the economies of Ibero-America in free fall, but the rate of collapse over the course of 1999 to date has been increasing. **Figure 4** shows the case for Argentina, charting industrial output

FIGURE 4

Argentina: 1999 industrial output

(annual rate of change)



month by month over 1999, January through July. The rate of collapse in January was “only” 7% over the same month a year earlier. But as of July, the annual rate of collapse of Argentine industrial output had doubled to 15% per year.

You get the drift of where this is heading? Straight down.

Venezuela: Jacobinism unleashed

Now, in this framework of collapse, the overall economic strategy of the British-American-Commonwealth financial oligarchy, is one of resource-grabbing, of gaining control over vital natural resources. We have discussed this in previous conferences and panels.

My intention today is not to talk about this economic side of the British strategy in the case of Ibero-America today—where that resource-grabbing is definitely going on—but to focus instead on the *political* side. That is to say, how do the British intend to actually keep control over this process of implosion, disintegration, and psychosis, that they have induced, as it spreads?

Here what is going on is that—and the words may shock you, what I say may sound exaggerated—the British strategy is to deliberately, intentionally create a regional, continental, and global narco-terrorist apparatus to impose legalized drugs, narco-terrorist armies, a massive expansion of drug consumption, and the destruction of nation-states across the entire area.

Yesterday, General Bedoya showed you the maps of Co-

lombia, and you heard what the FARC is up to.¹ However, what makes all of that worse by an order of magnitude, is that in the neighboring nation of Venezuela, a most dangerous President has come to power, whose name is Hugo Chávez, Lt.-Col. Hugo Chávez. From his position as President—i.e., with all the attributes of state power—*Chávez is in an overt alliance with the FARC, to spread the hell which is Colombia today, throughout the entire region of South America.*

And what is the position of Madeleine Albright’s State Department about this? Well, she argues, so far Chávez is following democratic procedures, so it’s okay.

I want to tell you a bit more about this Chávez phenomenon, because I think it will give you some idea of how the issue of justice is required to address the world situation.

Chávez became President of Venezuela in February 1999. His foreign policy has been straightforward: It’s an alliance with the FARC. He has been assigned by his British sponsors to play a continental role in this regard. He has offered to negotiate with and recognize the FARC, and thereby, as a head of state of a foreign power, to effectively grant them belligerent status. This would give the FARC the recognition which they so far have not achieved, and would allow this narco-terrorist process to spread across the region. To this same end, Chávez is touring parts of South America, for the purpose of building the forces for this continental narco-terrorist alliance. That is his foreign policy in a nutshell.

What is Chávez’s economic policy? Straight IMF dictates. You wouldn’t believe the praise for Chávez in the pages of London’s *Economist* magazine, the *Financial Times*, and the *London Times*. Their view is: “Well, there’s a lot of radical rhetoric, but the fact of the matter is that Chávez has imposed economic policies more friendly to free trade than the previous governments of Venezuela.” And that is in fact the case. Chávez is opening Venezuela to free trade, opening the oil industry to foreign takeover, and implementing IMF economic policies. The only difference with earlier governments is that Chávez has dressed it up in the garb of the “Third Way,” that is to say, the Tony Blair Way, the British way.

But even worse than his foreign policy and his economic policy, is what Chávez is doing in the political area: He has created a kind of “Rosemary’s Baby” in Venezuela, which is called a “Constituent Assembly.”

It all sounds nice. They are going to “modernize the state” and rewrite the Constitution. Except that, prior to doing that, every single other institution of Venezuela today is being razed—a total Jacobin revolution.

Mind you, it’s not that the existing institutions are so

1. Colombia’s Gen. Harold Bedoya (ret.), former Defense Minister and Commander of the Armed Forces, addressed the conference on Sept. 4, documenting the insanity of Colombian President Andrés Pastrana’s “peace at any price” appeasement of the narco-terrorist Revolutionary Armed Forces of Colombia (FARC). For a full report on his visit to the United States, see last week’s *EIR*.

good. The previous governments *were* very corrupt; the Congress was corrupt, the judiciary was corrupt. *We* know about the corrupt judiciary of Venezuela; you don't have to tell us about it. They banned our book *Dope, Inc.* in Venezuela back in the 1980s, and it's still banned. At least, I think it is: It all depends which judge you ask, and who greased his palm most recently. So we know all about judicial corruption in Venezuela.

But what Chávez is doing is another matter. Through the Constituent Assembly, he has eliminated every existing institution of government and of state in Venezuela, and replaced them with his personal Jacobin rule through this Constituent Assembly, all on the pretext of carrying out "the will of the people."

In July, the Constituent Assembly was set up. On Aug. 24, they declared a judicial emergency, under which they de facto dissolved the Supreme Court, by getting the Court itself to vote in favor of handing control of judicial affairs to the Constituent Assembly. The president of the Supreme Court, a woman by the name of Cecilia Sosa, announced that she was resigning as the head of the Supreme Court, because the Supreme Court had just committed suicide, in order to not be assassinated.

That was Aug. 24. On Aug. 25, they declared a legislative emergency, under which they dissolved the elected Congress. The Assembly simply announced that they were taking over, and that the Congress was gone. Backed by the power of the state and President Chávez, they made it disappear.

Three days later, they did the same thing with all the state legislatures. The next thing that is coming, is an executive emergency, through which they are going to banish all the governors in all of the different states of Venezuela.

In order to accomplish all of this, Chávez, in alliance with the FARC in neighboring Colombia, has established a Jacobin mood of mass hysteria in the country, a country which is suffering an official unemployment rate of 20%, and whose economy is destroyed. Chávez is using this crisis to whip up the population into a Jacobin frenzy targetted against every single institution which still exists in the country.

And the mood of hysteria is rapidly spreading. The governor of the Federal District — i.e., the capital, Caracas — retired admiral Hernán Gruber, recently threatened:

We need public executions in the plazas for grave crimes against the people.

Think of it: *This is the mayor of Caracas, calling for public executions.* Shades of the French Revolution. In fact, such lynchings are already occurring, for example in the state of Falcón. And in the state of Lara, the governor has ordered the state police *to not interfere* when such lynchings of criminals and others occur.

Is all of this happening against Chávez's wishes and desires, or behind his back? Not at all. President Chávez — remember, this is the President of a country speaking — said the

following on the day he won the plebiscite calling for the Constituent Assembly:

The victory of the patriots has been pulverizing. You are either with God or the devil. And we're with God, because the voice of the people is the voice of God. Now, Chavez is not Chavez. Chavez is the people. And the people cannot be stopped.

Now, this statement reflects a very old philosophy; this isn't new. Chávez may think it's new. He may think he's the first person who thinks he's God, supposedly because "the will of the people is the will of God" (which isn't true, by the way).

But this is a very old philosophy, and it's based on a very profound cultural pessimism. And when hysteria runs amok in a population, when psychosis becomes empowered and it seizes control of a country, as it has in Venezuela, as it is doing in Colombia, and as is happening in the United States in a different way, it is because cultural pessimism has gained sway. When you look at Venezuela and Chávez, you have to ask yourself: Is this just one wacko? Or is there something else on here, something indeed far worse?

Hobbes's 'Leviathan'

To answer that, I want to take you back to 1651, to one of the founders of philosophical radicalism, which otherwise should be called "British fascism," whose name is Thomas Hobbes.

In the *Leviathan*, which is Hobbes's most famous work — which, by the way, is cited by Henry Kissinger as one of his major philosophical and intellectual guideposts — Hobbes presents his solution to what should be done in a society:

To confer all their power and strength upon one man, or upon one assembly of men that may reduce all their wills, by plurality of voices, unto one will, which is as much as to say, to appoint one man or assembly of men to bear their person . . . and therein to submit their wills every one to his will, and their judgments to his judgment. . . . This is the generation of that great Leviathan (or rather, to speak more reverently, of that mortal god) to which we owe, under the immortal God, our peace and defense.

So Hobbes is saying that you need one person, one man, one assembly — perhaps a Constituent Assembly? — as a substitute for God, to impose his will and to subject the will and the identity of all individual people.

And why do you need such a tyrant, according to Hobbes? Why is this necessary? What is his view of society, that it requires this?

A Leviathan is needed, says Hobbes, because the natural state of mankind is one of war of each against all:

During the time men live without a common power to keep them all in awe, they are in that condition which is called war, and such a war as is of every man against every man.

Thus for Hobbes, and for Chávez, and for the British more broadly, the natural condition of man is one of war, of each against all. Therefore, you need the Leviathan, or the great tyrant, to keep everybody under control.

But *why* is war the natural condition of man? Well, says Hobbes, that is because what rules man, what makes man man, are his desires. You might recall this same line of argument from Bernard de Mandeville. The way Hobbes puts it is:

Private appetite is the measure of good and evil. Felicity is a continual progress of the desire from one object to another.

Where have you heard that before, that felicity, or happiness, is just hopping from one object of desire to another?

But why does Hobbes consider this to be man's identity? Why desires? Because there is no such thing, he argues, as creativity. Man's mind is nothing but a sense-perception apparatus. You are what you perceive, and that's that:

There is no conception in a man's mind which has not at first, totally or by parts, been begotten upon the organs of sense. The rest are derived from that original.

Given all of this, if this is what man purportedly is, one might rightly ask what is Hobbes's concept of justice. He says:

To this war of every man against every man, this also is consequent: that nothing can be unjust. The notions of right and wrong, justice and injustice, have there no place. Where there is no common power, there is no law; where no law, no injustice.

This, then, is Jacobinism, the mindless genuflection before the fleeting "will of the people," as expressed in the arbitrary laws of the day. This is what the British have established and are fomenting around the world. This concept of man spawns this concept of justice (or lack of justice) as nothing but the laws of the moment created by the existing state. There is no Truth; there are only "reasons of state." There is nothing higher than this—other than the arbitrary decisions of "the people." There is only cultural relativism. And this, therefore, gives rise to and lets loose the bestiality of the sort which you see in the FARC in Colombia, which you see in Russia today, which you see in East Timor, and so on and so forth.

Leibniz on justice

We reject all of that. Fine. But, what *is* justice? What is right? What is the proper answer to this quandary? Let us

return to the way Leibniz posed the issue in 1702, a half century after Hobbes's fascist *Leviathan*:

It is agreed that whatever God wills is good and just. But there remains the question whether it is good and just because God wills it, or whether God wills it because it is good and just.

And he continues:

In other words, whether justice and goodness are arbitrary or whether they belong to the necessary and eternal truths about the nature of things.

Now, this is quite interesting, because the way that Leibniz has posed this issue, is in fact identical, conceptually, to the way Plato poses the same issue in his dialogue the *Euthyphro*. There he has Socrates ask the following question:

The point which I should first wish to understand is whether the pious or holy is beloved by the gods because it is holy, or holy because it is beloved of the gods.

Leibniz argues that the first approach—the idea that things are good and just simply because God wills them—is absolutely wrong, and in fact leads to the inability to distinguish between God and the devil (a pretty serious charge):

Indeed [this view, that justice is only what God wills and for that reason alone, it is not knowable in itself] would destroy the justice of God. For why praise Him because he acts according to justice, if the notion of justice, in His case, adds nothing to that of action? And to say my will takes the place of reason, is properly the motto of a tyrant. Moreover this opinion would not sufficiently distinguish God from the devil.

So Leibniz is saying that there is a concept of justice that must be established, which does not derive simply from authority as authority—even that of God—and certainly not the authority of a Leviathan, contrary to what Hobbes says.

Leibniz continues his argument as follows:

A celebrated English philosopher named Hobbes . . . [who has lain down truly wicked principles and adhered to them with too much fidelity] . . . has wished to uphold almost the same thing as Thrasymachus [a character in Plato's *Republic*—ed.] for he wants God to have the right to do everything, because he is all-powerful.

Thrasymachus, you might recall, said in Book I of the *Republic*: "I declare justice is nothing but the advantage of the stronger." This view, which is also Hobbes's, Leibniz says is completely wrong. Because if you have that concept, and only that concept, of God, what you are doing, is you are

destroying that which is most crucial, the *love* of God, leaving only fear behind. Leibniz says:

It is not enough, indeed, that we be subject to God just as we would obey a tyrant; nor must he be only feared because of his greatness, but also loved because of his goodness. . . . The goodness of the actions and productions of God do not depend on his will, but on their nature.

Let us underscore that last phrase: “*on their nature.*” In other words, man can *know* what goodness and justice are. They are intelligible to human reason. God wills the Good and the Just because he is incapable of doing anything but that which is good and just. *And man is capable of knowing that that is the case.* These concepts, Leibniz insists, are accessible through human reason. Man can know justice.

But what, then, is justice? Justice, says Leibniz, is the pursuit of the Good. But guided by wisdom. He puts it in the following terms:

Justice is goodness conformed to wisdom. . . . And wisdom, in my sense, is nothing else than the science of felicity.

We have come upon that same word that Hobbes used, “felicity,” which Hobbes defined as your desires run rampant. But for Leibniz, the pursuit of felicity—or call it *the pursuit of happiness*, which may be a phrase that echoes in your mind from the founding documents of the American republic—the pursuit of felicity, for Leibniz, is a science knowable to man, made in the image of God. For Leibniz, such felicity is the pursuit of the Good, which is man’s duty and obligation, but also his desire. So for Leibniz, what one *ought* to do, because it is right and because it is just, becomes that which one *wants* to do, that towards which one’s desires are oriented, and that with which one’s emotions are in concordance. This is an absolutely Schillerian concept.

Leibniz says, in a 1694 document appropriately titled “Felicity:”

Thus the sovereign wisdom has so well regulated all things that our duty must also be our happiness, that all virtue produces its own reward, and that all crime punishes itself, sooner or later.

(I would only add that if we do what we must do, that “sooner or later” will become sooner *rather than* later.)

What is the concept of man that Leibniz has put forward? By answering the fundamental question about the nature of justice, Leibniz has made it clear that man is born to accomplish a task. What gives him joy is to accomplish that task, a task which is of necessity for all of mankind, and which is part of God’s intended purpose in so creating mankind.

In “The Principles of Pufendorf,” Leibniz says:

We are not born for ourselves alone, but a part of us is claimed by our neighbors, and by God the whole.

In another brief essay, “Memoir for Enlightened Persons” of 1695, Leibniz puts it even more poignantly, in a brief statement that I would have to say is among my favorite quotations from Leibniz, and which is most important, optimistic, and uplifting for periods of psychosis like the current one:

For one is obligated in conscience to act in such a way that one can give an accounting to God of the time and powers he has lent us.

It is this concept of man, this concept of God, this concept of the created universe, and very specifically, this concept of justice, complex though it may seem at first, which is the only source of the kind of optimism—true optimism—which can provide guidance to populations which are today being driven into mass psychosis and hysteria, and help lead the way out of the hell in which we are already living today.

It is in that sense that I would pose, and leave with you as a thought for further consideration, that it is only such a Leibnizian concept of justice that can put an end to Jacobinism and the powers behind it, which are today making a hell of Ibero-America and the entire world.

The Way Out of The Crisis



A 90-minute video of highlights from *EIR*'s April 21, 1999 seminar in Bonn, Germany.

Lyndon LaRouche was the keynote speaker, in a dialogue with distinguished international panelists: **Wilhelm Hankel**, professor of economics and a former banker from Germany; **Stanislav Menshikov**, a Russian economist and journalist; Schiller Institute founder **Helga Zepp-LaRouche** from Germany; **Devendra Kaushik**, professor of Central Asian Studies from India; **Qian Jing**, international affairs analyst from China; **Natalya Vitrenko**, economist and parliamentarian from Ukraine.



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A dark age or a renaissance?

by Linda de Hoyos

Today we will look at the great continent of Africa from the standpoint of the question: African renaissance or dark ages?

Figure 1 is a picture of a city to be built in the middle of the Central African Republic, where the Transaqua Canal—which would take water from the great Congo River into Lake Chad to begin the greening of the desertified Sahel—crosses a highway that is to be built stretching from Mombasa, Kenya, to Lagos, Nigeria. This was a project put forward by an Italian energy firm's think-tank, and it was approved by three African Presidents in the early 1990s. If we could actually buy a plane ticket to fly to this city, then we would know that we are in the African Renaissance.

Figure 2 shows Brueghel the Elder's painting called "Mad Meg," and we can see her, the tall woman there, striding through a scene of absolute chaotic violence. This is the type of scene that we can see in thousands of square miles of Africa. And we recognize in Mad Meg an early role model for our war-mongering Secretary of State Madeleine Albright and her underling, Susan Rice.

Really, the question we are asking today is not whether Africa is going through a dark age or a renaissance, but how do we get out of a dark age into the renaissance? So, let's first place Africa in the global strategic context.

Yesterday, Lyndon LaRouche told us¹ that when the United States under President Nixon went off the gold reserve monetary system in 1971, when that system collapsed, all hell broke loose. He is absolutely right. In Africa, a foretaste of what that was going to mean was represented by the British installation in power in Uganda of Idi Amin, who acted in a very short period of time to trample to death all the economic gains that had been made in Uganda by the previous government. And Uganda has not recovered since.

Three years later, in 1974, another very important event took place, particularly for Africa, and this was the release by Henry Kissinger of the infamous document, National Security Memorandum 200. With the bankruptcy of the world monetary system, NSM200 said basically that there are too many people in the world, especially those in the underdeveloped world, and they pose a national security threat to the United



EIR Africa Intelligence Director Linda de Hoyos: "As cataclysmic and terrible as the news is that we read every day in the press about Africa, because human beings truly are made in the image of God, we see that the oligarchy, by declaring war on humanity, has inadvertently laid the seeds of its own destruction."

States because they are sitting on vital raw materials. There are too many of them, and their number must be reduced. This was made the policy of the United States.

But I do not want you to think that this is the policy of the United States per se. It is the policy of private interests, which has been run through the United States government as an instrument of private interests, and it has nothing to do with the national security or national interests of this country. NSM200 was a declaration of war on the part of the oligarchy against humanity. It was a declaration that the compromise that had existed between the oligarchical and the republican principles, the republican principles that are required for humanity's survival, *is over*. Seeing the signs of catastrophe, the oligarchy said, we are determined that we will survive that catastrophe, with ever greater power than before; it is humanity that is going to go.

And we see in the hell that has broken loose since, why we say today that we face a systemic crisis, not simply an episodic business cycle, but a systemic crisis of civilization. The events in Africa today pose this challenge to everyone in the starkest possible terms.

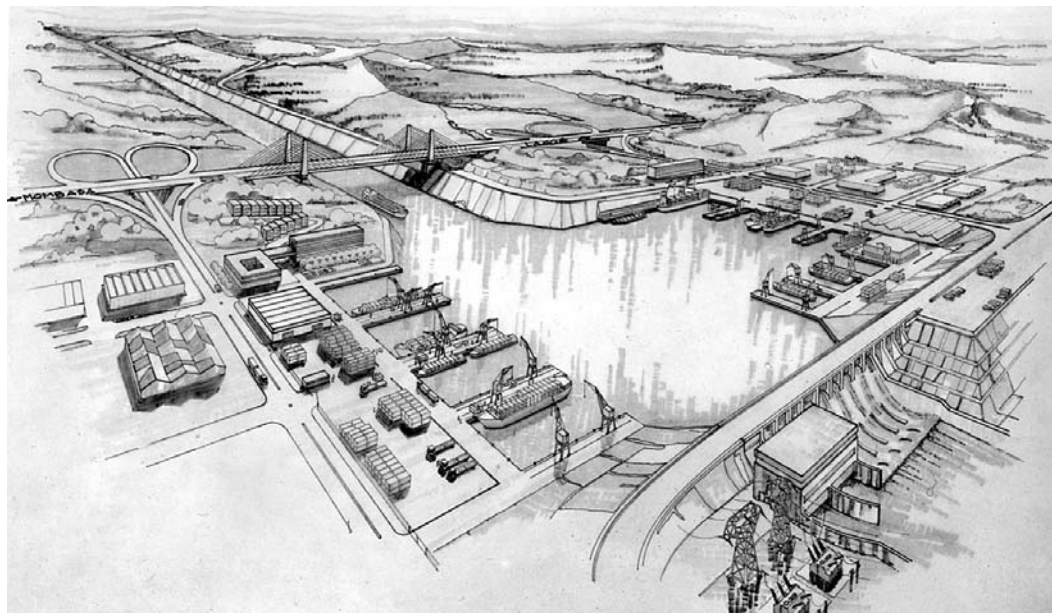
What is a dark age?

Now, what is a dark age? At its most fundamental level, a dark age is the wanton criminalization of society. Imagine an American street, Elm Street, U.S.A.—the type of street we

1. Lyndon H. LaRouche, Jr.'s keynote speech to the conference was published in *EIR*, Sept. 17, 1999.

FIGURE 1

Artist's rendition of integrated river port in Central African Republic



saw in the illustrations to the Dick and Jane readers of first grade. Now, just imagine that suddenly all the houses on the street have been assaulted by heavily armed gangs, who have taken everything out of the house worth owning, have kidnapped little Jane and turned her into a sex slave of some rebel group, have recruited Dick to become a drugged and armed killer of his own family and neighbors, have killed Father and raped Mother, and burned all the houses in sight. That is a dark age, and this is happening in Africa today—in Uganda, in southern Sudan, in Congo-Brazzaville, in Angola, in Congo, in Rwanda, in Burundi, in Sierra Leone, in Liberia—everywhere where there is war today in Africa.

This is what Africans face today, and as General Bedoya reported to us yesterday, it is being faced by people in South America, and elsewhere. This criminalization does not begin with the armed gangs killing people and stealing on the street. Where did such criminal gangs come from? *This criminalization begins at the top.* And to make this clear, I would like to get the meaning straight of some terms we often hear in the world today. The criminalization begins with the post-war monetary system, *insofar as*, instead of true total independence being granted to the developing countries of the former colonial world, what was granted was a nominal independence in which their sovereignty was harnessed by the International Monetary Fund and the World Bank.

Now let's see how this operates as per NSM200. Let's take the case of Zambia. In the late 1960s, Zambian President Kenneth Kaunda nationalized the country's great copper fields and told the British Commonwealth's Anglo American Corporation, which had owned the land, to get lost. Immediately, the International Monetary Fund cut off all money to Zambia and stopped all donor funds to Zambia, by not giving Zambia the IMF seal of approval. Then the donor countries

instigated the destabilization of the Kaunda government, which was thrown out in elections in 1992, in which the opposition was heavily supported from outside. Then the new President, Chiluba, was given a very harsh set of IMF demands, which he *met*, but still there was no money coming into the country, from the IMF or from donors, because Zambia had not sold its mines. Then the Zambian government tried to sell its mines to Zambians—not good enough. Finally, after the economy had been brought to its knees, with Zambians literally starving, Zambia this past year was forced to sell its mines to Anglo American at the price of \$72 million. Now, this is called "privatization." But in the non-criminal world, we don't call this privatization, we call this extortion, blackmail, taking thousands of people as hostages—for the purposes of stealing. We call this *organized crime*.

Take it another way. You are the head of state of a country whose major export, say, is tin. You need to export tin in order to get dollars in order to bring in capital goods, to industrialize your country, and bring it into the modern world. You are told this is not possible. You must first pay your balance of payments deficit. So you try to do that, but it turns out you need to borrow money to do it—at exorbitant interest rates from the International Monetary Fund. Meanwhile, the price of your commodity, tin, has fallen on the international markets. You are forced to resort to more desperate measures. You have forgotten all about importing capital goods, that is a dream of the past. You are forced to borrow even more money at greater interest rates to pay back the interest on the principal of the loans you had previously borrowed to pay the first deficit. You're forced to borrow more and more. Meanwhile, the only thing you can afford to import is food and absolutely bare necessities. Your population is becoming increasingly destitute and desperate and unemployed, so that if



Peter Brueghel the Elder's "Mad Meg" strides through a scene of chaos and violence. "We recognize in Mad Meg," says de Hoyos, "an early role model for our war-mongering Secretary of State Madeleine Albright and her underling, Susan Rice."

you subtracted all those people standing on a street corner selling 12 bananas, you would find that unemployment is nearly 80%. Now, the sophists at the IMF or the World Bank, say that you are merely feeling the "painful but ultimately healthy brunt of globalization and the freedom of the marketplace," and that your "service industries are taking off," and you should not knock the benefits of the "informal economy." But in a world that was not ruled from hell, we would simply call this what it is—loansharking, price-fixing, unfair business practices, extortion, and enslavement. We would call it *organized crime*.

Now, if all hell broke loose in 1971, by the beginning of the 1990s and the end of the Cold War, even hell was beginning to get out of hand. Wars began to break out all over Africa. There was Somalia in 1990, the invasion of Rwanda in 1990, the invasion of Liberia from Ivory Coast by Charles Taylor in 1989—wars which have spread and continue to this day. This is the point at which total war was launched against

the African nation-state as an institution—where the oligarchy said, "No matter how weak and fragile you might appear, your existence will no longer be tolerated."

In 1996 and again in 1997, Rwanda and Uganda invaded the Congo for reasons of their own security, they said. We have such scenes as Rwandan Defense Minister Paul Kagame admitting in the front pages of the *Washington Post* that his troops had deliberately murdered hundreds of thousands of people in the eastern Congo, as a security measure. More than half of those killed were children under the age of 12. And nothing is done. Nothing is said. *Nothing is done*. We are told instead that Kagame represents a "new breed" of African leader, who is out to "reconstruct" the failed African state, although it may be a little bit authoritarian, and that these are the leaders who are taking matters into their own African hands. Now, *we don't* call them a "new breed" of leadership. We call them armed gangs. We call what they are doing armed robbery, rape, and murder.

And so today, in so many places in Africa, people who are surrounded by this, are left with the option of being either passive, hopeless victims of this criminality, or of joining the criminals in one way or another. We call this *trickle-down criminalization*.

It begins at the top, with the likes of that zealot Malthusian Prince Philip of England, and IMF Managing Director Michel Camdessus. This is what it looks like at the bottom—say in Somalia. As UN Secretary General Kofi Annan reported recently, “Somalia is being seen as a black hole where the absence of law and order is attracting criminals and subversives. Virtually all the trappings of government have been looted, from buildings and communications facilities to furniture and office equipment. All government records, libraries, and museums have been totally destroyed. There is no health care. There are no police, no civil service, no judiciary.” Needless to say, Somalia has no seat at the United Nations; it has no embassies; it has no government. And nobody knows what the Somalia desk officer at the State Department does.

Even where there is not war, where there is just the organized criminality that has killed so many by poverty, there is such desperation and rage that it is easy to recruit to organized criminal operations or to organize mob violence against a neighbor, as in drought-stricken Mali, where people killed each other for sticks of firewood. Rampant criminality is also created by the millions of displaced in Africa, who simply have no home and are wandering from place to place to find food, and often have to resort to criminal robbery against the people of the host country. Now what does this organized criminality do to those most vulnerable members of society—to children? We see the phenomenon of thousands and thousands of street children throughout Africa. Earlier this year, the Zambian government announced that there were 200,000 street children in the country, in a country of 9 million people, and that the government was going to initiate a program to return these children to their homes. But it was pointed out that this was ludicrous, since most of these children do not have homes to return to. If they are out in the street, it means that their family cannot take care of them. It means that there is no food in the family. And I have been told, that under conditions in which people are starving to death, the younger children simply cry all day, and the older children leave the home in order to find food. In short, children are being left to fend for themselves on the streets—how do they do that? They have to beg or steal—and come under the protection of the Fagins who will teach them how. Or, they can be recruited into the armies—as Kabila is doing with street children in Congo, or as was done with the Revolutionary United Front in Sierra Leone. Twelve-year-old children with AK47s man checkpoints, so you can imagine what it is like to go through them.

According to the 1999 report of United Nations Human Rights Rapporteur Roberto Garreton, Kagame had rounded up 3,000 children in eastern Congo earlier this year, and ac-

ording to Garreton, “900 of these children were disappeared” in the space of one month. Now, if we are destroying our children, we are destroying our future, we are destroying our society, we are destroying ourselves. Such is the hell on Earth that has been produced by the declaration of war against humanity signified by NSM200.

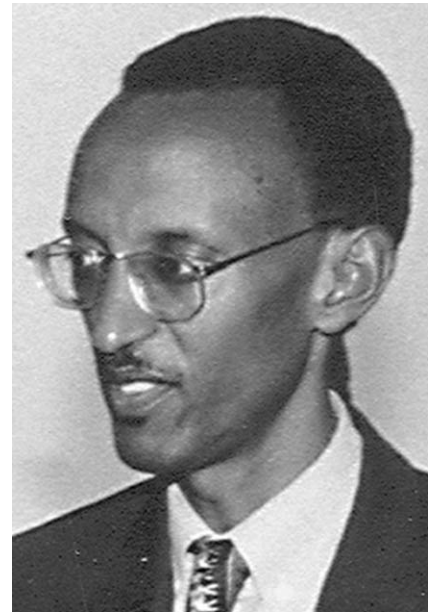
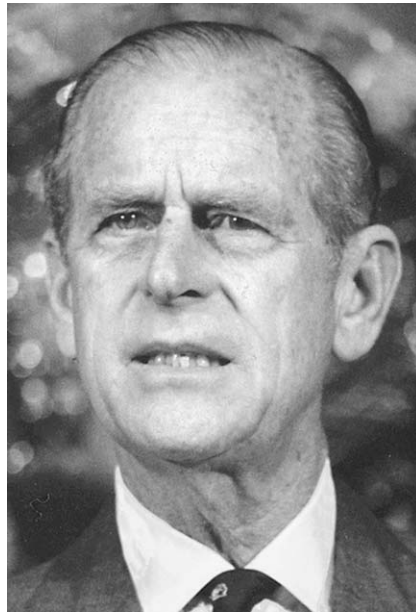
Requirements of leadership

Is there a way out of this hell? In answering this question, I want to draw your attention to a scene in the movie *Gandhi*, in which Gandhi is in the midst of the riots of Calcutta, I believe. Gandhi is fasting, in order to try to stop the riots, and a Hindu man comes to him completely horrified, and says, “Mahatma, I have killed a child, I have killed a child simply because he was a Muslim. I have killed a child. I will go to hell, what can I do?” And Gandhi says, “I know a way out of hell. Take a Muslim child who is an orphan, and take that child as your own, and raise him as a Muslim.”

I tell this story for two reasons. First, this is an indication that in order to get out of hell, we must sacrifice something in ourselves that makes us vulnerable to the criminal manipulations going on around us. This seems obvious, but it *isn't easy*. I have talked to many people who have lived in countries that were under British colonial rule. And they will tell you that it is standard operating procedure for the British to rule by turning one group against another—by divide and rule. Everyone knows this. Yet, in the next breath, they will turn around and attack the group against which they have been targeted. This tells you that there is something inside us that wants to feel better about ourselves at the expense of someone else—where greed lies, where the devil lives in our soul—that under conditions of desperation, drives us in blind rage to latch on to the easy solution and lash out at our neighbor as the guy responsible for our problem, when in fact he is facing the same problems we are. What Gandhi is saying is, *You must give this up*. You must give up your prejudices, your hates, your greed. You must reach out—to help others.

Second, the only power that we possess in hell is the power to do good. There is no other power. People running around like Museveni or Kagame appear to be absolute tyrants, to have the power of life and death over millions of people, but they are mere slaves, mere second-rate imitators of the people at the top who deploy them. We don't see Prince Philip down in Africa with a machete killing a child. He has these slaves to do it for him. The only power we possess is the power to do good. And this takes true leadership, that is no longer operating on the basis of a compromise with the oligarchy.

A friend of mine from northern Uganda who had come to visit here, was describing the horrific situation in this war-afflicted area, where everyone is in camps for the internally displaced, where the children are starving and dying, where the entire fabric of the society is falling to pieces. And he said to me, “You see, Linda, we have a problem of leadership in



“People running around like Museveni or Kagame appear to be absolute tyrants, to have the power of life and death over millions of people, but they are mere slaves, mere second-rate imitators of the people at the top who deploy them. We don’t see Prince Philip down in Africa with a machete killing a child. He has these slaves to do it for him.” Left to right: Ugandan dictator Yoweri Museveni, British Royal Consort Prince Philip; Rwandan Defense Minister Paul Kagame.

Acholi-land.” And I told him, “Believe me, not just in Acholi-land. It is everywhere, in every corner of the globe.”

That is because the criterion for leadership is far greater than it has ever been before. First of all, leadership today must have a vision; we have to know where we are going, what the future can be, a future that we can give our children. If we don’t have that, if we don’t convey that, we cannot inspire in *ourselves* and others, the courage and hope required to fight. Second, we need leaders who are willing to painstakingly work through problems for the purpose of bringing peace—peace against the rule of divide and conquer. We need leadership that is selfless, because that is the only way to inspire trust.

A year ago, I reported at this conference that the good news was that Zimbabwe and Namibia had joined the war in the Congo against the British marcher-lord states of Uganda and Rwanda, on the basis of a defense of sovereignty. Despite terrible pressures on them, the line is being held there. That is good news. Lyndon LaRouche has said that the three key countries of Africa are Sudan, South Africa, and Nigeria.

Today Sudan is food self-sufficient, its government which is based on a sophisticated and well-educated elite continues to function, and last Monday [Aug. 31], it began its first exports of oil, which earned it that day \$2.2 million which pays for two days of the war. Despite the fact that the oligarchy is determined to destroy Sudan through war, today Sudan is stronger than it was one year ago. It is winning the fight for independence and self-sufficiency, at great cost, but it is winning it. And it is showing all Africa what can be done.

Nigeria is under a new leader, Olesegun Obasanjo, who

is making clear that, despite the hopes of the oligarchy for him, he is not playing to the tune of the International Monetary Fund. He has restored agricultural subsidies; he has made increasing agricultural productivity the number-one priority of his government. That is good news.

In South Africa, we have a new President, Thabo Mbeki, who was trained under Kenneth Kaunda in Zambia. Mbeki has to reside in the heart of the beast, in a country where Anglo American owns most of the economy, but there are indications that Mbeki understands the crisis, knows the score. And we hope that he will be able to act in such a way as to empower his country to truly contribute to Africa.

In the past year, there has been an outcry against the International Monetary Fund and against debt slavery throughout Africa—from the President of Zimbabwe, the President of Zambia, the President of Ethiopia, the President of Namibia, from the President of Nigeria, and from archbishops and bishops, from local non-governmental organizations. There is mass petitioning against the IMF and the debt slavery in numbers of countries. Reality is beginning to sink in. Hence, as cataclysmic and terrible as the news is that we read every day in the press about Africa, because human beings truly *are* made in the image of God, we see that the oligarchy, by declaring war on humanity, has inadvertently laid the seeds of its own destruction. The hell it has unleashed is also a crucible out of which a new leadership is beginning to emerge—that is ready to take responsibility to relieve the terrible suffering of its people and lead them to safety and to the future. And there is nothing those leaders need more than a United States that is listening to Lyndon LaRouche.

British war provocations in Caucasus escalate

by Jeffrey Steinberg

Great Britain's longstanding plan to break up Russia as part of its global "divide and conquer" imperial stratagem has moved into a new and most dangerous phase, at precisely the moment when central bankers from throughout the advanced sector are finally admitting that the world financial system is at a near-breakdown point. This volatile mix of escalating British-manipulated provocations against Russia's North Caucasus region, and looming financial chaos, could take the world stumbling into a nuclearized World War III—much sooner than most world leaders and informed citizens are prepared to imagine.

On Sept. 29, Russian Prime Minister Vladimir Putin admitted that Russian ground troops have launched an offensive into Chechnya, aimed at driving "Islamist" separatists into the mountain regions in the south of the breakaway republic. Unlike the 1994-96 Chechen War, Russian troops are apparently not aiming to crush the separatist forces, but are seeking instead to force them into the mountains, before the beginning of the harsh Caucasus winter, and to deny them the ability to carry out military operations in other parts of Chechnya or in bordering Dagestan, which has been the scene of two major incursions in recent months. Preparatory to the ground invasion across the plains of northern Chechnya, which began several days before Putin's statement confirming the action, Russian jets had carried out several weeks of aerial attacks all over Chechnya, striking a wide range of targets, including civilian infrastructure that the Russian government claimed was abetting the terrorist operations.

The problem with the Russian military operation—while it is totally justified—is that it fails to address the true nature of the threat. Chechen separatists are but one element of a British-directed plan to break up Russia by exploiting to so-

called "soft underbelly" of the vast Russian territory, by fostering ostensibly "Islamicist" breakaway rebellions in the Caucasus and Central Asia.

In the past several months, that British drive has accelerated, with a series of "blind terrorist" attacks in Moscow and other major Russian cities, which have caused a mass psychological trauma, on top of the already intolerable economic hardships that most Russians have been experiencing, increasingly, for the past decade, under the weight of International Monetary Fund austerity prescriptions and the looting by western speculators and Russian compradors.

As Mark Burdman reported in last week's issue of *EIR* ("British Pyromaniacs Light War Fires in Eurasia"), the evidence is conclusive that London is the driving force behind the Caucasus warfare.

As if to underscore that British perfidy, the City of London's house organ, the *Financial Times*, ran a Sept. 30 editorial, calling for Chechen independence. Under the headline "Chechen Folly," the *Times* wrote: "The Russian military claims to be taking a leaf out of NATO's Kosovo campaign in launching 'precision' attacks. But it appears to be causing far more collateral damage to civilians than NATO did. If there is a parallel with Kosovo, it is more with Belgrade's attempts to keep Kosovo within Serbia, and the lesson of history is that a hostile people on a territory cannot be kept indefinitely within a country by force. . . . The pity is that Moscow did not recognize Chechen independence in 1996."

Simultaneously, the BBC aired an interview with "Islamist rebel" Shamil Basayev, the ostensible leader of the terrorist insurgency. BBC correspondent Phil Devall gloated as he described Basayev's broad grin as he predicted that Russia would "choke" on the Caucasus. Earlier in the week, BBC

had aired another interview, with Mullah Omar, the head of the Afghanistan Taliban, who attacked the United States and the United Nations for failing to condemn and counter Russia's military moves in the Caucasus.

These latest British advertisements of their drive to dismember Russia underscore the fact that no proper flanking attack against this British-led effort is possible without first understanding the British factor. Indeed, the current crisis in Chechnya and Dagestan is but the latest phase of an operation that was launched more than 25 years ago, *from London*. The fact that the British are just as adamant today about breaking up Russia as they were, at the height of the Cold War, about breaking up the Soviet Union, is but one measure of the fact that, for the London oligarchy, the issue was never "fighting communism." Rather, as several sources close to the British monarchy have recently told *EIR*, *it has been British Foreign Office strategy for the past 200 years to break up all rival empires*. Today, that list of "empires" includes Russia, China, Indonesia, India, and the United States.

A brief timeline

Long before Zbigniew Brzezinski's famous visit to the Khyber Pass in 1979, following the Soviet invasion of Afghanistan and the beginning of the decade-long Afghan War, such British geopolitical strategists as Dr. Bernard Lewis had called for the creation of an "arc of crisis" stretching along the entire southern tier of the Soviet Union, from Iran through Central Asia. Lewis and his acolytes, including Brzezinski and Harvard University's Samuel Huntington, Brzezinski's Carter administration national security deputy, pressed for western backing of nominally Islamic insurgents warring against the Soviets all across this "arc."

The first direct move to implement the "Bernard Lewis Plan" came in 1978, with the Islamic Revolution in Iran, during which time, the British threw their support behind Ayatollah Khomeini. For the British, the Shah of Iran's efforts to modernize his country were unacceptable. However, no sooner did Khomeini consolidate power in Tehran, than the British encouraged Saddam Hussein to make war against Iran, a war that devastated both countries from 1980 to 1988. Afterwards, the Thatcher government in Britain got George Bush to bomb Iraq. This was a stereotypical British Foreign Office "divide and conquer" operation.

In a 1979 *Time* magazine cover story, both Brzezinski and his alter ego, Henry Kissinger, were quoted, reassuring people that the Islamic fundamentalist upsurge posed no threat to the West, but would do deadly damage to the Soviet Union. In a later manifestation of the same insane geopolitical dogma, Brzezinski clone Huntington would declare Islam to be the new enemy of the West, in his *Clash of Civilizations* recipe for a post-Cold War global conflagration.

It was in response to the British-steered developments in Iran, that Soviet airborne units were sent into Afghanistan on Christmas Eve, 1979. A decade later, Soviet troops withdrew

from Kabul, in what was universally described as "Russia's Vietnam."

The Afghansi mujahideen

The Afghanistan War caused what some so-called experts euphemistically called "corollary damage." The Golden Crescent region, subsuming Afghanistan, Pakistan, and Iran, became the world's largest opium-producing region. Of the 35,000 Islamic combatants who were recruited by the United States, Britain, Israel, and other western governments to conduct the surrogate war against the Red Army in the mountains of Afghanistan, many were left, following the "victory," with nothing to show for their efforts. Their fervor to defeat the Soviets was soon retargetted against the United States, their own Middle Eastern and North African nations, and others.

As Lyndon LaRouche wrote in *EIR* on Oct. 13, 1995: "A new wave of international terrorism is stalking the world. It is led by a horde of mujahideen mercenaries: human flotsam, like the 1920s 'rootless' veterans of World War I, cast upon the world in the wake of the 1980s Afghan War. This is the worst terrorism yet; it is much worse than that of the 1970s. It is coordinated from the capital of a former U.S. ally, London; worse yet, it was created with the complicity of former U.S. Vice President (later, President) George Bush. . . . Once the Soviet forces had retreated from Afghanistan, the Anglo-American-sponsored mujahideen, together with their massive drug- and arms-trafficking apparatus, were dumped on the world, a legion of 'special forces'-trained mercenaries, for hire. Today that legion of mercenaries is a keystone-element within a new international terrorism, which reaches westward across Eurasia, from Japan, coordinated through a nest of terrorist-group command-centers in London."

It is this Afghansi mujahideen apparatus that makes up the core of the networks running the terrorist insurgency in Dagestan, Chechnya, and on the streets of Moscow today. Through layers of cut-outs—inside the Pakistani military's ISI intelligence service, within the Taliban regime in Afghanistan, through a wide range of often-British-run non-governmental organizations, and drug-and-gun crime syndicates, which wash their criminal proceeds through British Commonwealth offshore banks—this international terrorist capability has been transported onto Russian soil, on behalf of the British strategic assault launched nearly a quarter of a century ago.

To a certain extent, this operation has taken on a life of its own. The name "Osama Bin Laden" has been attached to this structure, like a shorthand symbol, connoting an "Islamic" face on what is, in fact, a British classic countergang operation. However, the guiding British hand cannot be detected unless one views the sweep of developments of the past 25 years, summarized above. The British do not micro-manage all of their terrorist assets. They create the framework, set the process in motion, and let the "living theater" proceed on its own.

Georgian leader: America needs a President the world can love

The nation of Georgia sits in the Caucasus Mountains by the Black Sea, right at the epicenter of today's wars and geopolitics (see EIR, Sept. 10, 1999, "Brzezinski Plays Britain's 'Great Game' in Central Asia"). Giga Burduli, Deputy Foreign Minister under President Eduard Shevardnadze, has urged NATO membership for Georgia and, immediately, closer NATO military involvement with the republic, which borders on Chechnya and other North Caucasus regions of Russia. At the same time, Tbilisi is engaged in diplomacy with Russia, aware that Georgia itself can again fall victim to separatist insurgencies, run through the same chains of command from London as the ones that struck Russia with terrorism and turmoil.

Under these circumstances, Georgia faces Parliamentary elections on Oct. 31 of this year, and a Presidential election next April. Dr. Vladimir Kilasoniya, who is active on behalf of the Schiller Institute in Georgia, informs us that the dividing lines among the electoral slates are viewed inside Georgia as chiefly a matter of economic policy. The "rightist" alliances, including President Shevardnadze's Union of the Citizens of Georgia, favor monetarist approaches to economic policy, further privatization of infrastructure and industry, and adherence to NATO, the European Union, the International Monetary Fund (IMF), and the World Bank. Some "centrist" slates, such as the Adjara-based Union for the Rebirth of Georgia, also support gimmicks that would open Georgia up to further looting, such as dotting the country with free trade zones. On the "left," the Socialist Party, Labor Party, and United Communist Party are campaigning to save free health care, roll back some privatization, block the legalization of the sale of land, and pursue closer economic integration with Russia.

Another strong "leftist" bloc is the "Reborn Communists and National Patriots" slate, headed by Valeri Kvaratskhelia and former Speaker of the Parliament Vakhtang Gogvadze. Dr. Gogvadze was interviewed for EIR by Dr. Kilasoniya on Sept. 16, 1999.

Kilasoniya: In the past ten years, you have published a number of philosophical essays on the theme of Apocalypse. What is behind this interest in this? Do you think that Judgment Day is coming?

Gogvadze: Panic about the approach of Judgment Day has

arisen periodically through the ages. It is gathering strength on the eve of the Third Millennium. Of course, nobody knows when the Lord will come. I can assure you, that Judgment Day is the most severe punishment for godless people, but believers welcome it as the justice of the will of God. The Lord will judge us. But judgment does not mean imprudence. "Thy will be done."

Kilasoniya: What do you think about the spiritual crisis of mankind, the unipolar system, and the World Order? What are the prospects for U.S. relations with the rest of the world, particularly with Georgia?

Gogvadze: The collapse of great states has always taken place as a result of great wars. After the Second World War, which took the lives of 50 million people, the fascist banner was broken over the Reichstag. Half a century later, the Soviet banner was taken down from the Kremlin. The Soviet Union collapsed without a single shot being fired. But, defeat in far from cold war has brought to the peoples of the countries of the former Soviet Union more woe, than did the Second World War. I would call the on-going Third World War an enchantment's war, in that it is conducted not in the form of enmity and battles, but under the guise of friendship and "humanitarian aid." Philosophers and writers have not yet shed light on this Satanic miracle. In place of the bipolar world, we got a unipolar system of world rule. One Evil Empire was eliminated, but evil grew back.

There is an interesting story about a forest where the wolves were destroyed, so that the reindeer could multiply. But it turned out that the wolves had kept the reindeer mobilized. They had picked off the sick deer, so that a natural process of improving health occurred. Without the wolves, the reindeer went into decline, they weakened, and fell prey to diseases. The reindeer died off. Thus, there are laws of contradiction, dialectical laws, in nature. Without the Soviet Union to oppose, the unipolar empire confronted unanticipated problems, which threaten to sicken the entire world economy and human life.

American flags were not burned in the Soviet Union, nor in other countries. But now? These unfortunate incidents are taking place on almost all continents. It is a worldwide tendency. In Tbilisi, the beautiful building that houses the U.S. Embassy has been disfigured, turned into a fortress with a

huge guard-fence. Tbilisi residents jokingly call it “the Berlin Wall.” The only ambassador who travels under reinforced armed guard is the U.S. Ambassador. When I was Speaker of the Parliament, not so long ago (1992-95), this was not the case. Tbilisi, unfortunately, is not exceptional.

Kilasoniya: How do you see the U.S. Presidential elections? What would you advise American voters to do?

Gogvadze: I am not a U.S. voter, but the policy of the unipolar empire affects us all. More than ever, we are in one boat. The world community ought to have peaceful ways to resolve problems — problems that are so difficult, as to raise the question, “To be, or not to be?”

Unfortunately, Presidential candidates mainly have to play their cards for the sake of votes. Like children, who don’t ask their father where he got so much money, the voters do not inquire where profit comes from for the United States. But now, an absolutely unusual moment has come in U.S. history. The entire Eastern world of nuclear powers, and bankrupted and enraged Russia, must be pacified. The draconian policy of the IMF, the draconian ideology of Brzezinski and his successors, have incited the entire world against the United States.

The United States and its people, the majority of the people in any case, are against aggression and enmity toward the surrounding world. Every American should travel freely in the world. The Americans have such an ideology — not yet realized, but promising. The United States will take a new path, with a new ideology.

Kilasoniya: With what policy, with what America, would it be desirable to have friendly relations?

Gogvadze: The only candidate for President of the United States, who has sounded out the real tendencies in U.S. relations with the rest of the world, is Lyndon LaRouche, with his almost faultless forecasts about the financial system, the self-destructive current monetary system. There is nobody Russia and the former Soviet republics trust, like LaRouche.

His heroic and moral biography will make it possible to turn all the injured countries and peoples, who have suffered from annexation and aggression by the IMF and the World Bank, to the side of the United States. In today’s different situation, a forward-looking policy is needed like never before.

The conception — essentially, the new ideology of Lyndon LaRouche is based on the need to restore moral principles. The cult of Mammon has taken mankind to the brink of spiritual exhaustion. The world is facing a catastrophe. All spiritual and intellectual capabilities must be mobilized, to cure civilization through culture. “Civilization destroys culture,” as Spengler said. LaRouche’s conception may seem idealistic or romantic in its lofty aspiration — a return to harmony from disharmony.

More concretely: After the barbaric bombing of Iraq and Yugoslavia, after the exposure of covert subversive actions

against the countries of the former U.S.S.R., the United States is up a blind alley. Soon, an Eastern bloc of nuclear powers will be formed against NATO. That bodes no joy for anybody.

I would like to appeal to the American people. Trivial phenomena may be better observed close-up. Colossal phenomena need to be viewed from some distance. From distant Georgia, I would like to express not only greetings and good wishes, but the thought of all peace-loving people in Georgia: We would very much like to see as President in the White House in the year 2000 a person who is wise, unsullied, endowed with God’s gifts, and capable of embracing the entire world with love. It seems to us that Mr. Lyndon LaRouche is

The only candidate for President of the United States who has sounded out the real tendencies in U.S. relations with the rest of the world, is Lyndon LaRouche, with his almost faultless forecasts about the self-destructive current monetary system.

such a man. Through the image of this person, we shall love your country, beautiful just as it was portrayed in your classic films.

Kilasoniya: Mr. Gogvadze, the political temperature in Georgia is very high. Parliamentary elections take place on Oct. 31 of this year, and Presidential elections on April 9, 2000. What is the people’s mood before the elections, and how do you assess the prospects for democracy today?

Gogvadze: Guided by our customary principle, “Don’t wash dirty linens in public,” I shall make no critical remarks. To characterize the situation in general, we have somehow copied American democracy, but the result was anti-democracy. The form is democratic, but the content is a regime — just as is the case throughout the former socialist countries and the countries of the former Soviet Union. This regime was invented in the West by the children of Satan.

The election is for money, not the people. Moral people, who have no money, are not allowed on board. Eighty percent of the population, victimized under this so-called democracy, is suffering, but they are supposed to vote for those who have robbed them. What an “expression of the will of the people”! One can hear Satan’s laughter. But, no, we are gripped by divine optimism like never before; the stern judgment of the Almighty is near. Ultimately, it is impossible for the Good to be altogether uprooted, for God to hand the world over exclusively to the heirs of Satan.

I am absolutely certain, that justice will triumph.

Oligarchs revive Chiapas conflict in plan to break up Mexican nation

by Carlos Cota Meza

The British-led assault on the world's fourth-largest nation, Indonesia, under the pretext of a global armed military intervention into the province of East Timor, allegedly in defense of "human rights," marks an escalation in the financial oligarchy's intent to do away with the nation-state altogether.

Mexico is in the sights of these same international forces, and the secessionist Zapatista enclave in the state of Chiapas has once again been reactivated, with the strong participation of supranational agencies, posing an ominous threat to national sovereignty.

On Sept. 7, Diorodo Carrasco, who has served since May 21 as Government Minister in place of Francisco Labastida (one of the ruling PRI party's four Presidential pre-candidates), suddenly released an open letter to the Zapatista Army of National Liberation (EZLN), entitled, "One More Step Toward Solving the Conflict in Chiapas." The letter is a total abdication of the principles that the federal government had been defending, with some ups and downs, since it first took office in December 1994.

The six points defined by the new Government Minister within the so-called Larrainzar Agreements with the Zapatistas, are that the government 1) asks that the Mexican Senate incorporate into its analysis "other rulings and information on the issue of indigenous rights and culture"; 2) calls on the EZLN to participate in a program that fulfills the commitments contained within the San Andrés Larrainzar Agreements; 3) pledges to free members or sympathizers of the EZLN who have been arrested, as long as they "are not implicated in bloody deeds or violations"; 4) will analyze the denunciations of "harassment made by the NGOs, and affected persons or communities"; 5) supports the establishment "of a new attempt at mediation, civil and non-partisan"; and 6) affirms that government representation "will have adequate decision-making and negotiating power."

The proposal must contain something really rotten, because the next day, the Bishop of San Cristóbal in Chiapas, Samuel Ruiz, immediately supported it. The renegade Bishop Ruiz is effectively the commander of the Zapatistas (see profile in *EIR*, Feb. 25, 1994). Accompanied by Mairead Maguire, 1977 Nobel Peace Prize winner and member of the consulting board of Amnesty International, Ruiz described the government initiative as "quite positive," because "it places

dialogue on the national level, which is where it must be."

By suspicious coincidence, on the same day that the government presented its open letter to the EZLN, another Nobel Peace Prize winner (1987), Oscar Arias Sánchez, "recommended," from the city of Monterrey, where he was participating in the Servants of Peace symposium, that "Mexico turn to friendly governments and to international personalities to solve the Chiapas conflict." The former Costa Rican President stated that "countries with internal conflicts should, with humility, seek to find the necessary means and support for ending them."

Thus, in the turbulent political situation the country is facing, we suddenly discover that the mis-named "Chiapas conflict" is one step away from becoming internationalized, creating the basis for the intervention of organizations such as the United Nations, as in East Timor.

Sen. Luis Santos de la Garza, a member of the opposition National Action Party (PAN) and also of the Committee of Legislative and Judicial Affairs, was very eloquent as to what this all means, when he stated, "I believe that it is a political gesture, a radical change, a modification that promises to carry out the San Andrés Larrainzar Agreements"; but these, said the Senator, "will crush the life out of the Constitution, because they would create areas of exception, which the Constitution itself does not authorize." Nonetheless, the PAN legislator welcomed the government's changed attitude, "given that many national and foreign personalities are hoping that the Chiapas problem will be quickly solved."

Serious political conflict

Bishop Ruiz couldn't be happier. The new government policy offers to revive (point number 5) his National Mediation Commission (Conai), which had been created on Oct. 13, 1994 as the result of talks between the Bishop and Manuel Camacho Solís, who had at the time been designated "negotiator" with the EZLN by then-President Carlos Salinas de Gortari.

It was President Ernesto Zedillo, then a Presidential candidate, who demanded that Camacho Solís be fired for wanting to "take leaps into a vacuum," and for placing institutional stability in danger with his "conversations in the [San Cristóbal] Cathedral." Later, the "Chiapas conflict" cost the political

heads of Estéban Moctezuma Barragán and Emilio Chuayfetz Chemor, in the Government Ministry.

Francisco Labastida Ochoa took the post of Government Minister in January 1998, only days after the massacre of a group of Indians in the community of Acteal, Chenalho. New attempts at negotiations in Chiapas at the time led to the dissolution of Ruiz's Conai, which had demonstrated "excessive partiality" in favor of the EZLN's secessionist proposals. In addition, the Bishop had demanded constitutional changes that would have overturned the state's ownership of the soil and subsoil, and of natural resources, among other things.

During 14 months of his administration, through May of this year, President Zedillo had repeatedly visited Chiapas, slamming the "apostles of violence," criticizing the "hypocritical" defenders of Indian interests. And, as proof of the area's stability, President Zedillo did aerobic exercises in Palenque and swam in the Montebello Lakes, zones considered part of the Chiapas "conflict." With the new open letter, Zedillo's policy has suffered a 180-degree turn.

Ever since the Chiapas conflict began, it has been evident that the true objective of the EZLN is to inflict a political defeat on the National Army, which is one of the institutional pillars of Mexico's national cohesion. With the open letter, the Zapatista strategy has moved an important step forward.

The drastic political changes that President Zedillo is introducing through his new Government Minister, reveal the high level of supranational political pressure being brought to bear on him, to make him believe that with this new policy turn, he will succeed in appeasing the enemies of the nation-state, allowing for an "orderly transition" toward the end of his six-year Presidential mandate. The opposite will, in fact, be the case.

The Balkanization plan

There are clearly strong supranational pressures to produce another East Timor in Mexico, and behind this one, can find the followers of Manuel Camacho Solis. Juan Enríquez Cabot, Camacho's right-hand man in real estate negotiations in Mexico City (together with financial speculator George Soros), recently published an article in the quarterly *Foreign Policy* magazine of the Carnegie Endowment for International Peace, in which he summarizes the thesis upon which he is currently writing a book, entitled, *Flags, Borders, Anthems, and Other Myths*. (See accompanying interview.)

Enríquez states that "the tide of secessionism which is sweeping across the world" is not only produced by "catastrophic social unrest," but also by globalization—which is perfectly fine, according to him. Globalization downsizes states, "as if [they] were a business conglomerate," while establishing free-trade zones. Autonomous regions and new little states thus become conceivable and viable.

Enríquez foresees the destruction of nations from Africa to Spain, to even the United Kingdom. He writes off "Goliath states"—Brazil, China, India, Indonesia, and Russia—as al-

ready lost. All, he writes, "face massive internal challenges that could lead to splits within their borders sometime early in the next century." He cites as exemplars of the most successful "nations," small countries such as Luxemburg, Singapore, and Switzerland.

He emphasizes that separatism could divide up the United States, as well as the Americas in general. "It *can* happen here," he writes. "The nations that comprise the 'new world' of the Western Hemisphere have long taken comfort in the absence of historical cleavages and catastrophic conflicts that have afflicted their 'old world' progenitors. But in an era of globalization, the secessionist impulse knows no geographical boundaries."

On Mexico, Enríquez says that "Mayans throughout Chiapas" are "questioning the status quo," and adds that in "relatively rich" northern Mexico, there are raised "voices of dissent . . . asking what benefit they derive from their national identities."

Enríquez Cabot is the son of Antonio Enríquez Savignac, who was a prominent official in the government of Mexican President Miguel de la Madrid. On the maternal side, he comes from one of Boston's banking families, historically linked to the British Crown. The title of his book echoes Thomas Cooper, the pro-slavery American of the last century, who stated: "The nation is a grammatical invention. . . . It lacks existence and emerges, like a simple vision, from the head of the politicians."

Enríquez is simply regurgitating what Camacho had already written during his stay at Princeton University, under the tutelage of Richard Falk—an expert, together with Zbigniew Brzezinski, in the destruction of nations.

Raising the specter of civil war

Attempting to fulfill the "prediction" of the fragmentation of Mexico made by Enríquez, the governor of the state of Guanajuato and Presidential candidate for the PAN, Vicente Fox, issued a provocation in mid-September, during a political meeting to accept the PAN's Presidential nomination. Fox—who is a New Age-type neo-liberal, and the preferred candidate of Wall Street and the City of London—paraded around with the banner of the Virgin of Guadalupe, and threatened to use as his electoral slogan, "Long Live Christ the King."

These are the banners used by the Cristeros, during the bloody internal war of the 1920s and '30s, which left thousands dead and a deeply divided and traumatized Mexico in their wake. To revive these slogans today, as part of a Presidential campaign, is the best way to divide Mexicans between "Masons" and "Cristeros," and to plunge the nation into civil war—as in East Timor.

It is notable that Mexico City Cardinal Norberto Rivera denounced Fox for trying to politicize the image of the Virgin of Guadalupe, saying that she belongs to all Mexicans and is the only one who unites us.

Oligarchic lackey sees ‘too many flags’

by Scott Thompson

As the preceding article highlights, lackeys of the global oligarchy, such as Juan Enríquez Cabot, are now talking openly about how large nation-states ranging from Russia to China to the Americas are on the verge of splintering into smaller “statelets.” In the Sept. 4 issue of *EIR*, Jeffrey Steinberg reported that Martin Palmer, who is the “spiritual adviser on ecology” to the British Royal Consort, HRH The Prince Philip, Duke of Edinburgh, outlines a British Commonwealth strategy to “divide and conquer” such competing “empires” as Russia, China, and the United States.

Juan Enríquez Cabot’s father was Mexican, and his mother was a member of the “Boston Brahmin” Cabot family, who were historically Tory lackeys of the British Empire. He is also a second cousin of the Boston-based Cabot Lodges, who trace their roots to this same party of treason in America. Enríquez was raised in Mexico, where he became chief executive officer of Mexico City’s Urban Development Corporation; he is now at Harvard University.

According to *EIR*’s book *Dope, Inc.*, the Cabots, Lodges, and other Boston Brahmin Tories made their fortunes as lackeys of the British East India Company, through its affiliated Russell and Company, whose China clippers dealt in the opium trade during the 19th-century British Opium War against China. Another addition to their fortune was the slave trade from Africa to the U.S. southern plantation owners, whom they later urged to revolt against the Union. Thus, the Boston Brahmins have long been servants of the British effort to “divide and conquer” the United States. So, when Enríquez, as in his recent *Foreign Policy* article, “Too Many Flags?” speaks of how nation-states may fracture if present trends continue—i.e., trends such as globalization, which he supports—this is no mere academic exercise.

The following are excerpts of an interview with Juan Enríquez Cabot, which was conducted by this author on Sept. 21, 1999:

Q: An associate of mine had the opportunity to speak with Martin Palmer, who’s the spiritual adviser to Prince Philip. And, Palmer said that the time had come to break apart the empires that had come into existence: Russia, China, the

United States, Indonesia, and so forth. I was wondering what your thoughts along those lines were, whether or not these are sort of super-conglomerates, that don’t really hold together? . . .

Enríquez: The first premise is that three-quarters of the states that sit around the United Nations today are flags that did not exist 50 years ago. The only area of the world where that has not changed is the Americas, particularly the continental Americas. The last nation we generated here, I think, was pretty artificial, which was Panama in 1903. And, before that, you have to go back to Salvador in 1841. That’s a really odd record. Hence, the question is: Given that borders in Asia, and Africa, and Europe, and the Middle East have transitioned, why haven’t the borders in the Americas changed positions too? That’s the question that I’m interested in. And, to answer that question, I started looking into, why are nations stable or not stable? And, there’s a series of things which have changed, one of which is the sort of global market place and open borders. . . .

Q: You’re talking about the process of globalization?

Enríquez: Right, and open markets. Taking two specific examples, the way that Latin America developed was on the basis of import substitution. So, what you were trying to do, is you were trying to shut the borders—shut the foreigners out of your borders—and grow your own national manufacturing structures. Now, as long as you were trying to do that, it made absolutely no sense to split your state, because you wanted a bigger market. Now, as soon as you open your borders, then the elites in the richer parts of Brazil, and Mexico, and Ecuador, and Chile, don’t really care what size the national market is, because most of their market is global. . . .

And, so one of the consequences, is that all of a sudden the people who are generating most of the wealth in your country, are not focussed on the internal markets of the country, they’re focussed on the external market. And, the size of the country itself matters much less. So, you start getting these odd patterns of growth, where some of the richest and fastest-growing countries in Latin America are actually small countries. You start getting Costa Rica and Uruguay developing on a par or faster than the large countries, in terms of economic growth rate.

Q: Uruguay I know has a large banking and financial services sector. It’s always had ties with Europe, since as long as I can remember.

Enríquez: Yes. So, the whole point is that you don’t have to be big to do well. . . .

The second thing that’s changed, is that if you used to talk about racial differences—in Latin America if you talked about the differences between Mayans and Aztecs, if you talked the difference between Northern Brazilians and Southern Brazilians—you were likely to get shot. In a conti-

ment of dictators, anyone talking about ethnic differences, regional differences, religious differences, was suppressed. One of the consequences of democracy and of the continent democratizing, is that a whole series of issues that may not have been discussed for 100 years, 200 years, 500 years, are going to start being discussed.

Q: You mean since the Evangelization?

Enríquez: Sometimes since the “Great Conquest,” sometimes since independence, sometimes in the past 100 years. I mean, nations accumulate. . . . Nations do a series of things to their citizens, and citizens have a historical memory. . . .

So, anyway, there’s a series of trends that have changed in Latin America, that may make Latin America’s borders more unstable. Now, countries that wish to keep their borders together, and I’m assuming that most governments would like to keep their current borders intact, have to start treating their citizens like shareholders. . . . If you assume that borders can and do shift, then you’re in a very different world, because then your citizens start acting like shareholders and they can migrate. They can split into regional units. And, sooner or later, you may find that you are buried under a different flag from the one you were born with. And, that is quite common in Europe. It is so far very uncommon in the Americas. . . .

Q: Now, it seems from what you’ve said so far, you haven’t looked at this question as much in terms of Russia, which has already had its border on the south pushed back 1,000 miles. New states have come into being. Or China, where you have Muslim pressures, Taoist pressures, and so forth and so on. But, also, in Latin America, you have a couple of situations that come to mind. One is Chiapas; it seems to me that it might be the southern border of Mexico that is near breakaway. The other is the FARC in Colombia. Are there other examples you can think of?

Enríquez: Well, let’s take them one by one.

The Soviet Union is now back to the borders it had, or Russia is back to the borders that it had, in the 1740s. And, I suspect that they are going to continue cleaving new states until there is a clear value added to the central government. When you look at the distances in the Soviet Union, Moscow is closer to New York, than it is to Vladivostock. And, the only reason why you would want to have or should have a single country across 13 time zones, is if there is a clear value added to the whole.

Q: So, you believe that the breakaway of Dagestan, Chechnya, and so forth would sort of be the wave of the future?

Enríquez: Well, they’re symbols of what will happen unless that country is able to generate a common sense of purpose, and start delivering something—

Q: Have you thought at all in terms of Samuel Huntington’s

thesis along these lines, that the whole Muslim South might become a point of conflict with Russia?

Enríquez: It seems to me that most of that has already split away. What you’re looking at now is sort of the remaining edges of that. But, that’s not the big question. I mean, if Chechnya or Dagestan separates, that isn’t the critical issue for the Soviet Union [sic]. It’s whether the Soviet Union—Russia—splits east-west.

Q: Right. So you are talking about the potential for the Siberian region, with all its mineral riches, to break away from the rest of Russia?

Enríquez: That is really the big question. And, that may not happen along strictly Christian-Muslim structures, but it may happen along ethnic structures or it may happen along regional structures.

Part of the thesis that I’m saying is: One of the things that splits countries is definitely culture, ethnicity, and religion. But, you can get splits in states that share those things. And, those happen when the state doesn’t deliver what it promises over a long period of time. And, that seems to be the case in Russia.

It also seems to be the case in parts of China—

Q: Which parts are you thinking of?

Enríquez: Tibet. Uighur regions. There is a very substantial difference in income between people living on the southern coast, that tend to be of Cantonese speech, and those living in the north.

Q: Are you referring to the free trade zones in the south?

Enríquez: Yes. The economic growth and the ability and willingness to trade in places like Guangdong, is very different from the north and the language is different. And, China at various points in its history has been divided. And, a substantial part of China has left, which is Mongolia. It became an independent country.

Now, specifically in Latin America: You already have a de facto split in Colombia. An area the size of Switzerland has no governmental authorities in it.

Q: You’re talking about the region controlled by the FARC and the narco-traffickers?

Enríquez: Yes, which is about 40% of the national territory. And, there’s a series of other states where you could develop very significant regional differences: in northern and southern Mexico; the coast of Ecuador and the highlands of Ecuador; central Chile and southern Chile; northern Brazil and southern Brazil; the highlands of Bolivia and the lowlands of Bolivia; Venezuela as a whole. So, actually, I think there is the potential. I’m not predicting this stuff is going to happen; I’m simply saying it is not unthinkable, given current trends of governments, that several people could decide to go at it alone. . . .

Jury acquits Andreotti, in a victory for the Italian nation

by Claudio Celani

On Sept. 24, a few people at the U.S. Department of Justice must have been chewing the rug. A popular jury in the central Italian city of Perugia issued a verdict in a highly political trial: Giulio Andreotti, seven times Italian Prime Minister, was acquitted on the charge of having ordered, in 1979, the murder of journalist Mino Pecorelli. The murder of Pecorelli is one of the many “mysteries” of Italian postwar politics.

Indeed, Pecorelli was a journalist with many connections to intelligence and Freemasonic circles, who is believed to have known the truth behind other “mysteries,” like for instance, the kidnapping and assassination of Aldo Moro, in 1978. Pecorelli used his knowledge to blackmail, probably under orders from a higher puppetmaster, many public figures. Andreotti, Prime Minister at the time of both the Moro and the Pecorelli murders, had been accused of having ordered Pecorelli’s murder to put an end to one such blackmail attempt. The point is, that the allegation stood on very weak feet, namely a string of witnesses all belonging to organized crime. The star witness was Tommaso Buscetta, a U.S. mafioso currently under the DOJ-FBI witness protection program.

The Perugia verdict liquidated, in three minutes, years of effort by a faction in the DOJ permanent bureaucracy, the real controller of Buscetta. The implications, for Italian and U.S. politics, are of fundamental importance. Giulio Andreotti, in fact, has become a symbol for the central role played in postwar Italian politics by the Christian Democratic party (DC), of which, at the moment of his legal prosecution, he was the most prominent leader. The DC ran Italian governments, alone or in coalition, from 1946 to 1994, until its dissolution. The Party has also been a trustworthy U.S. ally in a country which, during the Cold War, was considered a front-line state, both for geographic and political reasons, the latter being the existence of the strongest Communist Party in the West, the PCI, which during the 1970s garnered up to 33% of the popular vote.

The Andreotti trials (besides the one Perugia, Andreotti has been on trial in Palermo for his alleged Mafia association) have split the country right down the middle, between those who believe he was the mastermind of all atrocities, and those who believe that he is a martyr of political persecution. This has created a paradoxical situation, in which a constitutional body (the State Prosecution) demanded a life sentence against him, while another constitutional body (the Parliament) gave him, as in the case of his last foreign policy

speech, a standing ovation.

Sure, Giulio Andreotti, as a seven-time Prime Minister of Italy (his career started in 1946 as personal secretary to DC founder Alcide De Gasperi), several times Defense Minister and Foreign Minister, has many sins to confess, starting with the compromises he made with the International Monetary Fund which have devastated the national productive system. But a comprehensive judgment on both Andreotti and the DC must take into account the fact that Italy has been victim of a “limited sovereignty” system as part of the postwar NATO deals, and that political responsibility for that system (and its consequences, including the use of terrorism and the Mafia) lies more in Washington and London than in Rome. Such an historical judgment cannot be replaced by a court sentence, which avoids the central issue. Seen at a higher level, the Andreotti trials, more than helping the country, have been the expression of an effort to establish a “final solution” to the issue of national sovereignty.

A legal milestone

From a legal standpoint the Perugia verdict is a milestone, because it establishes the absolute value of a fair trial against pressure by so-called “popular opinion.” The case against Andreotti, in fact, would normally have been dismissed in the first place for lack of consistent evidence. Prosecutors presented a case built on statements by organized crime figures, the leading one of them being “star” witness Tommaso Buscetta, a U.S. citizen and a “former” leader of the American branch of Cosa Nostra. Moreover, Buscetta’s statements are “hearsay”; that is, he has reported what others told him. In a normal situation, a judge would have demanded from the Prosecutor that he should do more homework or throw the case in the garbage can. But Italy, especially since 1992, has been dominated in its public life by the whims of a “public opinion” excited by media, which have been skillfully manipulated to force through a process of “deconstruction” of its institutions. Now, the Perugia verdict offers the opportunity for changing things.

The Perugia case against Andreotti was created on the back of another, more spectacular case in Palermo, where the former Italian premier was indicted in March 1993 on the allegation of being the political head of the bloody Sicilian Mafia. The Palermo trial, which is still open (the verdict is expected in the coming weeks), is also built on statements



Former Italian Prime Minister Giulio Andreotti. The trials against him have split the country down the middle—and his acquittal is a defeat not only for his domestic enemies, but for the U.S. Justice Department’s corrupt “permanent bureaucracy.”

by the same witnesses as in the Perugia trial. It is therefore expected that the Perugia verdict will have a definite impact on the Palermo outcome.

To fully appreciate the strategic implications of the Andreotti case, this must be situated in a broader context.

1992: assault against the nation-state

On June 2, 1992, the *crème de la crème* of the City of London financial oligarchy met on board the royal yacht *Britannia*, off the coast of Civitavecchia, Italy, to discuss with a selection of Italian private and state managers the future big looting, through privatizations, of Italy’s state-owned banks and industries and the complete liberalization of the Italian economy. Speakers at that event, like government official Mario Draghi, stressed that in order to reach that goal, a “fundamental transformation of Italy’s political system” was needed.

In reality, that transformation had already started. In February, an obscure Prosecutor in Milan, Antonio Di Pietro (whose intelligence connections have never been clarified), received a green light to start an investigation called “Clean Hands,” which in a few months would provoke the dissolution of entire political parties. Di Pietro’s main targets would be the Socialist Party (PSI) and the Christian Democracy (DC). This process was helped by a series of other shocks, such as the speculative assault against the Italian lira led by George

Soros in the summer of 1992, an assault that forced almost a 30% devaluation of the Italian currency and its exclusion from the European Exchange Mechanism.

In the meantime, a “Mafia” offensive was activated. On March 10, the Sicilian Christian Democratic leader Salvatore Lima was assassinated by the Mafia. Then, on May 27, the leading anti-Mafia prosecutor, Giovanni Falcone, was blown up in his car on the highway to Palermo. And fifty-six days later, these attacks were followed by the murder of the number-two anti-Mafia prosecutor and close collaborator of Falcone, Paolo Borsellino. In between, a general election in April had seen a severe loss of votes for the DC and the rise of the separatist Lega Nord, which became the largest party in several Northern Italian regions. The electoral result, however, still allowed the formation of a government based on the same five-party coalition centered around the DC and the PSI.

In autumn that year, after the shock of the monetary crisis, the situation was ripe to launch the final assault against the political system, and in particular against the DC and the PSI. The main job was done by the “Clean Hands” investigation led by Di Pietro in Milan. But, whereas a series of corruption charges, amplified by a “trial by media” process, could discredit and completely destroy the PSI, the DC still rallied around Andreotti, against whom it was virtually impossible to find evidence of bribing. So, something else was needed: the Mafia allegations.

In December 1992, the *Wall Street Journal* revealed that the Palermo anti-Mafia investigators (led, after Falcone and Borsellino’s deaths, by an outsider and a non-Sicilian, Giancarlo Caselli), would soon issue a warrant against Andreotti. This occurred a few days later. In March 1993, the warrant became an indictment for no specific crime, but for the general allegation that Andreotti has been for many years the “political referent” (i.e., the protector) of the Sicilian Mafia. At that point, the job was done. Andreotti was isolated. The once powerful DC, with all its leaders eliminated by Clean Hands and now the most prominent of all nailed by Mafia charges, soon split in two, then in three and four small parties. Since then, until the formation of the D’Alema government at the end of 1998, Italian governments have been run by technocrats who implemented all the measures discussed at the *Britannia* meeting.

The main evidence for the Palermo trial against Andreotti comes, again, from Buscetta. Buscetta reported to Prosecutor Caselli and his collaborators that he was told by Sicilian Mafia leaders that Andreotti was the person in Rome who would make sure that trials against Mafia bosses were “adjusted.” When, in 1991, Andreotti “betrayed” the alleged arrangement and one such trial was not adjusted, in revenge, the Mafia killed Andreotti’s lieutenant in Sicily, Salvo Lima.

Buscetta’s statements were corroborated by one, two, many more witnesses, who all have one thing in common: they are all members of the Mafia. Starting in 1993, suddenly tens, hundreds of Mafia members did something which goes

against the nature itself of the Mafia; they started to speak and to “collaborate” with the Justice Ministry. They became the *pentiti* (ones who repented), and enjoyed witness protection. Such a process, amplified by the media, has had a big impact on public opinion, but has little chance in a fair trial, where, as the Perugia trial shows, to indict somebody for severe criminal offense, independent corroborating evidence must be found. No such evidence was found, for instance, for precise circumstances indicated by the *pentiti*, such as meetings in Sicily in which Andreotti was alleged to have participated, etc.

Nevertheless, at the Palermo trial, the prosecution asked for a life sentence for Andreotti.

‘Cosa Nostra’ of the nineties

The Sicilian Mafia has historically been the private army of the landed aristocracy, which has run Sicily in a feudal system since Frederick II until the birth of the Italian nation in 1860. The modern Mafia was brought back in Sicily during World War II by a pro-British faction in the U.S. Armed Forces, centered around the Office of Naval Intelligence. After the war, the Mafia was imposed on the central political power in Rome, as an “ally” against the Communist Party, in a typical unwritten deal, of the same type as the one in which the secret “Stay Behind” structure called “Gladio” was used for ulterior purposes. There is broad evidence that the Mafia

has been used to provide left-wing and right-wing terrorist groups with the necessary expertise and even material backing to carry out political assassinations in the course of the “strategy of tension” started in 1969. During the whole post-war period, the Italian state has had to accept the presence of the Mafia as part of the original Anglo-American deal.

With the fall of the Berlin Wall and especially with the disintegration of the Soviet Union, things changed. On one side, NATO did not need the Christian Democracy any more as an internal stonewall against Communism; on the other side, the Sicilian Mafia was reorganized. New leaders came in, new businesses and new markets were opened through eastern Europe. Today, the Sicilian Mafia is an international partner with the Russian Mafia in drug and weapons smuggling. They run, together with the Apulian and the Calabrian Mafia, entire countries like Albania and Montenegro (and now Kosovo), from where smuggling of drugs, cigarettes, and prostitution flows into Italy and western Europe.

The reorganization of the Mafia led to the elimination of old, “expendable” factions, like the one run by Totò Riina, now in jail under the accusation of having ordered the assassination of Falcone and Borsellino. Mafia watchers indicate that in reality, the actual head of the Sicilian Mafia, Bernardo Provenzano, is not even sought by the police.

Such a new scenario was part of the Thatcher-Bush deals to carve up the former Soviet Union. This is the context in which the U.S.-originated Buscetta revelations, brought to the Andreotti trials, must be placed. It is significant that Buscetta spoke only after Falcone and Borsellino were eliminated. They would not have fallen into the trap easily.

It is also significant that Richard Martin, the former U.S. Attorney who has had Buscetta in custody, has connections to Anglo-Italian intelligence circles, through the New York office of the Carnelutti legal firm, of which he is currently a member. The Carnelutti legal firm is the oldest and largest Italian legal firm with a base in London. It was founded by Tito Carnelutti, a close adviser to Fascist Justice Minister Dino Grandi. Carnelutti and Grandi belonged to the pro-monarchic, pro-British faction of Italian Fascism. It was Dino Grandi, under instructions from the King, who led the overthrow of Mussolini in July 1943. After the war, Carnelutti was a collaborator of Antonio Segni, a DC politician and a land-owner from Sardinia, who himself had been close to Grandi at Padua University in the 1930s. Segni was the leader of the most reactionary wing of the DC, and is known for having plotted a military coup d'état in 1963. Segni's political heritage, after his death, has been taken up by Francesco Cossiga.

Most interestingly, the same Antonio Di Pietro who launched the Clean Hands operation in 1992, is himself connected to the Carnelutti firm through his father-in-law. Today, Di Pietro has become a populist leader, founder of the “Democratic Party” together with technocrat and European Union commissioner Romano Prodi. Di Pietro does not hide his ambitions to become Prime Minister.

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And now?

Andreotti certainly knows what the international background of his legal persecution is. Whether he understands the whole strategic implications of it, and if he wants to fight at the highest level, is not clear. At the beginning, in some interviews, he showed some hints, in stating that his indictment was the product of a plot by the international drug mafia. Afterwards, he made contact with the enemy, in the person of members of the Bush administration, and even Henry Kissinger. Did he do that because he wanted to understand what was happening, or because he wanted to make a deal? This is not clear. Also, it is not clear if Andreotti understood the most important political mistakes he made in the past, which tied him to the wrong policies and the wrong people. For instance, before it became inevitable, Andreotti opposed the reunification of Germany, and his conduct at the negotiations for the Maastricht agreement shows that he backed the Anglo-French geopolitical game for the containment of Germany. He signed the Maastricht treaty, which included IMF-like radical guidelines for the budget policy of member countries. His responsibility in this cannot be underplayed. Had he fought for a different policy, he would have gained bipartisan support in Italy, a circumstance which would have made his legal persecution much more difficult.

To his credit, one must say that, even when he was on trial, Andreotti kept doing political work, especially in foreign policy. With a trip to Israel, Palestine, Syria, and Iran in 1997, he laid the basis for the development of relationships between Tehran and Italy that has broken Tehran's international isolation and opened the doors for cooperation with all EU countries. In the last years, Andreotti has enjoyed extraordinary public support from the Vatican. Last May, the day after the Palermo Prosecution had asked for a life sentence for Andreotti, the Pope demonstratively shook hands with him—and only with him—in a public meeting with international authorities that was broadcast worldwide. At the news of the Perugia verdict, Vatican spokesman Navarro expressed “satisfaction” for the long “expected news.”

The Vatican support to Andreotti reflects a convergence between John Paul II's international diplomacy and Andreotti's foreign policy actions. Andreotti has always been a reliable ally of the Vatican, but especially in the last years, he has intervened more strenuously than ever. For instance, during the NATO war against Serbia, Andreotti went so far as to call for a Parliament vote against the new NATO doctrine. NATO was built as a defensive alliance against the Warsaw Pact, and now it has no formal reason to exist any longer, he said. Now, after the Perugia acquittal, and especially if he is acquitted in Palermo as well, Andreotti has the chance to insist on such issues with renewed credibility. At 80, he can still play an important role: Will he use the last years of his life to prevent Italy from becoming a province of the global British Empire? Andreotti, a devout Christian, must know that this is the only way in which his soul can gain real eternity.

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On music, Judaism, and Hitler

A personal statement from Lyndon LaRouche, issued through his Presidential campaign committee, LaRouche's Committee for a New Bretton Woods, on Sept. 3.

On the account of what is commonly called today, the Nazi regime's Holocaust against the Jews of Germany, Poland, and elsewhere, there is an overdue debt to be paid. I submit herewith the bill demanding the payment of that debt.

The greatest contributions of the Jew to European civilization, was the movement generated by the work of one of the greatest individual geniuses of modern (extended) European civilization as a whole, Moses Mendelssohn. Mendelssohn was not merely a Jew who contributed to modern civilization; he was a leading, integral part of the late-18th-Century revolution, without which there would have been no modern European science, no modern Classical musical or other artistic composition, and without which freedom and the Federal Constitution would not have been possible.

Not only did Moses Mendelssohn, as a German, play a leading role in creating modern Germany and modern European civilization of the 18th Century onward; as a German of Orthodox Jewish faith, he, like Martin Luther King in our own time, freed the Jew by freeing the German to become part of an ecumenical system of justice under the supreme rule of nothing but reason itself. In that process, he mobilized from among German Jews, and, by implication, the Yiddish Renaissance of Poland, Ukraine, and Russia, to make a contribution to modern civilization way beyond all proportion to their relative numbers among the populations within which they lived as part.

Thus, that German Jew, complemented by the forces of the Yiddish Renaissance, is an expression of the soul of the Jew: In the simultaneity of eternity, the Yiddish Renaissance of Germany and Eastern Europe bequeathed to posterity great gifts to which posterity must turn fond attention whenever the name of "Jew" is spoken. With that, every Christian bearing the legacy of Augustine must concur. To deny the Jews hated by Adolf Hitler their claim to that honor, is to subject those who suffered to a virtual second Holocaust, a holocaust of deadly silence, a virtual denial that those millions of victims ever existed except as a mass of nameless dead.

The factual point to be made on this account, is illustrated with the greatest force by one of the most characteristic features of the musical work of Moses Mendelssohn and members of his extended family in Germany and Austria. All that we have today of Johann Sebastian Bach and such direct followers of Bach's as Wolfgang Mozart, Ludwig van Beetho-

ven, Franz Schubert, Robert Schumann, Johannes Brahms, and others, was the direct result of the active role of the extended Mendelssohn family in that family's rescue of Bach's work from virtual oblivion, and that family's direct collaboration with the greatest musical composers of the late 18th and 19th Centuries.

For example, when Felix Mendelssohn's friend Robert Schumann visited the home of Franz Schubert's brother, the brother gave Schumann the manuscript of Schubert's great symphony, the C Major Ninth. Schumann delivered this to Felix Mendelssohn, the grandson of Moses Mendelssohn, who gave the work its first performance. Schubert, like Beethoven,



Moses Mendelssohn

was a follower of Friedrich Schiller in the matter of the philosophy of poetry and musical composition, which both explicitly preferred to Goethe. Schubert, like Mozart, was a collaborator of the extended family of Moses Mendelssohn in musical and other matters. Schubert contributed a key part in the development of the musical Jewish liturgy. Earlier, Mozart had been a protégé of the Austrian Emperor Joseph II, who pioneered in establishing Jewish political citizenship rights in Europe. There is no part of the leading Classical literary and musical culture of the German-speaking world without the leading role contributed by Moses Mendelssohn and his extended family.

Look to the rosters of not only the leading performing musicians of 19th- and early-20th-Century Germany, for example, and note the disproportionately large representation of outstanding German Jewish professionals, for example. Look at the tradition, among violinists, and others of the legacy of Beethoven's collaborator, Boehm, and the legacy of the Boehm-Joachim-Flesch tradition and its impact upon musical

excellence over nearly two centuries to date. Accept with silence, Hitler's intent to wipe the contributions of these Jews to Europe from memory, and you have killed the victims in a second holocaust, a holocaust of silence, to make it appear that they had never lived.

A related point must be made for the case of German-speaking contributions to modern science. Look among the roster of pre-Hitler German scientists of note. It was the legacy of Gotthold Lessing and Moses Mendelssohn, who defended not only the musical compositional principles of J.S. Bach, but also the principle of reason in science itself, from the sterility of the 18th-Century Enlightenment. This made possible the science of Gauss, Riemann, and others. Look at key figures such as AEG industrialists Emil and Walter Rathenau.

Even the German General Staff's existence was greatly indebted to the Moses Mendelssohn, who advised Count Wilhelm Schaumburg-Lippe on the design of educational program which produced the great Gerhard Scharnhorst. It was the counsel of Mendelssohn which led to the development of the policy of *Auftragstaktik*, which supplied the German military its man-for-man superiority continued through World War II. Yes, the German military of that period failed to stop Hitler while they still could, during the crucial period of 1932-1933, but in that they failed to meet the standard set by Scharnhorst and the other great reformers of the 1806-1813 period, who acted according to precisely that moral standard which the German military leaders of 1932-1933 failed to meet.

Look similarly to the legacy of the Yiddish Renaissance in Eastern Europe.

We can not allow 2,000 years of Jewish survival in Europe to be buried under the faceless stone epitaph which speaks only of a bare 13-odd years of Hitler's Holocaust. Shall we remember the honorable living, or shall we think only of the ogre who tormented and murdered them, instead? What sort of justice for martyrs, is that?

Indeed, when all leading factors are taken into account, a free and unified Germany could never have been brought into being but for the crucial role of those German Jews who followed in the footsteps of Moses Mendelssohn.

In the case of our ally Germany today, we see that Germany can never be truly freed from the legacy of Hitler's crimes, until the contributions of German Jews, in particular, are celebrated as an integral part of the honorable history of Germany. Otherwise, how could a Germany claim its own true identity in history? Is it not time that Germany be allowed to do just that? How long shall we, in the U.S.A., pretend that the European Jews of Germany and elsewhere, did not actually exist as anything but the virtually nameless, faceless victims of an Adolf Hitler?

Yes, Hitler killed millions of Jews (among his numerous other victims), but how many today, in the name of Holocaust, subject those victims to a second holocaust, by implicitly

The Mendelssohn tradition

The Summer 1999 issue of the Schiller Institute's *Fidelio* magazine features the work of Moses Mendelssohn, providing extensive documentation of his political, philosophical, and cultural role in shaping the Yiddish Renaissance and the German Classics.

Lyndon H. LaRouche, Jr. characterized the issue as "an international political bombshell." He continued: "The only way to free Germany to act as a nation, once again, is to give long overdue recognition of the loss to all humanity of that Yiddish Renaissance set into motion by the collaboration of Lessing and Mendelssohn around the heritage of Leibniz and Bach. It was the Jewish bearers of that noble legacy, in Poland and elsewhere, who were the true victims of Hitler. This horror killed Germany and Poland, especially Germany, as much as it killed those Jews who typified the bearers of that Yiddish Renaissance tradition.

"The new *Fidelio*, as a package, puts that issue into the only right choice of perspective. To do justice to the victims of Nazism, one must restore that German Classic which Mendelssohn and his collaborators contributed so much to building: at the expense of all the enemies of Mendelssohn, including Kant, Voltaire, and Leonhard Euler, as much as Adolf Hitler."

Articles include "What It Takes To Be a World-Historical Leader Today," a speech by Helga Zepp-LaRouche on Feb. 14, 1999; "Philosophical Vignettes from the Political Life of Moses Mendelssohn," by David Shavin; and "Moses Mendelssohn and the Bach Tradition," by Steven P. Meyer.

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effacing the faces of the victims even from their own tombstones? The only remedy for that orgy of hatred, is to supplant it with loving regard for the honorable preciousness of those victims' lives for the nation of which they had been a part, and which they had served so well. To give justice, is to give justice to the victim, to honor the victim of injustice for his or her contributions to society, to mankind, and even to honor what they might have accomplished had they not been ground into ashes by injustice. Unless we remove the fishbone of blind hatred from our gullets, and celebrate the honor of the

victims instead, the possibility of justice anywhere on this planet remains in jeopardy.

For example, with the establishment of a new Ehud Barak government in Israel, we have again the possibility of a just solution for the prolonged Israeli-Palestinian conflict in the Middle East. Prime Minister Barak carries the legacy of Moses Mendelssohn from Europe to the Middle East. His enterprise is threatened both from within the region, and by diabolical meddlers from outside it. His effort is besieged by the apostles of hatred within Israel, and by the fires of hatred stoked among Palestinians and other Arabs over the entirety of the existence of modern Israel, and even earlier.

In this situation, nothing is more specifically appropriate to the Middle East situation than the memory of the wisdom of the great Moses Mendelssohn, who remained always an Orthodox Jew, but whose ecumenical doctrine of reason, is the only formula for securing a durable peace among those who have been embittered combatants for these many decades.

The danger is, that looking back to the period from the Versailles Treaty to Hitler's accession to power, we must recognize that, today, once again, we have come into a period of such widespread, almost global cultural pessimism as we have not seen since that epidemic of cultural pessimism which produced the Hitler movement. Today, looking at each of the nations around the world, we find, in most cases, that each population has lately descended to a moral condition worse than at any time since the close of World War II.

There can be no remedy for such a state of affairs, but to bury a sea of hatred under an ocean of love. The place from which such a needed initiative must come, is the United States, especially from the President of these United States which were created to provide the spark for a community of principle among all mankind.

Documentation

Remembering 'the great past of German Jewry'

Robert B. Goldmann, the former chairman of the European Anti-Defamation League, wrote a commentary in the daily *Frankfurter Allgemeine Zeitung* on Sept. 14, which addresses many of the same issues raised by Lyndon LaRouche in the accompanying memorandum. Goldmann's article is titled "The Great Gap: On Jewish Life in Germany Before and After the Holocaust."

Defining himself as a "pre-war German Jew," Goldmann makes the following recommendation: "Teach the history of

German Jews and of the Jews in the German-speaking areas thoroughly, from the lower schools to the universities. Not only Jewish students should learn what Jews in Germany achieved in some 100 years, even the general study of German history should include this chapter."

His article addresses the "historical and psychological problems" which the recent death of Ignaz Bubis, head of the Central Committee for Jews in Germany, has posed for Jews and in German-Jewish relations. The intellectual, social, and creative significance of pre-World War II Jewish society in Germany is either "unclear or even unknown" to many Jews today in Germany, but also outside of Germany and in America, where the Holocaust is viewed from an east European perspective.

The question discussed in diaspora communities—how it is possible that Jews still live in Germany today—stems from this prevailing ignorance, Goldmann writes. "In fact, most Jews in the pre-war period could not have imagined that they could have lived anywhere else. That touches on the question of how it could be that Jews stayed in German communities for so long, although they were headed for their annihilation. More pointedly: It is not possible to understand that Jews stayed in Germany after the seizure of power [by Hitler], and that is turned into a reproach against those who live there today."

These questions and reproaches stem "from an ignorance which threatens to make the great past of German Jewry and especially that of the some 100 years between Moses Mendelssohn and 1933 sink into oblivion. It hinders also the development of a new Jewish life and a new Jewish culture in the Federal Republic of Germany. . . . Jewish history in the German-speaking areas prior to 1933 is also important outside of Germany, especially in the diaspora communities, and most especially in America, where the gap in education is the greatest."

A German-Jewish culture emerged in the 100 years before 1933 "which was unprecedented," Goldman writes. The purely Jewish side of that culture is associated with the names of Martin Buber, Franz Rosenzweig, Heinrich Grätz, Samson Raphael Hirsch, and Leo Bäck, and it led to the development of a religious-pluralist structure of Jewish faith. "A new music of the synagogues was created (associated with the names of Lewandovski and Sulzer)," and Jewish prayers were translated into German for those who had distanced themselves from Hebrew. "This Jewish culture was strongly influenced by the German surroundings. The translations for the prayer books had a literary quality, and the synagogue music was influenced by German Classical music. But perhaps the most important was the development of the pluralist structure of religious life. For this was the expression of liberalism in Jewish life, which many politicians, organizations, and intellectuals in society represented. It was an expression of the freedom of thought, for which the Germany of the first part of our century, especially in the Weimar Republic and in

Berlin, was famous, and, in the eyes of many, even notorious. (Without this structure, it is impossible to imagine Jewish life in the diaspora countries and especially in America. It allows many who would otherwise have turned their backs on Judaism, to remain true to their community of faith, because it extends the 'either/or' of orthodoxy with other possibilities of practicing religion.)"

Goldmann describes the "symbiosis," the process by which the Jewish minority integrated itself intellectually into its surrounding society. "Names such as Heine, Rilke, and Kafka in literature, Haber and Ehrlich in science and medicine, Rathenau in politics, Bleichröder and Warburg in finances, Schönberg, Bruno Walter, Otto Klemperer, Irika Morini in music, are testimony to it."

Today, Goldmann notes, Germany has become a country of immigrants, whether it wants or not. Jews in Germany also have their opportunities to build and shape the country, and the changes will probably bring about something which differs from the time prior to 1933.

Goldmann says that it is important that Jews and non-Jews alike be taught the history of German Jewry, not only because of the richness of the history itself, but also because people have spoken about, read about, and been taught about dead Jews in the last several decades, where little is said or written or taught about the *lives* of Jews in Germany prior to National Socialism. "One speaks more about the perpetrator than about his victim. One researches and knows more about the mentality of the killers and their accomplices than about the minds of the people who died. The Jews who died, deserve to have their lives remembered. Moreover, knowing about the achievements of the Jews before Hitler can be a source of inspiration for young people who are about to shape their identities as Jews. The issue here has nothing to do with imitation: What is at issue is the understanding of a culture which was unique, but which can serve as a stimulus for creative work in a new world—for Jews in their own community life and as citizens of a new German society."

Goldmann tells a story: He attended a synagogue in New York, where the rabbi spoke about the difference in the lives of European and American Jews. While American Jews had developed impressive networks of religious association, social work, and support for Israeli institutions, their intellectual life lagged behind that of European Jews. Goldmann approached the rabbi after the services and said, "I felt overlooked," because the rabbi had spoken as if European Jews only came from eastern Europe. "Where are Buber and Rosenzweig, Hirsch and Herzl?" he asked. The next time, the rabbi corrected his oversight. The same ignorance is also prevalent in Israel.

"What is at issue is to keep in memory the Jewish culture and the general culture to which Jews have contributed so much, and to shape it in a living way. And even if one studies the tragedy of the Holocaust, one can only comprehend the dimension of the destruction, of the 'gap,' if one knows some-

thing about the lost, past culture."

"In the development and shaping of a new Jewish life," writes Goldmann, "the issue is to celebrate the rich life of that time, and not only to mourn its loss."

'A village idol'

by Dr. Joseph Ransohoff

Dr. Ransohoff wrote the following autobiographical sketch about his German uncle Sigismund sometime in the early 1900s. As the reader will see, it is a testimony to the breakthroughs made by Moses Mendelssohn and others in integrating Germany's Jews into the nation, through their crucial contributions to its Classical culture. As other of Dr. Ransohoff's speeches and stories attest, this outlook was carried into the United States, where he was of the first generation of that family to be born.

The story appeared in the posthumous book Under the Northern Lights and Other Stories, published in 1921 by his widow, and came into the possession of Dr. Ransohoff's great-granddaughter, EIR staffer Katherine Ransohoff Notley, on Oct. 2, 1990, just hours before Germany was finally reunited.

I learned to know him about the mid-seventies. A student friendship, cemented in the hospitals, brought me to the little Westphalian town where he had lived and worked for nearly two generations. It was on the Day of Atonement, and he was on his way to the modest little synagogue the first time I saw him. The tall, slightly bent figure was clothed in genteel broadcloth, the coat tightly buttoned and on its wide lapel was the Order of the Iron Cross. The face was clean shaven and showed about the chin and the mouth and eyes the lines and furrows that come to us all if life holds out. Over the square chin the lower lip projected out covering its upper mate, as one often sees it in persons of strong mind and given to thinking much and deep and hard. His forehead was shaded by the broad rim of his silk hat which was of a fashion I did not know, but it was not modern. As he walked rather briskly along, feeling the well-known way with his heavy stick, the first glance told you that he was blind. Such was my first impression of the octogenarian, village doctor of P[eckelsheim] who with his Iron Cross had gained the title of Privy Counselor to the King.

Because I spoke English, I gained ready access to his modest home, for he revered his Shakespeare as perhaps only German scholars can. I was a willing foil for the soliloquy and Anthony's oration which he recited with verbal accuracy but execrable pronunciation. Over the low bookcase were little busts of his favorite Shakespeare and Goethe. Between



Dr. Sigismund Ransohoff

them, hanging against the wall, was a framed, faded parchment signed by the Rector Magnificus of the University of Göttingen, dated 1817, setting forth that Sigismund R[ansohoff] was qualified to practice medicine, chirurgie [surgery], and the art of midwifery. Through thirty years with rare and short breaks, the physical and mental ills of human kind passed review before him, and he ministered to them all with pity and judgment, with patience and zeal. Above all he prided himself on being an able help-meet to the stork. His success in this work had spread his fame far beyond his little province, and time out of number was he summoned to save two lives where one had breathed before.

Mild and gentle this vicar of heaven had labored on earth, yet his spirit was sorely troubled by the wrongs done his people and his country. He and his had never lived in a ghetto. To the core he was a German. He had seen his beloved Westphalia made a plaything of the great Emperor; a kingdom for less than a decade. Seven of his colleagues of Göttingen were driven from the University because of their demands for a constitution.¹ During ten years, his cravings for freedom

1. The reference is to the "Göttingen Seven," professors who were expelled from the university and driven from the kingdom of Hanover in 1837 for refusing to swear a loyalty oath to the new King, Ernst August, Duke of Cumberland (England), and Queen Victoria's uncle. Among the seven were Wilhelm Weber, the Grimm brothers, and G.H. Ewald, the son-in-law of

gnawed at his heart. When the spirit of '48 swept the land from the North Sea to the Swiss Lakes and from the Atlantic to the Danube, the little town could hold the staid doctor no longer. On to Frankfort [sic] to watch anear the progress of the Diet. For more than a month he neglected his charges to uplift the hands of his compatriots in their struggles for liberty of thought, of speech, of press, and of creed, and above all, to a unified Fatherland. Only when it had been decided to submit a constitution, and to proffer the imperial German crown to Frederick William of Prussia, did this village idealist return home. Blessed was he as a messenger bringing glad tidings of freedom and peace. In the fullness of his joy he crowned with laurel the effigy of the King on his study mantel.

History has recorded how the work of the Diet was undone. Weaker than his convictions, the King declined the crown, nor would he consent that a constitution come between him and his people. With a rude shock, all Germany felt itself again enchained. As for the subject of this sketch, he was for the only time in his life beside himself with rage. When proofs of the royal weakness supplanted vague rumor, frenzy seemed to seize him, for in no other way were his words or actions to be explained or pardoned. It was on Sunday, about noon, when the little church was emptying itself, that the doctor appeared in the doorway, behind him his faithful coachman bearing in his arms the bust of the King crowned with laurel. Ramblingly he harangued the little crowd that gathered and listened in open-mouthed wonder. The climax of his speech came quickly. "Rule may this weakly King over a downtrodden people," he shouted, "but not in the house of one who would be free." Calmly he took the plaster model from the trembling hands of his follower and with all the force at his command, shattered it on the flagging of the street. As an oncoming storm will dissipate a crowd, this frivolous deed emptied the little square in a trice. No one cared or dared to be known as a participant of this *lese majestatis*. And as for the doctor, friends implored him to flee, to join the large stream that brought the best German blood to American shores. All in vain. He would abide the consequences which—never came. Whether the majesty of the law was blind or wise, the only dramatic episode in the history of this little village, that could have brought it national fame, was passed unnoticed and unsung. Its central figure resumed with love and zest the labor for which he was best fitted. Without surcease he worked until his seventieth year; he then became blind of a cataract. An unsuccessful operation left him in total darkness; left him to ponder over the thousand and one incidents of an eventful though seemingly monotonous life. The memories must have been pleasant for the most part, for a smile almost always lingered about the sightless orbs and full mouth. It pleased him that often in his infirmity he was consulted by his

Carl Gauss. See "How Fresnel and Ampère Launched a Scientific Revolution," *EIR*, Aug. 27, 1999.

youthful successor in difficult cases. He felt conscious of an unimpaired sense of hearing and of touch, and of his ability to reason from effect to cause, from symptoms to disease itself. Thus he would often guide the blow that he could not see to deliver.

So he was when I came to know him. I spent many hours of my long vacation with him in long walks or at chess, or at reading and conversing in English. Thus it chanced that I witnessed the culminating incident of his professional life. We were at chess. He had just taken my queen, when the summons came. The stork had for many hours hovered over a peasant home nearly four miles away. Neither the midwife nor the doctor could persuade the stork to leave his burden and be gone. Would he come? If sightless eyes ever light up, his were aflame. A flush as of youth suffused his face. He tested his muscles as if to see whether their strength was all there. For the moment he seemed to forget both his affliction and what he had learned since its coming. His sense of localization was shattered. In the flurry of the moment he brushed against tables and chairs and door jamb in the hurried search for his case of instruments, long disused. How fondly he handled them, each one, noting the curve of the blade, its temper and weight. We drove in the doctor's one-horse cab, that, like its owner, had seen years of service, and like him, had lost its luster, but was staunch at the core. As we slowly bowled over the smooth roads, it pleased the old man at my side to be told of the respectful greetings of the passersby. There was no difficulty in finding the home of the suffering woman. As we neared the edge of the peasant village, we noticed a small hushed crowd about a little stone cottage. From the gateway there was coming out that ominous little procession so often seen in ultra Catholic countries, a priest in cassock flanked on each side by an acolyte bearing the incense burner and crucifix. The last sacrament had been administered. Against the front of the house leaned the figure of a strong man, face to the wall, arms uplifted and crossed above the head. The back only was visible, but how it pictured despair as it heaved and fell with the sobbing.

The room of the suffering was hushed; exhausted nature was helpless. The holy church could bring peace of mind, but not surcease of pain. The curse of Eve, "In sorrow shalt thou bring forth children," was stamped on every lineament of this most stricken of her daughters. Here was the added curse; a mistake of nature. A babe borne to full fruition and all but doomed at life's threshold. Such mistakes had often come before this grand old man and been made right. How calm and confident he looked, now that he had been placed at the bedside. The well-trained touch had not lost its cunning nor the well-poised muscles their strength. On the sightless face I could read the progress of the case. The knotted muscles of the forehead pictured the hard thinking behind them. A beam stealing from the eyes to nostrils and mouth told the solution had been found. The piercing cries of the

patient swerved him not from his purpose, as with Herculean strength he brought the fine muscles of his arms into play. The suspense was great, but short. One prolonged shriek of anguish—followed as if in swift refrain by a smothered little wail from a newcomer on the stage of life.

Twenty-eight years later I again came to the obscure Westphalian village. It chanced to be All-Souls Day. I fell in with the little stream of men and women perennially wending its way to the rural God's Acre. Arrived there, I came on one who, like myself, looked the stranger. He appeared about thirty, and, from his bearing, of studious habits. Although evidently he had come some distance, he knew well the paths of the little cemetery. He walked straight to a grave that was far from new, and deposited thereon a wreath of wax flowers. Then I followed him to the little corner set aside for Jewish graves. Arrived at one he seemed to know well, he picked up a pebble from the roadside and laid it reverently with the hundreds already on the slab. I followed his example. For the orthodox Jew will have his grave cared for as Abraham did for Sarah in the Cave of Machpeleh, he covered it with stones. I looked at the simple inscription. It read, "Sigismund R[ansohoff], Doctor of Medicine. Born 1790—Died 1883." And in Hebrew characters, "May his soul be bound up in a bundle of life." Nothing more.

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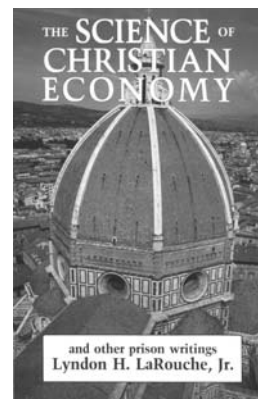
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Kosovo Liberation Army: a pawn in the British game

Part 1, by Umberto Pascali

The British strategy [after World War II] came to rest on two broad requirements: first, the need to maintain the continental [European] commitment in order to preserve a balance of power which protected the United Kingdom . . . and prevented a land power from extending a continent-wide dominion; and secondly, the need to *protect our imperial (now out-of-area) interests* (with the important proviso that, during the protracted retreat from Empire, it was *beyond the NATO area* rather than in central Europe that *British forces would be called upon to open fire in anger*). The last such [out-of-area] conflict occurred in the Falklands in 1982, but includes also the 20-year continuing “low intensity” operation in Northern Ireland [emphasis added].

— Brian Holden Reid, “Is There a British Military ‘Philosophy’?” introduction to *Central Region vs. Out-of-Area: Future Commitments* (London: Staff College, Camberley, 1990)

It is becoming clear that the European [East-West] military confrontation of 40 years may well be diminishing; as a result the conceptual straitjacket on strategic thought imposed by the confrontation is loosening. If anything, present trends suggest an increased rather than a decreased probability of Western Out-Of-Area activity.

— Col. M.D. Jackson (later Sir Gen. Michael Jackson, head of the NATO elite Rapid Reaction Corps and NATO plenipotentiary in Kosovo), “European Security and Military Involvement Outside the NATO Area,” in *Central Region vs. Out-of-Area: Future Commitments* (London: Staff College, Camberley, 1990)

As of Aug 11, 1999, two months after the end of the NATO bombing of Kosovo, Serbia, and Montenegro, Pristina, Kosovo’s capital, had been “ethnically cleansed.” Ron Redmond, a spokesman for the United Nations refugee agency UNHCR, said that the forced expulsion had been unleashed by well-organized “thugs,” who were using “disgusting” tactics, including intimidation, forced expulsions from apartments, beatings, and murders, creating an unbearable atmosphere, with the victims forced to live in constant fear. The campaign of forced expulsion, Redmond said, was “systematic.”

The UNHCR report was one of many, all equally dramatic, issued in the two months following the end of NATO bombings. The reports are strikingly similar to those concerning the “ethnic cleansing” unleashed by the Greater Serbians of Slobodan Milosevic against the Bosniaks (the Bosnian Muslims) and the Kosovars (the ethnic Albanians of Kosovo). The only difference is that now the victims are the Serb civilians in Kosovo, and the authors of the violence are to be traced to the KLA (Kosovo Liberation Army, or UCK, from the Albanian acronym Ushtria Clirimtare E Kosoves).

“The UNHCR views with increasing alarm the situation of the remaining Serb minority in the city,” Redmond said. Only 1,000-2,000 Serb civilians out of an estimated 40,000 before the NATO bombings, remained in Pristina. “The Serbs remaining in Pristina are the most vulnerable of the pre-conflict population—they’re elderly, they’re disabled, and a lot of them are isolated, but that doesn’t seem to matter to the thugs who are now terrorizing them.” The situation is similar all over Kosovo. A NATO spokesman in Kosovo, Major Jan Joosten, said there is not really much they could do. “Our



An unholy British-led alliance has backed the KLA, including Britain's Prime Minister Tony Blair (right) and U.S. Secretary of State Madeleine Albright (left). This gang couldn't care less about Kosovo; their goal is geopolitical manipulation.



soldiers work damn long hours . . . but we can't be on every corner in every house."

So, the expulsion of the Serbs is expected to continue, even after the official deadline for the "disarmament" of the KLA, and after the KLA will be re-deployed as national militia and police in Kosovo. That was the scenario laid out as early as June 20, 1999 by the London *Sunday Times*. That oracle of the British oligarchy foresaw: "Though NATO forces are trying to reassure Serbs in Kosovo, it is hard to see anything other than a temporary peace. . . . Maybe it is for the best if the Serbs do flee to Serbia. It means great injustice to many, but that could be better than further decades of bloodshed."

From Greater Serbia to Greater Albania

The picture is made more eerie, by the anti-Russian campaign organized by KLA operatives, who are using mass demonstrations, harassment, and similar tactics against the Russian peacekeepers.

In reality, the KLA is just a pawn in a broader, deadly game that very few in Kosovo, and outside of it, understand. The controllers of this strategy of tension—a large part of the British elite represented by Tony Blair and by the NATO plenipotentiary in Kosovo, Gen. Sir Michael Jackson—aim at a radicalization of Russia as such, and the set-up of a new furious confrontation between Russia and the United States. The puppet-masters of Blair and Jackson have literally gone insane (or, better, gone fascist) at the prospect of an uncontrollable financial collapse, and are betting all of their cards on a military takeover—actually being ready with guns in their hands when the world financial pyramid crashes.

Confronted with the "end of the world"—i.e., *their* world—these oligarchic gangsters intend to officially arrogate to themselves the "right" to destroy any nation-state, to cancel the independence and sovereignty of any nation, and to re-establish direct military and political control over as many parts of the world as possible. "The New NATO," progressively shaped to represent the army of a globalized British Empire, has thus become the main military tool to push this process through, not only through the official NATO machinery, but, even more, through non-orthodox guerrilla warfare, where NATO or the British do not need to appear directly.

The main immediate concern for this gang is a possible Franklin Delano Roosevelt-style alliance among the United States, Russia, China, and India, that could go for a New Bretton Woods reform and save the world both from the financial collapse and from the oligarchic nightmare. This is the ultimate reason why the Kosovo Pandora's box was opened. This is why an organization like the KLA, basically unknown and irrelevant until one year ago, was suddenly given the green light by a very strange coalition of forces.

An unholy alliance joined together to trigger the KLA escalation and to precipitate the Kosovo war. This alliance ranged from the liberal imperialist Tony Blair, the "new Gladstone," to the "odd couple," U.S. Secretary of State and liberal cosmopolitan Madeleine Albright, and her political partner, the super-conservative yahoo Sen. Jesse Helms (R-N.C.), one of the most precious British assets in the United States; from Albright's mentor and enthusiastic groupie of the British colonial "games," the low aristocrat Zbigniew Brzezinski, to the personal financial pirate of the British monarchy's and Albright's "adviser," George Soros; to the head of the NATO

Rapid Reaction Corps, and leading actor in the 1972 Bloody Sunday massacre of unarmed Irish demonstrators in Derry, Northern Ireland, Sir Michael Jackson.

One point is obvious, but it is to be re-stressed: This gang couldn't care less for Kosovo, the Kosovars, and their rights, nor did they have any moral objection to anything Milosevic and his Greater Serbs ever did. It is also obvious that the many ethnic Albanian citizens who rallied in support of the KLA in Kosovo and outside, as a reaction to the crimes of Milosevic's special police against the Kosovar population, have no idea of what the game is, and cannot see that those powerful international forces that apparently are helping them, are exactly the same as those who, one century ago, relaunched the modern Greater Serbia, investing Serbia with the title of "Guardian of the Gates," i.e., the gates of the British Empire.

It was the British Empire, with the cooperation of its French junior partner, that gave Serbia the poisoned apple of "Greater Serbia" as a way to smash the Ottoman Empire, which, after a period of inter-imperial struggle, threatened to go on the road of economic development. It was this British oligarchical group that helped the young pro-International Monetary Fund (IMF) reformist, Slobodan Milosevic, rise to power in Belgrade.

These same forces are now offering another very deadly present to the Kosovars: It is called Greater Albania, the mirage of a large Albanian area, whose establishment would trigger the explosion of Macedonia, Montenegro, Greece, Serbia, and the entire Balkan region. This would give the oligarchy control over a large mass of people to be *manipulated* into launching a devastating confrontation, and the consequent destabilization of a large area of the world. It would trigger a broader war.

At the end of this appalling geopolitical experiment, the oligarchy will throw away, like broken toys, the organization they have used and manipulated. Very likely, they will unleash a self-righteous campaign accusing the Albanians of crimes against humanity, not differently than they have done with the Serbs, after having favored and used their bestialization. Only this time, the process will be incredibly faster. Should the Albanians be induced or forced to accept the ploy of Greater Albania, they may soon be paying the terrible consequences.

The green light given to the KLA can only be understood from this standpoint. We intend to sketch here an outline of how Operation KLA was triggered. Our most immediate purpose is to warn the Albanians of the trap that has been set up for them. But first, we must travel far away from Kosovo in history and geography, and focus on the real purpose for the Kosovo operation and other similar "gunboat diplomacy" operations (such as the ongoing military expedition in Indonesia) aimed at smashing not only sovereign nations, but the very concept of national sovereignty. The chosen instrument for this "back to feudalism" drive is the "New NATO" experiment in Kosovo. The pretext is so-called "humanitarian con-

cern." Let's take a quick look inside the minds of the puppet-masters.

'Out-of-area' means 're-conquering the empire'

The quotes at the beginning of this article are taken from a book of military essays published in 1990. The study was commissioned by the highest military level of the United Kingdom, with the explicit aim of "stretching the intellectual horizons of [British] senior officers beyond the confines of regimental command and routine staff work." The book was intended to shape the "philosophical" outlook, attitudes, and behavior of a select number of future top British military leaders that were to bring the British armed forces to the next millennium.

The two editors were Maj. Gen. J.J.G. Mackenzie and Brian Holden Reid. The first, born in Kenya in 1941, spent his active military career in bloody colonial rearguard wars, attempting to save the post-1950s "retreating" British Empire from the pro-independence rebellions and revolutions of many subjugated peoples all over the Third World. Mackenzie served Her Majesty from the Brunei Rebellion, to the Borneo and Belize Campaign, with a military command in Hong Kong. In 1989 he was appointed Commandant at the Staff College.

The second editor, Brian Holden Reid, was, at the time, the first civilian in 100 years to be in the Directing Staff of the Staff College. Reid was also the editor of the *Journal of the Royal United Services Institute for Defense Studies (RUSI)*, the oldest and most important military think-tank in Britain, graced with the direct "protection" of the Queen and the Duke of Kent. The two editors were at the time the most prominent and recognized authorities in Britain concerning military strategy.

The book is to be considered the first explicit statement, after the fall of the Berlin Wall in 1989, of the need to extend the British and NATO "out-of-area" military deployment, i.e., a military intervention outside the area mandated by Article 5 of the NATO founding treaty of April 4, 1949. Article 5 stated that NATO is a *defensive* alliance that has the mandate to deploy militarily only in case of an "armed attack against one or more [members] in Europe or North America." The treaty specified further and in detail that NATO cannot intervene militarily in case of attacks *outside* the area of its member countries.

The British elite never really accepted this limitation, and this for one basic reason: As the above quote by Brian Holden Reid shows clearly, for them, "out-of-area" means "colonial empire." And the British elite has never accepted the "retreat" that followed World War II, and in particular the strategy of President Franklin Delano Roosevelt (that survived his untimely death for many years, albeit with exponentially decreasing effectiveness) to favor the rapid transformation of the colonies into independent sovereign nations. Thus, in

1990, the key British military think-tankers can stress with barely masked rage that the key “requirement” of the “British strategy” in the postwar period was the protection of “our imperial (*now out-of-area*) interests.”

In other words, the debate on NATO “out-of-area” deployment was just a code word for the attempt to use NATO as the global military instrument to reconquer, *mutatis mutandis*, the Empire. Thus, in the dreams and plans of the British military strategists, “out-of-area NATO” means a sort of new “globalized” British colonial navy, able to do what the British armed forces had not been able to do after World War II: guarantee continued possession of the colonies! And, guarantee this possession not just “indirectly” through financial and intelligence tricks—as London has done, with large success, through the institution of the Commonwealth. No: What these forces, nostalgic for the Empire, yearn for, is the direct “*Reconquista*.”

Dr. Reid cannot refrain from an emotional outburst—rather surprising in an academic journal—when he deals with the difference between the “two broad requirements of British strategy.” The first is the NATO military commitment “in-area,” in continental Europe, aimed at “preserving the balance of power” and keeping the continental powers weak. The second—the “real” commitment—is the “out-of-area,” the “imperial” commitment: “During the protracted *retreat from Empire*, it was beyond the NATO area rather than in central Europe that the British forces would be called upon to *open fire in anger*”!

In fact, before and since the signing of the North Atlantic Treaty in 1949, a debate raged within the British elite. A significant faction was dead-set against mixing the purely imperial military army with other nations’ military forces. But the debate was won on the basis of one overwhelming consideration: After World War I, the British army alone could not keep the Empire under control. But, of course, there was no compromise with the non-British forces, just the establishment of a “secret agenda.” NATO was to become the instrument for the globalization of the empire military powers, and the base for the “*Reconquista*,” rather than a way for outside powers to limit the oligarchic, Nietzschean “freedom” of London. The most crucial target was the United States: It had to be “cleansed” of any trace of Rooseveltian principle, if the “agenda” was to be carried out.

The last 50 years of NATO history can be well understood from this vantage point. On Nov. 2, 1956, the United States joined Russia in the United Nations General Assembly, demanding the evacuation of Egypt by all British, French, and Israeli forces which had militarily invaded the Suez Canal to block its nationalization by President Gamal Abdul Nasser. The British colonial adventure had to be called off.

On March 25, 1999, British and American air forces, under the NATO umbrella, started the systematic “out-of-area” bombings of Kosovo, Serbia, and Montenegro without a declaration of war, nor even the pretext of a mandate from the

United Nations. Yugoslavia had rejected an ultimatum, and refused to “invite” into Kosovo a NATO “peacekeeping force” led by the most prominent British military “out-of-area” specialist, Sir Gen. Michael Jackson. Then, on Sept. 12, 1999, Indonesian President B.J. Habibie announced he would not oppose the landing of a NATO British-dominated “peacekeeping force” in the Indonesia province of East Timor, despite almost universal opposition in Indonesia. British Prime Minister Tony Blair had already sent a warship from Australia. The “gunboat diplomacy” in Kosovo has apparently “taught a lesson” to many former colonies. Meanwhile, the U.S. administration strongly supported the “humanitarian mission.”

The U.S. defense of Egyptian sovereignty in 1956 in Suez against the British-French colonial adventure, and the diametrically opposite developments in Kosovo and Indonesia in 1999, demonstrate how far the British agenda has proceeded.

What’s more, the alliance among United States, Russia, and the Third World emerging nations, pushed by Franklin Delano Roosevelt as the key to relegate colonial imperialism into prehistory, is being progressively replaced by a British-engineered confrontation between the United States and both Russia and China.

The KLA and the new Cold War

The Kosovo Liberation Army was basically unknown until the beginning of 1998. The recognized leader of the Kosovo Albanians was Ibrahim Rugova, and the only political and social organization was Rugova’s Democratic League of Kosovo (LDK). The LDK had established a capillary network all over Kosovo following the annexation of the Kosovo province to Serbia in 1989. Before that, Kosovo had a great degree of autonomy within Yugoslavia. It was only with a famous speech in Kosovo that Slobodan Milosevic, calling for the “defense” of the Serbians against the Albanians and the successive cancellation of the province’s autonomy, became a national leader and started the most recent drive for Greater Serbia.

The Kosovo Liberation Army launched isolated attacks against police patrols, or peripheral police stations. The first time the acronym was used to claim an attempt, was not in Kosovo, but rather in Macedonia, in 1992. In January 1997, the KLA claimed responsibility for a bomb attack against the dean of the University of Pristina, the Serbian Radivoje Papovic. A large number of the attempts claimed by the KLA were against ethnic Albanians labeled as too soft (“collaborators”) with the Serbians. Normally, the communiqués issued by the KLA were ignored, with the curious exception of gigantic media such as the British Broadcasting Company (BBC).

On the ground, leaders of the LDK in Kosovo stated repeatedly that they had no evidence of the existence of the KLA. The very heavy suspicion in Kosovo—and, for that matter, even in U.S. diplomatic circles—was that the KLA

was a provocation by Milosevic and Yugoslav army intelligence, aimed at setting up a pretext for repression measures and control of the province. It was no different, according to sources, than the methods used by British intelligence in Northern Ireland: the “gang-counter-gang” psywar routine. It was also reported that the initial group of KLA operatives, the “trainers,” included a very large percentage of former officials of the Yugoslav Army. The ability to keep the organization in Kosovo under heavy police control was also attributed to the alleged former affiliation of several initial military leaders with the UDBA, Milosevic’s Internal State Security Service, or the army and police.

According to reports, foreign military experts were training a large number of young people in guerrilla warfare, demolition, etc. in some secret locality in the Balkans, probably Albania. It was also known that the initial KLA nucleus took advantage of connections with Albanian organized crime, which had grown rapidly after the IMF-facilitated crash of the country’s economy, following the 1997 scandal of the so-called “financial pyramids.” Many Albanians who had been told to invest all they had in these cancerous speculation schemes—presented as the epitome of the “free market”—lost everything in a matter of hours.

The IMF had strongly “suggested” to the Albanian government and Parliament that they not pass an already finalized bill requiring a “safety” deposit before engaging in “pyramid” speculation. The crash was therefore mercilessly disruptive.

Further below, we will discuss in more detail the KLA’s connections to organized crime, and especially the drug traffic, and how this “freedom-fighters” and drugs scheme overlaps a psywar archetype used by British intelligence and its confederates in the United States in several earlier, precedent-setting experiments: from the early Khmer Rouge in Cambodia, to the Contras in Nicaragua, to the Afghans (now Taliban).

As we shall see, to complete a summary overview of the KLA’s roots, we also have to go back to the uncanny figure of Enver Hoxha, the man who dominated Albania with a meta-marxist ideology for 40 years. Hoxha denounced Russia and China as “bourgeois,” but, strangely enough, while isolated from the rest of the world, was supported by British intelligence operatives such as the infamous triple agent “Kim” Philby.

But at the beginning of 1998, the KLA reportedly could not count on more than a few hundred operatives.

‘Kosovo must be a NATO protectorate’

Why, then, in the course of 1998, did this British-American gang begin to publicly pull its hair out, calling for the “humanitarian necessity” of launching NATO into war? How did the KLA and its leader Ashim Thaci become the most intimate ally of Albright and Co.? What pushed the czarina of the State Department to embrace Thaci, a 29-year-old nicknamed “The Snake,” to undermine the elected leader Ibrahim

Rugova, de facto giving the green light to an assassination spree that eliminated Rugova’s collaborators? What pushed this group to try every trick in the book, including the elimination of any even remotely potential competitor to the NATO warpath, like the macho-diplomat Richard Holbrooke, whose nomination to UN ambassador was blocked by Senator Helms and friends, until the end of the NATO bombings? What pushed the gang to endorse the slogan that the official envoy of President Clinton had given a “green light” to Milosevic to commit his massacres in Kosovo?

Well, still then, Blair and Albright could have cared less about Kosovo and the Kosovars. What changed in 1998, was that Kosovo had become a potential *casus belli*, a pretext for a confrontation between the United States and Russia, according to the British *divide et impera* strategy.

As the London *Times* explained on Feb. 3, 1999, the British oligarchs had already decided that Kosovo was to be a “NATO protectorate,” and that Yugoslavia’s national sovereignty was to be smashed by explosive force under the world’s gaze. This had nothing to do with “humanitarian necessity,” nor with the will to stop Milosevic’s crimes. In fact, the very same forces calling for the bombing, were the ones who favored Milosevic’s rise to power. Kosovo as a “NATO protectorate” was to be the first example of the new strategy of re-colonization.

Furthermore, the experiment was to coincide with the 50th anniversary of NATO, marking, in some semi-mystical way, the opening of the new era. All this *had been decided*, just as it had been decided that Tony Blair was to be the “New Gladstone,” the reincarnation of the liberal imperialist. The only thing missing was the announcement of the decision to an unaware and oblivious public.

“On the eve of its 50th anniversary [April 4, 1999], NATO has taken a decision of great moment, of which the alliance’s publics are barely aware. . . . It is planning to deploy ground forces within a sovereign state. On behalf of the six-nation Contact Group [involved in the Kosovo “peace talks”], British Foreign Minister Robin Cook has summoned Yugoslav and Kosovan Albanian leaders to Rambouillet this weekend. If their signature to an accord can be extracted, NATO ground troops are to police it. Should they fail, NATO has threatened, in effect to bomb them back to the table.”

The *Times* launched a kind of chauvinist war cry, digging up the dark emotions popular in Britain at the time of the 1956 Suez colonial adventure. “In this gamble for Balkan peace, British ministers have taken the lead, and British soldiers are likely to be the largest component of a peacekeeping force under British commanders. *Gladstone’s shade walks the Balkans*. . . . What drives Western politicians is the knowledge that the near truce secured in October ’98 by Richard Holbrooke is collapsing. . . .

“The purpose of [the Blair- and Albright-dominated “peace talks” in] Rambouillet is not negotiation but acceptance of the [British-dominated] Contact Group *diktat*. . . .

The people of this country [Britain] understand well that a trading nation with global interests must be prepared to deploy its forces where international stability is threatened."

Gelbard: KLA are terrorists

It was not until February-March 1998 that the KLA became known worldwide. In February of that year, Serbian special police launched a brutal raid against the Kosovo Drenica region, considered a stronghold for the KLA. Villages were attacked, houses burned. Dozens of ethnic Albanians were killed. The police attacked demonstrations by Kosovars in Pristina and elsewhere. At the end of the police campaign, thousands of Kosovars had to abandon their houses. The KLA suddenly emerged as a relatively large military force that occupied towns, and engaged in field battles. After March 1998, the KLA had shoulder-fired anti-tank rocket launchers, mortars, and anti-aircraft machine guns. Before then, they had only been lightly armed, and had conducted hit-and-run attacks. Among their targets had been ethnic Albanians considered too soft on the Serbs, isolated police patrols, and refugee camps holding Serbs from the Krajina region in Croatia and Bosnia.

In the period of the hit-and-run tactics, the KLA methods were brutal, and were in fact characterized by disregard for the Albanian civilian population. "Our task is to fight, not to take care of civilians," they said.

Special U.S. representative Robert Gelbard, President Clinton's special representative in the Balkans, characterized this strategy as "terrorist" at the beginning of 1998. Gelbard had conducted a mission for the U.S. President in Belgrade and Pristina. He had warned Milosevic to stop the assault on Kosovo by the special police. At the same time, he condemned the KLA's methods and activities. On Feb. 23, 1998, while in Pristina, Gelbard stated that the KLA is "without any question a terrorist group. . . . [The United States] condemns very strongly terrorist activities in Kosovo." "We condemn terrorism wherever it comes from," he stated on March 4, 1998 in a speech at the Ana Hotel in Washington. "We cannot condone terrorism in any way, shape, or form." He referred to the KLA directly: "They are killing people like mailmen, other kinds of innocent people, and we know terrorists when we see them."

The period between the end of '97 and the beginning of '98 was a time of concerted effort by both U.S. and Russian diplomacy to stop another bloodbath in the Balkans, this time in Kosovo. It seemed for a while that the Russians might be able to stop Slobodan Milosevic.

The recognized leader of the Kosovo Albanians was Ibrahim Rugova, the leader of the Democratic League of Kosovo (LDK). Rugova had been elected in a secret ballot (with the participation of the large majority of the Kosovars) as president of the Kosovars. He enjoyed great influence inside, and a growing respect outside, Kosovo from several governments, including the United States.

This was one of the most promising moments for Kosovo

since 1989, when Slobodan Milosevic abolished the substantial autonomy of the Kosovo province and annexed it to Serbia. The Albanian majority tried to resist the measure. But Belgrade sent troops, tanks, and warplanes. Twenty demonstrators were killed in February 1990, as a consequence of the Albanian members of the Kosovo legislature declaring independence. Milosevic dissolved the local parliament, and a secret ballot elected Rugova as president.

Milosevic's masters: Moscow, or Kissinger?

For nine years, the "international community" did not address the question of Kosovo in any way. At the end of 1997, there was the potential for Kosovo finally to become the starting point for a new chapter in the Balkans. Even more important, it could become the first concrete example of collaboration between Russia and United States. The Russian Foreign Minister of that time, Yevgeni Primakov, took a very active role. Officially, Russia is considered the key ally of Serbia, but in reality, Milosevic's protectors (the ones who greased his way into power in the '80s), are to be found more in the circles of Henry Kissinger, than in the Soviet Union.

Reportedly, Lawrence Eagleburger—later to become U.S. Secretary of State, boss of Kissinger Associates, and close associate of Henry Kissinger—"discovered" the young Milosevic, when he was U.S. ambassador in Yugoslavia. At the time, his close partner, Brent Scowcroft, was the military attaché. Milosevic was not a politician; he was one of the top economic and financial personalities of Yugoslavia, head of the national oil company Technogas, and head of the biggest private bank in Serbia, the Beobank (United Bank of Belgrade). He had good connections with the large financial centers in Wall Street, and, according to sources, was familiar with World Bank circles. Reportedly, what attracted the attention of Eagleburger and his "talent-scouts" was the young Belgrade manager's pro-free market attitude. Milosevic was a "reformist" (in the sense of International Monetary Fund reforms).

He was the perfect man for the situation, "tough" and "liberal." At the moment when the IMF intended to make Yugoslavia into an example of its reforms (shock therapist Jeffrey Sachs, after all, did not start his career in Russia or Poland, but in Belgrade, as adviser to that government), Milosevic seemed the ideal man. He was "resolute enough" to impose the financial squeeze on the Yugoslav republics, starting with Croatia, to pay the IMF and World Bank their dues. And that is exactly what happened. With the IMF "reforms," any push to invest in the Yugoslav economy was halted, while the primary issue became the immediate payment of the obviously growing foreign debts.

Eagleburger was so trusted by the Yugoslav government that he became chairman of the biggest Yugoslavian economic porkbarrel in the United States, the Yugo car corporation, which then suddenly disappeared—but, astonishingly, without even staining the immaculate reputation of the

top Kissingerites.

In late 1997, the Russians and Primakov were ready to put Milosevic in his place. Of course, if Washington and Moscow had found agreement in the Balkans, this would have had reverberations all over the world, creating, for starters, the conditions for a plan of economic development in the Balkans. This whole strategic perspective was at stake at the beginning of 1998. At that moment, the KLA was only a small group, made up of former Yugoslav army soldiers.

The group's ability to operate underground, in a situation thoroughly controlled by the Serbian secret police, is attributed by experts to the fact that the KLA leaders are former members of the UBDA (Internal State Security Service), the army, and the police. Even leaders of Rugova's Democratic League, up to the beginning of 1998, declared that they were not sure whether the KLA really existed, or if it was just a provocation set up by Belgrade. It is exactly at this point the KLA took off. It received a great amount of weaponry, and began to collect a large amount of money from the Albania diaspora, as a result of the ferocious repression of Milosevic's police against the Kosovars. Not only this: According to German, Swiss, Italian, Swedish, and other law enforcement sources, the coffers of the KLA, which was not even a unified organization, began to attract money from the Albanian mafia. Even more striking, the Albanian mafia—which until then were just junior partners of powerful Balkan organized crime, formerly known as “Bulgarian connection”—suddenly took over the heroin market in Western Europe.

Why the British endorsed the guerrillas

It was at this point that the British propaganda machine was unleashed. While Milosevic's special police assaults provoked a reaction of horror and rage throughout the Albanian community in the Balkans and internationally, the British media, from BBC to the *Times*, *Guardian*, and *Telegraph*—the whole spectrum—launched a two-tier attack. First, Gelbard was accused of having given the “green light” to Milosevic for his massacres, thus intimidating an already very timid U.S. administration. On the other side, the main body of the propaganda forces pumped up the role of the KLA, and at the same time did everything to discredit the role and the position of Ibrahim Rugova. Rugova himself at that moment was under attack (verbally and otherwise) from the KLA. He was also engaged in an electoral battle, that took place on March 22, 1998. The elections confirmed that Rugova had the support of the large majority of the Kosovars.

Still, the British media kept tagging Rugova with the label of “the Gandhi of the Balkans.” The same label was used by the KLA to smear the Kosovar leader, perhaps forgetting that in fact Gandhi had succeeded in doing what had been believed impossible: gain the independence of his country, India, from the British Empire. In parallel to the propaganda operation, as we shall see in detail below, “out-of-area” expert Sir Gen. Michael Jackson, the head of the NATO elite forces, the colo-

nial-style Rapid Reaction Corps (ARRC), was busy transferring his forces into neighboring Macedonia, even before anybody, including the KLA, had called for any outside “help.” Sir Michael Jackson, the deputy commander in 1972 of parachuters battalion that shot to death 14 unarmed Irish demonstrators in Derry, Northern Ireland (1972's “Bloody Sunday”), became an instant media superstar.

British journalists suddenly were able to contact the KLA and spend days with them in the Kosovo mountains, somehow escaping Serbian police surveillance. Interviews and pictures of the KLA guerrillas began to appear more and more frequently on the TV screen and in printed media. It has been reported that several of these “correspondents” in fact had a heavy British military background, often in the special forces. Of course, this was also the moment when the British special forces, the SAS, were operating inside Kosovo.

One year later, on April 13, 1999, the BBC boasted that “crack SAS troops are thought to have penetrated Serb lines. . . . In Kosovo, the highly-trained soldiers would be split into groups of eight or even smaller cells of four, military strategy expert Nigel Vinson, of the Royal United Services, for Defense, told BBC news. . . . They would have been dropped by helicopter, behind enemy lines . . . heavily armed. . . . They will be holed up in hillside hideaways.”

Just a few examples of the British rhetoric in March of 1998 show how the British press glorified the KLA thugs:

The London *Times* of March 23: “Kosova ‘will fight to death’ . . . [Correspondent] Tom Walker hears brave talks from ethnic Albanian guerrillas during a night maneuvers in the Llausche Valley. . . . Ethnic Albanians fighting for secession from Serbia are awaiting the results of Wednesday's Contact Group meeting on the Kosova crisis before deciding whether to broaden their counter-offensive against Serb forces. The clan-based Kosova Liberation Army (UCK) is engaging the Serb Army and police units in regular skirmishes. The front line is concentrated ten miles west of the town of Klina, and Serb checkpoints along the entire Llausche Valley. . . . Devoid of life during the day, the valley's hidden tracks were alive with Albanian foot patrols in the piercing cold of darkness. Armed with just the occasional hunting rifle and Kalashnikov, they walk tens of miles. . . . A few of the women had been brought down to cook for the men, who plotted the liberation campaign while monitoring media reports of their struggle through satellite television. . . the young fighters attending to their every word. . . . In the small hours we joined the patrol of the village. . . . ‘We are prepared to give our blood, there's no way back now,’ said a young guard, cradling an old Yugoslav National Army Kalashnikov. Many of the men were trained in the [Yugoslav] army, and still had their former identities from the ‘Socialist Autonomous Province of Kosova.’ ”

From the *Sunday Times*, March 22, 1998, titled “Kosova Guerrillas Flock to the Flag”: “The guerrilla from the Kosova Liberation Army (KLA) was a young man. Well-dressed for

the cold of the heights overlooking Drenica valley . . . an elite member of the nascent army of ethnic Albanians. . . . We walked for two miles into territory the Serbs consider a no-go zone, clambering over three more stone barricades. . . . KLA appears to be headed by a corps of men who served in the army of Yugoslavia before the country disintegrated. They are now turning their training against the Serbs. Although they seem to number only a few hundred, the KLA's ranks have been swollen by a much broader network of armed men in the villages that dot the valley. . . . They have flocked to the KLA since the Serbian offensive in Kosova began on February 28. . . . 'Now you have young men in the woods just waiting for a gun,' said a leading Albanian last week. 'To talk to anyone in a Drenica village from schoolteachers to elderly peasant women these days is to be told, "We are all KLA."'

" 'All the people of Kosova will join us when they realize there is no peace to be made with the Serbs,' the KLA commander said. 'There is no possibility of peace. . . . We are in training for operations,' the KLA commander said. 'All these Serbian police you see on the roads—prepare next week to see their bodies. My mother brought me into this world to die for Kosova and I am ready to do this,' he said. . . . The KLA emerged about 18 months ago from *frustration with the passive resistance of Ibrahim Rugova—the 'Gandhi of the Balkans.'* "

Contrary to the Gandhi-like strategy of Rugova, the KLA, the *Sunday Times* stressed, have taken a blood-oath, that is reported in detail by the correspondent. It is not clear how truthful the report is. Indeed, the oath closely resembled that of secret societies set up in the last century by Giuseppe Mazzini, the read chief of British foreign operations, especially in Europe. Mazzini specialized in setting up violent organizations, whose component, typically young, idealistic students, were motivated by nationalist feelings.

Mazzini was able to recruit a large number into such organizations, and was a master in manipulating them into terrorist operations when needed. Strangely enough, the Mazzini *modus operandi* could be found in organizations such as the Serbian chauvinist group called "Black Hand" or "Young Bosnia." It was a member of that organization, the young Gavrilo Prinzip—the Hero of the Greater Serbians—who assassinated the Archduke Franz Ferdinand of Austria in 1914 in Sarajevo, triggering World War I, exactly when the British empire needed the unprecedented conflagration. Wrote the London *Sunday Times* 84 years later: "[KLA] recruits take an uncompromising oath of allegiance. 'In front of the Albanian flag I give my word of honor and the promise of my life that I will die for freedom and for my land,' they pledge. 'I will obey my army. If I betray my oath, my comrades have the right to kill me. Now I am a soldier who fights for freedom.' "

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Rugova is the elected President of Kosovo

Mrs. Qibrie Hoxha is a leader of the Kosovo Democratic League (LDK), the party of the elected President of the Kosovars, Ibrahim Rugova. She was interviewed by Feride Istogu Gillesberg and Umberto Pascali on Aug. 17, in Stockholm.

EIR: Could you describe for us your role within the LDK organization?

Hoxha: I am a member of the board of the LDK, for Sweden. I am responsible for the information sector here in Sweden. The main aim of the information sector is to inform the Swedish population about the development of the situation in Kosovo during the past years, since we were here. This was my role and my program.

I came to Sweden in November 1989 with my family—my husband and my two children—because we were persecuted by the Serbian regime in Kosovo. My husband and I were active politically, and were in the trade union, especially since the end of 1988, at the time that the miners went on strike in Trepca, and in 1989, when we organized demonstrations against the change of the Constitution carried out by the Milosevic regime.

EIR: You just came back from Pristina, after having gone there immediately following the halt in the NATO bombings. Could you describe the circumstances of your arrival and the reasons for your departure?

Hoxha: I went to Kosovo at the end of June, and arrived back in Sweden on July 30. I have not been there for 10 years, and I went there in connection with Kosovo getting its freedom. After the Serbian military finally left Kosovo—for which we longed for such a long time—it was appropriate to visit a Kosovo that was finally free.

We went to Kosovo as an organized group from Sweden, representatives of all the groups which fought for 10 years together.

When we arrived in Kosovo, it was an unforgettable experience. When we came over the border, we immediately felt the change: There were no Serbian police or military troops on the streets of Kosovo. This was, for the others and myself, an indescribable happiness.

On the way to Pristina, I saw houses destroyed and burned down, and new graves along the road, graves of the people

who were killed by the Serbian police, military, and paramilitary troops.

Pristina was not so destroyed—only the objects NATO targeted, the Serbian Army buildings, as well as the old main post office. Some little factories and shops, which were privately owned by Albanians, were burned to the ground by Serbian police and military as revenge, when NATO began bombing.

Nevertheless, we experienced a dream that was fulfilled, especially the first days in Pristina, a dream which all Albanians had, to see a free Kosovo, without the use of force by Serbian police and military. The people were freely walking in the streets of Pristina. The young people were out in the evening, taking walks to enjoy the freedom.

I felt fine, until I had a not-very-pleasant occurrence. I was summoned by some people who describe themselves as members of the Kosovo Liberation Army (KLA), and they were following me wherever I went. They summoned me to their military police station, and they wanted me to answer several questions. They wanted me to hand over the keys to my apartment in Pristina. In 1985, the Serbian police forcibly threw my family and me out of the apartment. I got this apartment from the factory and the [trade union] organization for which I worked for 11 years, to use it for my work. From that time on, we were constantly persecuted by the Serbian regime until we left Kosovo.

Now, after I came back to Pristina, I was interested in my apartment. I went to the apartment, with the KFOR troops behind me. There were people living there, but they didn't have the right to stay there, and because of that, KFOR housed me there. After a while, my family also arrived in Pristina, and KFOR gave us the right to live in the apartment, after we showed them documents that the property belonged to us.

Unfortunately, some suspicious people went to the Serbian who was living there before, to make a deal with him. They came to us, and ordered us to leave the apartment, even though they didn't have any legitimate claim to it. We contacted KFOR for help, which they provided. The persons demanding the flat came back again, this time with a person who represented himself to be a commander of the KLA. They wanted us to leave the apartment, and to hand over the keys to them. We didn't do so. Therefore, they summoned us to their military police office, twice. They wanted information about who we are, where we are from, where we had worked during the ten years when we were living outside the country, and other, similar questions which were threatening and provocative. I understood that that person who interrogated us did it for political reasons. He mentioned a person living in Sweden, a person who has obstructed our work and had been slandering us over the last ten years, because he didn't like our institutions and our way of fighting for an independent Kosovo. Milaim Zeka is his name.

Zeka is a follower of the Enver Hoxha regime [the late dictator of Communist Albania]. He is a journalist for the

radio station here in Sweden, where he gives the news in the Albanian language. The KLA commander said that he knows Zeka well, and therefore our names were suspicious to him. [In Pristina] I was followed everywhere I went. This was very difficult. One time, when my family and I were walking in the street, this commander stopped us, and stuffed us into his car, to interrogate us again. They brought us somewhere to an information place, where also our children experienced this treatment. They screamed at us. They said that we were making a mistake to go into our apartment with the help of the KFOR troops. They ordered us to deliver them the keys, that they wanted to give it to someone who, in their opinion, has helped the KLA. This was not a very good experience, especially for the children.

EIR: What is the origin of the KLA? Our research shows not only the connections to organized crime, but also ideological roots that go back to the Hoxha ideology.

Hoxha: I cannot answer that, because I do not know. What can you say about the KLA? The young men and women who have been fighting at the front and have been giving their lives; them, I consider members of the liberation army of Kosovo, and I have all the respect and dignity for those who gave their lives for freedom, and for those who fought and who today have go back to normal lives, a life in a free Kosovo, which they also fought for.

But, there are some individuals who are acting in a very irresponsible and dishonest way, like in the way we were treated. Them, I consider not to be truthful. If they have fought for Kosovo, they should protect the citizens of Kosovo, and not threaten them and force people to leave their apartment and Kosovo like they did to us. This method of threatening people, because they think differently, reminds me of the 50-year dictatorship of the Enver Hoxha regime, and nothing less.

EIR: President Ibrahim Rugova is the elected leader of the Kosovars. Nevertheless, he was forced into a lesser position in Rambouillet by the KLA and its leader Hashim Tachi. Tachi received support from certain Western leaders. Now, Rugova has announced that he intends to assume the role that his responsibility as the elected President mandates. On the other side, nobody in Kosovo elected the KLA. Can you explain this paradox to our readers?

Hoxha: Yes, the population of Kosovo twice elected President Rugova, therefore he is the legitimate President of the republic of Kosovo. And I think that the people of Kosovo should have a government they elect themselves, because it is they who should choose the people who lead them. The present government is the present government, but I only consider any leadership as the government if it is elected by the will of the population. I hope that in the first election, we will get a new government whose candidates are elected by the population, because only a government elected by the

population is a legitimate government of Kosovo.

EIR: Lyndon LaRouche and the founder of the Schiller Institute, Helga Zepp-LaRouche, called for a new Marshall Plan for the reconstruction and development of the Balkans. Unfortunately, this does not seem to be the priority now for the main Western powers. What is the position of the LDK on this? How do you see the battle for reconstruction in Kosovo and the Balkans?

Hoxha: The entire LDK leadership just concluded a meeting on Aug. 11 where the most important questions were discussed, such as the economic reconstruction of Kosovo, which will also be the most important policy of the LDK. We want to have cooperation with all international organizations that could help to make the reconstruction possible. I brought up some parts of the Marshall Plan proposed by the Schiller Institute when I was in Kosovo, and it was received as an important proposal. I cannot say so much about the details, but Mr. LaRouche's proposal was well received. The main activities of the LDK will be concentrated on reconstruction.

EIR: A sort of "reverse ethnic cleansing" is now going on in Kosovo.

Hoxha: These acts in Kosovo are completely unacceptable, because we should not allow any ethnic cleansing against any population in Kosovo.

There are some people who cannot control themselves. The repression existed in Kosovo for ten years. The world knows mostly what happened in Kosovo for the last past month, and not the last decade. People, only because they were Albanians, were fired from their work, students were denied the right to learn, there were so many people who lacked the elementary things to live. Many people were killed or imprisoned over the last ten years. I'm not saying this to excuse the acts against the Serbians, because these acts are unacceptable. I just want to say that there are so many people who had such an indescribably tough time that there are some who cannot control themselves, especially during the time when they found out about the death of their family members. But, as I said, this is unacceptable, especially if you think about the innocent people, who have no blood on their hands. It has to stop right away. We cannot tolerate another ethnic cleansing in Kosovo.

EIR: What is the potential for collaboration between the forces around President Rugova and the movement around LaRouche?

Hoxha: I want to speak for myself in this case: As a member of the LDK, I will continue my collaboration with your organization. I often meet with members of your organization and discuss so many different things. There are things on which we agree with each other, and other things we don't. But, we definitely discuss themes which are important and in the interest of Kosovo.

Demise of Gore campaign clears the way for LaRouche

by Debra Hanania-Freeman

A tumultuous week in the drive for the Y2000 Democratic Party Presidential nomination came to a dramatic close on Sept. 29, when Vice President Al Gore, who until a few months ago was considered unstoppable in his drive for the top spot on the Democratic ticket, called a press conference to announce what he called "radical changes" in his campaign.

Appearing before the Washington, D.C. press corps, the Vice President tried to put a positive spin on the Gore camp's mounting hysteria over gains made by the campaign of former New Jersey Senator Bill Bradley, who is now even with Gore in most polls, and ahead of him in third-quarter fundraising totals. Saying that he wanted to take his campaign for the Presidency "directly to the grassroots and directly to the American people," Gore announced that he would be shutting down his campaign's national headquarters on K Street in downtown Washington, in order to "move this whole campaign, lock, stock and barrel, to Nashville."

A visibly shaken Gore went on to tell the stunned audience that he had instructed his campaign staff to contact the Bradley campaign "to challenge my opponent for the Democratic nomination, Bill Bradley, to a series of debates on specific issues, a lot of them. . . ." Although the Vice President seemed desperate to convince those listening that what he was announcing was "a brand new campaign," the universal response was that the press conference amounted to "last rites" for Gore's Presidential bid.

Washington insiders have been predicting the death of Gore's candidacy all summer, but during the course of the ten days prior to Gore's announcement, the story dominated the U.S. press. One cartoon pictured the Vice President dressed as a jockey, lying on the ground, while a forlorn Democratic donkey with a riding crop in his mouth tries to rouse the

candidate. Two observers stand in the corner; one of them remarks, "It's no use beating a dead jockey."

The cartoon is typical of others that began appearing the day that New York's retiring Democratic Senator, Daniel Patrick Moynihan, called a press conference to announce his endorsement of Bradley. Moynihan told the press, "There is nothing the matter with Al Gore, except that he cannot be elected." The next day, Philadelphia Mayor Ed Rendell accepted the post offered him by President Clinton as the new chair of the Democratic Party, and promptly withdrew his earlier endorsement of Gore, saying that he wanted to be "scrupulously neutral."

The *New York Post* said that the Rendell move was "fueling speculation that top Democrats are hedging their bets." Another leading Democratic operative, who is very close to the President, said, "Ed Rendell endorsed Gore because he thought that was what Clinton wanted him to do. But, he's been up in Philadelphia. He came down here and obviously got the message clearer."

As rumors continue to grow that the President is putting out the unofficial word that Democrats are free to "follow their conscience" on whom to endorse, the list of former Gore endorsers also grows.

By Sept. 27, *Time* magazine hit the newsstands with a cover photo of Bill Bradley and the headline, "The Man Who Could Beat Gore." A caption reads, "Bill Bradley has the brains, the bio, and the bucks. . . ."

Television coverage following Gore's press conference showed clips of a man who seemed to be unraveling before the eyes of the nation. He stumbled over questions, and repeatedly said that he would go back to Tennessee, "because every campaign in which I've been successful has been based in

Tennessee.” When one journalist pointed out that those were campaigns where the only votes that counted were from Tennessee, the Vice President appeared confused.

The choice is *not* between ‘Coke and Pepsi’

Gore repeatedly lied that “there are only two candidates, Coke and Pepsi.” But, despite Gore’s desire to wish away the candidacy of Democrat Lyndon LaRouche, the fact is that the most serious blows to Gore’s Presidential hopes have come from the campaign of LaRouche, who was certified for primary campaign matching funds on Sept. 30.

Members of LaRouche’s campaign apparatus were highly visible at several key meetings held in Washington, and in both cases, did serious damage to the Vice President’s credibility. Thousands of likely Democratic voters who were in Washington for the Congressional Black Caucus’s annual legislative conference were shocked when LaRouche campaign workers exposed the fact that Gore’s cronies at the Democratic National Committee had asked a Federal district court panel to declare the Voting Rights Act of 1965 unconstitutional, rather than apply it to the DNC. When the same material was presented at the DNC meeting itself, the vast majority of committee members not only had no idea that their leadership had gone to such extremes to try to nullify LaRouche’s support among Democrats; they were horrified. Even those who insisted that they didn’t agree with LaRouche’s policy outlook, conceded that disagreement was one thing, but that disenfranchising voters in an attempt to maintain control of the party apparatus was not only unjust, but suicidal.

It is an irony that the Vice President has suddenly found his enthusiasm for policy debate. His so-called challenge to Bradley to debate him on “specific issues” comes at the same time that LaRouche’s Committee for a New Bretton Woods has released a 90-minute videotape of an extended dialogue that LaRouche conducted, over the Labor Day weekend, with a distinguished panel of American state legislators and trade union leaders in the context of his Presidential campaign. The full transcript of the exchange appeared in last week’s *EIR*, and is also available on LaRouche’s campaign website (www.larouchecampaign.org). The panel’s offer to conduct a similar exchange with candidates Gore and Bradley has, at least so far, gone unanswered. Indeed, given the continued accelerating crash of the global financial system, and LaRouche’s unique expertise as the world’s leading physical economist, it is unlikely that either Gore or Bradley is anxious to stand against him in a policy debate.

The labor vote

It is no secret that Gore’s flailing campaign has pulled out all the stops in an attempt to secure the endorsement of the AFL-CIO, when the group meets in Los Angeles this month. Gore staffers, speaking on the condition of anonymity, have said that if Gore fails to secure the endorsement, it will be

almost impossible to keep the campaign afloat.

But, such an endorsement seems unlikely. Gore is widely viewed as a traitor to labor for his role in strong-arming a Democratic Congress to vote for the North American Free Trade Agreement (NAFTA). And, most trade union leaders readily admit that even if Gore operatives succeeded, by whatever tactics, in securing the AFL-CIO endorsement, they are not at all confident that they could translate that endorsement into actual Gore votes from trade union members.

And, although Bill Bradley strikes a far more sympathetic chord among union members because of his opposition to Gore’s hated welfare reform policy, the fact remains that Bradley is also an unswerving supporter of the free-trade policies that have broken the wage level of American workers. And, he has done nothing to distance himself from the mythology of the “great economic recovery” that infuriates voters who are forced to work two and more jobs in order to survive.

Adding to Gore’s uphill battle, a 25-minute version of LaRouche’s aforementioned dialogue, highlighting LaRouche’s exchanges on policies most closely identified as of interest to American labor, is being made available to all delegates to the AFL-CIO convention, and is said to set a standard and depth of discussion that especially Gore must *avoid*, if he is to win any support at all.

The next step for LaRouche

It was well known that Gore operatives in the Democratic Party’s Washington bureaucracy had planned to use the September DNC meeting to effect changes in Party rules to lock out a LaRouche candidacy. But, according to DNC members in attendance, no change in Party rules was enacted. Meanwhile, the LaRouche campaign is submitting its delegate selection plan to various states, as part of LaRouche’s participation in the vast majority of Democratic primary elections. And, LaRouche himself continues to keep a heavy schedule of media appearances, as he prepares for this next, undoubtedly hotter phase of the Presidential campaign.

Documentation

FEC certifies LaRouche for primary matching funds

The following press release was issued by LaRouche’s Committee for a New Bretton Woods on Oct. 1.

Yesterday, the Federal Election Commission announced that it had certified Lyndon LaRouche’s principal campaign committee as eligible to receive federal matching funds for the Y2000 Presidential primary campaign.

LaRouche is seeking the Democratic Presidential nomination, along with Vice President Al Gore, and former Senator Bill Bradley. Bradley's campaign was certified on March 25. Mr. Gore's campaign was certified the same day as LaRouche's.

To become eligible for matching funds, candidates must raise a threshold amount of \$100,000 by collecting \$5,000 in 20 different states in amounts of no more than \$250 from any individual. Other requirements for eligibility include agreeing to an overall spending limit, abiding by spending limits in each state, using public funds only for legitimate campaign-related expenses, keeping financial records, and permitting an extensive campaign audit.

Once certified as eligible, campaigns may submit additional contributions on the first business day of every month. The U.S. Treasury Department will pay the FEC-certified amounts to the campaigns beginning in January 2000. The maximum amount a candidate could receive is currently calculated to be \$16.75 million.

LaRouche's national spokeswoman, Debra Hanania-Freeman, said that although there was never any question that LaRouche's campaign would be certified, formal certification meant more than an eventual injection of cash resources. "In many states, matching funds certification is an important criterion in determining whether or not a Presidential candidate's name is automatically placed on the primary ballot."

Freeman said she wondered why it took the FEC more than seven weeks to certify the LaRouche campaign's eligibility, and only three weeks to certify Al Gore's submission. One possible explanation for the delay was that LaRouche had more individual contributors on his threshold submission than did the Vice President.

"Lyndon LaRouche already has the largest volunteer force of any candidate, the most active website, and the broadest distribution of in-depth campaign literature on proposed policy initiatives for these crises-wracked times," Freeman said. She noted that the campaign had just released a mass-circulation 90-minute videotape presentation of a dialogue between the Democratic candidate and a panel of distinguished state legislators and trade union officials, who came to Washington over Labor Day to question LaRouche on his views. She said the campaign had also produced a special 25-minute version of the dialogue for delegates to the upcoming AFL-CIO convention in Los Angeles.

"Perhaps now that the LaRouche campaign has been certified eligible for matching funds, Vice President Gore will behave himself, and stop describing the contest for the Democratic presidential nomination as 'a contest between Coke and Pepsi.' I'm sure the Vice President agrees with some of his friends in Buckingham Palace, that it is time to 'shut LaRouche's mouth,'" Freeman said, referring to a threat against LaRouche that was issued through a British women's magazine last month. "But, as the global crises intensify, more

and more Americans are concluding that no one but Lyndon LaRouche has the demonstrated ability to stop the progression toward what would otherwise appear to be inevitable disaster. And, unlike Britain, America is a constitutional republic, with citizens, not subjects. Those citizens are the ones with the right and the responsibility to decide who is qualified to lead in this time of crisis."

If Gore wants to talk. . .

The following press release was issued by LaRouche's Committee for a New Bretton Woods on Oct. 1.

Apparently, in a sharp reversal of tactics, designed to rescue his troubled campaign for the Democratic Presidential nomination, Vice President Gore has decided that he does want to debate the issues, at least with former Senator Bill Bradley.

In a press conference Sept. 29, Al Gore announced that he was making "drastic and radical" changes in his campaign tactics, including the relocation of the national campaign headquarters from downtown Washington, D.C. to Nashville, Tennessee, which he described as "moving this campaign lock, stock, and barrel from K Street to K-Mart." He also challenged Bill Bradley to a series of debates on specific issues. In issuing the challenge to Senator Bradley, Gore lied, "There are only two candidates in the Democratic race—Coke and Pepsi."

"Al Gore has spent the last six months using strong-arm tactics trying to circumvent the Democratic Party nominating process, and declare himself Bill Clinton's heir apparent," noted LaRouche's national spokeswoman Debra Hanania-Freeman. "In January of this year, Lyndon LaRouche issued his *Road to Recovery* book in an attempt to focus attention on the crucial policy issues that had to be addressed in this crisis-wracked period. Al Gore wanted none of it. Now, although Gore still seems determined to continue his futile efforts to keep Mr. LaRouche out of the Democratic Party and out of the policy debate, he says he wants to debate Senator Bradley."

"I think it's a fine idea. I wonder, is the Vice President suggesting that Bill Bradley travel to Nashville for the debate? I suppose it could be staged right out there on Highway 65, in the shadow of that big statue of KKK founder Nathan Bedford Forrest. Perhaps Senator Bradley could ask the Vice President to comment on some of the questions that a distinguished panel of state legislators and trade union officials asked Lyndon LaRouche in that three-hour dialogue they conducted with him over the Labor Day Weekend. In fact, I'd like to propose that Senator Bradley ask Al Gore to take the opportunity to explain to the American voters what his views are on that landmark piece of civil rights legislation known as the Voting Rights Act. . . ."

Faris Nanic tours United States to organize for Balkan reconstruction

The only hope of the war-torn nations of the Balkans lies in the implementation of Lyndon LaRouche's economic development policies, and Balkan reconstruction based on that, according to Faris Nanic, Secretary General in Croatia of the Party of Democratic Action and former chief of staff to President Alija Izetbegovic of Bosnia-Herzegovina. Nanic is also the co-initiator, with Schiller Institute founder Helga Zepp-LaRouche, of the international call for "Peace Through Development for the Balkans," drafted last April during NATO's bombing war against Yugoslavia.

On Sept. 30, Nanic concluded a two-week tour of the United States designed to rally Americans in support of LaRouche's approach, before time runs out for the Balkans. As he said in Chicago Sept. 19, "My only hope is that the shift will happen here in the United States of America—not because the U.S. is the only remaining superpower, but because of its tradition, which is the tradition of all of mankind."

Prominent in his discussions in every city were LaRouche's proposals for a postwar Marshall Plan to rebuild the Balkans, a New Bretton Woods system to replace the ruined world monetary system, and a sharp break with the International Monetary Fund and World Bank, and their austerity conditionalities.

Nanic's tour, which was jointly sponsored by *EIR* and the Schiller Institute, took him to Chicago, Los Angeles, Houston, New York, Philadelphia, Northern Virginia, Baltimore, and Washington, D.C.

At a Sept. 29 press conference and seminar in Washington, attended by 60 people, including an ambassador and other diplomats from five countries, Nanic, having been introduced by *EIR* Ibero-American Intelligence Director Dennis Small, gave the following remarks.

'The initiative has to come from the United States'

Good morning, ladies and gentlemen. Welcome to the press conference. I wouldn't like to take too much of your time. Just to give you a briefing on what the actual cause,

the reason, of my recent trip and tour throughout the United States is.

The idea is to present that, after four years of peace, after the Dayton peace agreement was signed, reconstruction, especially in Bosnia, but also in the whole Balkan region, has essentially been a failure. We can illustrate this by giving just a few examples.

The railway system in Bosnia still does not work. Not at all. The main railway, which was the railway connecting the capital of Sarajevo with the Croatian port of Ploce on the Adriatic, was open for this summer season, and then closed when the season was over. This is approximately 120 miles, and the average velocity was about 17 miles per hour.

Secondly, Bosnia, together with Albania—I'm sure that many of you are acquainted with it—are the only European countries with no freeways. So the transportation, the ground transportation infrastructure, is in very, very bad condition. And nothing has been done. Really, nothing has been done to revive, or to reconstruct, this very important part of the Bosnian economy.

Third, Bosnia has been somehow in a blocked political position by, through the Dayton agreement. The central government is very weak. As you know, it has authority only over foreign policy, foreign trade, and very small authority, very reduced authority, over monetary issues. You know that the governor of the Bosnian central bank is appointed by the International Monetary Fund.

Bosnia somehow has found itself in a position of being double-trapped, if I may use the term. On one side, you have a weak government, with no monetary sovereignty whatsoever to issue credit lines, to start reconstruction of the economy. On the other side, there are no investments from the outside, there are no investments into the real economy. The donor conference mechanism has proven not to be efficient, in the case of Bosnia, as well as in the case of the Middle East peace process. Now, \$5.1 billion has been pledged for the reconstruction of Bosnia. But the question that we have to pose, really, is how much of this money has been invested into the real sector, into the economic sector, and how much money has been spent in vain?

My tour was conceived because the case of the failure of

the reconstruction of Bosnia and other parts of the Balkans, has to be put forward, and has to be discussed widely, and has to become a very crucial part of American foreign policy. Why?

Because we think that the reconstruction of Bosnia is a very good chance for the world economy to step out of the present crisis. The financial crisis is becoming ever more troubling, and the break, the collapse, of the international monetary and financial system, will definitely affect all of us, not only the poor countries, but also the wealthy countries.

So, it's of essential importance to revive the idea of the reconstruction process, the way it was revived after the Second World War, in Germany and the rest of a devastated Europe. So, when I signed the appeal in April of this year, during the NATO attacks on Yugoslavia, it was essentially this: There is no reconstruction without, first, a durable and solid peace solution. And there will be no reconstruction unless we unleash a Marshall Plan for the reconstruction of the Balkans, which will not just be some vague idea, given and then discussed without a permanent mechanism of organizing these countries' credit generation systems—not only in Bosnia and Croatia, but in all of the countries in the Balkans, including Yugoslavia.

My opinion is, and this is what I can also discuss with many of you later, that if Yugoslavia is isolated from the reconstruction process, it will be devastating not only for Yugoslavia, for the Yugoslav citizens, but it will also be devastating for the rest of the Balkans. Because then it will be a pretext for not reconstructing the other countries of the Balkans, because the environment is not stable.

So they will tell you, aha, you have Yugoslavia, which is an unstable country, or which is a "rogue country," in your neighborhood, so there will be no reconstruction of your countries.

And you see, even Croatia has problems with completing a very important freeway from Zagreb up north, to Budapest, to the Hungarian border. Croatia also has many problems in completing—raising funds to complete—the very important freeway from Zagreb to the main port of Rijeka.

Who is going to pay for it?

So, if we want the Marshall Plan, and we want some kind of reconstruction, or real reconstruction in these countries as part of an overall Eurasian development, the question is, who is going to pay for it? So, the idea is that nobody is going to pay for it. That's the main point. And that's why, in the appeal, we evoked the very efficient mechanism of the so-called Kreditanstalt für Wiederaufbau, which is the credit institution for reconstruction that was organized in post-World War II Germany, and which, within five to, maximum, 10 years, created real wealth, with the help of the leverage that was provided by the Marshall Plan.

How did it function? Well, \$1.5 billion was a part of the Marshall Plan for the reconstruction of Europe, which



Faris Nanic, Secretary General in Croatia of the Party of Democratic Action and former chief of staff to President Alija Izetbegovic of Bosnia-Herzegovina, at a meeting in Chicago on Sept. 20.

was allotted to Germany. \$1.5 billion, which was much less than Great Britain, or Italy, or any other country gained. But what the Germans did is, they established a Credit Bank for Reconstruction, and on the leverage of this \$1.5 billion, as a capitalization, they issued \$6 billion, approximately, in the first emission—about \$6 billion of credits—long-term, acceptable credits, through commercial banks for the development of the productive sector, and necessary infrastructure.

Then, when these credits started to return, they used this money to launch another issue of credits. And within a period of five to 10 years, they created actual real wealth of the economy which was much, much higher than the initial \$1.5 billion of the Marshall Plan.

In that third phase, the private sector moved in. And the private sector found its own interest. And then it was not only the German economy that benefitted from this kind of credit activity, but it was also the American economy, the U.S. economy, that was able to produce much more for export for the

developing Europe. So, that's the idea, essentially.

Let's try to go back a little bit and say, why do not these countries, why can't they have their inalienable sovereignty in economic and financial issues? Let them help themselves. We can use some kind of Marshall Plan, just as leverage, as a necessary capitalization for these banks, in all of these respective countries, which then can, of course, cooperate as sovereign states, in terms of reconstruction of the whole region, in terms of defining the priorities, in terms of defining projects of mutual interest, etc.

So, that's generally the idea. Because if we stuck in this idea of who's going to pay for it, and nobody is going to pay for it—which is normal, why should we expect down there in the Balkans that somebody is going to pay for it? Who is, after all, obliged to pay for our own reconstruction? But if we launch the credit-generating mechanism, which can be launched only through the respect of sovereignty in monetary issues, of each and every country in that region, then we can have real reconstruction and development.

So, that's generally the idea. But this won't be possible unless the initiative comes from the United States. Because, not a single country down there, not a single country in Europe, will be courageous enough to launch these necessary changes, these necessary shifts, in the overall financial and economic policy. Without structural changes in the world financial and monetary system, this thing wouldn't be possible. And that's why I'm here.

Transform the world financial system

I would like to present one view, from the Balkans, from down there, from the region, on how to reconstruct, how to launch this reconstruction and development, which is the only guarantee of stable and durable peace and cooperation. To change the world monetary system, to change the world financial system, and to launch the whole reconstruction program, is not a big deal. It just takes political courage and political leadership.

And the proposal is there. The proposal is made by Mr. LaRouche and his movement, and it is something that is viable, it is something that is concrete, and it is something that can be offered, not only to the nations down there, but it can be offered to everybody. And this is the only way out. Otherwise, we are in a Catch-22 situation, where we cannot create money, or financial means for our development, because we have no sovereignty whatsoever. And, on the other side, there is no money from outside, nobody is going to pay for it, nobody is going to invest in a country where transportation costs are so high. Nobody is going to invest in a country where the basic infrastructure has been damaged, to a very large extent. And that's why this needs to be done.

This is what we should address to the American public, and to the American political decision-makers. And this is essentially my message. I'm here just to give a message, nothing else.

Interview: Dr. Peter Edelman

A change is needed in American welfare policy

Dr. Peter Edelman, a professor at Georgetown University Law Center in Washington, D.C., was an Assistant Secretary of Health and Human Services during the first Clinton administration. He resigned from that position in 1996, in protest of President Clinton's signing of the welfare reform legislation, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). Dr. Edelman spoke with Marianna Wertz on Sept. 27.

EIR: You left the Clinton administration in 1996, in protest of his signing the welfare reform act. We've been told subsequently, that Al Gore, working with [former Clinton aide] Dick Morris, crafted this policy for the administration. Can you tell me what you know about that, what your objections were at the time, and whether you believe anything has changed inside the administration since you left?

Edelman: "Crafted this policy" is not correct. My understanding is that the Vice President and Dick Morris were among a minority of advisers who urged the President to sign the bill. Most of those advising him urged him to veto it, but he decided—regardless of minority or majority—he made the decision to sign it.

My objections could be a very long answer, but my objections were that it wasn't real welfare reform. As a block grant, it allowed the states to have policies that were as negative and punitive as they would want. It also allowed states to do the right thing. It destroyed the safety net that had been in place for 60 years and it really didn't make sure that the states would make decisions that really seriously promote work and protect children. So, the combination of the block grants and the arbitrary five-year time limit were the heart of the bill, as well as all the cuts in the other programs, which were just a kind of ugly frosting on a very bad cake.

Has anything changed? The administration has done a limited number of things to ameliorate the impact of the bill. They've gotten Congress to restore SSI [Supplemental Security Income, monthly payments to people who are 65 or older, or blind, or have a disability and who are indigent] benefits to people who were in the country at the time the bill was signed *and* were already elderly or already disabled—very limited restoration, which has gotten more publicity than it really deserves to have.

They got CHIP passed, which is important, and is, among other things, helpful in terms of mothers going to work and

having health coverage for their children. (CHIP is a children's medical coverage program that supplements Medicaid for children and families that have incomes a bit higher than Medicaid contemplates, makes available to states \$24 billion over a five-year period, in quite a flexible way, to make choices about how to provide that coverage, including extending Medicaid, but also by having separate insurance mechanisms that they create.) They got a welfare-to-work program in the Labor Department passed, which is modestly helpful on jobs programs.

But they've done *nothing* about the so-called welfare reform itself, which is at the heart of the legislation, and which the President seems to continue to believe is good policy.

EIR: Lyndon LaRouche, the founder of *EIR*, also protested Clinton's signing of PRWORA. He warned that it would lead to a virtual slave-labor policy for welfare recipients, particularly as the financial crisis deepens, as it has. As a Presidential candidate, he recently warned that the growing use of prisoners and others, as virtual slave labor, has grown. Do you concur with this, or what is your view?

Edelman: I do not concur with that. That is, I'm very concerned about those places in the country which have chosen to use so-called workfare programs, which I think put people to work in ways that don't adequately help them make a transition to private-sector work, that don't provide extra preparation, but I would not call it slave labor.

EIR: What would you like to see occur in the debate in the Presidential primaries around this question?

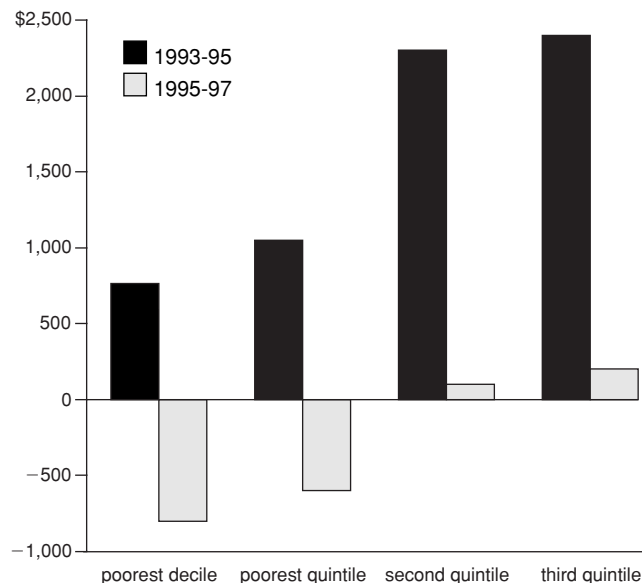
Edelman: I think it would be useful to have a constructive debate. Senator Bradley, as you know, voted against the legislation when it was passed, and he has talked about it and I'm sure will continue to talk about it. People who are running who have concerns and criticisms, I think they need to express them and I would hope there would be a debate. I must say, I don't know that the country is listening as carefully as I would like, and I don't see enough people speaking about it in a critical way.

EIR: Sen. Paul Wellstone (D-Minn.) recently pointed to what he called 4.5 million "disappeared" women and children, who have been removed from the welfare rolls. In an Aug. 11 letter to the *Washington Post*, you asked, "Who is worrying about the children?" What do you see happening with these women and children?

Edelman: We don't precisely know; that's what concerns Senator Wellstone and me, and some others, because it is very hard to study what happens to someone who has been removed from the rolls and does not show up, therefore, on any other public record. Some of the children are on Medicaid, some of them continue to be on foodstamps, they're here and there on various other public records. But it's difficult to study what happens to them, and Senator Wellstone has pointed out, and I agree, that there's not a lot of official interest in

FIGURE 1

Changes in disposable income among single-mother families with children



Source: Center on Budget and Policy Priorities, Washington, D.C.

studying what happens to them. He, as you know probably, has proposed legislation that they should be followed more carefully.

What has happened, is a number of things, which essentially add up to a net loss in income for people at the bottom. They've lost cash benefits. Some of them are in extended families that help them out. Some of them probably had some work that we didn't know about. Some of them get married. But I think that if you look at the Census poverty data for 1996 and 1997 and at the recent study that Wendell Primus did [see **Figure 1**], you have to conclude that a large number of them and their children simply lost income, that the benefits they lost are not offset by any earnings that they have, and at the very bottom, of course, many of them don't have earnings at all. So we see, for example, that the lowest 10% of single mothers have lost about 15% of their income during that two-year period.

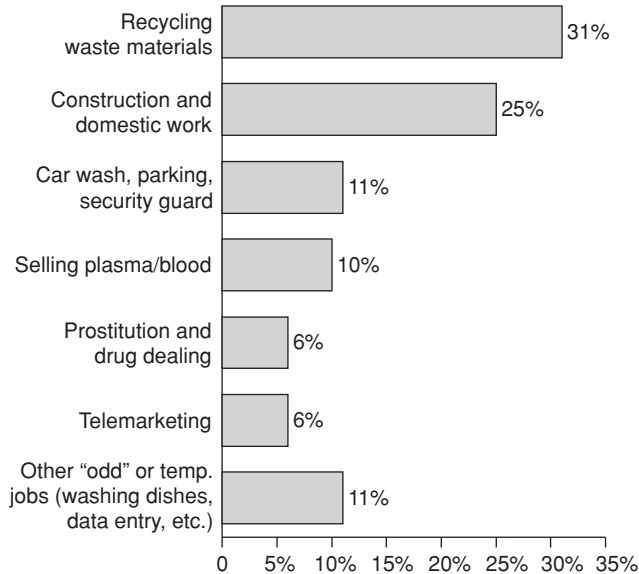
EIR: We reported on that study [*EIR*, Sept. 17, 1999].

Edelman: Yes, I know you have. But that's really the answer to your question. The best answer to your question is in these national figures and what they must represent.

EIR: A recent study at the University of California at Los Angeles, on which we reported [*EIR*, June 25, 1999], showed that 6% of former welfare recipients in Los Angeles are now making a living by crime, including drug-dealing and prostitution [**Figure 2**]. This is the first such study we've seen. A national leader of the American Federation of State, County

FIGURE 2

Types of current jobs, former general relief recipients, Los Angeles County



Source: UCLA School of Policy and Public Research, Ailee Moon, Ph.D. and Rebecca Hawes, MSW, April 1999.

and Municipal Employees (AFSCME) told us that he believes the fall in welfare rolls is directly related to a rising incarceration rate, especially among minorities. Do you have any comment on that?

Edelman: I think a lot of us believe that over a period of time, we will see continued increases in the use of soup kitchens and food pantries and in crime and incarceration rates and other negative social indicators. It's always hard to be precise about cause and effect, because there are so many variables in all this. But, unfortunately, it stands to reason that when you massively affect the income situation of that many people, that there are going to be some negative outcomes. And I think we're seeing them.

What we need to understand, and what I and others said at the beginning, is that it's not a one-to-one effect. . . .

EIR: My last question is two-fold. What are you doing now with respect to the welfare policy, and what do you think should be done?

Edelman: What I'm doing is speaking out about it and writing about it and in various little ways that I can to get attention for my views. I had an op-ed in the *New York Times* earlier this summer and a letter to the *Washington Post* and on television occasionally and give public speeches fairly regularly. That's what I'm doing. And talking to various decision-makers, in the Congress and elsewhere, to try to be helpful.

What do I think should be done? I think that, basically, again, I could talk to you for a week about what should be

done. We're going to be coming up to a reauthorization process, the debate about which will begin, I think, in earnest in the next Congress in the year 2001. I think that everyone who is concerned needs to be thinking about what the next version of this legislation should look like.

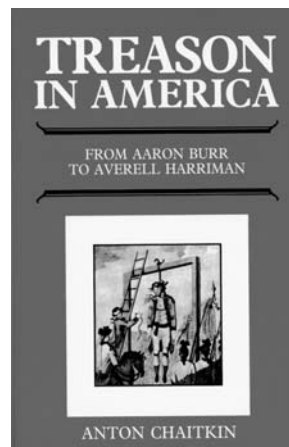
I myself would change the framework considerably, to create some provisions that keep the worst states from being as punitive as they are, while retaining great flexibility, and are more forceful in promoting states to have good policies to help people find and keep jobs, and to have a real safety net for children, at the same time that I actually do believe in a work-oriented welfare policy, but one that's genuine about that and that does protect children.

If we have to keep the framework, if the politics end up being that we have to keep basically this framework that we have, there are all kinds of things one can do to improve it. One can have exceptions to time limits for people who have small children, so that we aren't pushing women out into the labor force when the children are twelve weeks old. We can have exceptions for people who live in places that are in regional recession. We can have exceptions for policies that supplement, through the welfare process, supplement the earnings of people from work. There's a whole long list of things that we can do—put more funding out there for child care and more encouragement to use it in the right way, improve transportation, drug treatment, literacy skills, and so on. That's why I say I could talk to you for a week.

Treason in America

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President Garfield's total war on the British/Wall Street axis

by Anton Chaitkin

An outline of one aspect of work in progress toward a book on the catastrophe of the 20th century.

Foreword by the U.S. Democratic Party's Presidential pre-candidate Lyndon H. LaRouche, Jr.

Anton Chaitkin's sketch of part of the material to be included in his forthcoming book, is of such urgently timely relevance, that I insisted it must be published in that form now, for the information of not only U.S. citizens, but also other readers in Europe. I have used my authority as chief executive officer of *Executive Intelligence Review*, Chaitkin's publisher, to push this sketch of a crucial page from world history into publication now, when the lessons it contains must be foremost in the political thinking of statesmen in Europe and the U.S.A. itself. I have edited this piece very lightly, and that only for literary purposes.

Otherwise, the timeliness and other relevance of this piece speaks for itself.

Chaitkin's report: The Garfield story

The nomination, election, and brief 1881 administration of U.S. President James A. Garfield was the occasion for a global showdown on all fronts between the American nationalists versus the British Empire and their Wall Street colony. Though many *particular aspects* of this spectacular political war were headline news at that time, and are very well documented historically, the war as such has apparently never been reported.

As the American leaders crushed Wall Street's political machine and set in motion revolutionary world war against Britain, the American ally Czar Alexander II and President Garfield were murdered in rapid succession.

This violent conflict had lasting positive and negative effects for world civilization. It has interesting implications for today's strategic showdown involving the United States,

Russia, and the British; the question of the U.S. Presidency; and the LaRouche campaign.

To expedite a very preliminary report of our findings so far, I will set this down in sketchy chronological form, admittedly not the best conceptual framework for analysis.

1867: Following an unsuccessful assassination attempt against Czar Alexander II, the United States (still mourning for the assassinated President Lincoln) showed respect for its ally Russia by dispatching to Russia a Navy fleet, featuring an ocean-going version of the formidable *Monitor* warship. The fleet made a "courtesy call" warning stop in England on the way as a demonstration of potential force against Britain.

In that era, control of U.S. relations with Russia lay with Henry C. Carey, the Philadelphia-based American nationalist economist and Lincoln adviser. Markers of Carey's leadership role regarding Russia include his influential pro-Russia writings during the 1854-56 Crimean War (Britain/France vs. Russia); U.S. Ambassador Cassius Clay's proselytizing for Carey in Russia during the American Civil War; and Carey's 1869 private sendoff dinner for Pennsylvania Gov. Andrew Curtin as Ambassador, where it was proposed that the U.S.A. and Russia should impose world peace through a railroad development alliance.

1878: Carey's publisher, the magazine owner and banker Wharton Barker, built warships for Russia in Philadelphia's shipyard.

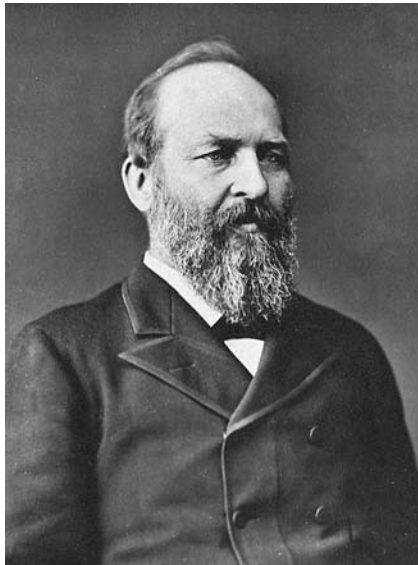
1878-80: Barker organized planning for industrial transformation of southern Russia: iron, coal and factories.

1878: Carey apostle (and Wharton Barker confidant) William Carroll, a Philadelphia physician, made an underground tour of the British Isles to unite all factions of Irish revolutionaries. Carroll became executive director of the Clan-na-Gael/Irish Republican Brotherhood.

October 1879: Henry Carey died; the political apparatus of his personal associates persisted.

December-January 1879-80: Wharton Barker proposed the "dark horse" Presidential candidacy of Congressman James A. Garfield, a Civil War Union general.

None of the three main Republican Party candidates—nationalist Congressman James Blaine, Treasury Secretary John Sherman, and former President U.S. Grant—had enough



"The nomination, election, and brief 1881 administration of U.S. President James A. Garfield," Chaitkin writes, "was the occasion for a global showdown on all fronts between the American nationalists versus the British Empire and their Wall Street colony."

support to achieve nomination. The Wall Street financiers' "Stalwart" Republican political machine, run by U.S. Senator from New York Roscoe Conkling, had fixed on and controlled a revived Grant candidacy (after Grant's two terms and the intervening Hayes Presidency). Conkling and American System advocate Blaine were bitter enemies.

January 1880: Inventor Thomas A. Edison (backed by the Philadelphia-based business/political forces of Carey and advised by the Careyites' science associates assembled by Alexander Dallas Bache) filed for a patent for the electric light.

January 1880: The nephew of Henry Carey, historian Henry Charles Lea, on Barker's request, convened at Lea's house a meeting of prominent Philadelphians. Their manifesto, signed by 200 Philadelphia leaders, started the National Republican League to break the New York-Wall Street hold on the Republican Party. This League became the national backbone for Garfield.

Spring 1880: Barker was campaign manager and floor manager for the (initially unannounced) Garfield candidacy at the Republican national convention. Barker later confessed in print in hilarious detail, about his cheerleading of crowd and delegates, and management of Garfield. As soon as Barker got the "fix" in for Garfield's "surprise" nomination, Barker left the ongoing convention and sailed immediately to Russia to meet with the Czar; a new world strategic geometry was being shaped.

To keep the Republican Party together, the Vice Presidential candidacy was given to Chester Arthur, notorious as a stooge of New York/Wall Street Republican political boss Roscoe Conkling.

July 6, 1880: In a letter to Russia's Foreign Ministry, Barker wrote of "the common work of the Russia and America, namely the dismemberment of the British Empire."

October 1880: To effect a final election victory for Gar-

field's Republicans over the pro-free-trade opposition Democrats, Philadelphian William Carroll brought two heroes of the Irish revolution, famous within the Irish-American diaspora, with him to a Philadelphia meeting with Garfield's campaign manager Barker. They proposed that a manifesto on behalf of Garfield be addressed to the traditionally Democratic Irish-American voters. The project was agreed to by Garfield and Blaine, and rejected by Chester Arthur.

Robert Ellis Thompson, editor of Carey's later works for Barker's magazine, first dean of the Wharton School, and a leader of the Irish revolutionary underground, wrote the manifesto. It was published in New York newspapers and broadsided across the country, telling Irishmen not to back British free trade, which had destroyed Ireland and would wreck American workers. The Irish vote swung in Garfield's direction; Garfield won a plurality by less than 8,000 votes nationally, and took the decisive states of New York and Indiana because of it. The British credited the Irish-American vote with Garfield's election.

Garfield chose nationalist leader James Blaine as Secretary of State. For counterbalance, "Stalwart" faction boss Conkling demanded that his ally, New York banker Levi P. Morton, be named Treasury Secretary. Morton's firm, led by its British partner Sir John Rose, was part of the international syndicate (with Morgan and Rothschild) which had taken over U.S. bond financing after the 1873 smashing of Philadelphia nationalist banker Jay Cooke. Garfield himself, in 1878 and 1879, had declared in Congress his opposition to financing through the syndicate, calling for Cooke-style sale of government bonds to the people.

Garfield rejected Morton for Treasury Secretary, saying he wanted no Wall Street banker in that post.

Wayne MacVeigh, counsel to the Pennsylvania railroad (who, as ambassador to Turkey, had opened the way to archeologist Heinrich Schliemann to dig for Troy), and Barker's lieutenant managing the Garfield forces at the GOP convention, was named U.S. Attorney General.

Robert Lincoln, son of the President murdered in 1865, was named Secretary of War.

March 4, 1881: Garfield was inaugurated President.

March 10, 1881: A telegram informed Barker that the Czar had agreed to Barker's southern-Russia industrialization program.

March 13, 1881: Czar Alexander II was assassinated by anarchist bombing. Nevertheless, two years later, Edison's partner Emil Rathenau of Germany set up the first Russian electric power station, in St. Petersburg.

Throughout 1881: In the War of the Pacific, the United States aided Peru to resist a British-run invasion from Chile—a desperate situation in many ways comparable to today's struggle for national survival against terrorism in Latin America. President Garfield and Secretary of State Blaine were both actively responsible for the pro-nationalist, anti-British policy in South America.

Around May 1, 1881: The *Fenian Ram*, the world's first

practical submarine war vessel, designed to destroy Britain's Navy, was test-launched from the New Jersey side of New York harbor. Inventor John Holland was entirely financed by the Irish revolutionary command led by William Carroll and other Carey allies such as Knights of Labor leader Terance Powderly.

May 18, 1881: After a titanic struggle in the Senate and throughout U.S. politics, despite anti-Garfield blackmail, Garfield's nominee of Blaine-ite William Robertson to be Collector of the Port of New York was approved by the U.S. Senate. That Collector post managed 90% of U.S. government revenues, and could dominate New York finances.

Roscoe Conkling and his underling Thomas C. Platt, the other New York senator, resigned from the Senate, disgraced and demoralized. Conkling, like traitor Aaron Burr long before him, was finished politically, but went on to become a rich Wall Street lawyer.

Throughout the contest that lasted during the entire administration, Vice President Arthur lived in the rooms of Conkling in Washington and worked under Conkling's direction to actively sabotage the administration.

The night of Conkling's resignation, Charles J. Guiteau, a brainwashed armageddonist cult victim, "was inspired" to begin stalking the President for assassination (see Guiteau's autobiography, published during his trial).

Garfield was now in high gear, exercising the power of the Presidency to the fullest. He became wildly popular across the country in this battle against the financier-power. He allied himself with southern Negroes (see also his Inaugural Address, mainly on Black rights and the crucial role of education uplifting the illiterate mass of U.S. citizens), and with workers, farmers and U.S. manufacturers.

Early June 1881: The Irish revolution's diesel-powered *Fenian Ram*, now equipped with test torpedoes supplied by *Monitor*-designer John Ericsson, made the first successful submarine dive in New York harbor, to the spectators' amazement. Britain's Consul General initiated protests to the Garfield administration, and a request to surveil the submarine testers was sent to the U.S. government representative in New York, Collector of the Port William Robertson (whom Garfield had just forced into office against the Wall Street-British forces).

Historian Richard K. Morris, in *John P. Holland: Inventor of the Modern Submarine*, describes the result: "It appears that the British were more alarmed by the proceedings in the Basin [harbor] than were the officials in Washington. The American attitude was that an inventor merely wished to experiment with his creation, and there was no need to make an international incident of the affair. So the concern of officialdom subsided and Holland was free to continue his investigations." (In 1900 the U.S. administration of President William McKinley hired John Holland to design the Navy's first submarine.)

July 2, 1881: Charles J. Guiteau shot James Garfield

twice, as the President walked arm in arm with Secretary of State Blaine at the Washington train station. Guiteau shouted out, "I am a Stalwart. Chester Arthur is now President of the United States."

The assassin Guiteau was a mental prisoner of the Noyes sex-cult commune at Oneida, and the Tory-heritage Noyes was at the time of the assassination hiding out in Canada from rape charges in New York State. Guiteau had been recently associated with fundamentalist Dwight Moody in armageddonist preaching, and had only become immersed in "politics" during the 1880 electoral scramble.

Had Garfield died right away, there might have been an uncontrollable political crisis. But he lasted 80 days, giving the enemy time for damage control with the Vice President's image. Arthur took over when Garfield died on Sept. 19; Arthur fired Blaine and shut down America's anti-British initiatives.

Wharton Barker, in his 1916 article, "Secret History of Garfield's Nomination," wrote that Garfield had swung into a war with "Wall Street" at the point that Guiteau's bullets fatally wounded him.

President Arthur could not be renominated in 1884, Blaine taking the Republican nomination.

Conkling and young New York Republican Teddy Roosevelt refused to help their Party's nominee, Blaine. Democrat Grover Cleveland's campaign was run in New York by W.R. Grace, British immigrant, head of Britain's Chile/Peru-based South American cartel and repeated mayor of New York City. Blaine lost.

The Conklingite Thomas Platt came back into the U.S. Senate later, and was instrumental in getting Teddy Roosevelt on the electoral ticket as Vice President with McKinley in 1900. Soon after their 1901 inauguration, McKinley was murdered, and the Teddy Roosevelt machine, controlled personally by Britain's King Edward VII and Edward's agents Casel, Schiff, Warburg, and Harriman, et al., acted to consolidate the political power of Edward's Wall Street agents, leading into the U.S. alignment with the British monarchy in Edward VII's planning and preparations for what become World War I.

During 1878-80, the Careyites and their allies in Germany and the Vatican had succeeded in turning Otto von Bismarck to a protectionist form of all-out development policy. This de facto alliance of the U.S.A., with Germany, Russia, Japan, China and the Hamiltonian American System forces of Ibero-America, truly represented an immediate global threat to the existence of the British Empire. Ever since these developments, the British monarchy has reacted accordingly, up to the present day.

When these facts are taken into account, many influential and other figures of both Europe and the U.S.A. are forced to come to their senses, and to recognize at last where the true sovereign strategic interests of our respective nations lie.

Bill to federalize class action passes House

On Sept. 23, the House passed, by a vote of 222-207, a bill that, under certain circumstances, will require that multi-state class action lawsuits be moved from state court to Federal court. Bob Goodlatte (R-Va.), the lead sponsor of the bill, argued that while class actions are a necessary legal device, they "have been used in increasing frequency and in ways that do not promote the interests they were intended to serve."

Goodlatte said that different class certification standards among the states leads to a situation where a class may be certifiable in one state, but not in another. "This creates potential for abuse of the class-action device," he said. The bill also makes it easier to move a case from state court to Federal court even if the current monetary threshold of \$75,000 in damages per plaintiff is not reached.

John Conyers (D-Mich.) denounced the bill as not the "procedural fix" that its sponsors claim it to be, but rather a bill that rewrites class action rules in a way "that would bar most forms of state class actions." He said that the bill also undercuts the principle of class action, which is a mechanism for bringing to court claims that, on an individual basis, would not be worth the cost of litigating. The bill, Conyers said, "will undercut that important principle by making it far more burdensome, expensive, and time consuming for injured persons to obtain access to justice in the state courts." Only corporate wrongdoers would benefit, he said, especially the tobacco, gun, and managed-care industries.

However, it was not only the provisions of the bill that came under fire from Democrats. "As a result of Congress's increasing propensity to federalize state crimes, and the Senate's unwillingness to confirm judges,"

Conyers said, "the Federal courts are already facing a workload crisis," which would only be aggravated by the bill.

An amendment sponsored by Maxine Waters (D-Calif.) to prevent the bill from taking effect as long as judicial vacancies remain above 3%, was defeated by a vote of 241-185.

Fiscal 2000 to begin with stopgap funding

On Sept. 28, the House and the Senate both passed a continuing resolution which will keep the government operating until Oct. 21. The resolution was needed because only two of 13 appropriations bills (Military Construction and Legislative Branch) have been signed into law.

During the debate, Democrats took potshots at the GOP for its failure to get the job done. In the House, David Obey (D-Wisc.), the ranking member on the House Appropriations Committee, blamed the appropriations logjam on a faction of the Republican caucus that "has decided that they will resist all attachment to reality and they will continue to pursue the idea that somehow, even though they control only one branch of government, they can force their will on all of the branches of government including the President." He called on the GOP leadership to, instead, sit down with President Clinton and work out a deal, which, so far, they have not had the inclination to do.

The Senate sent two more bills to conference prior to the passage of the continuing resolution, the Interior Department bill on Sept. 23, and the Veterans Administration-Housing and Urban Development bill on Sept. 24. Also completed was the Energy and Water Development bill, which passed the Senate on Sept. 28 by a vote

of 96-3, a day after it passed the House by a vote of 327-87. However, President Clinton vetoed the District of Columbia bill on issues unrelated to the funding levels in the bill.

Is a deal near on gun control?

The principals involved in negotiations on gun control provisions in the Juvenile Justice bill, House Judiciary Committee Chairman Henry Hyde (R-Ill.) and ranking member John Conyers (D-Mich.), both expressed optimism that an agreement can be reached on the bill in the near future. The colloquy came on Sept. 22, when Zoe Lofgren (D-Calif.) offered a motion to instruct House conference committee members on the bill.

Lofgren's motion, which was approved by a vote of 307-117 on the following day, instructs conferees to support a bill that includes provisions that tighten background checks at gunshows, does not include provisions that weaken gun safety laws, and includes provisions that aid in the enforcement of current laws respecting the use of guns in the commission of violent crimes. Lofgren urged the members of the House to agree that "we shall not pretend we are making children safer" while at the same time "building in weasel-worded modifiers and exceptions that make the promised protections meaningless."

Hyde complained that the bipartisan bill passed by the House earlier this year was loaded with controversial items, but praised Conyers for having the courage to "seek a meaningful resolution to issues that others would rather exploit." For his part, Conyers added that "the possibility of reaching a bipartisan agreement on reasonable and common sense gun safety legislation is good."

National News

Biography says Reagan had 'dim view' of Bush

A new biography by Edmund Morris, *Dutch: A Memoir of Ronald Reagan* (Random House, 1999), maintains that President Reagan had a low opinion of his Vice President, George Bush, according to the London *Sunday Times* of Sept. 26. The book reportedly details the "tension" in the White House between George and Ronald, and says that these revelations "cast a shadow over the Presidential campaign of Mr. George W. Bush, the Texas Governor."

Morris writes that Reagan formed a dim view of Bush while they were both candidates in the New Hampshire primary in 1980. After agreeing to a one-to-one debate with Mr. Bush in New Hampshire, Reagan invited other candidates to join in. Instead of objecting, Mr. Bush sat silently by. According to Morris, "Reagan was a man who admired strength. I think he perceived Bush, when Bush wimped out, as a man who gave in to pressure. . . . I sensed very strongly that Reagan thought Bush was not all man."

The book quotes Bush in 1988 saying that Reagan "never seemed to want us upstairs in the White House." Apparently, Nancy and Ronald Reagan regarded Barbara as "the help," and both of them as "downstairs people, not upstairs people."

CIA to host anniversary of fall of Berlin Wall

A spokesman for the CIA's Office of Public Affairs said that the historical branch of the CIA, the Center for the Study of Intelligence, will co-host a celebration of the tenth anniversary of the fall of the Berlin Wall, at Texas A&M University, with the George Bush School of Government and Public Service and the George Bush Library, which are both located near the university campus. The conference will be held during the week of Nov. 13.

The CIA official said that many of the surviving leaders of the Cold War would be in attendance. This would include all the sur-

viving former Directors of Central Intelligence, including the current one, George Tenet. The official said he believed that former President George Bush would speak, and that there is a possibility that his son might as well.

George Bush has also been invited by the German government to attend a celebration of the fall of the Wall that will be held in Berlin.

Hillary Clinton sounds alarm on AIDS in Africa

First Lady Hillary Rodham Clinton convened a meeting on Sept. 7 at the White House, to mobilize international health officials amid deepening concern over the unchecked spread of AIDS in sub-Saharan Africa and the epidemic's growing threat to Southeast Asia and eastern Europe, according to a press release *Harvard World Health News* issued on Sept. 9.

"Reports from Africa describe a catastrophe in the making that threatens an entire generation of children and two decades of economic development," according to the statement. "Average life expectancy is plummeting by 20 years in some areas, as aggressive new strains of HIV decimate the continent."

The meeting with Mrs. Clinton followed the release in July of a little-noticed White House report which warned, "As goes Africa, so will go India, Southeast Asia, and the Newly Independent States of the former Soviet Union, and by 2005, more than 100 million people worldwide will have been infected with HIV. Leadership and resources are desperately needed if we are to turn the tide."

"The report presents findings of a March 27-April 5 Presidential Mission on Children Orphaned by AIDS in sub-Saharan Africa, and paints a grim picture of the situation facing children," the Harvard release continues. "In nine countries, between one-fifth and one-third of all children will be orphaned by AIDS by the end of this year. . . . Over the next decade, the report projects that more than 40 million children will be orphaned by AIDS. The report describes fragile health care systems buckling under the weight of

the crisis, with AIDS patients already occupying 50-80% of all hospital beds in some areas."

Waco lawyer hits DOJ permanent bureaucracy

Tucson lawyer David Hardy says that the real villains at Waco, those who caused the death of members of the Branch Davidian sect, and who perpetrated the coverup afterward, are the "omnipotent peons" at the FBI and the Department of Justice, according to the *Arizona Republic* of Sept. 20. This is the grouping that *EIR* has called the DOJ's "permanent bureaucracy."

"The government isn't run by Cabinet members or department heads," Hardy said. "The government is run by middle-level and lower-level peons who do what they damned well please."

Hardy has filed numerous FOIA suits on Waco, and he has worked closely with filmmaker Mike McNulty on unearthing evidence of the government coverup around Waco.

"I doubt that Janet Reno or Louis Freeh had any idea of the coverup we've been discovering," Hardy added. "But I believe subordinates of theirs did. And the people who were on the scene certainly did."

Hardy said that when he used to work for the Department of the Interior, he worked with many of these "omnipotent peon" bureaucrats. "We were under orders from our bosses not to report anything to the head of our department. He was supposed to be kept completely in the dark."

Mosquito-borne disease poses threat to N.J.

There is less mosquito-borne disease prevention now in New Jersey, than there was in the 1940s, according to the *Newark Star Ledger* of Sept. 7. The issue has become a focus of concern, because of the outbreak of encephalitis in New York City, which claimed several lives.

ROBERT RUBIN, the former Treasury Secretary, warned, "Don't Give Up on Russia," in a commentary in the *New York Times* on Sept. 21. "The United States has a critical interest in Russia's stability and economic success and in its transition over time to a market democracy," he wrote. "Given the challenges Russia faced, it would have been unrealistic to assume that Russia could shake 70 years of Communist baggage and become a full-fledged market democracy in less than a decade."

A FEDERAL JUDGE in the District of Columbia ruled on Sept. 17 that the city's Board of Elections must tabulate and release the results of last year's ballot referendum on the legalization of "medical" use of marijuana. The referendum, part of a nationwide drive bankrolled by George Soros, was blocked from even being counted by Congress, but the ACLU sought a court order, which has now overridden the Congressional action. The initiative is believed to have passed by a large margin.

PHIL GRAMM (R-Tex.) denounced the exercise of national sovereignty, in a Sept. 16 press release. Gramm, the chairman of the Senate Banking Committee, complained that the White House had urged Federal bank examiners to "drum up political support for the Community Reinvestment Act. . . . This is vivid evidence of the danger posed by the administration's proposal to take regulatory power away from the independent Federal Reserve and give it to the Treasury Department. The proposal is a political power grab that must be defeated."

BRUCE BABBITT, Secretary of the Interior, has joined environmentalist groups like American Rivers and a "green" faction in the Army Corps of Engineers, in a campaign to tear down dams that allegedly pose a threat to fish populations. Ultimately, they plan to "deconstruct" America's network of 75,000 dams, upon which farming, manufacturing, clean water provision, and flood control depends.

The paper reported, "This outbreak was completely predictable and completely preventable, but waiting until people start getting sick is too late," said Wayne Crans. The Rutgers professor has been monitoring New Jersey's mosquito population since 1949, when a different strain of encephalitis claimed 21 lives along the Jersey Shore.

"Mosquitoes have been transmitting diseases since the beginning of time. It is incomprehensible to me that one of the largest urban areas in the world has no mosquito control program," Crans said."

Helicopters sprayed the pesticide Malathion across a four-square-mile area of New York City over Labor Day Weekend, and Fire Department employees handed out \$115,000 worth of insect repellent. Operators fielded more than 7,000 phone calls on a mosquito complaint-information hotline.

Professor Crans said that the outbreak never should have happened. "We know there are urban-adapted mosquitoes. They are extremely pollution resistant and love standing water from sewers and storm drains. In the past, there have been outbreaks in St. Louis, Chicago, Houston, and the Camden-Philadelphia area.

"It is no surprise that it happened in New York. Only that it took so long," Crans said."

The key to preventing encephalitis outbreaks, he said, is to "know where the problems are in advance. Every place should have a mosquito control commission, with educated scientists whose job it is to treat the problem areas." But, Crans said, the urban areas of New Jersey are "absolutely unprepared."

Labor calls for fixing up decrepit schools

Lacking the leadership and political strength to fight for a thorough-going solution to the nation's education crisis, organized labor is joining the Clinton administration in rallying to repair and rebuild schools around the country.

According to a press release from the AFL-CIO's Building and Construction Trades Council dated Sept. 13, Robert A. Georgine, head of the Building and Con-

struction Trades Department of the AFL-CIO, led a rally in support of legislation now pending in Congress to use \$25 billion in Federal tax credits to rebuild and repair public schools. The legislation, the Public School Modernization and Overcrowding Relief Act of 1999 (HR 1660, S1760, S1454), is supported by both parties.

Speaking at the rally at Perth Amboy, New Jersey's Peterson Elementary School, Georgine said, "We are honored to be able to help keep Peterson in good repair, but we would love to be able to build a modern, state-of-the-art school, the kind of school the children deserve." He cited a report by the American Society of Civil Engineers, which estimates that one-third of all schools need extensive repair or replacement, nearly 60% have at least one major building problem, more than half have inadequate environmental conditions, and 46% lack basic wiring to support computer systems.

Maryland's Young acquitted on all charges

Former Maryland State Senator Larry Young was acquitted on all charges of bribery and tax evasion on Sept. 24, by a jury in Anne Arundel County. This is a major defeat for the U.S. Department of Justice's notorious "Operation Fruehmenschen" ("Operation Primitive Man")—the judicial harassment of African-American elected officials and other leaders.

The campaign against Young was initiated in December 1997 by allegations from the *Baltimore Sun*, which led to his expulsion from the Maryland Senate in January 1998, even though he had not at that time been charged with any crime, and eventually to his trial in September 1999.

LaRouche Democrat Lawrence Freeman, who ran for governor in 1998, was the only political figure in the state to attack the *Sun* and the DOJ for this dirty operation against Young. The Schiller Institute organized a Town Hall meeting in Baltimore on April 24, 1998, exposing the racist practices of the DOJ, at which Senator Young and several other elected officials spoke (see *EIR*, May 15, 1998).

Washington's Addams family

Al Gore's public admission that his campaign is in ruins, will allow thinking, patriotic Americans to give the boot to *both* Al Gore *and* George W. Bush as Presidential nominees. For, if Gore is dumped, then Bush goes, too. As the famous cartoon by *EIR's* Claudio Celani puts it, "They need each other." The Gore candidacy, as long as it lasts, is the guarantee of a Bush Presidency. Al Gore's function has been that he is the only notable Democrat whom George W. Bush can defeat.

Lyndon LaRouche pointed this out one year ago. Senator Daniel "Pat" Moynihan's public recognition of Gore's unelectability on Sept. 23, was what finally triggered Gore's public panic-attack of Sept. 29.

If we open up both parties' nominations in this way, we can open up both the parties to public discussion of the questions which will determine whether this nation will make it into the beginning of the 21st century. So far, only third-place Democratic candidate Lyndon H. LaRouche, Jr. has been raising these vital issues.

Even at this late date, after 30 years of accelerating downslide, it is still not too late for the United States to be saved—but only by no less than the total reversal of all prevailing policies of the past decades. But even so, there is a "catch." This can happen only under one condition: Americans must drag themselves out of the swamp of stupidity into which they have fallen since the 1960s.

No more insistence on bite-sized answers; no more repeating "Simon says," after the "authorities" of the mass media and the universities.

Did you know that the Madeleine Albright foreign policy, the Gore foreign policy, and the Bush foreign policy, are all the same thing? Look at the continuity of policy from the Zbigniew Brzezinski/Trilateral Commission policy of the early 1970s, with its buildup of radical Islamist networks, leading to the overthrow of the Shah of Iran, the Afghanistan operation, and the Iran-Iraq War. Then the Bush-Thatcher Iraq War, and their encouragement of Milosevic to launch wars in Yugoslavia. Then, Albright and Blair's Kosovo War, their new NATO interventionist doctrine, their meddling in

Central Asia, and now their subversion of the North Caucasus, leading into "Islamic terrorist" war on Russian territory itself. This has been a 30-year forced march into World War III, regardless of which of the sitting Presidents were Republicans, and which Democrats. Future historians may one day write that World War III had already begun, before this date of writing.

Not only that, but this continuous, 30-year policy has been foisted on the United States by a single, extended, virtually biological family, which might be called the "Addams family" of Washington foreign policy (with reference to the family of ghouls in Charles Addams's cartoon). Madeleine Albright, of the "Phantom of the Opera" wardrobe and the grotesque songs and dances, is the daughter and protégé of a long-time British asset, Czech diplomat Josef Korbel. And George W. Bush's foreign-policy honcho, Condoleezza Rice, is another creation of the same Josef Korbel. In fact, the two women were close friends when Korbel was training them both as British agents. Albright's other trainer was "Woody Woodpecker" Zbigniew Brzezinski, a minor Polish nobleman with strong anti-Russian and pro-British sentiments. Brzezinski married a daughter of Josef Korbel's boss, Czechoslovakia's British-masonic President Eduard Benes, and was trained in British agency at Harvard by William Yandell Elliot, along with Brzezinski's sometime rival, Henry Kissinger.

Another facet goes back to the setting up of E.H. Harriman as an American nominee for Britain's Prince of Wales, later King Edward VII, through the Prince's personal banker, Ernest Cassel. George Bush's father, Prescott, was an assistant to E.H. Harriman. Harriman's son, Averell, sponsored Brzezinski to set up the Trilateral Commission.

One small, ghoulish family, with its fights and feuds. Yet, over the decades, their policy has taken on a weird life of its own. Will it plunge the world into a savage war, exterminating probably hundreds of millions of people? The last chapter is not yet written—or not quite yet, if you and your neighbors wake up in time.

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Ch. 62 (Cox)
Ch. 54 (CableReady)
Thursdays—12 Midnight

ARKANSAS

- CABOT—Ch. 15
Daily—8 p.m.
- LITTLE ROCK—Comcast Ch. 18
Tue. or Sat.: 1 a.m., or
Saturdays—6 a.m.

CALIFORNIA

- BEVERLY HILLS*
Century Cable Ch. 37
- BREA—Century Ch. 17*
- CHATSWORTH
Time Warner—Ch. 27/34
Wednesdays—5:30 p.m.
- CONCORD—Ch. 25
Thursdays—9:30 p.m.
- COSTA MESA—Ch. 61
Mon.—6 pm; Wed—3 pm
Thursdays—2 p.m.
- CULVER CITY
MediaOne Ch. 43
Wednesdays—7 p.m.
- E. LOS ANGELES
BuenaVision—Ch. 6
Fridays—12 Noon
- HOLLYWOOD
MediaOne Ch. 43
Wednesdays—7 p.m.
- LANCASTER/PALMDALE
Jones Ch. 16
Sundays—9 p.m.
- LAVERNE
Century—Ch. 3
Mondays—8 p.m.
- MARINA DEL REY
Century Cable Ch. 3*
MediaOne Ch. 43
Wednesdays—7 p.m.
- MID-WILSHIRE
MediaOne Ch. 43
Wednesdays—7 p.m.
- MODESTO—Access Ch. 8
Mondays—2:30 p.m.
- SAN DIEGO—T/W Ch. 16
Saturdays—10 p.m.
- SAN FRANCISCO—Ch. 53
2nd & 4th Tue.—5 p.m.
- SANTA ANA—Ch. 53
Tuesdays—6:30 p.m.

- SANTA CLARITA
MediaOne/T-W Ch. 20
Fridays—3 p.m.
- SANTA MONICA*
Century Cable Ch. 77
- TUJUNGA—Ch. 19
Fridays—5 p.m.
- VENICE
MediaOne Ch. 43
Wednesdays—7 p.m.
- WEST HOLLYWOOD*
Century Cable Ch. 3

COLORADO

- DENVER—DCTV Ch. 57
Sat.-1 p.m.; Tue.-7 p.m.

CONNECTICUT

- BRAINFORD—TCl Ch. 21
Thursdays—9 p.m.
- FRIDAYS—10 a.m.
- GROTON—Comcast Ch. 23
Mondays—10 p.m.
- MIDDLETOWN
Comcast Ch. 3
Thursdays—5 p.m.
- NEW HAVEN
Comcast Ch. 28
Sundays—10 p.m.
- NEWTOWN/NEW MILFORD
Charter Ch. 21
Thursdays—9:30 p.m.

DIST. OF COLUMBIA

- WASHINGTON—DCTV Ch. 25
Sundays—3:30 p.m.

ILLINOIS

- CHICAGO—CAN Ch. 21
*The LaRouche Connection**
*Schiller Hotline-21**
- SPRINGFIELD—Ch. 4
Wednesdays—5:30 p.m.

IOWA

- DES MOINES—TCl Ch. 15
1st Wednesdays—8:30 p.m.
Following Sat.—3 p.m.

KANSAS

- SALINA—CATV Ch. 6*
Love, Unity, Saves

KENTUCKY

- LATONIA
Intermedia Ch. 21
Mon.-8 p.m.; Sat.-6 p.m.
- LOUISVILLE—Ch. 70/18
Fridays—2 p.m.

LOUISIANA

- ORLEANS—Cox Ch. 6
Mon. & Fri.—12 Midnite

MARYLAND

- ANNE ARUNDEL—Ch. 20
Fri. & Sat.—11 p.m.
- BALTIMORE—BCAC Ch. 5
Wednesdays—4 p.m. & 8 p.m.
- MONTGOMERY—MCTV Ch. 49
Fridays—7 p.m.
- PRINCE GEORGES—Ch. 15
Mondays—10:30 p.m.
- W. HOWARD COUNTY—Ch. 6
Monday thru Sunday—
1:30 a.m., 11:30 a.m.,
4 p.m., 8:30 p.m.

MASSACHUSETTS

- AMHERST—ACTV Ch. 10*
- BOSTON—BNN Ch. 3
Saturdays—12 Noon
- GREAT FALLS
MediaOne Ch. 6
Mondays—10 p.m.
- WORCESTER—WCCA Ch. 13
Wednesdays—6 p.m.

MICHIGAN

- CANTON TOWNSHIP
MediaOne Ch. 18: Thu.—6 p.m.
- DEARBORN HEIGHTS
MediaOne Ch. 18: Thu.—6 p.m.
- GRAND RAPIDS—GRTV Ch. 25
Fridays—1:30 p.m.
- PLYMOUTH—MediaOne Ch. 18
Thursdays—6 p.m.

MINNESOTA

- ANOKA—OCTV Ch. 15
Thu.—11 a.m., 5 p.m.,
12 Midnight
- COLUMBIA HEIGHTS
Community TV—Ch. 15
Wednesdays—8 p.m.
- DULUTH—PACT Ch. 24
Thu.—10 p.m.; Sat.—12 Noon
- MINNEAPOLIS—MTN Ch. 32
Wednesdays—8:30 p.m.
- NEW ULM—Paragon Ch. 12
Fridays—7 p.m.
- PROCTOR/HERMAN—Ch. 12
Tue.: between 5 pm & 1 am
- ST. LOUIS PARK—Ch. 33
Friday through Monday
3 p.m., 11 p.m., 7 a.m.
- ST. PAUL—Ch. 33
Sundays—10 p.m.
- ST. PAUL (NE burbs)*
Suburban Community Ch. 15

MISSOURI

- ST. LOUIS—TCl Ch. 22
Wed.—5 p.m.; Thu.—Noon

MISSOURI

- MISSOURI—TCl Ch. 13/8
Sun.—9 pm; Tue.—4:30 pm

NEVADA

- CARSON CITY—Ch. 10
Sun.—2:30 pm; Wed.—7 pm
Saturdays—3 p.m.

NEW JERSEY

- MONTVALE/MAHWAH—Ch. 27
Wednesdays—5:30 p.m.
- NEW MEXICO
• ALBUQUERQUE—Ch. 27
Wednesdays—10:30 p.m.

NEW YORK

- AMSTERDAM—TCl Ch. 16
Fridays—7 p.m.
- BROOKHAVEN (E. Suffolk)
Cablevision Ch. 1/99
Wednesdays—9:30 p.m.
- BROOKLYN—BCAT
Time/Warner Ch. 35
Cablevision Ch. 68
Sundays—9 a.m.
- BUFFALO
Adelphia Ch. 18
Saturdays—2 p.m.

- CORTLANDT/PEEKSKILL
MediaOne Ch. 32/6
Wednesdays—3 p.m.
- HORSEHEADS—T/W Ch. 1
Mon. & Fri.—4:30 p.m.
- HUDSON VALLEY—Ch. 6
2nd & 3rd Sun.—1:30 p.m.
- ILION—T/W Ch. 10
Saturdays—12:30 p.m.
- IRONDEQUOIT—Ch. 15
Mon. & Thurs.—7 p.m.
- ITHACA—Pegsys Ch. 78
Mon.—8 pm; Thu.—9:30 pm
Saturdays—7 p.m.
- JOHNSTOWN—Ch. 7
Tuesdays—4 p.m.
- MANHATTAN—MNN
T/W Ch. 34; RCN Ch. 109
Sun., Oct. 17 & 31: 9 a.m.
- N. CHAUTAUQUA COUNTY
Gateway Access Ch. 12
Fridays—7:30 p.m.
- ONEIDA—T/W Ch. 10
Thursdays—10 p.m.
- OSSINING—Ch. 19/16
Wednesdays—3 p.m.
- PENFIELD—Ch. 12
Penfield Community TV*
- POUGHKEEPSIE—Ch. 28
1st & 2nd Fridays—4 p.m.
- QUEENSBURY
Harron Cable Ch. 71
Thursdays—7 p.m.
- RIVERHEAD—Peconic Ch. 27
Thursdays—12 Midnight
- ROCHESTER—GRC Ch. 15
Fri.—11 p.m.; Sun.—11 a.m.
- ROCKLAND—T/W Ch. 27
Wednesdays—5:30 p.m.
- SCHENECTADY—SACC Ch. 16
Tuesdays—10 p.m.
- STATEN ISL.—T/W Ch. 57
Wed.—11 p.m.; Sat.—7 a.m.
- SUFFOLK, L.I.—Ch. 25
2nd & 4th Mondays—10 p.m.
- SYRACUSE—T/W
City: Ch. 3; Burbs: Ch. 13
Fridays—8 p.m.
- UTICA—Harron Ch. 3
Thursdays—6 p.m.
- WATERTOWN—T/W Ch. 2
Tue: between Noon & 5 p.m.
- WEBSTER—T/W Ch. 12
Wednesdays—8:30 p.m.
- WESTFIELD—Ch. 21
Mondays—12 Noon
Wed. & Sat.—10 a.m.
Sundays—11 a.m.
- WEST SENECA—Ch. 68
Thursdays—10:30 p.m.
- YONKERS—Ch. 37
Saturdays—3:30 p.m.
- YORKTOWN—Ch. 34
Thursdays—3 p.m.

NORTH DAKOTA

- BISMARCK—Ch. 12
Thursdays—6 p.m.

OHIO

- COLUMBUS—Ch. 21*

- OBERLIN—Ch. 9
Tuesdays—7 p.m.

OREGON

- CORVALLIS/ALBANY
Public Access Ch. 99
Tuesdays—1 p.m.
- PORTLAND—Access
Tuesdays—6 p.m. (Ch. 27)
Thursdays—3 p.m. (Ch. 33)

RHODE ISLAND

- E. PROVIDENCE—Cox Ch.18
Sundays—12 Noon

TEXAS

- AUSTIN—T/W Ch. 10/16*
- EL PASO—Paragon Ch. 15
Wednesdays—5 p.m.
- HOUSTON—Access Houston
Mon., 10:11: 6 p.m.
Wed., 10:13: 6 p.m.
Thu., 10:14: 5 p.m.

UTAH

- GLENWOOD, Etc.—SCAT-TV
Channels 26, 29, 37, 38, 98
Sundays—about 9 p.m.

VIRGINIA

- ARLINGTON—ACT Ch. 33
Sun.—1 pm; Mon.—6:30 pm
Wednesdays—12 Noon
- CHESTERFIELD—Ch. 6
Tuesdays—5 p.m.
- FAIRFAX COUNTY
Media General Ch. 10
Tuesdays—12 Noon
Thu.—7 p.m.; Sat.—10 a.m.
- LOUDOUN—Cablevision Ch. 59
Thu.—7:30 p.m. & 10 p.m.
- P.W. COUNTY—Jones Ch. 3
Mondays—6 p.m.
- ROANOKE COUNTY—Cox Ch. 9
Thursdays—2 p.m.
- SALEM—Adelphia Ch. 13
Thursdays—2 p.m.

WASHINGTON

- KING COUNTY—Ch. 29
Thursdays—3 p.m.
- SPOKANE—Cox Ch. 25
Wednesdays—6 p.m.
- TRI-CITIES—TCl Ch. 13
Mon.—12 Noon; Wed.—6 p.m.
Thursdays—8:30 p.m.
- WHATCOM COUNTY
TCl Ch. 10
Wednesdays—11 p.m.
- YAKIMA—Falcon Ch. 9
Sundays—4 p.m.

WISCONSIN

- KENOSHA—T/W Ch. 21
Mondays—1:30 p.m.
- MADISON—WYOU Ch. 4
Tue.—2 pm; Wed.—8 am
- OSHKOSH—Ch. 10
Fridays—11:00 p.m.
- WAUSAU—Marcus Ch. 10
Fri.—10 p.m.; Sat.—5:30 p.m.

WYOMING

- GILLETTE—TCl Ch. 36
Thursdays—5 p.m.

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What's behind all the hysteria against China?

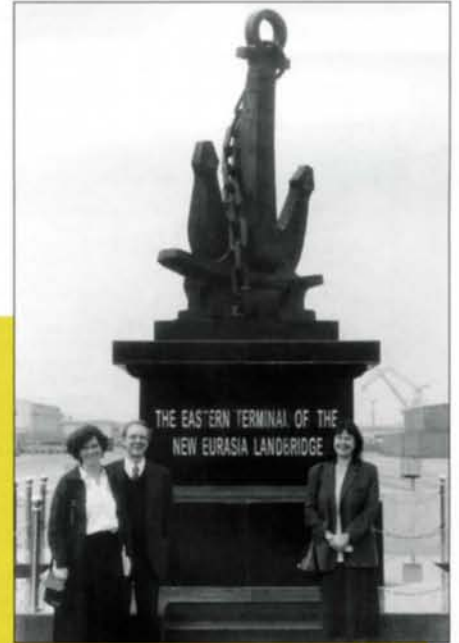
China wants to buy *trillions of dollars* worth of U.S. capital goods, for the great infrastructure project of the 21st century, the Eurasian Land-Bridge. But the British-led financier oligarchy, determined to prevent such collaboration at any cost, has unleashed its mad dogs in Congress, to wreck President Clinton's efforts to forge a mutually beneficial partnership with China.

The Eurasian Land-Bridge

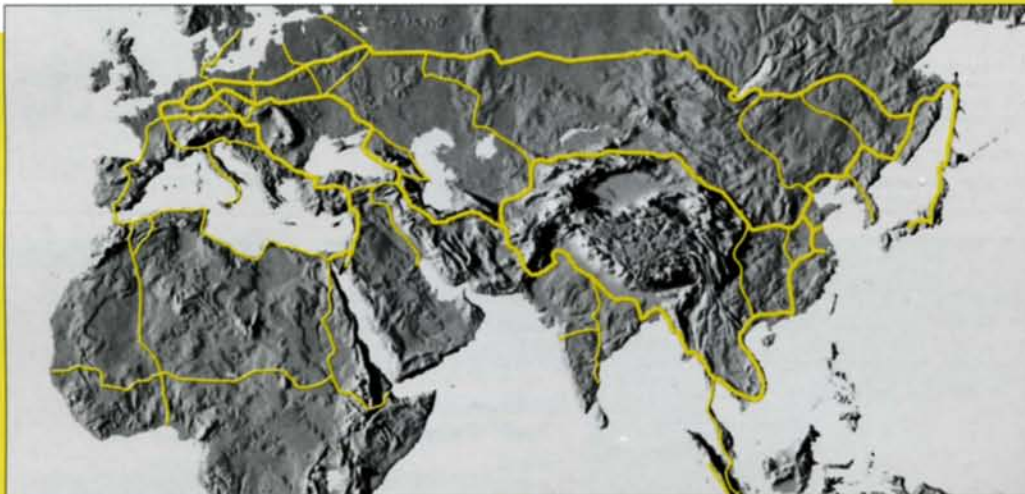
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Helga Zepp-LaRouche (right), known as "the Silk Road Lady," has played a major role in organizing worldwide support for the Eurasian Land-Bridge. She is shown here with Schiller Institute associates at Lianyungang Port in China, October 1998.



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