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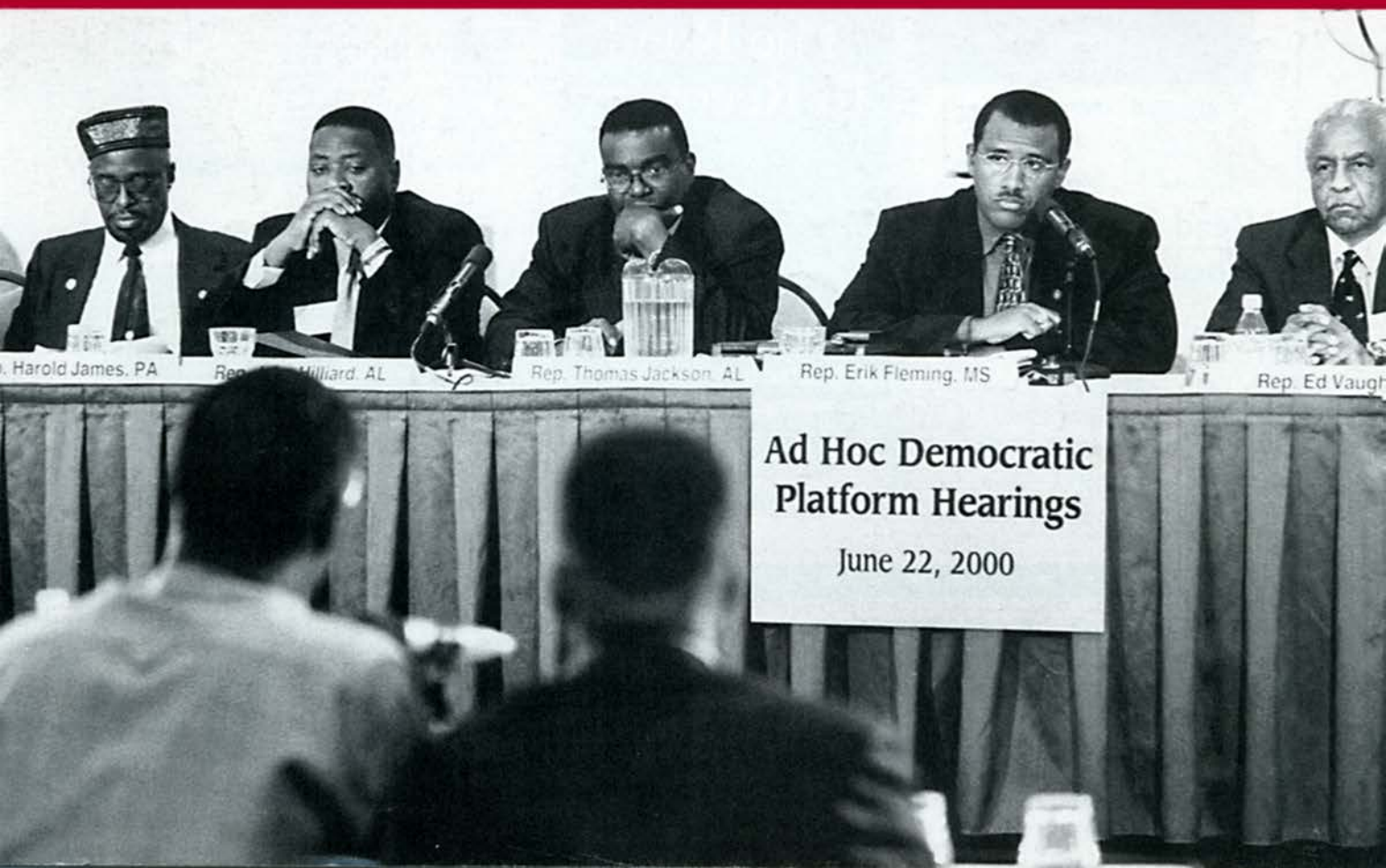
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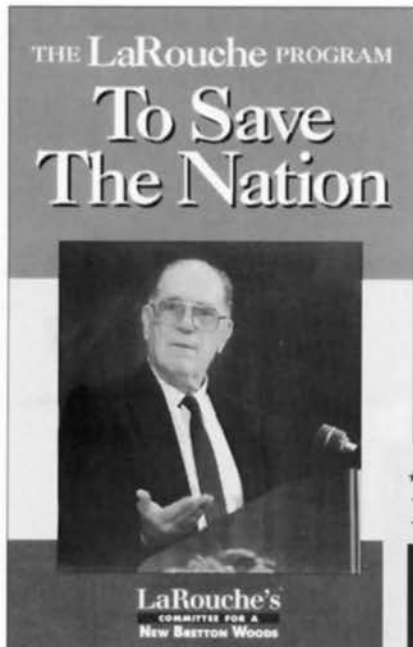
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LaRouche in Italy, Calls for New Bretton Woods
French Foul Up Albright's 'Democratic' Fascism
Al Gore, DNC Commit Suicide in Arkansas

The *Real* Democrats Hold Ad Hoc Platform Hearings



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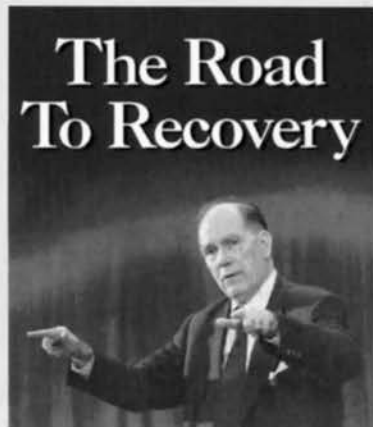
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Lyndon H. LaRouche, Jr.



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From the Associate Editor

Lyndon LaRouche's testimony before the Ad Hoc Democratic Platform Hearings in Washington, D.C. on June 22, featured in our *Special Report*, sets the framework for this week's issue as a whole. Surveying the U.S. political horizon, and the onrushing financial breakdown crisis, LaRouche says that our countrymen are not likely to change their ways until a great shock hits—and that shock is coming. "I think, that with a shock, many Americans will wake up. What's required however, in a shock like this, is leadership, the way that Franklin Roosevelt provided leadership in 1932-33."

Roosevelt's legacy can be seen in many developments on which we report.

At the Platform Hearings, a coalition of "FDR Democrats" came together, to discuss the vital issues of policy that the Democratic National Committee and the Gore machine are absolutely refusing to address. (The hearings were necessitated by the fact that the DNC had not even scheduled platform hearings, as has traditionally been done.) The quality of the testimony presented was excellent, as you can see from our selection. The full transcript and a videotape are currently in production, and will be circulated far and wide, between now and the Democratic National Convention in August.

Given the DNC's outrageous moves to disenfranchise Democrats who voted for LaRouche in the primaries (see *National*), it is clear that only a *revolutionary* process, mobilizing those whom FDR called the "forgotten" men and women of America, can prevent the disaster of a Bush Presidency.

Roosevelt, in his wartime conferences with Britain's Winston Churchill, vowed to do away with the British Empire's "18th-century methods" of keeping colonial countries in backwardness. Instead, he vowed to bring industry, education, and rising living standards to the former colonial nations. Today, regional alliances are forming around the world, to try to do exactly that, in the face of the Anglo-American financier oligarchy that is opposing it. America's interest is to support them, and build a New Bretton Woods financial system, as LaRouche has elaborated Roosevelt's idea.

Note to subscribers: In accordance with *EIR*'s usual schedule, no issue will be published next week. Your next copy will be that dated July 21.

Susan Welsh

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At the Ad Hoc Democratic Platform Hearings on June 22 in Washington, D.C., left to right: State Reps. Harold James (Pennsylvania), John Hilliard (Alabama), Thomas Jackson (Alabama), panel chair Erik Fleming (Mississippi), and Ed Vaughn (Michigan).

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Growth of Regional Alliances Can Lead to New Bretton Woods

by Richard Freeman

In late June, ambitious moves, including a trip by French President Jacques Chirac to Germany, and the opening of the Organization of Islamic Conference foreign ministers meeting in Kuala Lumpur, Malaysia, were undertaken by regional groups of nations to defend themselves against worldwide financial collapse. These alliances have the potential to replace the existing bankrupt world monetary and financial system, through Chapter 11-type bankruptcy reorganization. The moves accelerate the process begun by ASEAN-Plus-Three (members of the Association of Southeast Asian Nations plus China, Japan, and South Korea) meeting in Chiang Mai, Thailand, on May 6-8, which set up a currency reserve defense fund; and the Inter-Korean Summit of June 14-16, which put on the table concrete elements of the Eurasian Land-Bridge for implementation.

The nations initiating these policy changes are driven, in general, by a fundamental reality: The world financial system is hopelessly bankrupt. Either they break with the policies of those institutions running the cancerous world monetary system, or, as a result of those policies, these nations will cease to exist. In an attempt to save the bankrupt system, Federal Reserve Board Chairman Alan Greenspan and U.S. Treasury Secretary Lawrence Summers have imposed insane policies of money pump-priming and ferocious austerity throughout the world. For most nations, this has brought economic destruction, lost productive capacity, poverty, and death—i.e., these nations have been written off. Now, they are breaking with the Greenspan-Summers policies, despite bullying and threats, to ensure their populations' survival.

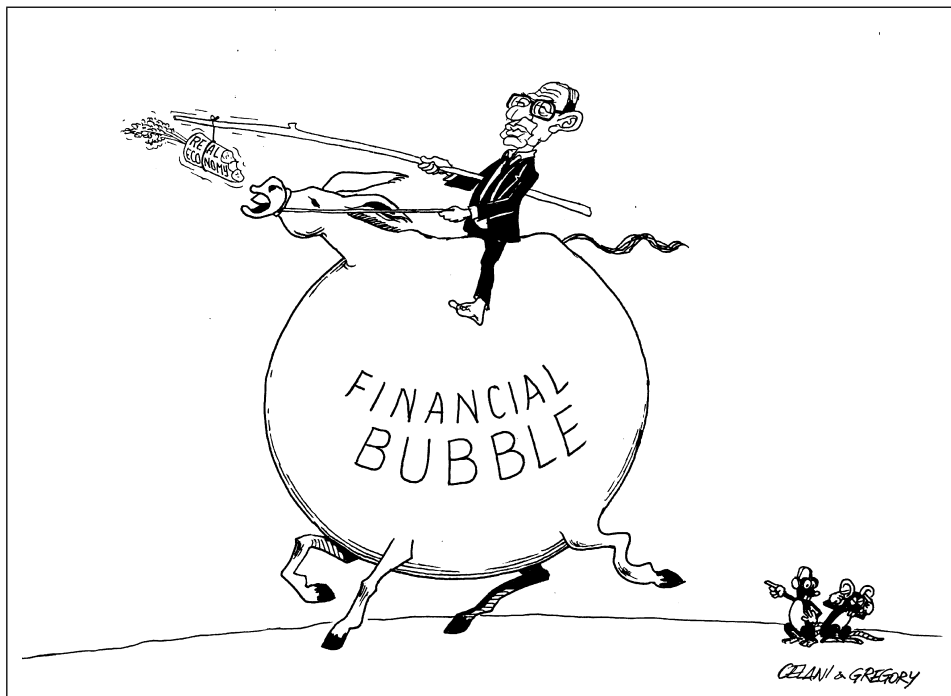
The dynamic toward regional alliances has been growing since late 1997, when then-Japanese Vice Minister for Finance Eisuke Sakakibara proposed an Asian Monetary Fund. At the time, Summers crushed this proposal.

Democratic Party Presidential pre-candidate Lyndon LaRouche examined this dynamic of regional groupings from a higher standpoint, and identified how this might be transformed into a development-based new monetary system—a transformation he is working actively to bring about. In a May 16 memorandum, entitled “Asia Monetary Fund,” LaRouche wrote: “In this circumstance, the proposal to implement an Asia Monetary Fund among the ASEAN-Plus-Three partners remains one of the indispensable, new, regional building-blocks toward the New Bretton-Woods-modelled monetary system which must now emerge as the only alternative to the worst financial, monetary, economic catastrophe to be suffered by this planet in more than a hundred years.”

Yet, in the midst of this, Greenspan, Summers, et al. are denying reality. On June 20, the U.S. Department of Commerce announced that during the first quarter of 2000, the United States registered a record \$102.3 billion current account deficit. This indicates a deep imports-addictive dependency, and a major strategic vulnerability for the dollar and U.S. financial system. Rational people have been warning about this. Greenspan and Summers issued nary a peep.

French-German Collaboration

On June 27, French President Jacques Chirac addressed the German Bundestag (parliament), at its new home in Berlin. Chirac used the occasion to strengthen a process of German-French collaboration on economic, military, and strategic matters, which proceeds from a standpoint that opposes the policies of the extreme forces of the Anglo-American imperium. Chirac spoke of a European Union (EU), based on sovereign nation-states, and of France and Germany spearheading a “pioneer group” that should march ahead on key issues (see p. 35). Chirac quoted President Charles de Gaulle,



Regional alliances of nations around the world are beginning to take steps to defend themselves against the imminent collapse of the global financial system, and the insanity of Federal Reserve Chairman Alan Greenspan, who is committed to defending the current system at all costs.

from an address de Gaulle delivered to the German parliament in 1963, during a period of collaboration with German Chancellor Konrad Adenauer. De Gaulle said:

“Our rapprochement since our Union [is] among the most striking events of all history. . . . This Union, for which a bulwark exists in the old world, whose power, prosperity, [and] authority will be equal to that of the United States. This Union, again, which, once the time has come, will permit all of Europe to establish its equilibrium, its peace, and its development.”

British Foreign Minister Robin Cook expressed extreme concern on June 27 over the newly emerging alliance between France and Germany.

Chirac’s visit builds upon French-German discussion of the May 8 proposal by French Finance Minister Laurent Fabius, to establish a Euro-11 Secretariat within the EU. Membership in this group would include only 11 of the 15 nations that attend EU finance ministers meetings—Britain would not be included. Further, the Euro-11 Secretariat would have a political watch-dog function over the European Central Bank. Britain was up in arms over this proposal.

On June 27, French Foreign Minister Hubert Védrine refused to sign the final declaration of the “Toward a Community of Democracy” conference, which was held in Warsaw, Poland. The declaration, which expressed the view of world federalism and attacked national sovereignty, was drafted by U.S. Secretary of State Madeleine Albright and her gang.

Védrine’s action is another indication of the emerging split among Western policymakers (see *International* lead article).

‘The Financial System Almost Made Us Beggars’

Meanwhile, on June 27, the 27th foreign ministers meeting of the Organization of Islamic Conference (OIC) opened in Kuala Lumpur, Malaysia. In his keynote address to the OIC, Malaysian Prime Minister Dr. Mahathir bin Mohamad laid bare the destructive effects of globalization. “The financial system of the globalized world almost bankrupted us, almost made us paupers and beggars, almost placed us under the direction of foreign powers whose agenda is not the same as ours,” he said.

Mergers and acquisitions, part of the current speculative boom, he said, have added to raw and abusive economic power: “Mergers and acquisitions have made [companies] so big, that sovereign states are comparable only to a department of these giant corporations. . . . In the end, we will become like the banana republics where the managers of the plantations are more powerful than the Presidents of these countries.

“At this stage, de facto we will no longer be independent. The situation which prevailed in the first half of the last century will return. These are some of the things that can come with globalization. Is Islam or the Muslims prepared to prevent these things from happening? The answer is a resounding no.”

Dr. Mahathir then educated his audience, that a major problem is that Muslims spend much time in quarrelling “over who was right and who was wrong . . . [in] the interpretations . . . of Islamic laws,” or in turning their backs on the world. Instead, he said, Muslims “must always remember that Islam enjoins us to seek knowledge.” He emphasized the benefit to all mankind of the achievements of the Islamic renaissance, and said that this knowledge today will mean the industrialization of the Islamic world.

Dr. Mahathir prepared for the conference, draft proposals on reform of the international financial architecture and on the creation of an Islamic common market. The draft proposals are not yet available, as we go to press, but reportedly include writing off debts for the poorest nations. Speaking on

the proposal for an Islamic common market, Morocco's Dr. Azeddine Laraki, outgoing OIC Secretary General, told the conference that the challenges of globalization and economic liberalization make such a common market a necessity. Dr. Laraki said that OIC nations must "achieve economic interdependence."

The OIC conference follows two conferences of import: the Group of 15 summit, which met on June 19-20 in Cairo, Egypt, at which Dr. Mahathir also spoke, and the Rio Group summit of 19 Ibero-American and Caribbean nations, which met on June 16-17 in Cartagena, Colombia. At the latter summit, a proposal was introduced to create a regional Latin American Monetary Fund (although the purpose to which it would be put, is not clear).

Laying the groundwork for the growing density of activities of June, in which a new direction is being discussed, were two events of fundamental importance. On June 13-14, the historic Inter-Korean Summit between South Dae-jung and Kim Jong-il, the leaders of South and North Korea, respectively, occurred in Pyongyang, North Korea. The building of large-scale infrastructure projects in North Korea, ranging from power plants to water management, potentially worth \$65 billion over the next decade, was discussed. As Kim Dae-jung attacked speculation of more than \$1 trillion per day in the international markets, and called for the study of a "new financial architecture," plans were brought to the table to set up a rail network that would re-link the Koreas, and connect to major rail lines in Russia and China. This puts on the agenda the implementation of several projects of the Eurasian Land-Bridge. This also changes the strategic picture, removing the "rogue state" label from North Korea, and several other countries (a label which the United States has dropped in favor of "states of concern"), and undercutting the rationale for the provocative U.S. National Missile Defense system.

Some of the basis for the Inter-Korean Summit was laid at the ASEAN-Plus-Three Chiang Mai summit. It proposed setting up a mechanism to pool hard-currency reserves, potentially \$300-400 billion, to defend Asian currencies from hedge-fund and other speculative attack. That could lead to an Asian Monetary Fund, which could have the positive function of supporting economic and infrastructure development.

Thus, from the Chiang Mai meeting and the Inter-Korean Summit, to the OIC conference, to the growing French-German collaboration, a profound shift in the world strategic geometry is occurring.

Soaring U.S. Current Account Deficit

Meanwhile, the United States insists upon continuing its lunatic policies. Those who have advocated replacing those policies with a rational alternative course, have been attacked. Yet, even in the insane precincts of Washington, an alarm should have gone off when the U.S. Commerce Department reported on June 20 that the U.S. current account deficit for the first quarter of 2000 had reached \$102.30 billion, the high-

est level in history. It followed a deficit of \$96.23 billion during the fourth quarter of 1999. For the last several quarters, the current account deficit has set ever new records. Were the trend to continue, the deficit would grow to \$440-460 billion for the year 2000. In 1995, the current account deficit was \$113.57 billion.

While the government may choose to ignore the current account deficit, the underlying fundamental process which fostered the deficit, representing the degenerated state of the U.S. economy, will not be ignored. This will result in, imminently, an immense dollar crisis, that will further pulverize the U.S. economy, and collapse the financial system.

Rather than face this reality, the Clinton Administration has cranked up the propaganda machine to perpetuate the thread-bare myth of prosperity in a desperate, and futile, attempt to elect Al Gore as President.

The root of the U.S. current account deficit must be sought in the mid-1960s, when the City of London imposed on the United States a "post-industrial" policy, which withered production in manufacturing, agriculture, and infrastructure, and sought to replace it with the "information age" and, especially, financial services, which sucked the physical economy dry, and built up the speculative cancer that plagues us today. Tens of thousands of American factories, producing capital and consumer goods, were shut down. America became addicted to imports to substitute for its production shortfall, in order to survive. This wrecked the trade balance.

The current account balance is the sum of three balances: trade in goods and services, investment income, and net unilateral transfers. The balance on trade in goods and services is clear. The investment income balance represents the income which individuals, firms, and governments earn on their investments abroad, minus the income which foreign individuals, firms, and governments earn on their investments in the United States. The net unilateral transfers balance is the funds that U.S. government agencies (such as the Agency for International Development) and private charities (such as the Red Cross) send abroad in food and humanitarian and other aid, plus the remittances that foreign workers living in the United States send to their home countries, minus the funds that foreign government agencies and private charities send to America in food and humanitarian and other aid, plus the remittances that American workers living abroad send to the United States.

Clearly, trade is the largest element of the current account.

During the first quarter of 2000, U.S. trade had a deficit on goods and services of \$90.16 billion (up from a deficit of \$76.28 billion in the fourth quarter of 1999). Moreover, during the first quarter of 2000, the U.S. investment account was negative \$4.2 billion (i.e., foreigners earned more on their investments in the United States, than Americans earned on their investments abroad), and the net unilateral transfers account was negative \$11.93 billion. Thus, the total current account for the first quarter 2000, was \$102.30 billion.

The picture is worse than it appears. The official figures for the current account deficit, used above, *understate* the real current account deficit. The reason is that the dollar is gigantically overvalued, and is actually bringing in far more goods per \$1,000 in imports, than it did five years ago.

Covering the Deficit

When the U.S. imports more goods than it exports, it pays for the imbalance with dollar-denominated trade or comparable paper (the same is true for the other two elements of the current account deficit). The U.S. must find a way to get the dollar-denominated trade paper—or its equivalent—back into the United States. It does this by rigging the world financial system, so that rates of return and appreciation of financial paper are relatively higher in the United States than in most industrial countries. This attracts foreigners to invest in U.S. stocks, bonds, real estate, companies, etc.—and that brings those dollars back into this country.

In the first quarter of 2000, foreigners invested and/or acquired assets in the United States worth \$215.01 billion. This included foreigners buying \$61.3 billion worth of stocks; \$42.3 billion worth of U.S. companies, in foreign direct investment; \$71.7 billion worth of U.S. corporate, government, and other bonds; and other assets. This means that during the first quarter of 2000, a whopping \$2.36 billion worth of foreign money came into the United States every day, to help cover the U.S. current account deficit.

But, with increasing instability caused by the deepening of worldwide financial disintegration, the possibility is that either foreigners will decide that they no longer wish to hold so much of U.S. assets, and begin disinvesting out of the United States, or, several U.S. markets crash, prompting foreigners to get out as quickly as they can.

This would produce two catastrophic consequences: The U.S. physical economy, cut off from imports, would collapse further, and second, it would trigger a huge drop in the dollar, a crisis that would further collapse the markets, causing a steep “reverse leverage” of the financial system.

The rigged game which covers up for the fundamental inadequacies of the U.S. economy cannot be maintained much longer. Yet, to the extent that it is still maintained, it destroys nations, because they must ship goods to the United States, often at underpriced levels, because of the overvalued U.S. dollar, and then ship dollar flows into the United States to cover the U.S. current account deficit. But the deadly maneuvers by Greenspan and Summers to maintain the rigged game, are precisely one element that have convinced nations that Greenspan, Summers, and the Administration are insane on the economy. This is fuelling their split from Anglo-American policy, and accelerating the development of regional alliances.

For the last six months, rational people around the world have warned about the dual problem of the U.S. current account deficit: that it will explode, causing worse than a “hard

landing” for the United States, and that to the extent it is maintained, it is a cause for friction among, and destruction of, nations. Among those is Sakakibara, who, in an interview with the Thai newspaper *The Nation* in May, said, “American hegemony is by no means permanent.”

The dynamic toward a new Bretton Woods, through the emergence of regional alliances, will go forward; the United States has a huge shock in store.

Beijing Conference Asserts Need for Regional Protection

by Mary Burdman

The growing importance of regional economic integration to protect Asian nations from the “unipolar” world financial system, was the unifying theme of the “hot” discussion about the world financial situation at the international 21st Century Forum on “Economic Globalization—Asia and China.” The conference, sponsored by the National Committee of the Chinese People’s Political Consultative Conference (CPPCC), was held in Beijing on June 14-16. It was convened, as CPPCC Chairman Li Ruihuan said, because “China is paying close attention to the development of economic globalization. . . . The country is also striving to implement correct policies and measures on economic globalization.”

Chinese President Jiang Zemin called on the conference to “help expand common ground and cooperation, and help build a fair, just, and rational new world economic order.” Another indication that the conference was to discuss the development of a “Survivors’ Club” in Asia, was Jiang Zemin’s statement that China now has favorable conditions to participate in the economic cooperation mechanism in the Asia-Pacific region, as well as economic globalization.

Conference participants came from East and Southeast Asia—with the exception of former Botswana President Ketumile Masire, a lineup of the usual globalization mouthpieces of such institutions as the World Bank and World Economic Forum, and a smattering of has-beens such as former U.S. Trade Negotiator Mickey Kantor, who regularly haunt such forums.

While one group, led by Singapore’s Senior Minister Lee Kuan Yew, keep pumping for China to “join the world club,” other speakers, from China, South Korea, Thailand, and other countries, were blunt, some even passionate, in their denunciations of the disasters that globalization, under the International Monetary Fund (IMF) “Washington Consensus,” has brought on their nations.

Lee Kuan Yew would appear to be making an insidious appeal to China, to be drawn into a world system that, as is widely acknowledged in Asia as well as Europe, is already disintegrating. Joining “the global grid” would make China “one of the most important players in the global exchange of goods, services, capital, talent, and ideas in the 21st century,” Lee asserted. “When China decided to join the WTO [World Trade Organization] and reached agreement with the United States in November 1999, China signalled to the world that it was taking a major step to plug its economy into the global grid—although this system is at present still dominated by America, western Europe, and Japan.” This decision, he said, will have “profound economic and geopolitical implications for China and the world.”

Ignoring the arrogant, brutal operations being run by U.S. Treasury Secretary Lawrence Summers, U.S. Secretary of State Madeleine Albright, and the rest of the Anglo-American ruling junta, to try to prolong their world hegemony, Lee claimed that dangers such as volatile capital flows “can be minimized by restructuring and strengthening the financial system before opening up its capital accounts.”

Prime Minister Zhu Rongji would also appear to be too sanguine, or, at least, too diplomatic, about the real state of the current world financial system. He said that now China had “shaken off the impact of the financial crisis in Asia and is moving forward in the direction of a benign cycle.” While describing China’s active financial policy and infrastructure construction, he also focussed on the “strategic readjustment” to be made “in the economic structure,” referring to promotion of “the information-based development of the national economy.” Zhu said that “opening up to the outside world will be expanded in all directions. With the quickened process of China’s accession to the WTO, we shall take a more enthusiastic attitude to take part in economic globalization in a more extensive scope.”

Support for Chiang Mai

Other speakers at the conference, however, more directly reflected the shift in Chinese government policy, toward developing strategic relations with China’s Asian neighbors, including Japan, and away from the earlier emphasis on the primacy of U.S.-China relations.

Dai Xianglong, governor of the People’s Bank of China, was cautious, but did assert that China will strengthen its cooperation with other central banks in Asia and other parts of the world to develop regional monetary and financial stability. The international community, Dai said, “should establish necessary rules and standards as soon as possible to restrain the irregular flow of capital, and strengthen supervision over highly leveraged institutions and offshore centers. . . . The violent movements of exchange values among the major currencies bring along huge risks for BOPs [balance of payments] and the stability of currencies in developing countries.”

Dai called regional integration the foundation for economic globalization: “We hope that the U.S. dollar would stay stable. We welcome the launch of the euro and support the agreement signed by ASEAN [Association of Southeast Asian Nations] members, China, Japan, and the Republic of Korea to initiate currency swaps.”

While giving undeserved tribute to the “dialogues” of such groups as the G-20—a permutation of the G-22 group of advanced and developing nations which last met for approximately a half-hour in Washington in October 1998, to “study” international financial crises, and then vanished from the international scene—Dai said that China will contribute to the establishment of a new international monetary and financial system.

Multi-Polar System Needed

The charged atmosphere at the conference was reflected in a *China Daily* commentary on June 26, which said that a key issue for discussion was: “What if economic globalization challenged a country’s economic security? The threat is real.”

The financial and psychological problems brought on by the 1997-98 financial crisis have not been forgotten, *China Daily* reported. As one Thai economist said, “The streets were pot-holed, the banks were forced to be closed down, the city became a graveyard of redundant factories. You can never imagine how my country was ravaged by the financial crisis.”

Virabongsa Ramangkura, former Thai Deputy Prime Minister, told the Beijing conference that “capital-heavy” developed countries had pressured capital-weak developing countries to open their capital markets, exposing them to the flood of international capital flows and causing the Asian financial crisis. Developing countries should reserve stable policy tools such as exchange rates, interest rates, and prices, or “instability will be the result.” Ramangkura also called for the establishment of an Asian Monetary Fund, which would have a better understanding of Asian economies than the IMF. The World Bank and IMF “have lost their credibility. The search for a new and better system, or modifications of the existing system, is badly needed,” he said. Ramangkura also criticized the “minimal” effectiveness of the Asian Development Bank in the crisis.

Il Sakong, chairman of the Institute for Global Economics, from the Republic of Korea, was also direct. He blamed financial globalization for the rapid spread of the Asian financial crisis worldwide, reporting that the daily exchange trading volume in the globalized financial market is nearly \$2 trillion, while “only a small portion of the total is directly related to real economic activities, and the rest are purely financial.”

“The global economy today is still under the hold of the old international financial structure, based on an institutional foundation laid more than half a century ago. Naturally, the world today needs a new global financial structure to deal

appropriately with new challenges posed by the financial globalization,” Sakong said.

The current “unipolar” world complicates global decision-making, Sakong said; special efforts must be made to set up a closer regional cooperation, to help reduce potential financial systemic risks. These measures should include regional macro-economic policy coordination, collaborative monitoring of volatile financial flows, and the better use of regional monetary institutions supplementing the role of the IMF.

Chinese participants were also outspoken. Chen Jinhua, vice-chairman of the CPPCC National Committee, while calling for efforts “to seek benefits from economic globalization,” warned that some multinationals and governments would use the process to interfere in the internal affairs of other countries. “Special attention,” he said, “should be given to the interests of developing countries. Support should be given to the economically backward countries by opening markets to them and training skilled personnel for them.”

Lu Zhongwei, president of the China Institute of Contemporary International Relations, said: “Globalization is a double-edged sword. . . . If we are not prudent enough, our economic security will be at risk as in some crisis-stricken Southeast nations.” He said that a country’s ability to stop a financial crisis is critical to its economic security.

Lu said that economic globalization will weaken a country’s economic sovereignty. The birth of the euro has made Germany lose some control over its currency. But the challenge globalization presents to a country’s economic security is greater. Developing countries are at risk due to their outdated technology and immature market awareness, and inability to reduce financial risk.

The Southeast Asian countries’ banking systems could not regulate the international investment capital that precipitated the Asian crisis, and their foreign-exchange-rate systems were subject to wild speculation. China escaped the Southeast Asian financial crisis in 1997, in part because of its macro-control policy, and because China has not fully adopted economic globalization, Lu said. However, China should not slam its door to the outside as globalization intensifies.

The Moral Issue

The underlying issue, as stated by Yuan Ming, director of the Institute of International Relations at Beijing University, is that “moral guidelines” must be strictly adhered to in the process of economic globalization. Moral principles are being ignored in the pursuit of money, which, he warned, might lead to disaster for mankind in an increasingly interdependent society. Yuan pointed to the operations of the international hedge funds during the Asia financial crisis, and the deep concern for moral issues shown by some people, especially those from developing countries, at the WTO meeting in Seattle last December.

Yuan Ming quoted the 1999 annual report of the UN Development Program, which warned, he said, that if the market’s big players get out of control, moral standards would be severely threatened, and world justice and human rights would be sacrificed. “The trends of globalization have raised a great obligation for all of us. A moral guideline should be set to accompany the economic interactions,” he said.

An interesting note, perhaps indicative of the fissures within the “Anglo-Saxon” nations, was the contribution of former Australian Prime Minister John Malcolm Fraser, who said that the Asia-Pacific region needs to give greater attention to its regional interests and concerns. Fraser noted that the Asia-Pacific region is less structured and organized than other areas. The Asia-Pacific Economic Cooperation Forum (APEC) had been set up to move the region toward free trade more rapidly than the WTO could; however, Fraser said, the involvement of the United States and other Pacific Rim countries had prevented this. “The membership is so large and diverse that it is difficult to advance the specific interests of East and Southeast Asia adequately or effectively. Our own region needs to give greater attention to regional interests and regional concerns,” he said, adding that this could be best promoted by a political conference of leaders of all East and Southeast Asian countries.

LAROCHE ON THE NEW BRETTON WOODS

**“The present fatally ill
global financial and
monetary system must be
radically reorganized.**

**It can not be reformed, it
must be reorganized.**

**This must be done in the
manner of a reorganization
in bankruptcy, conducted
under the authority
not of international
institutions, but of
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The IMF Unleashes Upheaval in Argentina

by Gonzalo Huertas

Three months ago, *EIR* warned that the International Monetary Fund's policies imposed on Argentina had pushed the country to the brink of disintegration. The letter of intent signed with the IMF on Jan. 29, committed the government of Fernando de la Rúa to harsh austerity policies that gouged consumption and living standards by raising taxes, while shutting down what little remained of real production. At the center of the package was the promise to reduce the fiscal deficit to zero by the year 2003, and to reduce the provincial deficit from \$3.7 billion last year to \$2.2 billion this year.

Then, on May 29, the government introduced yet another austerity package—de la Rúa promised this would be “the last one”—the centerpiece of which was slashing wages of 144,000 public employees, as well as deregulating labor-run health insurance programs to ensure “competition” with privately run programs, as well as further budget cuts. The government also succeeded in passing “labor reform,” or “labor flexibility” legislation, as it is called by the IMF, which will eliminate most union benefits. Lawfully, all these measures have produced social protest around the country. Even deputies from de la Rúa's Alianza coalition in the Congress broke ranks and denounced the austerity package.

The disintegration of the world financial system, further complicated the Argentine situation. Every time the U.S. Federal Reserve increases interest rates by 0.5%, Argentina's debt increases by approximately \$500 million. As Hector Valle, the director of the FIDE economic think-tank, warned at the end of April, “The danger of the spiralling crisis is a wake-up call, since we need financing from abroad to deal with our balance of payments. . . . Self-consoling forecasts always clash with reality. The current economic policy leaves us only more fiscal adjustment and new labor reform to deepen wage deflation.” Under these circumstances, the slogan used by de la Rúa's Alianza coalition used during the 1999 Presidential campaign, is coming back to haunt it. Today, people are demanding “jobs, jobs, jobs!”

Provincial Breakdown

At the IMF's behest, the government began to cut the jobs program known as “Plan Trabajar,” created by the Carlos Menem government, to offer “temporary” jobs at

\$200 a month to the unemployed in the provinces who lived in conditions of extreme poverty. This created a time bomb for provincial governments. At the same time, the government reduced funds to the provincial governments, supposedly as part of the effort to reduce the provincial deficit to zero. Not surprisingly, provincial tax revenues also dropped. According to the Finance Ministry and the Fundación Capital think-tank, the government has withheld up to 50% of federal revenue-sharing funds to 15 out of Argentina's 23 provinces, to cover provincial debts. The most dramatic cases are the provinces of Río Negro and Tucumán, 97.3% and 91.2% of whose revenue-sharing funds, respectively, have been withheld.

These draconian measures have unleashed enormous nationwide protest against the IMF economic model. Hugo Moyano, the head of the Argentine teamsters union, who runs the more radical or “rebel” faction of the General Confederation of Labor (CGT), has emerged as the most visible leader of this protest. Moyano had previously organized two mass demonstrations against the government's labor reform, as well as a successful national strike on May 5. The labor leader explained, however, that the reason for the strike was not just the labor legislation. “This reform is part of a greater evil, which is the economic model,” he said. “We're prepared to fight against the International Monetary Fund, from which the government takes orders.”

'No to IMF Adjustment'

On May 31, with support from the Catholic Church, Moyano organized an impressive 100,000-person march against the IMF, culminating in a demonstration at the Plaza de Mayo across from the Presidential palace, the Casa Rosada, in Buenos Aires. The “official” CGT, which had compromised with the government to ensure passage of the labor reform, was forced to lend its support as well. Marchers carried a 50-meter Argentine flag, with the words, “No to IMF Adjustment!” Moyano had emphasized that union members should carry only the Argentine flag, not their union banners, as a display of national unity. Legislators from the ruling Alianza party, Peronist party leaders, politicians, students, municipal leaders, human rights groups, and others, participated in the march. In a rousing speech before the large crowd, Moyano announced both the creation of a national “resistance front” against the IMF “model,” and a nationwide strike for June 9 against the “financial dictatorship” ruling the country.

“We're going to hold pots and pan protests, blackouts; we're going to hit them where it hurts; we're going to organize with the PyMes [small and medium-sized businesses], with farmers, and we're going to call for fiscal disobedience [no-payment of taxes] so that the labor of Argentines doesn't go to the foreign debt,” Moyano said.

On June 9, another successful nationwide strike against

the IMF took place. Protests around the country are occurring at a rapid rate. One major conflict in the northern province of Salta occurred on May 2, when 300 former members of the "Plan Trabajar" jobs program blocked off national highway No. 34 which extends into Bolivia, to demand payment of back wages and jobs. The federal government sent in units from the national police to remove the protesters, which then led to further chaos and violence.

"Activists" linked to Fidel Castro's São Paulo Forum are suspected of being involved, and, according to reporter Joaquín Morales Solá of *La Nación*, it is suspected that drug-trafficking interests may have also been involved. As a result of police attempts to remove the protesters, 47 people were hurt, and a truck was set on fire. Right before this occurred, more than 30,000 citizens near the municipality of General Mosconi, gathered at the roadblock in support of the protesters. Demonstrators sang the national anthem, and carried banners with the image of the Virgin of Fatima.

The intervention of the Catholic Church prevented the protest from spreading, and succeeded in getting the government to promise to pay back wages, reestablish the Plan Trabajar to create 3,000 new jobs, not file charges against any of the protesters, and create a \$150,000 fund to bail out small and medium-sized businesses in the region. In all, the government's solution to the crisis in General Mosconi means that it will have to pay out \$2 million between now and the end of the year.

But this wasn't the end of it. Even as the General Mosconi situation was cooling down, five new conflicts erupted over the demand for jobs, in the northern province of Jujuy, Comodoro Rivadavia (province of Chubut), Cipoletti, and Cutral-co (province of Río Negro), and in other parts of Salta. Earlier, on April 26, hundreds of workers in the northeastern province of Chaco had taken over the provincial Congress, to protest a deal with the federal government in which the provincial government will impose a number of new austerity measures.

Adding Fuel to the Fire

The alarming nature of the provincial crisis was laid out in an intelligence report prepared by the national police for the federal government. According to the daily *Página 12*, the report warns there are seven "high-priority" districts in which conflict is likely to erupt: Salta, Catamarca, Jujuy, Tucumán, Neuquén, Entre Ríos, and Chaco. Misiones, Río Negro, Corrientes, Chubut, and Tierra del Fuego are identified as "medium-danger" areas, and Formosa, Mendoza, Santiago del Estero, and Buenos Aires are listed as "low-priority" regions. The report admits that "social conflicts have increased, and should solutions not be found, these could worsen in the short- to medium-term, and be used by radicalized groups to provoke incidents to alter public order." All of the mentioned crises are over demands for jobs and

payment of back wages.

Yet the government has no serious solutions to offer. On March 21, it announced a \$250 million anti-poverty program, to be financed by the Inter-American Development Bank and the World Bank, to help 455,000 families living "below the index of unmet basic needs," and whose monthly income is less than \$65 per capita. But this plan will only go into effect in 2001, according to "official sources" cited by the daily *Clarín*.

Referencing the government's handling of the Salta crisis, Córdoba Gov. José Manuel de la Sota remarked, "I have to say with sadness, that the government is very slow when it comes to offering solutions. There is no support for the unemployed, and you don't fix this with 'blah, blah, blah,' but by taking action."

The government itself now admits that Argentina is in recession. On April 19, during a meeting with farm leaders, Finance Minister José Luis Machinea stated that "the economy is not in good shape," and that "people must be badly off, after 18 months of recession . . . there are more than 2 million people living below the poverty line, more than 10 million poor, and 14% unemployment over the last four or five years. Why wouldn't people be in bad shape?"

Poverty Is More Than 60%

In some regions, such as Jujuy, Gran Resistencia, Formosa, and Corrientes, poverty "is above 60%," according to a study by the Social Development Ministry. Moreover, in March alone, activity in the construction sector, which has grown the most in recent years, declined by 5.8% compared to the same period of 1999, according to the government statistical agency, Indec. One measure of the situation is the continuing decline in beef consumption. *Clarín* reports that between the 1970s and the early 1990s, consumption fell from 90 kilos per capita to 80 kilos per capita, and by last year, it had fallen to its lowest level ever, 60 kilos per capita.

Faced with declining production and a shrinking market, the private sector has been forced to contract more debt in order to meet its financial obligations. Between January and March, the private sector issued debt paper worth \$2.7 billion. In January, \$491 million in bonds of private companies and banks came due, but the private sector could only issue \$257 million of new paper, according to *Ambito Financiero*. Tax revenues also continue to fall. Fundación Capital reported that for the first quarter of this year, tax revenues fell by \$162 million compared to the same period of 1999, as "economic stagnation has determined, through price deflation, the fall of revenues by 1.4%, compared to the same quarter of 1999."

In the absence of any change in economic policy, tax revenues this year will be \$3.9 billion, instead of the \$4.9 billion forecast by the IMF.

Italy Looks Forward to New Bretton Woods in the Jubilee Year

by Liliana Gorini

On June 23, U.S. Democratic Presidential pre-candidate Lyndon LaRouche was the main speaker at a conference entitled “Toward a New Bretton Woods,” in the prestigious Cenacolo Hall of the Italian Parliament in Rome. The conference, attended by Members of Parliament, economists, businessmen, trade unionists, Catholic Church representatives, journalists, and activists from the Italian Civil Rights Movement Solidarity (co-thinkers of LaRouche), had been called by the Hon. Giovanni Bianchi, a Member of Parliament of the Italian Popular Party (PPI), and the main sponsor of a legislative proposal on debt relief for poor countries in the Jubilee year, which was voted on that same morning in the Parliament. Also, Italian government Minister for Relations with Parliament Patrizia Toia, also a member of the PPI, endorsed the conference, although she could not attend because of a cabinet meeting.

The discussion about the urgent need for a New Bretton Woods system, to restart global production and trade as the International Monetary Fund-based system collapses, has been ongoing for several months in Italy, parallel to a debate on the call launched by Pope John Paul II last January, for debt relief for poor countries, and for “structural changes” in the world economic system, and in the current “economic method,” which has revealed itself to be immoral toward developing countries and a failure. Support for the Pope’s initiative comes from among the government parties and the opposition.

On Jan. 12, members of the Italian Senate belonging to several opposition parties (Forza Italia, National Alliance, Christian Democratic Union), led by Sen. Riccardo Pedrizzi, deputy chairman of the National Alliance Senate group and a member of the International Parliamentary Group for the Jubilee Year (now with 5,000 members of parliament worldwide), presented a motion for a New Bretton Woods. A conference of the International Parliamentary Group is scheduled in Rome in November. Similar motions have been put forward in the Chamber of Deputies (including one by Hon. Michele Rallo, who attended the conference with



Cenacolo Hall of the Italian Parliament in Rome, where the "Toward a New Bretton Woods" conference was held on June 23. At the head table (from left): EIR journalist Claudio Celani, who translated for Lyndon LaRouche; Democratic Presidential pre-candidate Lyndon LaRouche; and moderator Paolo Raimondi, president of the Italian Civil Rights Movement Solidarity.

LaRouche in Rome), and also in the European Parliament and the City Councils of Milan and Rome.

The conference with LaRouche showed that sections of the government parties have also realized that the old financial system is collapsing, and is taking along with it not only the euro, but also the social welfare and pension systems of most European nations. In addition to the need to alleviate the debt burden of poor countries, the crisis is viewed as an historic opportunity to reform the entire financial and credit system, as proposed by LaRouche.

‘We Must Be Prepared To Survive’

LaRouche made it clear in his opening remarks (see below), that the fight for a New Bretton Woods and the Jubilee year initiative, coincide:

This was demonstrated also by the discussion which followed LaRouche’s speech. Member of Parliament Hon. Michelle Rallo, for example, agreed with LaRouche’s analysis of the collapse of the present financial system and with his proposals, and emphasized the explosive social situation in Southern Italy, and in his region, Sicily, in particular. He lamented the fact that too few people are fighting for an alternative to “globalization,” although they do see its disastrous effects.

LaRouche answered Rallo by emphasizing the positive role which Sicily could play as a bridge between Italy (and Europe generally) and the Middle East, as well as in the broader Eurasian Land-Bridge project, particularly in the field

of water infrastructure.

The importance of great infrastructure projects was also emphasized by Helga Zepp-LaRouche, president of the German Schiller Institute and wife of the American candidate, who underlined the importance of the historic summit between South Korean President Kim Dae-jung and North Korean leader Kim Jong-il, which has opened up new opportunities for economic cooperation not only between the two Korean states, but also the whole Asian continent.

Mrs. LaRouche also warned that, following the disastrous economic crisis in the Weimar Republic, Hitler took over Germany; today, if the present financial crisis is not dealt with properly, we face the danger of fascism in the United States and elsewhere.

In answer to a question from a journalist on the future evolution of industrial societies, Mr. LaRouche condemned as “science fiction” those scenarios which claim that industry will move to emerging countries, and that Europe and the United States will be transformed again into agricultural producers. In order to feed a population of 5 billion people, LaRouche said, you have to have a structural composition of the economy which foresees 2-3% of the employed in agriculture, and 60-70% in industry. The rest should be employed in scientific research, which is not the same as what the stock exchange calls “high tech,” but must produce discoveries in universal physical principles, which can be applied to improvements in production made possible by new technologies.

LaRouche Promotes New Bretton Woods System While in Rome

Here is the speech of U.S. Democratic Party Presidential pre-candidate Lyndon LaRouche, entitled "Toward a New Bretton Woods," in Cenacolo Hall of the Italian Chamber of Deputies, in Rome, on June 23. Due to technical difficulties, the first few minutes of the speech are summarized, followed by a transcript of the rest of his remarks. Subheads have been added.

LaRouche said that the current financial and monetary system has entered a phase which in physics is called a "boundary condition," comparable to the change in physical state from ice to water, or to what happens when the speed of sound is approached, and a shock wave builds. This gives us only three, plus one, alternative ways in which the present financial and monetary system will be soon terminated: 1) a deflationary collapse; 2) a hyperinflationary disintegration; 3) a "military" solution to the crisis; or 4) the establishment of a New Bretton Woods system.

The current phase started in 1997, with the breakout of what was called the "Asian crisis," but which in fact was a general crisis, hitting first the yen trade zone of the global economy. At that time, Japanese Vice Minister of Finance Eisuke Sakakibara and U.S. Treasury Secretary Robert Rubin proposed a solution to the crisis, which was rejected at that time, but which has now been adopted, at the recent Chiang Mai meeting in Thailand.

But then, the United States went insane, and in October 1998, decided to adopt a bailout policy, driven by the Federal Reserve, that marked a phase-change in the crisis. From the threat of a deflationary explosion of the system, we shifted to a phase characterized by the threat of a hyperinflationary blowout, similar to the development of the hyperinflationary spiral in Germany from March to November 1923.

The power controlling the system, which is a financial-political-military power, typically reacts out of desperation to this type of situation, by launching wars, such as in the Balkans.

The system is currently bankrupt. Approximately \$41 trillion of world Gross National Product faces short-term obligations of about \$300 trillion. The United States is running a current account deficit in the order of \$500 billion a year, and importing capital in the order of \$1-3 billion per day.

Transcript begins:

So therefore, this pure political, military, and financial

power is used to intimidate and control other countries, while the U.S. press insists that everything is wonderful for the U.S. dollar — propaganda which can largely be considered part of the U.S. election campaign. The fact is, that other countries are not so stupid. That's why the group of Chiang Mai, which is the group of the ASEAN countries plus Japan, plus China, plus Korea, recently acted to free themselves from control by the present international monetary system. That is what happened in the G-15 meeting in Cairo recently. That is the process which is being introduced through the Organization of Islamic Conference, the group of international Islamic countries. What has happened in the euro area, in the changes in Maastricht direction, is a reflection of the Europeans' determination to defend themselves from this threat from London and from New York.

So, these are the immediate circumstances. The world is on the edge of saying, "If the United States goes, if Britain goes, if the monetary system goes, we must survive, and we must begin now to define alternatives to the present IMF, present financial system."

The same idea is expressed in a different way by the proposals for the Jubilee action — the forgiving of debt of countries which have been robbed too much. So, these political developments in various countries, the international movement for a New Bretton Woods, the international movement for a Jubilee year, coincide as a tendency.

Hyperinflation

Let me point now to this question of hyperinflation, since there are some notable economists in the room, and others who have some competence in economics. Let me emphasize to you and to others the importance of not overlooking a close examination of what actually happened in Germany in 1923. You should compare the known facts about the present financial crisis with the events leading into the March-November 1923 Germany crisis, the change in the French occupation and reparations demands and so forth, and look at the way the German government responded to this concession to the British and French, and also New York City, at the point of a bayonet. And look at these months especially from March on into November [Figure 1]. Now, up until March of 1923, the process imposed upon Germany in 1923 had not produced a significant commodity price inflation. In March, that began to change. In July, it changed radically, and the rate of accelera-



(From right): Italian Member of Parliament, the Hon. Michele Rallo (National Alliance party); moderator Paolo Raimondi; Lyndon LaRouche; and Claudio Celani.

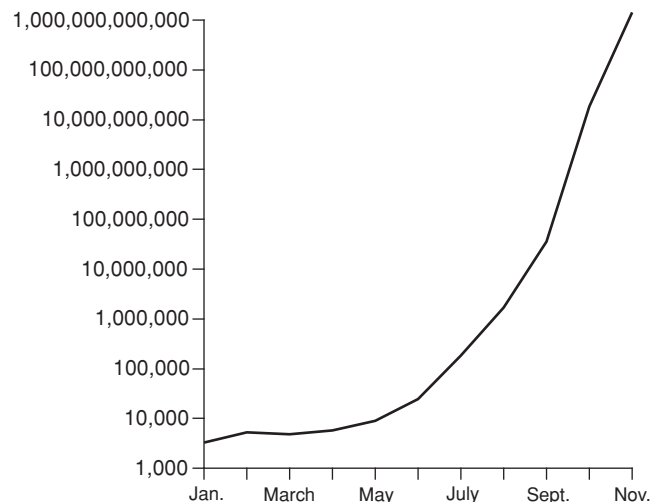
tion of commodity price inflation zoomed into the point of the October-November destruction of the reichsmark. If you compare everything we know about the present situation—and there are many hidden facts which governments and others are hiding; only after the crash occurs will we discover how insane governments have been, because then all the dirty laundry will come out for examination. But, on the basis of known facts, about Germany 1923, and known facts about the present situation, the world today is in a situation relative to hyperinflation, comparative to the situation in Germany 1923.

The first, most obvious, and most inevitable expression of that hyperinflationary trend in commodity prices is the recent zooming of petroleum prices. There is no supply and demand reason for petroleum price rises. The amount of petroleum being produced and available for purchase exceeds all demand. Pressuring OPEC to increase its production is not going to do anything good, it's going to make things worse. If I were President of the United States right now, I wouldn't have any problem with oil prices. As President of the United States, I would go directly to the governments of each of the oil-producing nations, and buy the oil directly—not from the middlemen. I would think the way the famous [Italian statesman and industrialist Enrico] Mattei thought, some years back, here in Italy. If you have the capacity to process the oil, you can process the oil. If you have the power of government, you can make sure the existing private facilities will process the oil for the government. And under those conditions, the prices of petroleum would be approximately those of a few years ago.

Where does a price rise come from? From mergers and

FIGURE 1
Weimar Hyperinflation in 1923: Wholesale Prices (1913 = 1)

(logarithmic scale)



acquisitions, and from derivatives. The flood of inflationary money into leveraged takeovers of oil and other firms, has resulted in an added cost per barrel on financial charges—not on the price of actually producing the petroleum. What you're doing is, when you're paying for a barrel of oil, you're not paying for the cost of the production and distribution of the barrel of oil, you're paying also a tribute to the speculators

who have added their investment, as a cost, on top of every foreign barrel of oil which they deliver. You have a rise in the price of gold under similar pressures. You have a speculative escalation of real estate prices in many parts of the world, for the same reasons. We will very soon be in inflationary rates of 5-6% and rising in most commodity prices. The commodity price inflation will tend to follow the same kind of path that the inflation in Germany followed in March to November 1923, mostly on a world scale. If we submit to that price inflation without bankrupting the financial system, we will unleash the equivalent of a New Dark Age on the planet.

So, the obvious thing comes up. If I, as President, were to buy oil the way I indicated—the Mattei way—then this would collapse and bankrupt most of the petroleum companies today. Because what I would be doing is bypassing the margin of payment which is attributable to their investment, financial investment, in debt.

The Standpoint of Physical Systems

Now, this comes to the question of what's the alternative. Yes, we could have a New Bretton Woods, it could work, but what are the mechanisms which will determine whether it's successful? The world economy today is not an economy. It's lunacy! It's pure speculation. It's a John Law bubble. It's a tulip bubble from the Seventeenth-Century Netherlands. It is investing in the profits of speculation, not the profits of enterprise. So, we've got to get back to thinking about economies, not in terms of financial systems, but thinking of financial systems from the standpoint of physical, economic systems. The idea that profit comes from financial trade, must be abandoned. It's immoral. We must define profit, not in terms of financial profit. Because whatever happens, the present financial system will cease to exist. Some people will be very happy, because finally there will be a *tabula rasa*, where there was once a financial system. It's the only *tabula rasa* which is ever likely to exist.

What do we start with? We start with *man*.

What is economy? It's not financial systems. Governments can create and destroy, eliminate financial systems overnight, by an act of will. The government makes the appropriate law, and the financial system disappears. The government makes a new law, and a new financial system comes into being. We did something similar at the end of World War II. We eliminated whole currencies, and started new ones. We wiped out whole financial systems, and created new ones—in that case, for Europe and the United States, up until 1966, that was pretty successful. Soon, we are going to have to do that again—very soon. You have to set new rules, new monetary and financial rules, and it will work. But, what makes it work?

Real economy starts with man. Now, contrary to some pagans, man is different than animals. Man is the only creature which is able to change its power in and over the universe, by

will. No other species can do that. Only the human individual mind can do that. We call this human reason. Progress of humanity has always depended on discoveries which always are made by individual minds—discoveries of universal principle. These discoveries have been re-experienced and shared by other human beings. By discovering and validating new principles, we increase man's power, per capita, in the universe. Therefore, by increasing man's power over nature, through the discovery and transmission and cooperation in the practice of these ideas, man is able to improve his condition on this planet and in the universe.

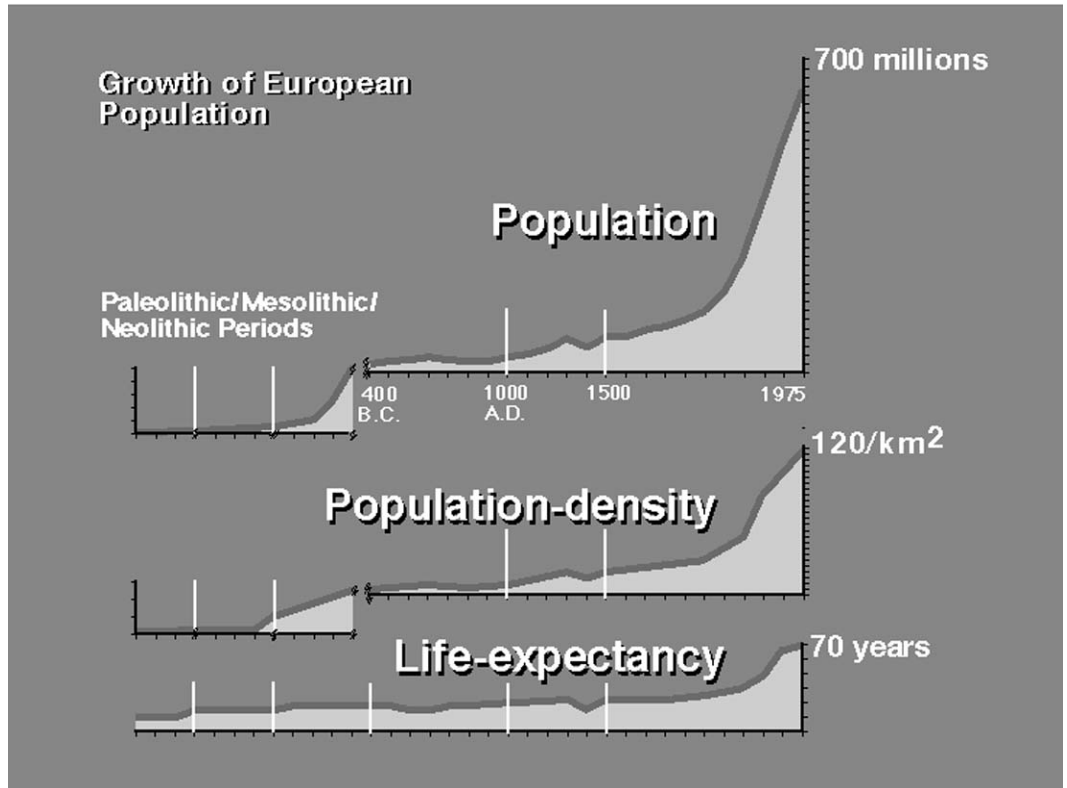
The Modern Nation-State

The specific genius of modern European civilization, as extended to a large degree throughout the planet, is expressed by a curve of rising population density and standard of living which began in Italy in the Fifteenth Century. From Italy it went to France under Louis XI. Louis XI established the first modern European nation-state. He created modern France, because he adopted the principle which we call in English, the general welfare, which is called otherwise in English, the commonwealth. He accepted the principle, and introduced that there is no form of government which has moral legitimacy under natural law, except governments which are efficiently committed to promoting the general welfare of all of the people and their posterity—the example of the success of Louis XI, who doubled the national income of France, physical income, during his 20-odd years of rule. It was copied in England, where they eliminated the Wars of the Roses under Henry VII, and introduced the great Erasmian reforms in England in that period, which were based on the same principles.

Since that time in Europe, the tradition of the legacy of the Italian Renaissance, and its effects on England and France and elsewhere, inspired people to believe that it was possible for the state to perform this kind of function. Instead of a few people, as an oligarchy, controlling many people, as human cattle, now the state becomes responsible for the welfare, the improvement of the condition of life and development of each individual person. When it became difficult for Europeans committed to this principle to realize this form of state in Europe, they placed increasing emphasis on the promotion of new republics of this form in the Americas, both South America and North America. The United States was created by the 1776 Declaration of Independence, based on these principles, as expressed in the first three paragraphs of the Declaration of Independence. If we look at a very simple test, the growth of population, the improvement of demographic conditions of life, per person and per square kilometer of area, since the Fifteenth Century, this is the greatest revolution in human progress in all known human existence [Figure 2].

Thus, if the nation-state, and cooperating nations, are committed to this principle of promoting and realizing the discovery of new physical principles and their application,

FIGURE 2
**European
 Population
 Growth and
 Life-Expectancy**



there is no limit to the improvement of the human condition.

In every society so organized, each individual person is recognizable as an immortal personality, as well as a mortal being, because the ideas, the discoveries of principle which are the power of human beings, which make man in the likeness of the Creator, are thus not only present, but are expressed in the individual personality and the individual personality's relationship to not only presently living people, but also to the past and to the future. This applies not only to the history of scientific discovery, it applies to Classical artistic principles. It is through Classical artistic principles, and the improvement of language to reflect the benefit of Classical principles, that the ability of human beings to cooperate and to improve their cooperation in an effective way, becomes possible.

A Naturally Cooperative Relationship

Profit, therefore, in physical terms, is a commitment to a margin of net improvement in man's power in and over the universe, for this benefit, for the general welfare. In the American System, as defined by Benjamin Franklin, and Hamilton, and people like that—Lincoln, and I—there's no such thing as a "state enterprise" or a "private enterprise." Rather, there is a cooperative relationship, a naturally cooperative relationship between true private entrepreneurs and states which provide basic economic infrastructure. The responsibility of the

state for the general welfare, means the state must take care of all of the people and all of the land area. And, no individual enterprise or consort of individual enterprises is capable of such a function. The management of land and water, the improvement of schools and health systems and things of that sort, are the moral responsibility of the state, and cannot be seconded out to merely private enterprises. The function of the private enterprise is to promote the general welfare through the ingenuity of the private entrepreneur. The scientist-engineer who owns a firm, who makes an improvement; the farmer who improves the methods of agriculture, and so forth—this is the proper area of private enterprise. The state cannot privatize its responsibility for the general infrastructure. It would be immoral to do so. Privatization of that form is intrinsically immoral, as a matter of natural law.

However, to the same degree, the government must protect the opportunities of the entrepreneur to make a true entrepreneurial contribution to the general welfare. Among the things which are most important for the public area, is the promotion of the quality of education, which promotes Classical culture, Classical cultural conceptions in language, and Classical science, and commits the society to base its hope on improved prosperity on the benefits of using Classical culture's influence on the cooperation among persons in order to promote scientific and technological progress, per capita

and per square kilometer of land area. That is the proper moral function of the state.

Now, I'll come to my concluding point.

Emergency Action

Since we have to make an emergency decision soon, and since we must convince many people to support those decisions, we must keep our radical changes to a limited amount. At leisure we can make other improvements later, but the form of the emergency action to be taken on short notice must be relatively simple and clear. Therefore, the best model we have available that's appropriate, that people know about, is the example of what was done by Europe and the United States during the period from the close of the war into the middle of the 1960s. The system of fixed exchange rates and protectionism, which is characteristic of the period 1946 through 1958 in particular, is the model which is required as an emergency basis for the crisis we face today. The difference is, that today, unlike 1946, we must carry the policy to the degree that President Franklin Roosevelt had intended for the postwar period, before he died. Which comes back again to the Jubilee question.

President Roosevelt had intended, as he warned Churchill, that at the end of the war, the United States would use its power to ensure that there was the instant dissolution of all colonial systems: Portuguese, Dutch, British, and French. When Roosevelt died, London's 10 Downing Street took over U.S. foreign policy. This process was completed before Roosevelt was in his grave. This time, we must do what we did in 1945-1946 on monetary reform to rebuild a war-torn, ruined planet. This time, we must create a just world economic order, as Roosevelt had intended.

This means that groups of developing nations must have equal authority in the revised monetary system. This is not merely a matter of formalities of law. The issue here is, the world is now in a very dangerous situation, demographically. Presently, the planet—as in India, as in China, as in Southeast Asia, as in Africa, and so forth—we have a war-torn, strife-torn, impoverished world, in which nations presently are not able to sustain acceptable qualities of life for the individuals who are now living.

For example, take the question of Middle East peace, which is now in jeopardy. Now, there can be no peace in the Middle East, because there's not enough water available for everyone. A decent standard of life does not exist in the Middle East unless there's adequate water. The water does not presently exist, and will not exist. But nonetheless, we in the advanced nations have the technology to enable the Middle East to produce fresh water in sufficient quantities, and quality, to meet not only the needs of the present population, but to transform the desert gradually into a prosperous area of growth—as in the Mezzogiorno, or in central Sicily. Sicily was once a very prosperous area. We have the technology and know-how to do it again: bring back a semi-desert area into a

prosperous area of agricultural habitation.

So, with the aid of the technology which we in the United States, Europe, and Japan, and to some degree the former Soviet Union, have, if we turn that technology and continued progress into an engine of technological progress, we, of nations which were traditionally the more economically developed, can aid the nations which were more poorly developed, to develop true equality, through long-term credit, to provide them with our sale to them of the technology they need, without which they can not meet the requirements of their own populations. This is true in the western area of China, this is true in India today, this is true in Africa, it's true in the Middle East and elsewhere. Therefore, we must have a twofold, sim-

Hon. Michele Rallo: Globalization Is Leading to a Social Explosion

The following are the remarks of Italian Member of Parliament Hon. Michele Rallo, at the "Towards a New Bretton Woods" conference in Rome, on June 23.

My name is Michele Rallo, and I am a Deputy elected in Sicily, on the list of the National Alliance party. Together with my colleague [Hon. Alberto] Simeone, I recently presented an interrogation to the Prime Minister, to which a response (although only verbal) was given, which led to the beginning of a debate in the House of Deputies.

I would like to use this occasion to emphasize two aspects of this presentation which I found particularly interesting: The first, is a surprising convergence—or maybe not so surprising, since there's actually an order to these things—between a very thorough analysis which comes from an economist, Professor LaRouche, and analyses, certainly less thorough, and less well-known, which come from the political world, which I, in a certain sense, represent.

I am a parliamentarian elected from the farthest district of Sicily, and as such, I am witness to a state of things which is recognized, by myself and others who think the way I do—we are, unfortunately, a minority—as going in a direction that coincides with the one delineated by Professor LaRouche's analysis.

I refer especially to the problems of globalization. These problems have generated, in southern Italian society, and in particular in Sicily, a state of impoverishment

ple policy for emergency action. Other improvements can come once we have started on the emergency action. Then, the parliamentarians can have time to discuss those things.

But, we must have immediate executive action to deal with this crisis. There are two things: the question of the form of the reorganization, the emergency reorganization — the experience of the United States and Europe from 1945-1946 into 1958-1966 is a good example of what that must be, the form. But, it must include a just participation of the so-called developing nations, not just the so-called advanced ones. Secondly, we must accept a long-term mission, of at least 30 years to begin with. The new monetary and financial system of sovereign nation-states, must use the power of the nation-

state to generate on this planet a mass of tightly regulated credit, at low prices, with the purpose of extending credit of up to 30 years, for long-term infrastructure development, and in the short term for actual private entrepreneurial development, on a global scale. A global enterprise which means the promotion of scientific progress, at an accelerated rate. And also, the transformation of this planet, so that the discrepancy, the moral discrepancy, between the poor of the world, and the nations which are more stably provided — that must end. We must bring global justice at last, if we wish to have a world in which there are sovereign nation-states which live at peace with one another, for the common benefit of all mankind. Thank you.

of the population which determines a very serious social and economic crisis — much more serious than it may seem.

For some time now, I have been saying that large metropolises, such as Palermo and Naples, are on the verge of an insurrectional explosion. Not an organized explosion, not aimed politically to achieve any specific result, but merely the effect of an economic crisis which by now has reached unsustainable levels, and which, I think, could even explode before the financial crisis which Professor LaRouche was mentioning.

Regarding the political world in general, I think, unfortunately, that in Europe and in Italy, the drama of the current situation is not understood by our ruling class. I am less optimistic than Professor LaRouche about the reaction which, in a certain sense, is emerging in Europe. Because I think that the vast majority of the European ruling class, with respect to the problem of the globalization of the economy, and the introduction of an artificial and artful financial system, which is the principal subject of Professor LaRouche's analysis, is divided essentially into two groups. In the first sector, are those who hold that this process is useful, and they even suggest that it be reinforced; and in the second, there are those who do not think that the globalization of the economy and the financial system is good, but believe that it is inevitable. Therefore, it is necessary to suffer under it, while making a few attempts to alleviate the problems with some medicines, although the disease cannot be defeated.

Strengthen the Resistance

Unfortunately, I think that the movements of resistance to this political, economic, social, and financial scenario are very limited. They are limited to a small elite of politicians and economists, in a group which runs across the political spectrum, from the left to the right. The majority of the European and Italian establishment though, has con-

vinced itself that we must continue more or less in this same direction. It is my hope, my wish, naturally, that the critical minority be strengthened, and I fully agree with what Professor LaRouche said, including what he said after the first question; that is, I think that, more than from the political world, the engine which may form the critical barrier against this — negative, I think — tendency, is the Catholic world, and in particular the figure and the work of the Holy Father.

I say this not as a Catholic, I say this as a layman. I say this as a layman, because as a layman, I recognize that the personality who has the moral authority, recognized certainly in the West, but also largely in the whole world, apart from among many fundamentalist movements in various confessions, is this Pope. Not the Papacy as an institution; this is a Pope who has succeeded in giving also an extremely strong political value to the institution which he embodies, and I think there is hope that, in the future, a movement may emerge which can bring us to rediscover economics as something real, made of the progress of populations, and the progress of less fortunate populations. Certainly, even in the best situation, I'm not thinking of an egalitarianism among nations. There will certainly always be nations and countries which are more or less wealthy, more or less developed; but I hope that the enormous, absurd, immoral inequalities which are present in the world today will be eliminated. And I hope that Europe will be able to extricate itself from this situation, which sees it as the weak link in the chain. In my view, the attacks carried out by the reigning political-financial system today, are directed especially at Europe. There is an attempt to weaken this continent, and what it represents politically, economically, and morally.

I thank Professor LaRouche for what he said today, and what he has been saying for a long time, and I hope his words will find an ever more attentive and important audience. Thank you.

LaRouche: Those Who Could Rebuild Economy Are Being Eliminated

The following is an excerpt from the question and answer session at the “Towards a New Bretton Woods” conference in Rome on June 23.

Q: There is a political and economic scenario, elaborated in an international conference of the most important managers of the world, which says that in the future, the United States and Europe will become rural countries, and nations of the developing sector will take the lead as industrialized regions.

LaRouche: First of all, we have a problem in the United States, also in Europe. It’s a generational problem. The generation that was born after World War II, generally people who are between 45 and 55 years of age, dominate most of the top positions of chief executive officers and other senior professionals today. There are a few more senior figures who are still active, but they are increasingly a minority. What became known as the “’68 generation” is, by and large—especially among the top layers today, social layers today—I would say, clinically insane. It comes up in both questions.

For example, when I compare this issue with corporate management, industrial management, and other management back in the 1950s, 1960s, 1970s, even early ’80s, people of that generation of top executives and leaders would never make the kinds of mistakes which are being made commonly, and generally accepted as right, today. In general, the purpose of production today, is not to produce an improved product, as measured value of product per hour of employed labor, for example. The orientation of the past period has been toward the cheapest price for everything, by promoting slave labor among marginal populations in marginal countries—economic cannibalization of previously made capital improvements.

The problem is that the executive today does not recognize any of the things that top executives 20 years ago would have recognized. They do statistical trend studies and say, “See? We can do this.” They project statistical trends with no consideration of the physical reality of what they’re talking about.

For example, in the years when I was involved in management consulting, and in production generally, one understood that if you were going to put a new product line into

production, this would take 3-5 years before you get the first production. Under military conditions, we were sometimes able to shorten that lead time. For example, if you’re an administration of a municipality, and you’re going to build a highway, how many years from the time you complete the design of the highway, will elapse before you complete the highway as a functioning highway? If you’re going to put up a building to last for a thousand years, what kind of design, and how long will it take to do that and start the process? If you’re going to start a new product line, you must first of all make sure you have the suppliers who can enable you to do that. In order to have a certain kind of production, you must develop the labor force which is qualified for that production. To get a junior quality professional today, requires 25 years from birth to university graduation. How many years does it take to turn a baby into an effective doctor? How many years to turn a newborn baby into a qualified engineer or scientist? How many years of education of a newborn baby, plus experience, to get a qualified industrial operative of high-technology?

Financial Considerations Must Be Subsidiary

The trouble, in answering these questions, is when you proceed from financial statistics. To try to plan on the basis of financial statistics, the way bankers do, you end up with a piece of stupidity and catastrophe. Of course, every competent manager thinks in terms of financial problems and things of that sort. But, he thinks of these financial considerations as subsidiary matters for physical things. A competent industrial manager is in the plant, looking at the physical product, the physical processes, investigating the machine, getting engineers to discuss the machine, to test the machine, to test the product.

From my standpoint, which is that of physical economy—a science which was developed by Leibniz long before Adam Smith—basic questions are: energy flux density, overall energy density, available water per square kilometer and per capita, these kinds of things. If you look at the development of European civilization, you look at the infrastructure which made it possible.

For example, if you were going to look at things like Etruscan culture, the area of Etruscan culture, what was the potential size of the actual population which lived in Tuscany during that period? You would measure the per-capita and per-square-kilometer potential for maintaining a certain standard of living and culture. If we’re going to maintain even the present level of world population, which is in the order of excess of 5 billion, maybe 5.5 billion persons today, our goal must be to have a population which has a life expectancy of about 80 years. You must have a family structure—which we’re losing today—otherwise you have cognitive damage to the minds of the young, and they won’t be able to develop adequately. You must have a certain amount of fresh water, usable water available per square kilometer and per capita.

You must have a certain number of kilowatts equivalent of energy per capita and per square kilometer. You must have a structure and composition of employment which involves high-level scientific research, university education that goes with that. You must have advanced industries, machine-tool industries, various high technologies.

So, you must have a very highly developed, not a primitive, agricultural labor force. For example, you must have about 2-3% of your labor force, at least, and not much more, involved in direct agriculture. You must have 60% to 70% of your labor force employed, basically, in physical production; infrastructure and manufacturing. You must have an educational system which covers 25 years of life, including the university level. You must have a certain rate of research, scientific research. Without those conditions, we cannot maintain life on this planet. Somebody tries to create a utopia, based on the idea of going back to a simple agricultural system—this is a science-fiction utopia, from the most stupid kind of scientific writers, who have written about this kind of thing.

The 'Information Society' Is a Fraud

On the second thing, which is more extreme, the idea of an information society—this is a fraud. You may have computers, which are useful. You may have electronic devices derived from that, and they are useful, their application, but they will not give you economy. Classical culture is essential to cooperation. The driver in economy, in physical economy, is scientific discovery. Especially the discovery of universal physical principles and their validation. In order to test adequately, a proposed universal physical principle, you must meet certain requirements. It is not enough to demonstrate that a principle appears to work; you must prove that that principle is necessary in the physical universe as a whole.

A very special relationship is involved therefore, between the university scientific work and the machine-tool testing and design of the kind of experimental equipment which will prove that something is a universal principle. If you focus very closely on what happens between the discovery of a universal physical principle and the technologies that increase man's power in the universe, you find that the form of this relationship is totally non-linear. You have in this century, especially in the 20th century, a great intellectual corruption, among scientific and other circles. You don't have modern Bettis and Beltrami, as they had in Italy before. You have the acolytes of Bertrand Russell. His acolytes are absolute hoaxsters: Norbert Wiener—hoaxster; John von Neumann—hoaxster. Mathematical economics—hoax; econometrics—hoax.

Because a physical relationship between a scientific principle and its effect on production, can never be measured in digital terms. It's nonlinear. If you have an economy in which the only principles you know are those which are

generated by digital computers, through these forms of mathematics, so-called, at the blackboard, or on the digital computer, you are going to have a zero rate of growth, which is going to become a negative rate of growth. So, you have a doomed economy. In fact, what you're seeing today—what is worse today than it was during the 1920s-1930s depression—is that the spread of the idiocy of the so-called information society, or new economy, has resulted in a kind of financial bubble worse than anything you've seen in the past 300 years.

So, you have a twofold problem therefore, today. On the one hand, the world economy is being destroyed by a bubble, which is being managed by people who believe in information society, that is, the chief executive officers. You are replacing competent engineering, in the design and engineering departments of firms, by mere computer specialists—so-called benchmarking. As a result of that, we are eliminating from the process of education and employment, the stratum of people, of scientists, of economists, of managers and technicians, who are essential to build the kind of economy we had beforehand. So, from the standpoint of physical economy, the present CEO class is destroying the economy we have, and eliminating the kind of people we used to have, who could have rebuilt it. That's a dangerous problem we have.

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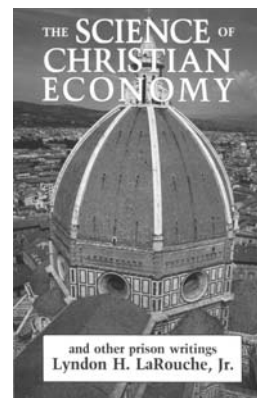
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French Foul Up Albright's 'Democratic' Fascist Scheme

by Mark Burdman

U.S. Secretary of State Madeleine Albright's master plan, to have the Anglo-American powers preside over a new fascistic world order under the cover of promoting what she calls "democracy," was thrown into disarray on June 27, when the French government announced its strong opposition to her designs. This disapproval was made manifest, when French Foreign Minister Hubert Védrine refused to sign a final document on "democracy," at the end of a June 25-27 conference in Warsaw, Poland, on the theme "Towards a Community of Democracies." That conference was the brainchild of Albright and her crony Bronislaw Geremek, the Anglo-American agent who is the outgoing Foreign Minister of Poland.

This act of French resistance to the U.S. State Department is in line with a recent pattern of moves, by countries in continental Europe and in Asia, to protect themselves from the bullying of the Anglo-Americans. As Lyndon LaRouche has stated repeatedly during recent weeks, the past years' "trilateral" relations among the United States, continental Europe, and the Asian nations, have fallen apart, as nations in the two latter regions react to the onslaught of U.S. Treasury Secretary Lawrence Summers, Albright, and others of that Washington ilk. The Asian nations' Chiang Mai Initiative for regional economic cooperation has been the clearest expression of this, but it has been followed by a number of diplomatic moves by France and Germany, in particular, to form a "core Europe" distanced from Washington and London (see p. 35).

LaRouche underscored the dangers of Albright et al.'s utopian, fascistic, world-federalist schemes, in his latest interview with *Gente* magazine of Peru (immediately below), which nation is a prime target of Albright and her cronies.

When asked about what was going on in Warsaw during June 25-27, LaRouche responded that "this is going to set off alarms around the world. Under normal conditions, no one would dare to pull off an operation like this, at this time. There will be an escalating strategic conflict, as a result of this madwoman, Madeleine Albright, launching this thing in Warsaw at this time. It's the stupidest thing you could do, under any normal condition. It can only happen when the President of the United States is absolutely desperate."

LaRouche has insisted that the conceptual/historical roots of the Albright notion of "democracy," are in that movement of "Athenian democracy" which resulted in the murder-by-poisoning of Socrates.

French Move 'Stuns' and 'Surprises'

The Warsaw event brought together foreign ministers or other senior government figures from some 100 countries, many of them obviously acting under extreme pressure from the U.S. State Department and the British Foreign Office to endorse Albright's scheme. It was convened by the governments of the United States, Poland, India, Chile, Mali, the Czech Republic, and South Korea. Its initiators conceived of it as a new "Davos of Democracies"—Davos is the yearly oligarchical World Economic Forum gathering in the Swiss village of that name.

Simultaneous with the "Towards a Community of Democracies" event, there was a June 25-27 meeting in Warsaw, of a new entity called the World Forum on Democracy (WFD), sponsored by mega-speculator George Soros and New York's Freedom House, bringing together the leading lights of the disreputable Washington- and London-run "Proj-



French Foreign Minister Hubert Védrine, who refused to sign a “democracy” document. The use of “military and economic sanctions” as a weapon of “democracy” against targeted countries, Védrine said, only hurts the populations of the countries so targeted.

ect Democracy” crowd (see below), with the aim of fomenting, supporting, and catalyzing proto-terrorist insurgencies in a number of countries around the world, prominently including Peru, Malaysia, Zimbabwe, Iran, and China.

But the entire Albright-led extravaganza was thrown into turmoil, on June 27, with the French “thumbs down.” A front-page article in the June 28 *International Herald Tribune*, headlined “Paris Stuns Democracy Conference,” reported that the “U.S. conference of world democracies” was “stunned” and “surprised” by the French refusal to sign the final “World Community of Democracies” document, and that the French were warning, that the entire effort was an attempt to undermine the authority of the United Nations. A pro-Albright journalist of the *New York Times* commented on June 28, that the American delegation was “taken aback by the French objections,” especially because Védrine was “taking aim at the heart of what Dr. Albright hopes will be a large part of her legacy.”

According to French media, Foreign Minister Védrine made no secret of the fact, that he was “seriously irritated” by Albright’s attempts to launch a global crusade, in which “democracy” would be used as a virtual religion, to bludgeon and coerce various countries around the world. He and others of the French delegation, were particularly ticked off, by the fact that the final declaration calls for the formation, in effect, of a special “democratic bloc” within the United Nations, to be counterposed, or opposed, to a “non-democratic bloc.” Specifically, the Orwellian final paragraph of the so-called “Warsaw Declaration” reads: “We will collaborate on democracy-related issues in existing international and regional institutions, forming coalitions and caucuses to support resolutions and other international activities aimed at the promotion

of democratic governance. This will help to create an external environment conducive to democratic development.”

Given that China, Iran, Iraq, and a number of countries were ostentatiously *dis*-invited to the Warsaw event, and that Russia was among those classified patronizingly as “countries in transition toward democracy,” this is, in the view of France and others, the ingredient for a new form of global confrontation. To show his displeasure, Russian Foreign Minister Igor Ivanov refused to attend, sending a lower-level functionary in his place. Also, according to the June 29 Paris daily *Le Monde*, UN Secretary General Kofi Annan is known to share French reservations about this new “bloc” structure. Annan also expressed grave concerns, about anti-democratic trends in countries that are summarily classified, by Albright and others, as “democratic.”

In his remarks to the Warsaw event, Védrine bitingly declared that he had come “because Geremek had asked me 15 times” to attend; never did he mention Albright’s name. He warned against a new “triumphalist” mentality, that would treat democracy as a “religion,” and would ignore the fact that democracy requires a long period of “evolution,” rather than being achievable by “instant” methods. That evolutionary process, he insisted, was very much dependent on “economic and social development.” Instead, what was being promoted in Warsaw could give the impression that the West is “using the universal aspirations for democracy . . . to the ends of influencing political, economic, or cultural domination, just as they sometimes utilize to the same ends, the principle of freedom of trade.”

Later, in a briefing to American journalists in Warsaw, Védrine spoke out against the use of “military and economic sanctions,” as a weapon of “democracy,” stressing that this weapon always backfires, and only hurts the populations of the countries so targeted. He insisted that there is no magic formula for “transforming Russia into a huge Finland, or China into a huge South Korea.” Védrine affirmed: “Let’s not be self-congratulatory. Our democracies still have room for improvement.” He warned that the rule of money, in influencing policies in developed countries, is “terrifying,” and that the apathy of their citizens is alarming.

The French daily *Libération* on June 28 quoted an unnamed senior French official: “There is no question of allowing the Americans to create a directorate of democrats, in which they alone would decide who is invited.”

‘Fascism with a Democratic Face’

The core strategy of the British-American-Commonwealth faction over the past 25 years, has been to create a new fascist system capable of imposing draconian austerity on populations, but one that would have a “democratic” facade. This strategy was designed, at the 1975 meeting of David Rockefeller’s Trilateral Commission, in Kyoto, Japan, with the submission by Harvard University’s Samuel Huntington,

of the paper, "The Crisis of Democracy."

It next received a shot in the arm with the 1982 visit to London of U.S. President Ronald Reagan, for meetings with British Prime Minister Margaret Thatcher. What was launched then, was a so-called "public-private" program called "Project Democracy," the command center for Washington's "quasi-autonomous non-governmental organization" (Quango), the National Endowment for Democracy (NED). Out of the NED and related bodies, the Iran-Contra arms-for-drugs operation was coordinated during the Reagan-George Bush years — truly an object lesson in "promoting democracy"!

Albright served on the board of the NED during 1991-92, before becoming U.S. Ambassador to the United Nations. Another NED board member (1988-96) was her mentor, Zbigniew Brzezinski, the unstable U.S. National Security Adviser under President Jimmy Carter, who was also one of the mentors of Harvard's Huntington. Brzezinski was, from its founding in 1974, the seminal figure in the Trilateral Commission.

Albright has been deeply influenced by British-authored world-federalist utopian designs. In October 1999, she spoke in New York, praising the works of H.G. Wells. Wells was one of the 20th century's leading advocates of one world government, aimed at radical population reduction, vast social engineering, promotion of master-race concepts, and the like.

During the summer of 1999, according to London sources, Albright was influenced by *Pax Democratica*, a book by Jim Huntley, an American who was once a chief aide to Lord Mountbatten, a senior member of the British royal family. Huntley dedicated the book to Clarence Streit, an American who, in the late 1930s, wrote *Union Now*, advocating a global alliance of the United States with the British Empire, as the seed-crystal of a new world government. Streit was one of the few Americans "honored" with being a member of the exclusive British "Milner Group," founded in the early 20th century by British Lord Alfred Milner.

A Mood for Adventurism

The NED mob was out in force at the Soros-Freedom House WFD event in Warsaw. Freedom House, it should be stressed, is one of the central U.S. "enforcer" institutions of Project Democracy.

The WFD event brought together an extraordinary gaggle of these types, including Carl Gershman, current NED head; chief W. Bush foreign policy adviser Paul Wolfowitz; former Italian "Clean Hands" magistrate Antonio DiPietro, currently a member of both the Italian Senate and the European Parliament; Peter Eigen, boss of Transparency International, the organization that uses the "anti-corruption" issue to interfere in the internal affairs of sovereign nations; Aryeh Neier, the director of Soros's Open Society Institute; and Francis Fuku-

yama, the former State Department Policy Planning Staff ideologue, currently at Virginia's George Mason University, whose book *The End of History* polemicizes that the "free market" and "liberal democracy" package has irreversibly triumphed throughout the world, following the collapse of the Soviet Union.

All sorts of insurgents were featured, most prominently defeated Peruvian Presidential candidate Alejandro Toledo, the current hero of Project Democracy. On June 25, Toledo shared the podium with Soros. He declared himself to be a "staunch guerrilla fighting a political monopoly," and warned that Peru, whose President Alberto Fujimori was reelected by a majority of voters, is faced with a "new form of dictatorship, which poses the most serious of hazards, since it disguises itself as a democracy, and exploits democracy as trappings." He called this "a contagious disease," and warned of its spread throughout Ibero-America. Toledo put himself forward as a future "democratically elected leader of Peru," claiming that by so declaring, he has put himself at risk when he returns home.

During the three days in Warsaw, Toledo had a private meeting with Albright.

Soros made the keynote speech, calling for an "international association of democracies, to work in a coordinated fashion to promote open societies." A "global open society," he insisted, should be based on "the transformation of international institutions, . . . to make them less susceptible to the interests of the states that comprise them or dominate them." In this context, he said, the International Monetary Fund should be converted into a new international central bank. In Soros's warped view, the "alliance" would address specific problems, "such as Peru, Indonesia, and the Ferghana Valley." The Ferghana Valley is where various insurgencies have been launched, against the government of President Islam Karimov, in Uzbekistan; informed Russian sources told *EIR*, that this comment will "provoke outrage in Tashkent," Uzbekistan's capital.

Professional insurgents in attendance at the WFD gathering included East Timor's Jose Ramos-Horta, and Wan Azizah binti Wan Ismail, the wife of Anwar Ibrahim, the imprisoned opponent of Malaysia's Prime Minister Dr. Mahathir bin Mohamad (who also met privately with Albright).

By video, Myanmar's Aung San Suu Kyi addressed the meeting. *EIR* has received a warning from a Russian strategist, that there are plans afoot, for some kind of "Kosovo-style," Anglo-American-led military adventure into that country, in defense of "democracy."

The Soros/Project Democracy mob is in a desperate state these days, with the collapse of the global financial system racing along, and all sorts of wild adventures and schemes were concocted in Warsaw. What the French did there is eminently useful, but not enough yet, to prevent these adventures, in the name of "democracy," from going ahead.

LaRouche Warns: ‘A World Conflagration Is Coming’

Gente magazine of Lima, Peru interviewed Lyndon LaRouche by telephone on June 24. The following is the full interview.

Q: Good day, Mr. LaRouche. My first question is the following: What is the objective of the international forum which is being held on Sunday in Warsaw, Poland?

LaRouche: This is the one that starts on the 25th through the 27th [of June, see *International* lead article]. There are actually two conferences which are overlapping, for a common purpose. One is the public side, in which the U.S. government is involved, where the government is acting openly through the State Department of [Secretary of State Madeleine] Mrs. Albright. Now, the second group is an even nastier group than Mrs. Albright herself. This is what we discussed last week [see *EIR*, June 30, p. 40].

During the course of the past decades, there have developed in the United States and in Europe special mechanisms which were intended to take over and control the organized labor movement. These organizations were brought into government by the British and U.S. governments, through Wall Street’s crowd during World War II. This involved the Office of War Information; it also involved the Office of Strategic Services.

One of the dirtiest and most significant personalities in this operation was a man who had been a Soviet agent, Jay Lovestone. Now, Jay Lovestone was head of the Communist Party of the United States for a brief period of time, and claimed to be a Soviet agent up until about 1938. Now, he went over to become a key part of the Wall Street-controlled section of U.S. intelligence at that time, officially. He became the leading figure in the postwar control over international labor organizations. He was also an agent of the Federal Bureau of Investigation, that is, of J. Edgar Hoover personally. His base of operations was in New York City, in the industrial engineering division of the garment trade, of the International Ladies Garment Workers Union.

Now, this group around Jay Lovestone and the FBI—and the important thing about this is, remember, the FBI was the organization which took over secret intelligence against the nations of the Americas, which was run in cooperation with the United Kingdom. The three key countries which were the principal targets of this operation during World War II, were Mexico (in which Jacques Soustelle was the key man); then you had Jacques Soustelle’s teacher, who was a key man

in the operations in Peru; then you had a man of Russian extraction, John de Menil, who financed Castro going into Cuba. During that period, he controlled this branch of the operation out of the Caracas office. This organization in 1982 produced what is called Project Democracy, which is otherwise known as the National Endowment for Democracy.

Now, since that time, there have been laws passed in the U.S. Congress, under which both the leadership of the Republican and Democratic parties operated internationally, under the cover of Project Democracy. The party organization at the top is controlled by this same group. Carl Gershman is a key product of this. Freedom House in New York City is a key part of this.

I have a lot of personal experience in dealing with these characters. These are the dirtiest thugs in the intelligence business. Their use of “democracy” has about the same meaning as the use of the word “democracy” by those Greeks who murdered Socrates.

The purpose of this operation is twofold: one, is that the ideologues behind this, think of setting up an Anglo-American world power run by a gang of five countries. The five countries are: first, the United Kingdom; then Canada, Australia, New Zealand, and the United States. And this is the same structure of organization that was set up during World War II, as an intelligence organization, both private and public, which was run by what was then called the British-American-Canadian (BAC) operation.

Now, four of the countries are officially run, from the top down, by the Queen of England, personally. That is, the Queen is not only a figurehead, but she is the absolute, authoritative, functional head of state for these countries. In other words, she personally runs the military and intelligence services of these countries.

The group in New York which is part of this is largely Wall Street. And if you look at the number of people who have received knighthoods from the Queen—like George Bush, Caspar Weinberger, Henry Kissinger, and so forth—they appear to think that they are actually subjects of the Queen of England.

Now, what they are up to, is two things: In the Americas, they intend to liquidate the sovereignty of every nation-state as rapidly as possible. They may moderate in some sense, but only for tactical reasons, not their intentions. They plan to seize all material assets. For example, it’s become plain that



Canadian Foreign Minister Lloyd Axworthy (left) and U.S. Secretary of State Madeleine Albright. "There will be an escalating strategic conflict, as a result of this mad woman," warns LaRouche.

they intend to steal the Pemex oil industry of Mexico. Secondly, they intend to destroy the sovereignty of every nation in every other part of the world as well, to set up a modern kind of Roman world empire. They are also planning a war against Russia and China, in Central Asia. Poland is considered one of the border countries to prepare for the war against Russia.

So, what will happen in these three days, is that Mrs. Albright and her apparatus, will feature this [defeated Peruvian Presidential candidate] Alejandro Toledo, which gives you a pretty good idea of what they're up to. And then, under the cover of this official operation, they will then run the really dirty operation under Project Democracy.

What this involves, is that this is an operation which goes back to the Presidency of Jimmy Carter in the United States. Jimmy Carter was actually a puppet of a group in New York City: not just David Rockefeller, but it was a group based in the New York Council on Foreign Relations, which at that time was headed up by Cyrus Vance and Zbigniew Brzezinski. The person who was working immediately under Brzezinski in these dirty operations, was Samuel P. Huntington. When Brzezinski took over the National Security function of the U.S. under Carter, Huntington was his chief assistant.

Now, Huntington and Brzezinski are noted today for three particular policies. The first one, is the so-called "Crisis of Democracy" policy. This is the campaign which led to the establishment in 1982 of Project Democracy. The second one, was to get a war going between Islamic and non-Islamic countries, especially in Eurasia. The third one, was to get a war

going in Central Asia, over the seizure of raw materials assets, between an expanded NATO, and Russia and China, on the other side. This concept, the Samuel Huntington concept, has now been restated in the form of a "Democracy International."

To understand this more clearly, look directly at a comparison between the election now ongoing in Zimbabwe, and the mobilization to destroy targets — Peru, Brazil, and Mexico — in the Western Hemisphere. And there you see the role of poor, silly old Jimmy Carter in all of these operations. Jimmy Carter is a mean fellow, but I don't think he's very intelligent. At least, he's never shown any real intelligence. He is only a side-show act, a diversionary act. If you look closely, as I do, at the similarity in the operation against Peru and against Zimbabwe, you see the mind behind the "Gang of Five," that is, the five countries I referred to.

Of course, we must recognize that this is not necessarily the opinion of the people and the nation of the United States. This is the opinion of a very powerful minority in the U.S. Congress, in the Executive branch, in both leading political parties, and in other institutions in the United States. These are the policies of both a George Bush candidacy, and an Al Gore candidacy. You must understand that the United States is like Germany in 1932-33, in which the fight for freedom in Germany was against the "Project Democracy" of that time, otherwise known as the Nazi movement.

If you look at the New York and London bankers, who directed the coup d'état that put Hitler into power in January of 1933, which included Prescott Bush, the father of ex-U.S. President George Bush, you see the essential similarity behind the mask of words, between Project Democracy today and those who were backing Mussolini and Hitler in the 1920s and 1930s in Europe.

I don't want to create pessimism, but I also think there's a certain need for realism. We're up against an enemy who is not really very intelligent, but powerful and also very desperate, because its financial system is about to disintegrate. And it will disintegrate this year. So, that's the danger we face, and that's why they're pushing these kinds of projects, like the Warsaw conference, the way they are.

Q: Mr. LaRouche, it appears from everything you're saying, that what we are facing is a world conflagration.

LaRouche: Absolutely. Remember, go back in history — and I'm sure you've studied this matter and recognize what

I'm saying.

Throughout the entire history of Europe, even before the modern era, since Charlemagne, you've had a constant struggle, in different forms, to, on the one side, create a form of society which is consistent with a Christian conception of the nature of man. This has not always been a consistent design, but the intention has been consistent. And you have, on the other hand, in European civilization, a powerful oligarchy. At one time, it was essentially a feudal oligarchy, which was a world empire, a globalized system. Later, it became a financier system, a financier oligarchy.

Look back at, say, the 13th century, when the threat was that this new form of society would be developed, and the old oligarchy moved to sink Europe into a period of war that lasted 100 years. They tried to keep this going with what was called the Hundred Years War, between France and England. When France succeeded in reconstituting France, in England they unleashed the War of the Roses. When the financial system was threatened, they instigated religious wars in the 16th century, and then the Thirty Years War in the 17th century. Then, the War of the Spanish Succession, in the beginning of the 18th century. After the independence of the United States, they prepared and unleashed war on a world scale. They unleashed World War I, and the Balkan Wars before World War I. They set into motion World War II.

Whenever these powers find their economic, or political-economic system, threatened, they react with *violence*. In other words, when they can't control the world by means of their financial and economic system, they use the desperate action of the fist to destroy and crush anybody who might be in their way.

We're now in such a period. We have the worst financial and monetary crisis in modern history, at least since the Thirty Years War.

It's far worse than anything faced in the 20th century. These people are desperate. They find people all over the world—in China, like the recent meeting in Korea, etc.—revolting against their tyranny. You can see the G-15 meeting in Cairo, which just concluded. You see a weak but very significant revolt against Anglo-American abuses by France and Germany, and other countries. The guys in London and New York are hysterically enraged.

My approach to this is that I think the opportunity exists to bring nation-states together to resolve the problems and end this danger. But, as long as we do not do that, then we are going to be in a period of increasing danger. There are people who are scheming; but there are also much more important forces who are not thinking, they are simply being impelled by their own emotions.

Q: Why has Alejandro Toledo been specifically designated as the person to give a keynote address to this Warsaw, Poland meeting?

LaRouche: Go back to 1971-73. At that point, the countries

of the Americas all had a certain strength, up to 1982. Under agreements like the Rio Treaty and the postwar Roosevelt period, and the Alliance for Progress under Kennedy, there were certain positive, constructive features to the relationship of the states of the Americas. There are senior figures in Peru, for example, who are intimately aware of these kinds of connections, going back to before 1971-72.

As part of the same process that went with the Nixon Administration, including the planning of what happened in August of 1971, the collapse of the Bretton Woods system, there was an intention to put in the "Chicago Boys" operation in Chile. And, of course, Alejandro Toledo is a sort of second-generation product of the people who put Pinochet into power in Chile, under Kissinger's direction. Looking at him closely, Toledo's not a very intelligent person. He's a highly unstable personality, not a good figure for a dictator—more like a Caligula than, shall we say, an Augustus. But, he's part of the same machinery that was used to put Pinochet in power. And then you had the similar operations against Peru in the same period. You had operations against Mexico, Brazil, Argentina, and other countries. So, what they're into is to pick up what you might call human rubbish. Toledo is not an important figure. He's only a flag they've chosen to design and deploy for a purpose.

Now, the problem they have today, is that many of the Ibero-American countries are not willing to swallow what Madeleine Albright tried to shove on Peru. The cause of Peru has many sympathizers around the world. Also, there are people in the United States who think that Madeleine Albright is crazy. She should forget it; she should leave this Peru thing alone.

But, who is *she* controlled by? She's controlled by Brzezinski and these people. So their "play tough" reaction, is to take Alejandro Toledo—from a qualitative standpoint, he's a fool, a complete fool—and they decide to wave him like a flag, in Warsaw. He is not the problem; he's only the symptom of the problem.

Q: We also understand that Mr. Toledo will be sharing the speakers' platform in Warsaw with Mr. George Soros. What is the significance of having Soros at this meeting?

LaRouche: Soros has gained a new position in the course of the 1997-98 period. The big thing that is occurring in Southeast Asia and in East Asia, is that the Prime Minister of Malaysia, Mahathir bin Mohamad, has become a hero of economics. He defied Al Gore, he defied Madeleine Albright—personally, nose-to-nose in Asia—on the issue of George Soros. And Madeleine Albright and Al Gore came to the enraged defense of George Soros.

In the period between October 1998 and the Brazil crisis of February 1999, George Soros was used as a key adviser on how to generate an avalanche of fraudulent money, which was used in particular to try to deal with the Brazil debt crisis. So, George Soros has gone from being a figure of what he

was earlier, to using his experience and connections for a somewhat different operation. He's a key part of what is actually being generated, a global hyperinflation like that of Weimar 1923.

The thing that must always be remembered is that the United States, as a national economy, is presently hopelessly bankrupt. For example, the United States, at the current rate, has a national current account deficit rate of approximately a half-trillion dollars a year. Well, that's the mark of a bankrupt business. It has no hope of ever earning the income to pay that deficit. We don't know how much money is being put in to try to keep the United States from collapsing. Official figures from central bankers and others show at least \$1 trillion a year. My estimate is that, in addition to that, there is an additional trillion dollars a year or more, which is now going into over-the-counter derivatives.

In other words, the United States, as an economy, is presently like a hopelessly bankrupt firm, which is borrowing ever vaster amounts of credit by the day, to keep from closing the door. By every objective standard, the U.S. economy and the U.S. dollar are the most bankrupt nation in the world. And, it's a time bomb that can set off the biggest financial collapse in all history, a collapse that will sink the entire world economy.

So, the significance of Soros, is that these fellows are trying to keep alive, keep the bankruptcy from the door, long enough to establish their kind of world government, or one-world government, system.

If you think about the implications of running this thing in Warsaw, now, this is going to set off alarms around the world. Under normal conditions, no one would dare to pull off an operation like this, at this time. There will be an escalating strategic conflict, as a result of this madwoman, Madeleine Albright, launching this thing in Warsaw at this time. It's the stupidest thing you could do, under any normal conditions. It can only happen when the President of the United States is absolutely desperate.

Q: Last Thursday, a group of U.S. Senators issued a statement calling for Peru to be sanctioned. What can you tell us about this?

LaRouche: Well, these people are mad, quite mad. One has to understand how crazy they are. What they intend to do is horrible. This is an order for conducting full-scale war, short of an actual shooting war, against Peru. It's absolutely lunatic, but nobody in the United States official apparatus has so far moved to stop this madness. Perhaps an early collapse of the financial system might put an end to it.

Let me just interpolate that some people think that the worst that could happen would be a collapse of the financial system. Thinking and speaking strategically, I would say that the worst that could happen would be postponing the collapse of the world financial system. I mean, if I were a Peruvian, I would be hoping that the United States financial system would

collapse immediately, so that Peru could mind its own business.

I think that those in Brazil would think similarly. I think that you see, from the President of Brazil, a reflection of this same kind of concern, although otherwise, he's not been a friend of my policies, or I of his. But he's not a stupid person. His recent reactions have shown that he's somewhat aware of the need for sanity.

I should think that the way to assess this, is: These guys are out of control, and for those of us who may be targeted by these people, we should keep our heads, not panic, and find friends around the world who are willing to cooperate in planning to build a new just economic order when this thing collapses.

I must say that you would be very encouraged if you had been with me in Rome, this past week. I was there for three days for some official and other discussions [see *Feature*], and I can say that that is not untypical of what is happening in Europe and other parts of the world right now. Peru and countries in South and Central America will find that they have natural allies in parts of the world. We want to save our nations, we want to survive, we want to resolve this crisis, and I hope that we can get together to establish a new system, under which we can survive.

So my essential assessment is, that when the crisis actually hits the United States hard, we will at least have the opportunity to change U.S. policies for the better. In the meantime, we must not be desperate, but we must be alert and cautious and strong.

Q: Next week, the high-level OAS [Organization of American States] mission will be arriving in Peru. What is your view of this mission?

LaRouche: It's going to be complicated, because you've got people inside the OAS who are not going to be happy with the kind of pressure which is going to be coming from the United States and Britain, and Canada most specifically. Remember, Canada is nothing but a branch of the British Empire. [Canadian Foreign Minister Lloyd] Axworthy coming to Peru is the same thing as a British SAS team going into Zimbabwe.

I think that a strong, firm position, of the type that President [Alberto] Fujimori has shown himself capable of taking—very discreet, but very firm—will produce the optimal result. It's not possible to completely control what is going on in the United States, or what the OAS will do, but it's possible for nations who are friendly to work together, and patriots of nations who may have differences, to unite and work together to defend the security of their own nations and that of their friends.

These are dangerous, difficult times, but it's necessary to be calm, without being naive about the danger. The worst thing is to show panic, because that will create the very kind of confusion that the enemy would like to exploit. I very much admire the way President Fujimori handled that terrorist

occupation of the Japanese ambassador's residence. And of course, the support that he rallied from the people of Peru, and its institutions, in that operation.

For any person who wants to analyze it, this shows that, in Peru, you have a President, and other institutions, and a people, which are capable—by reacting in the way they have shown themselves capable of reacting—to find the optimal solution available, the way the solution to the terrorist crisis was handled: with regrettable loss of life, but the sacrifice was not wasted, in terms of the national interest. It was a necessary war.

And I have confidence that the government of Peru and its leading institutions, are among the best choices of people to be able to deal with this problem.

NED Finances Chaos Around Mexican Presidential Elections

by Gretchen Small

The U.S.-based National Endowment for Democracy (NED) is at it again. This time, the target of Wall Street's favorite "democracy-or-I'll-kill-you" hit-squad, is Mexico.

Before a single vote was cast in the July 2 Mexican Presidential elections, an orchestrated international media campaign had pronounced them fraudulent and undemocratic. The stream of international stories accusing the Mexican government and ruling Institutional Revolutionary Party (PRI) of rigging the election on behalf of PRI Presidential candidate Francisco Labastida, was kicked off by a well-timed series of press conferences and interviews in June by Sergio Aguayo and other leaders of Civic Alliance, a well-heeled Mexican non-governmental organization (NGO). In media events, they denounced purported "vote-buying, coercion, and 'doling out pork'" by the PRI; these "sophisticated methods," they asserted, amounted to "mini-fraud"—although they didn't bother to explain what this term might mean.

Civic Alliance masquerades as a non-partisan, election-monitoring NGO, and the majority of the international media reports charging fraud-before-the-fact, hung their hat on the Alliance's purported "objectivity." But the reality is, that Civic Alliance is a bought and paid for front for the NED, which in turn is a de facto arm of the U.S. State Department, the primary funder of the NED. Civic Alliance is not neutral: It is the NED's leading election-rigging apparatus in Mexico, whose current assignment is to get opposition National Action Party candidate Vicente Fox into the Mexican Presidency, at all costs.

The proof of this proprietary relationship is to be found on the NED's own web site. Over the course of 1994-98, the NED pumped a cool \$1 million into Civic Alliance. One is reminded of the wise old Mexican saying: "*quien paga, manda*" ("He who pays, gives the orders").

Civic Alliance's stated policy objectives are also identical to those of Project Democracy and the NED: use the issue of "democracy" and "free elections" to drive the PRI from office, rip up the institutions of the Mexican state, and empower the Zapatista National Liberation Army (EZLN) in the southern state of Chiapas—a narco-terrorist group which Civic Alliance openly promotes and aids. If chaos ensues, and the drug trade dominates the landscape, all the better, as far as Wall Street and their minions are concerned.

As we document below, it is a matter of public record, in reports prepared by the NED itself, that international NED conferences systematically review how the "democratization" of Mexico may well lead to the country's disintegration—and the more fanatic among the participants even welcome that prospect, despite its evident security implications for the United States, which shares a long border with Mexico.

NED Poster Boys

The Civic Alliance was set up in April 1994, as an umbrella group gathering most of Mexico's pro-Zapatista NGOs into a single strike force. This included several groups which were already on the NED's payroll, such as the Citizens Movement for Democracy, the Council for Democracy, and the Convergence of Civil Organizations for Democracy. While some of those organizations continued to be fed directly through the NED's largesse, the Civic Alliance itself quickly became one of the NED's largest recipients, and a kind of clearinghouse for the other NGOs.

From its founding in 1994 through 1998, the last year for which figures are available, the NED channelled \$924,225 into the Civic Alliance. For Mexico's 1997 Congressional elections, the last nationwide elections before this year's Presidential elections, the NED pumped \$371,325 into the Civic Alliance, to finance its "election-monitoring" and quick-count programs. These figures do not include \$65,000 additional financing provided in 1995-97 from the NED's Canadian partner, the International Centre for Human Rights and Democratic Development, nor the Alliance's other sources of funding.

The only Mexican organization which received more money from the NED than the Civic Alliance during 1997-98, was the National Women's Civic Association, which received more than \$527,000 from the NED channeled through its International Republican Institute. During the same period, the Alliance received almost as much: more than \$480,000, through the National Democratic Institute.

Civic Alliance's head, Sergio Aguayo, is one of the NED's international stars. He was given an NED award in 1995, and was featured on the cover of *Time* magazine in

December 1997. In 1999, when the NED initiated a “World Movement for Democracy” (a hit-squad of “democracy activists” whose self-proclaimed objective is to do for democracy, what the vicious Transparency International NGO did for corruption), Aguayo was one of 19 people chosen to serve on its steering committee, along with NED President Carl Gershman and TI Chairman Peter Eigen. When Eigen’s TI set up its Mexico chapter in 1999, Aguayo turned up on its board, too.

Aguayo views his role as that of an international agent, deployed against Mexico’s sovereignty. In a Sept. 1, 1999 column in the Mexican daily *Reforma*, Aguayo thumbed his nose at government regulations which prohibit foreigners from participating in Mexican internal policies. The involvement of foreign advisers in Mexican politics is “inevitable, because it is a demand of modern politics,” Aguayo insisted, evidently recalling his own bank account.

In 1997, the Alliance became a registered national political association, and repeatedly sought to pull together an opposition front. Aguayo signed several manifestos calling for the unification of the opposition parties behind a single candidate to run in the Presidential elections, and overthrow the ruling PRI. This included a two-page manifesto put out in 1997 by a so-called “Alliance for the Republic,” also signed by Fox, whom Aguayo’s Project Democracy masters are today trying to make the next President of Mexico.

Democracy from the Barrel of a Gun?

The 1995 award that the NED granted Aguayo’s Alliance, was purportedly for his efforts in “democratizing the Mexican political process.” At that point, the Civic Alliance had really only engaged in one major activity: It had provided crucial logistical and political support for the Zapatistas in Chiapas, in their separatist efforts to fragment Mexico.

For example, one of the first actions of the Alliance after its 1994 founding, was to help organize a so-called “National Democratic Convention” in Chiapas in 1994, which brought Zapatista support networks from around Mexico to caucus with “Subcommander Marcos” and other EZLN chiefs. In August 1995, after President Ernesto Zedillo ordered the arrest of “Marcos,” the Alliance organized a so-called national “popular referendum” on whether the EZLN should be recognized as a national political force. The referendum laid the groundwork for the subsequent creation of the Zapatistas’ political front, the Zapatista National Liberation Front (FZLN).

Who paid for the EZLN’s national “popular referendum”? The NED, for one. The NED provided the Alliance \$105,000 in 1995, to support its electoral “observation” and “reform” programs — and the referendum was the Civic Alliance’s primary “electoral” activity that year.

Through one of the Alliance’s member groups, the National Center for Social Communication (Cencos), the Alliance also ran the “Caravan of Caravans” program, which pro-

vided the EZLN with food, medicine, and other presumably non-lethal supplies, for their declared war against the Mexican state and its Armed Forces.

Aguayo has never hidden his support for terrorism. When the Mexican Congress refused to adopt a piece of legislation coveted by the opposition in 1996, Aguayo blithely told the *Washington Post* that it would not surprise him “if next week there’s another action by the EPR [narco-terrorist Popular Revolutionary Army] . . . claiming that there is no option left but armed struggle. And they have a point.” So, too, in November 1998, Aguayo announced during an homage to his “human rights” work at the National Autonomous University of Mexico, that, while in the 1970s he told “the guerrillas” that he would not join them, he quickly added that he recognized that those who had taken up arms “had the right to do so.”

The Civic Alliance’s support for narco-terrorists has been accompanied by a campaign to take down the country’s Armed Forces, and forbid them from any involvement in fighting the terrorists. For example, Aguayo personally travelled to Washington in October 1997 to formally request of the Inter-American Human Rights Commission of the Organization of American States, that they take action to force the Mexican government to pull the army out of any domestic operations to secure public order, and eliminate the military justice system in the country.

‘Poorer, But More Democratic’

What Aguayo was publicly promoting in the last half of the 1990s, his NED sponsors had been pushing since the early part of the decade. Since 1992, the NED had made bringing about the end of the “authoritarian regime” in Mexico and its “hyper-Presidential” system, one of its major international targets. Discussion of the requirements for the so-called “democratization” of Mexico, featured in the NED’s *Journal of Democracy* and various NED international conferences over the years, make clear why the Alliance is a fitting instrument for that cause.

In January 1995, in the midst of the blow-out of the Mexican peso and financial system, the NED included a presentation on Mexico as one of the principal topics discussed at a conference commemorating the fifth anniversary of the founding of the NED’s *Journal of Democracy*. By the middle of January 1995, when the conference was held, the financial crisis was full-blown and wreaking havoc in the country. Yet, Denise Dresser, then a fellow at the Inter-American Dialogue who spoke on Mexico’s “democratization,” welcomed the financial hurricane then devastating Mexico. “The devaluation will create a much more volatile and much less loyal electorate, thus opening up windows of opportunity for opposition parties on both the left and the right. . . . Economic chaos could . . . bring about the birth of *alternancia*,” parties alternating in power, she raved. “Mexico may end up poorer, but more democratic,” in which case the economic crash “may

be a rather small price to pay.”

In October 1995, the NED organized a conference on “Mexico: the Challenge of Political Opening.” With participants feeling safe to speak under the protection of its not-for-attribution rules, the rapporteur’s report, even as clearly sanitized as it was, revealed a group of madmen, sitting around a room, debating how much violence and destruction was required to secure the “democratization” of Mexico.

Twenty-six policymakers, mostly from the United States and a few from Mexico, participated, with another 25 unnamed people attending as observers. The Civic Alliance’s Aguayo was one of the few Mexican participants. Arturo Valenzuela, then Deputy Assistant Secretary of State for Inter-American Affairs (today President Clinton’s Ibero-American man at the National Security Council), gave a luncheon address. The cream of Wall Street’s Ibero-American policymakers were present, including: former Assistant Secretary of State for Inter-American Affairs Bernard Aronson; Peter Hakim, Viron Vaky, and Michael Shifter from the Inter-American Dialogue; Delal Baer, head of the Center for Strategic and International Studies’s Mexico Project; Susan Kaufman Purcell, of the Rockeller family’s Americas Society; and Jonathan Fox from the Council on Foreign Relations. Denise Dresser, now parading as representing a “Mexican” institution, also participated.

Attendees agreed that while “democratization” had begun making inroads in taking down the “authoritarian” structure of the state, it was necessary that the PRI be further weakened, or eliminated altogether, and the institution of the Presidency stripped of most of its powers, even as there was general agreement that these steps would make Mexico even more “chaotic, disruptive, and perhaps violent.”

The rapporteur reported that “participants shared a sense that political uncertainty and volatility have significantly increased in Mexico over the last two years,” directly as a result of “the instability generated by the weakening of the PRI, the Mexican state, and the Presidency.” The depth of the crisis was acknowledged. Participants spoke of “social decomposition, alienation, malaise, dealignment, polarization,” and agreed that “social violence has spread to new regions and sectors. The specter of narco-politics has grown substantially since the late 1980s . . . raising the likelihood of institutional degradation and the deterioration of political order—the ‘Colombianization’ of Mexico.”

But, all of this was welcomed by the attendees. “A loss of hope and confidence in the economic competence of the PRI,” was identified as “perhaps [the] most important . . . social consequence” of the December 1994 peso blow-out which left millions of Mexicans bankrupted, and forced tens of millions into extreme poverty. “Protest against the crisis has led to increased support for the electoral opposition,” the NED-led crew happily concluded, and this “may strengthen the hand of democratic reformers in the PRI,” as well.

The NED official report on its conference said that “some

participants saw all this as the inevitable accompaniment of the democratization of an authoritarian regime, and thus perhaps even a healthy sign of change.”

Others, more reality-oriented, reportedly expressed concern about the implications of reducing Mexico, right on the U.S. border, to a narco-state: “A second perspective views the hollowing out of institutions more pessimistically as a dangerous indication of growing ungovernability. While agreeing that the weakening of the PRI and the Presidency may be necessary for democratization, this view argues that deinstitutionalization has been accompanied not by the development of alternative institutions, but rather by the erosion of rules in general. . . . As a result, the process of destroying the old order may leave Mexico without any order at all.”

“Yet,” the rapporteur concluded, “despite concern about the violence accompanying political transformation, most participants felt that Mexico was likely to end up with a democratic political system after some indefinite period of increased uncertainty. . . . Most participants expressed a sense of guarded optimism.”

Thus, participants argued, it is necessary to prepare the world community to understand that “the process of democratization is likely to involve continued or even increased political disruption, uncertainty, and violence,” so that investors and others do not “overreact” when this occurs.

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Financial Crisis Forces Search for Balkans 'Exit Strategy'

by Umberto Pascali

The United States and NATO could be forced to change their Balkan strategy radically and suddenly, including a dramatic military disengagement, "and we are not prepared. We need an exit strategy." This was the gist of a background report given, on condition of anonymity, by a top U.S. intelligence official on June 23 at the Woodrow Wilson Center in Washington. Such a dramatic situation would not be triggered by any local, Balkan factor; rather, it would be caused by "exogenous factors" such as a sudden "U.S. internal economic contraction."

These "exogenous factors" could lead to a "reassessment of U.S. priorities on a global scale, and pull us out of there immediately, right away," the U.S. intelligence analyst stressed. "Nobody should have any illusion: People will listen to us as far as we have money, as far as we look powerful. If we don't have money to give, if we lose power, if we look less powerful, if the U.S. is no longer seen as an inevitability, then there will be an immediate shift. We are not prepared for that; we need a strategy, an exit strategy."

The official also painted a picture of the Balkans quite different from that projected by Western governments and media. One year after the NATO bombings in Serbia, Kosovo, and Montenegro, nothing really has been done to stabilize the area, he said. There is no economy, and when there is no economy, "there is an economy anyway, an illegal economy." The United States apparently thought that the area could be stabilized using "democracy" and "fair elections," but "democracy" must have content, must have material bases, economic bases, otherwise it becomes a "ballot game." "The way things are now, there is no basis to assure security in the area," the official said.

The official also remarked that the gaping contradiction between the talk of "democracy" and "the imperial attitude we display in the area," provokes reactions from the leaders subjected to it: "One day, when the record will be opened, people will see how far such an attitude has gone." And what about the sanctions against Serbia? They are not really working, he said.

This official, who gave such a striking report, is a Balkans expert, with two decades of experience in the region. He was

involved in both diplomatic and peacekeeping operations, including the negotiations in Rambouillet in February 1999, the last diplomatic event before the countdown to the NATO bombings.

A New Strategic Reality

Why is one of the individuals so heavily involved in the U.S. Balkan policy, now sounding the alarm, calling for an "exit strategy" before it's too late? In fact, his statements indicate recognition of a new strategic reality: The system presently associated with Zbigniew Brzezinski; his protégé, U.S. Secretary of State Madeleine Albright; and British Prime Minister Tony Blair—the system that started with George Bush's "New World Order" bombings of Iraq ("Desert Storm"), and reached its apogee with the bombing of Yugoslavia—is finished. And it is finished because of what is now widely anticipated—which the intelligence official euphemistically labelled, a sudden "U.S. internal economic contraction," or, in more direct terms, a financial crash.

The frantic diplomatic activities being run under the headline "Balkan exit strategy," are indeed not caused by anything happening in the Balkans, but by the awareness that such a crash is inevitable, and could trigger the need for a dramatic military disengagement. But, the whole U.S. strategic position, at least officially, is wedded to the Albright-Blair doctrine: a "New NATO" offensive to enlarge that organization, imposition of Albright's "democracy," free-market "shock therapy," and, above all, a foreign policy, which do whatever it takes to reach the supreme goal: preserve the cancerously growing financial bubble!

The unsustainability of the financial bubble, and the system based on it, has apparently been a crucial consideration in devising political and military strategies in the Balkans, by the Yugoslavian leadership in particular. For example, a well-informed Western observer stationed in Belgrade for several years, reports that high-level Yugoslav officials reflected such thinking by the leadership in Belgrade. Such conversations took place just after the end of the NATO bombing, and at the time, U.S. and Western diplomats had reached a consensus that it was only matter of time before Belgrade would ask for

a compromise with NATO, and would offer up Milosevic's head to the West.

However, a segment of the Yugoslav leadership, apparently, consistently had very different ideas, something that the source characterized as a "Chinese attitude." When asked whether Belgrade was going to give up, after civilian infrastructure had been devastated and while suffering severe hardship under the economic embargo, the official unexpectedly replied, "We are not going to give up. Quite the contrary. Probably you did not realize it, but the U.S. is in bigger troubles than we are." These U.S. "troubles," the officials explained, were financial ones, and they were betting on a crash: "The U.S. and the West is a 'paper empire.' You should not worry about our future, we will make it. You should worry about the U.S. future. We have an economy, we have agricultural production. We will resist, but the dollarized countries around us, they will crash with the U.S."

The Warsaw Slap

Further confirmation that the coalition which carried out the Yugoslav bombings is now falling apart, came on June 26, in Warsaw, at a bizarre "global democracy" conference (see *International* lead article). French Foreign Minister Hubert Védrine blasted as anti-democratic, the very concept of "democracy" Albright was pushing, and refused to sign a document calling for the creation of a "community of democracies" whose standards would be decided by the likes of Albright, with related periodic tests, exclusions, and promotions. In particular, Védrine denounced the policy of sanctions against Iraq and Yugoslavia.

Increasing doubts about the appropriateness of the sanctions against Yugoslavia was also the main subject of discussion at the NATO Parliamentary Assembly in Budapest at the end of May, where, Hungarian Prime Minister Victor Orban said that his country "advocates a differentiation between those sanctions that harm the population of Yugoslavia, and those directed specifically against the authorities." Highlighting the viability of the Danube River, undermined by the NATO bombings, he insisted, "The Hungarian position is, that the clearance of the Danube and the reconstruction of bridges should be decoupled from the sanctions."

German Member of Parliament Manfred Merckel stated that the strategy of total isolation of Serbia does not make sense.

Li Peng Goes to Belgrade . . .

But the "total isolation" of Yugoslavia appears more and more to be an empty State Department slogan. On June 12, the anniversary of NATO's Kosovo takeover, Chairman of China's Parliament and former Prime Minister Li Peng was in Belgrade, where he issued a joint statement with Serbian President Slobodan Milosevic, calling for NATO to withdraw from Kosovo. The joint statement denounced what it called

the "systematic" violation of UN Security Council Resolution 1244, that mandates the presence of the NATO Kosovo Force (KFOR) mission. "Under the authority of the UN, genocide against the Serb people and other non-Albanians is being carried out. . . . [NATO troops] have not fulfilled any of their tasks and therefore should be withdrawn. . . . Policies of pressure [on Yugoslavia] must be abandoned," the statement read.

Earlier, Li Peng addressed a joint session of the Yugoslav Parliament. The anti-NATO rhetoric was not restrained: "Last year in order to preserve the sovereignty and territorial integrity of your country, you resisted with indomitable spirit, the barbaric aggression of the biggest military bloc in the world. . . . This war has not only devastated Yugoslavia, but also brought enormous suffering to people of all ethnic groups in Kosovo and beyond."

. . . and Kouchner Loses It

In the meantime, an atmosphere of chaos, internecine warfare, and increasing ineffectiveness reigns in the many bureaucratic groups and subgroups comprising the UN and NATO structures in the Balkans. According to observers, it is the impression that the various bureaucratic formations are more at war among themselves, fighting for prestige, money, and media coverage, and have less and less time and energy to devote to the local populations whom they are supposed to be caring for.

Apparently by pure coincidence, on the same day that Li Peng was issuing his joint statement with Milosevic, the head of the UN Kosovo Mission (UNMIK), France's Bernard Kouchner, exploded at a press conference in Pristina, the capital of Kosovo, against the UN Human Rights envoy in the Balkans, former Czech Foreign Minister Jiri Dienstbier, who allegedly had criticized him.

"Mr. Dienstbier is completely out of my view and my mind, I wanted not to receive this person, and I will not receive this person," Kouchner shouted. "Please Mr. Dienstbier, shut up!" Having lost control, he added: "Not only will I not receive this person, but I will not meet the Czech President, either!" Thus neatly escalating a mere outburst into a full-blown diplomatic incident.

Kouchner's ire had been sparked by a question about the well-known fact that Kosovo Liberation Army (KLA) extremists are committing crimes with impunity in Kosovo against non-Albanians.

Strangely enough, Kouchner admitted publicly that he had "interfered" to protect KLA boss (and Albright protégé) Hashim Thaci. "I never interfered, only one time, just to tell to my police don't investigate, don't go inside the building without telling us," he said, referring to an incident when UN police tried to enter Thaci's offices after a weapons search of one of his bodyguards. "It was my only interference, in one year."

The real cause of Kouchner's rage, however, was the

report Dienstbier presented to the UN on March 28, in which he accused UNMIK of objective complicity with, and reluctance to challenge, the powerful KLA organized-crime structure, which has been responsible for the continuing ethnic cleansing of non-Albanians. In the official summary, the report charges: "One year after the start of the bombing campaign related to the Kosovo conflict, it was clear that it had solved no human problem, had multiplied existing ones, and had created new ones. To change the situation, it was necessary to answer clearly the question of the status of Kosovo.

"To proclaim clearly that Kosovo would remain part of Serbia and Yugoslavia would mean armed conflict, at least with the radical factions of the KLA and the criminal structures which used the situation to steal from the properties and businesses of many. His view was that the only possible way out of the blind alley of the UN and NATO in Kosovo was to implement Security Council Resolution 1244 no matter how much it cost in money, human resources, and—if need be—to fight decisively against those who would use arms."

The KLA

To underscore how UNMIK and its police are either incapable or culpable, only few days after this diatribe, a special multinational KFOR group "discovered" a large military training camp and four underground bunkers containing "the largest cache of illegal weapons found in Kosovo since the war ended." A KFOR officer told the media: "You've got enough here to start a small war."

After some back and forth, NATO spokesmen had to admit officially (not least, because of the lists of names and document found in the bunkers) that these were, indeed, KLA weapons.

To say "discovered," however, is a bit of an exaggeration: The camp and the bunkers were located less than a half-mile from the "former" KLA headquarters, which, it happens, are now the "summer home" of the "former" military head of the KLA, Agim Ceku; Ceku, it happens, is now head of the official successor to the KLA, called the Kosovo Protection Corps, which, it happens, is NATO-trained and -sponsored!

The ethnic cleansing, the assassinations, and assaults against the non-Albanians in Kosovo, meanwhile, have escalated. The Serb civilians are pushed into ethnic enclaves, and are regularly attacked in various ways by the KLA, while UNMIK declares itself unable to do anything about it. On June 24, the UN High Commission on Refugees and other humanitarian entities suspended their activities in the last major Serbian enclave, Mitrovica, and "withdrew" to the Albanian side of town, after riots led to the destruction of five vehicles belonging to humanitarian agencies. "We can simply not be expected to operate under these conditions," a spokesman said.

Exit Milosevic?

It is thus quite understandable that those who pushed for the NATO bombings are now calling for an "exit strategy." This necessity has lately taken the form of a "deal" with Milosevic. The "secret deal" has been discussed for a long time in diplomatic circles. The idea is, that Russia should "convince" Milosevic to leave Serbia—because NATO and the International War Crimes Tribunal have failed to force, or scare him out. The difference is that now, the deal has taken the form of a "public offer," whose fringe benefits increase by the day. On May 29, UN Balkan envoy Carl Bildt boasted in an interview that "Milosevic should be gone within five days." It didn't happen, despite Bildt's confidence that the June 4-5 summit in Moscow between the U.S. and Russian Presidents would ratify such a deal.

"Talks Reported on an Exit Strategy for Milosevic," wrote the *New York Times* on June 19. Now the offer looks more substantial. "The Clinton Administration is exploring with some of its NATO allies and Russia the possibility that President Milosevic be allowed to leave office with guarantees for his safety and savings, senior American and NATO officials say." A senior Administration official told the *Times*: "If we were presented with a hard and fast offer, that would get Milosevic out of power, we'd have to think very hard before saying no." The paper explained: "Secretary of State Madeleine Albright has told her top aides she wants Mr. Milosevic out of office before she goes."

The next day, in the *Washington Post*, Milan Panic, the Serbian-American businessman who became Serbian Prime Minister in 1992-93 in the context of an attempted deal, launched an appeal: "In my native country the problem is Milosevic. Today, however, Milosevic may be the solution. This is the perverse result of having been declared an indicted war criminal. And Russia President Vladimir Putin can make it happen. In July 1992, I discussed with Milosevic the idea of a self-imposed foreign exile, with a comfortable position and income. Now there is potentially a greater inducement for him to agree to leave Serbia . . . [the] end of the threat of a lifetime [in] prison."

While rumors are circulating that the key purpose of the "deal" is to prevent Milosevic from saying what he knows about his relations with former U.S. Ambassador in Belgrade Lawrence Eagleburger and Kissinger Associates, in the context of the U.S. Presidential elections, it does not seem that Milosevic is in a hurry to take the deal.

Concerning the Russian "brokering," there was another setback, when, on June 24, both the Chinese and the Russian ambassadors walked out of a UN Security Council session on the Balkans to protest the exclusion, organized by U.S. Ambassador Richard Holbrooke, of the Yugoslav representative. One day later, ITAR-Tass announced that a delegation led by Yugoslav Air Force chief Col. Gen. Spasoje Smiljanic, was arriving in Moscow to discuss the training of Serbian officers in Russia.

France, Germany Move To Overhaul Europe

by Rainer Apel

The first state visit of French President Jacques Chirac to Germany, on June 26-27, is certain to make history, not least because of the fact that he made public reference to another historic event in Franco-German relations, namely, the state visit of President Charles de Gaulle almost 40 years ago. Chirac presented himself very strongly in the tradition of de Gaulle, concerning intensified cooperation with Germany, particularly on projects of European self-assertion and integration.

Taking de Gaulle as a point of reference, has implications for France's and Germany's relations to Britain: De Gaulle was firmly opposed to granting the British membership in the European Economic Community (the EEC of 1957, today's European Union [EU]), because he knew that London's free-market fanaticism would ruin the regulated continental European economies, once the British were allowed to co-determine Community policies. It was in this context, of France's "no" to the British application for EEC membership, that de Gaulle pursued a strong alliance with Germany, which led to the signing of the Franco-German Treaty of January 1963—which London viewed as something akin to a declaration of war. Chancellor Konrad Adenauer, who cooperated closely with de Gaulle, was overthrown in late 1963 by an Anglophile conspiracy inside the two governing parties, the Christian Democrats and the Free Democrats. But de Gaulle stayed in power, and although the Franco-German project was slowed down considerably after Adenauer's departure, Britain did not succeed in joining the EEC until 1973, four years after de Gaulle's resignation as President of France. And, only four years later, in 1977, Chancellor Helmut Schmidt and President Valéry Giscard d'Estaing revitalized the Franco-German alliance, with their proposal for a European Monetary System and a European Monetary Fund—a proposal that was the more embarrassing to London, as it was considerably shaped by conceptual groundwork done in continental Europe by the movement of Lyndon LaRouche, between early 1974 and the summer of 1977.

The memory of these developments may not always be uppermost in the minds of members of the German political and industrial elites, but it is among the British establishment, which is always alarmed at the slightest prospect of closer cooperation between France and Germany.

On the diplomatic level, Britain's Prime Minister Tony Blair is trying to slow down the new Franco-German initia-

tive, meeting "privately" with Chirac in London on June 15, and also "privately" with Chancellor Gerhard Schröder, in Berlin on June 29. The plan to talk Chirac out of the initiative did not work out well, apparently, as the two speeches that he gave in Berlin on June 27 showed. In reaction, British Foreign Secretary Robin Cook declared on the same day in London: "The objective of this government is to continue to keep Britain a leading player in Europe, on the same par as France or Germany or Italy." The British Cabinet resolved that same day, that Blair's June 29 meeting with Schröder was to make clear that Britain's veto power over any European initiative that did not have the full consent of London, would be maintained. As we explained in *EIR* on June 24, the issue revolves around the Franco-German political efforts to strengthen the euro, to which they—and not the British—belong. Britain has manipulated the EU for years, playing the "coy virgin" over whether to join the euro bloc (and now even flirting with joining the North American Free Trade Agreement). It now insists that its right to determine euro policy, via the veto power that all 15 EU members have within the "Ecofin" committee, supersedes the rights of the 11 members of the euro zone.

In short, as the London *Daily Telegraph* wrote on June 28, Blair's mission to Berlin was to make clear that "France and Germany do not have a God-given right to get their way every time."

If that is the last word of wisdom in London, it will not work to the benefit of Britain: Stubbornly insisting that the set of EU agreements signed at Maastricht in 1992 and in Amsterdam in 1997 (which institutionalized the British veto) will not prevent the French and Germans from moving ahead, as the Franco-German initiative for an overhaul of those same agreements has already taken on a dynamic of its own. Mem-



President of France Jacques Chirac. Recent moves by France and Germany to protect themselves from the Maastricht and Amsterdam agreements, have the British upset.

ory of the British support for the recent speculative attacks on the continental single currency, the euro, is still too fresh in Paris and Berlin, to allow politicians to be open-minded about anything that Blair says.

The 'Great European Adventure'

The June 27 speech that Chirac gave to the German Bundestag (parliament), the first such speech by a foreign state guest after the move of the government from Bonn to Berlin in the summer of 1999, gave an insight into this new Franco-German dynamic. He said that his "ambition, based on the Franco-German friendship, is to push ahead and pursue this great European adventure," adding that, as France and Germany have been the motor of European integration to date, they shall also create a new impulse for the Europe of tomorrow.

The completion of the French EU presidency's agenda—size of the future EU Commission, majority vote, weighting of votes according to population size of EU members—for the Nice summit in December, is France's immediate priority, Chirac said. But, early next year, the larger project, of reviewing all the existing EU treaties, and of creating what he called a "pioneer group of nations" to work on closer cooperation on economics, foreign, defense, and anti-crime policies, shall be launched. This special group, with France and Germany at its center, shall have a standing secretariat, to coordinate the initiatives, and to keep in contact with other EU governments that are considering joining the pioneer group. "Those who want to proceed further with integration, must be allowed to do so without being held back by those who do not want to proceed as quickly. Together with Germany and France, they could form a pioneering group."

Chirac also strongly defended the nation-state as the real identity of Europeans, saying that it can not, and shall not be replaced by a supranational structure called "Europe," a "European super-state." Then, in what can only be read as a hint that whatever in the Maastricht and Amsterdam agreements obstructs the nation-state will be removed, Chirac said that the "Europe that has existed to date, has been one of the politicians and elites, but it shall now become one of the citizens." Strengthening the role of the nation-state is essential for achieving that, he said.

In a second speech the same day, at the annual convention of the German Industrial Association in Berlin, Chirac said that the Franco-German initiative is vital for the defense of the "European social model" against the threats from the globalized free market. Thus, the gauntlet has openly been thrown down at London's feet.

If Britain continues opposing whatever France and Germany initiate, the gulf between the continent and the isle is certain to grow. The continent can only benefit from that, and if the British oligarchs themselves, caught up in the obstinacy their own free-market ideology, help to fuel German-French cooperation, it can only be welcomed.

Princess Diana Murder Cover-Up Turns Deadly

by Jeffrey Steinberg

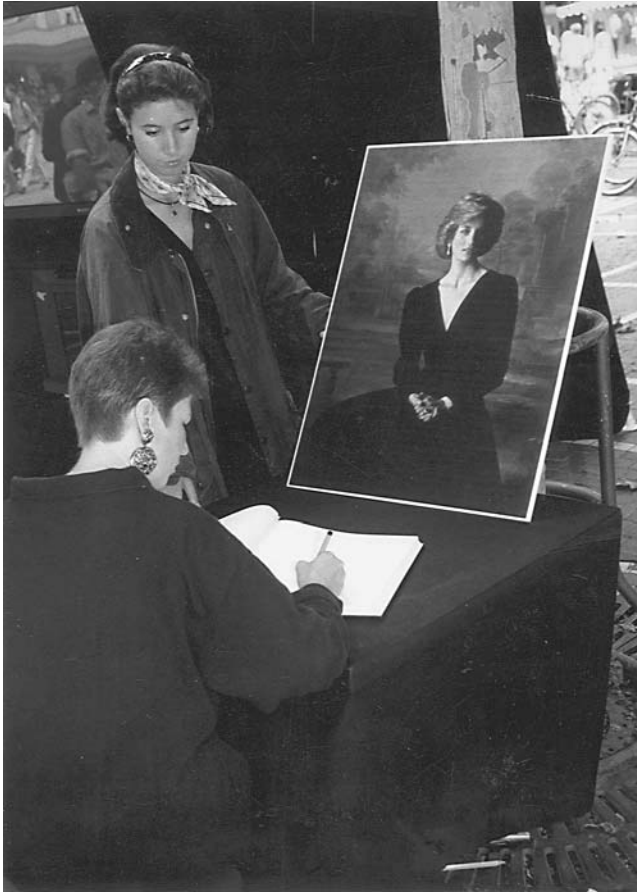
Nearly three years after the Paris car crash that claimed the lives of Princess Diana and Dodi Fayed, the cover-up of that tragedy has taken a deadly turn, prompting some experts to recall the pileup of corpses that followed the assassination of President John F. Kennedy. Over the course of four years, after President Kennedy was shot on Nov. 22, 1963, at least 37 eyewitnesses and other sources of evidence about the crime, including one member of the infamous Warren Commission, which oversaw the cover-up, died under mysterious circumstances.

On May 5, 2000, police in the south of France found a badly burned body inside the wreckage of a car, deep in the woods near Nantes. The body was so charred that it took police nearly a month before DNA tests confirmed that the dead man was Jean-Paul "James" Andanson, a 54-year-old millionaire photographer, who was among the paparazzi stalking Princess Diana and Dodi Fayed during the week before their deaths.

From the day of the fatal crash in the Place de l'Alma tunnel, that killed Diana, Dodi, and driver Henri Paul, and severely injured bodyguard Trevor Rees-Jones, Andanson had been at the center of the controversy.

Mohamed Al-Fayed, the father of Dodi Fayed, and the owner of Harrods Department Store in London and the Paris Ritz Hotel, has labelled the Aug. 31, 1997 crash a murder, ordered by the British royal family, and most likely executed through agents and assets of the British secret intelligence service MI6—with collusion from French officials, whose cooperation in the cover-up would have been essential.

At least seven eyewitnesses to the crash said that they saw a white Fiat Uno and a motorcycle speed out of the tunnel, seconds after the crash. Forensic tests have confirmed that a white Fiat Uno collided with the Mercedes carrying Diana and Dodi, and that this collision was a significant factor in the crash. Several eyewitnesses told police that they saw a powerful flash of light just seconds before the Mercedes swerved out of control and crashed into the 13th pillar of the Alma tunnel. That bright light—either a camera flash or a far more powerful flash of a laser weapon—was probably fired by the passenger on the back of the speeding motorcycle. Both the motorcycle and the white Fiat fled the crash scene, and police claim they have been unable to locate either vehicle, or identify the drivers or the passengers.



A condolence book for Princess Diana, in Frankfurt, Germany.

Andanson's White Fiat

Andanson had been in and around Sardinia during the last week of August 1997, as Diana and Dodi vacationed in the Mediterranean. He joined several dozen other paparazzi, who were stalking the couple's every move. He was back in France on Aug. 30, the day that Diana and Dodi flew to Paris. And that is where the facts about Andanson's activities and whereabouts get very fuzzy.

For reasons that he never revealed, sometime before dawn on Aug. 31, 1997, less than six hours after the crash in the Alma tunnel, Andanson boarded a flight at Orly Airport near Paris, bound for Corsica. Andanson claimed that he was not in Paris earlier in the evening, when the crash occurred, but he never produced any evidence, save a receipt for the purchase of gasoline elsewhere in France (which he could have doctored or obtained from another person), to prove he was not in the city.

His son James and his daughter Kimberly told police that they thought their father was grape-harvesting in the Bordeaux region. Andanson's wife Elizabeth claimed that she had been at home with her husband all night, at their country home, Le Manoir de la Bergerie, in Cher, until he abruptly

left for Orly, at 3:45 a.m., to catch the crack-of-dawn flight to Corsica.

Pressed on her version of the story, Mrs. Anderson later admitted to reporters and police that her husband was constantly on the run, and she could have been mistaken about the night in question. She told *The Express*, a British newspaper, "It was always very difficult to recall James's precise movements because he was always coming and going. The family was very used to that and so never paid a great deal of attention to the times he came and went."

What makes Andanson's precise itinerary the night of the fatal crash so vital is this: He owned and drove a white Fiat Uno. The car was repainted shortly after the Aug. 31, 1997 Alma tunnel crash, and was sold by Andanson in October 1997. And, although the official report of the French authorities investigating the crash concluded that Andanson's car was not involved in the crash, French forensic reports made available to *The Express* told a very different story.

One report in the files of Judge Hervé Stephan, the chief investigating magistrate in the Diana-Dodi crash probe, described the tests on Andanson's Fiat: "The comparative analysis of the infrared spectra characterizing the vehicle's original paint, reference Bianco 210, and the trace on the side-view mirror of the Mercedes shows that their absorption bands are identical." In laymen's terms, the paint scratches from the Fiat found on the side-view mirror of the Mercedes were identical to the paint samples taken from the matching spot on Andanson's Fiat.

The report continued: "The comparative analysis between the infrared spectra characterizing the black polymer taken from the vehicle's fender, and the trace taken from the door of the Mercedes, show that their absorption bands are identical."

In short, despite the French investigators' endorsement of Andanson's alibi, the forensic tests strongly suggested that his car may have been *the* white Fiat Uno involved in the fatal crash.

John Macnamara, the Harrods director of security, and a retired senior Scotland Yard supervisor of investigations, told reporters: "Mr. Andanson had for some time been a prime suspect who had relentlessly pursued Diana and Dodi prior to their arrival in Paris. We have always believed that Andanson was at the scene and that more investigation should have been done into his possible involvement."

Macnamara added, "We believe that his death is no coincidence and that this is a line of inquiry which may help to discover the truth. Was Mr. Andanson killed because of what he knew? That is a question we want answered."

The 'Suicide' Soap Opera

Needless to say, Andanson's death stirred up renewed interest in Diana's death at a most inopportune time for the British royals, and those in France who abetted the cover-up. Sometime in September, an appellate court in Paris will rule on Al-Fayed's motion to order Judge Stephan to reopen the

crash probe, based on the fact that Stephan shut down his probe before certain vital avenues of inquiry were fully explored, and in contradiction to his own interim report, which cited several glaring paradoxes in the evidence that remained unresolved at the point that he abruptly closed down his investigation last year and blamed the crash on driver Henri Paul.

For example, U.S. intelligence agencies, including the National Security Agency, the Central Intelligence Agency, and the Defense Intelligence Agency, have all acknowledged, in response to Freedom of Information Act queries, that they have thousands of pages of documents on Princess Diana. Those documents, for the most part, remain under lock and key. In addition to those documents and other relevant evidence, it has been recently exposed that a secret U.S.-U.K. joint surveillance program, code-named "Project Echelon," had apparently been involved in round-the-clock monitoring of Princess Diana's telephone conversations, while she was at home in England and travelling around the globe.

Until the contents of these U.S. government files and electronic intercepts have been reviewed by French investigators, Al-Fayed's lawyers have argued, the probe cannot be considered complete. And the U.S. Justice Department continues to stonewall on indicting three Americans who were involved in an attempted \$20 million extortion of Al-Fayed in April 1998, centered around purported "CIA documents" proving that British intelligence assassinated Diana and Dodi. While the "CIA documents" seized from one of the plotters have been confirmed to have been clever forgeries, questions remain about the accuracy of the content of the documents.

In a flagrant effort to dampen interest in the Andanson factor, the June 11 *Mail on Sunday*, a pro-royalist tabloid, ran a story proclaiming "Wife's Affair Led to Paparazzi Man's Car Blaze Suicide." The *Mail on Sunday* dutifully peddled the French government's cover story: "The millionaire photographer who trailed Diana, Princess of Wales in St. Tropez just days before her death, committed suicide when he discovered his wife was cheating on him, French police have revealed. . . . The eccentric millionaire—who was hailed by colleagues as one of the godfathers of paparazzi photography, and who flew a Union Flag over his house to show his love of Britain—was facing a family crisis at the time of his death."

Mail on Sunday reporter Ian Sparks quoted an unnamed colleague of Andanson's at the Sipa Agency in Paris, making the preposterously contradictory claim that Andanson "was desperate to save his marriage. We would never have guessed he would do something so terrible." He committed suicide to save his marriage! Right.

A French police spokesman told Sparks, "He took his own life by dousing himself and the car with petrol and then setting light to it."

Andanson's widow Elizabeth, and their son James have rejected the idea that Andanson's death was suicide. Sources close to the family told *EIR* that they have pressed French officials to conduct a murder investigation into Andanson's

death 400-miles from his home. The sources dismiss the bogus "marital problems" story and additionally report that Andanson was in high spirits over his new job with the Sipa Agency.

The Plot Thickens

Just after midnight on June 16, just one week after Andanson's death was first made public, three masked men armed with handguns, broke into the Sipa office in Paris, shooting a security guard in the foot. The three assailants dismantled all of the security cameras in the office, and proceeded to enter several specific offices, clearly aware of exactly what they were looking for. They made off with several cameras, laptop computers, and computer hard drives.

Sipa's office employs more than 200 people, and operates 24-hours a day. The three invaders spent three hours in the office, holding other employees hostage. According to one of the hostages, the men were never concerned about the French police arriving at the scene. This hostage was convinced that the three "burglars" were themselves working for some branch of the French Secret Service. Furthermore, the source confirmed that Andanson had worked for French and, undoubtedly, British security agencies.

The owner of Sipa, Sipa Hioglou, has worked closely with French intelligence, and, not surprisingly, has been one of the primary sources of the "marital problems/suicide" cover story about Andanson's death, "confessing" to French police and reporters that Andanson had confided in him that he planned to take his own life. Hioglou, in the days following the bizarre break-in and hostage siege of his office, also told police that he suspected that the raid was done on behalf of a disgruntled celebrity who was angry that her picture had been taken by a Sipa paparazzo without her permission.

In stark contrast, other Sipa employees have told the police that the idea that Andanson committed suicide was preposterous, and that they suspect that the break-in was related to his death.

What Is Going On?

The Sipa raid, the obvious work of French Secret Service assets, raises some very troubling questions. If Macnamara and Al-Fayed are right, and Andanson was at the crash site on Aug. 31, 1997, and his white Fiat was the car that collided with the Mercedes, what documentation exists of his presence at the tunnel? What photographs exist of the crash scene, and what do they reveal? Was some of this material seized from the Sipa offices in the recent break-in, to assure that it never sees the light of day?

Evidence has recently come to light, that within hours of the crash, British and French secret service agencies carried out a series of similar break-ins at the homes and offices of several photo-agency personnel, in a desperate search for photos of the crash site that may have been transmitted in the hours immediately after the Alma tunnel collision, and before

word of Princess Diana's death was made public.

EIR has obtained copies of sworn statements from two London-based photographers, Darryn Paul Lyons and Lionel Cherruault, which reveal that British intelligence was hyperactive in the hours immediately after the Alma tunnel crash, desperately seeking any revealing photographs that might have been spirited out of Paris.

Lyons identified himself as the "Chairman of 'Big Pictures,' . . . an international photographic agency in London, New York, and Sydney, specializing in obtaining and selling unique and exclusive celebrity-based photographs." At 12:30 a.m. on Aug. 31, 1997, Lyons received a phone call from a Paris paparazzo, Lorent Sola, who said that he had a dozen photographs of the accident at the Alma tunnel. Sola offered to electronically transmit the photos to Lyons immediately, and Lyons rushed off to his office, receiving the high-resolution photographs at approximately 3 a.m. Lyons immediately began negotiating with several large news organizations in the United States and Britain to sell the pictures for \$250,000.

Lyons and Sola conferred after word of Diana's death was made public, and they decided to withdraw the offer of the pictures. Copies of the photos were placed in Lyons' office safe.

Sometime between 11 p.m. on Aug. 31 and 12:30 a.m. on Sept. 1, the electricity at Lyons' office was mysteriously cut, although no other power outages in the office building or the neighborhood occurred. Lyons, convinced that either the office was being robbed, or bombed, called the police. In his sworn statement, Lyons declared that he believed that secret service agents had broken into his office and either searched the premises or planted surveillance and listening devices.

Lionel Cherruault, a London-based photo journalist for Sipa Agency, in his sworn statement, reported that, at 1:45 a.m. on Aug. 31, 1997, he received a call at his home from a freelance photographer in Florida, informing him that he was expecting to soon be in possession of photographs of the tunnel crash. Cherruault told the Florida contact that he was interested. After word of Diana's death was announced, the deal fell through.

But Cherruault, who was in contact with his boss at Sipa, stated that, at approximately 3:30 a.m. on Sept. 1, while he and his wife and daughter were asleep, his home was broken into, his wife's car was stolen, and his car was moved. Computer disks used for transmitting photographs, and other electronic equipment, were stolen, and the front door of their home was left wide open. Even though cash, credit cards, and jewelry were visible in the study where the burglars stole the computer equipment, none of those valuables were taken, making it clear that this was not an ordinary break-in. The next day, a police officer came to Cherruault's home and confirmed that the break-in was clearly the work of "Special Branch, MI5, MI6, call it what you like, this was no ordinary burglary." The officer said that the home had "been targeted." The man, whose name Cherruault was unable to recall, as-

sured him "not to worry, your lives were not in danger," according to the sworn statement.

The official police report of the Cherruault break-in, which has been reviewed by *EIR*, confirmed that "The computer equipment stolen contained a huge library of royal photographs and appears to have been the main target for the perpetrators."

Another Thread of the Cover-Up

One of the other still-unresolved issues in the Alma crash probe, three years after the fact, revolves around the medical evidence. Al-Fayed has been battling in court in Britain for the right to participate in the official inquest into the death of Princess Diana, arguing that since both Diana and Dodi died in the crash, therefore he should be entitled to officially participate in both inquests. The courts have preliminarily ruled that he has the right to contest the Royal Coroner's rejection of his participation in the Diana inquest, which will only occur after the French appellate process has been completed, sometime later this year.

However, in April of this year, the attorneys representing Al-Fayed received a copy of a suppressed memorandum, prepared by Professors Dominique Lecomte and Andre Lienhart, two French forensic pathologists working for Judge Stephan, suggesting that British authorities, including the Royal Coroner, Dr. Burton, had interceded to conceal some aspects of the official British autopsy. The two French doctors were in London on June 23, 1998, where they met with British coroners Drs. Burton and Burgess, forensic pathologist Dr. Chapman, and Scotland Yard Superintendent Jeffrey Rees. They were given copies of the English autopsy report on Princess Diana, but, according to their contemporaneous notes on the meeting, were told that the document was provided for their "private and personal use," and that it should not be included in the formal file of Judge Stephan.

Any material in that official investigative file was automatically made available to attorneys representing all the interested parties in the French probe, including Al-Fayed's attorneys.

This two-and-a-half year suppression of the Lecomte-Lienhart memorandum has once again raised serious questions about the legitimacy of the "official" autopsy of the Princess of Wales, including questions that arose at the time of her death, as to whether she was pregnant.

The mayhem surrounding the deaths of Diana and Dodi, and now Andanson, raises questions about the circumstances in Paris on that night in late August 1997—questions that the House of Windsor in general, and Prince Philip in particular, have long sought to suppress. The time may be fast approaching that the well-orchestrated three-year cover-up is about to blow apart, and at least part of the truth about the death of the "People's Princess" see the light of day.

And that is something that the Windsors and the mandarins of MI6 may not be able to survive.

Iranian President's Visit to China Advances Strategic, Cultural Dialogue

by Muriel Mirak-Weissbach

When U.S. Secretary of State Madeleine Albright rushed off to Beijing at the end of June, to try to put a foot in the door of the exciting Asian developments, capped by the Inter-Korean Summit, she was probably not amused to discover, that President Mohammad Khatami of Iran, with a 170-member delegation, was paying a state visit to China. Iran, after all, is a former "rogue state," recently re-catalogued as a "state of concern."

It must have been Albright who was in a state of concern, when she found out about the nature, and outcome of Khatami's June 22-26 five-day visit. For, it pushed that process of Asian integration, which is the nemesis of geopoliticians like Albright, and strategic cooperation, one crucial step further. And, in so doing, it further altered the strategic geometry, bringing Iran very firmly into the overlapping configurations of regional arrangements, including the ASEAN-Plus-Three, and the China-Russia-India strategic triangle, within the broader context of the Eurasian Land-Bridge.

The visit was noteworthy not only for the concrete agreements signed by the two governments, in virtually all fields, but also, because it constituted an important contribution to the dialogue of civilizations, which the Iranian President has proposed be the framework for political intercourse at the highest level.

Sovereign Economic Cooperation

China and Iran are the two pillars of the Eurasian Land-Bridge (often alluded to as the "New Silk Road"), which stretches from China, across the Indian subcontinent, Central Asia, and the Caucasus, into the Middle East, and Africa, as well as the Balkans and Europe. Iran's participation in the great project accelerated in 1991, as it recognized the independence of the Central Asian Republics, and initiated fundamental transportation infrastructure cooperation with them, which culminated in the 1996 opening of the Mashhad-Sarakhs-Tajan railway link. Filling in that missing link made the transcontinental network complete. Since then, Iran has been advancing transportation networks, within the country, and abroad, and has utilized institutions such as the Organization of Islamic Conference (OIC), of which it is currently the rotating chairman, and the Economic Cooperation Organization (ECO), comprised of the Central Asian Republics, Afghanistan, and founding members Turkey, Iran, and Paki-

stan, as vehicles for furthering economic cooperation along the Land-Bridge.

Iranian-Chinese relations constitute the axis for this transcontinental cooperation. Thus, both countries have been engaged in diplomatic activities, geared to upgrade, consolidate, and expand their joint efforts in this direction. At the same time, they have consulted on ways and means to remove the obstacles to that cooperation, coming from the threat of terrorism, and drug-trafficking, emanating mainly from Afghanistan. Both countries continue to be actively engaged in seeking a political solution to the catastrophic Afghan war, and to uprooting the drug menace which has been financing it.

In November 1999, then-Vice President Mohammad Hashemi visited Beijing, and Chinese Foreign Minister Tang Jiaxuan returned the visit in February of this year. Former President Ali Akbar Hashemi Rafsanjani had also visited China, when in office.

Thus, the visit by President Mohammad Khatami, though his first, continues a process already in motion.

Khatami arrived in Beijing on June 22, where he and his 170-member delegation, were greeted officially by President Jiang Zemin, and other officials, in Tiananmen Square, to a 21-gun salute. Jiang Zemin praised Iran, and Khatami, for having introduced a détente policy, which has led to improved relations with its neighbors, and Europe.

At the top of the agenda, was increased economic cooperation and trade between the two nations. With the Iranian President and government officials, was also a large delegation of businessmen, industrialists, and others. Parallel to the political talks in Beijing, a conference took place in Shanghai, on "Iran-China Commercial and Investment Opportunities," involving the Export Promotion Center of Iran, 200 representatives of Chinese companies, and the Iranian Chamber of Commerce, Industries and Mines (ICCIM). They discussed expanding trade, from its current level of \$1.347 billion per year. A similar conference took place in Hong Kong on June 26, with 190 Hong Kong managers and representatives of 60 Iranian firms.

One important deal announced, was an agreement for China to establish and equip the fourth line of the Tehran subway system. The work will begin in March 2002, and will last eight years; the Chinese company will invest \$500



Iranian President Mohammad Khatami (left) shaking hands with a Chinese official during a visit to China's Great Wall. President Khatami's trip to China strengthened strategic cooperation and cultural exchange.

million, half of which will go to Iranian participating companies. The same company will issue \$29 million in credit and another \$100 million, for construction of two other subway lines. China has already been engaged in building the Tehran metro network.

Five letters of agreement were signed, for vast economic, technological, scientific, and cultural cooperation.

Beyond the economic advantages both countries will reap from such trade expansion, there is a crucial political point which both the Iranian and Chinese leaders made. That is, that their bilateral trade relations are mirrored by fundamental agreement on leading international political issues, and the principles underlying them.

This was explicit in the joint communiqué, issued on June 22, following the meeting of the two Presidents, in which they addressed bilateral as well as international issues. Among the latter, they dedicated significant attention to the situation of Iraq. They "stressed the necessity to implement all the UN resolutions on Iraq to the full, and expressed their deep sympathy with the Iraqi people over their sufferings." In the communiqué, they "expressed support for Iraq's independence and its territorial integrity and stressed the importance of letting the Iraqi people decide on the fate of their country on their own." Such a statement is extremely important, considering the fact that China, as a permanent member of the United Nations Security Council, has veto power over continuing sanctions, and considering that Iran was engaged in a brutal eight-year war against Iraq, during 1980-88, which has left deep scars in both peoples. Furthermore, there have been attempts recently, on the part of the Anglo-Americans, to manipulate Iran into endorsing the overthrow of the Iraqi government.

Jiang and Khatami also emphasized the principle in-

involved, in saying that they "opposed interference in the internal affairs of other countries by any country under the pretext of human rights, the politicizing of the human rights question, and adoption of double standards on this issue." Both Iran and China have been victims of such interference, and continue to be.

The other major international issue was Afghanistan, on which they agreed on the "need to seek a political settlement through negotiation between the parties concerned and establish a broad-based government representing all factions and all ethnic groups." They voiced their support for the work of the UN and the OIC in this regard.

The third international issue addressed, was terrorism, and its twin, illicit narcotics trafficking. They condemned both, and called for "the international community to combat and root out terrorism."

On the nuclear issue, the communiqué said that both are "committed to a world free from nuclear, biological, or chemical weapons," and stressed the need to eliminate and prohibit weapons of mass destruction, and to apply this "permanently and indiscriminately . . . with no exception." Importantly, "at the same time both sides took note of the legitimate rights of any country for peaceful uses of nuclear energy, chemical, and biological technology in a transparent manner under the supervision of the relevant international organizations." Iran has been under Anglo-American pressure, to abandon its nuclear energy program, and countries cooperating with it, like Russia and China, have been threatened with sanctions.

With reference to the Middle East and the Persian Gulf, both supported the realization of a "comprehensive, just, and lasting peace," which can be attained only by recognizing Palestinian rights, including the right of refugees to return to their homeland. The region, they said, should be declared free of weapons of mass destruction. Furthermore, they "emphasized that the security and stability of the Persian Gulf should be safeguarded by the countries in the region free from outside influence." This is a clear reference to the continuing presence of the British and U.S. military there.

Iran reiterated its adherence to a one-China policy, which was appreciated by Beijing. Both sides said they support "multi-polarization," and expressed the "need to establish an equitable, just, fair, and reasonable new international political and economic order that is free of hegemony and power politics and is based on equality." They indicated their "readiness to work together for the establishment of such a new order." And, the two said that the international community should work for cooperation, and against "use or threat of force and imposition of economic sanctions to settle disputes between countries."

This shared outlook was underscored by a meeting between Iranian Defense Minister Vice Adm. Ali Shamkhani and his Chinese counterpart, Gen. Chi Haotian, in which they expressed their concern, according to Shamkhani, about their "national independence in international decision-making."

Dialogue of Civilizations

Perhaps the most significant aspect of the visit, was the philosophical meeting of the minds that occurred. In their joint communiqué, the two Presidents placed special emphasis on the importance of engaging in the “dialogue of civilizations,” which the UN has endorsed for the year 2001, on the initiative of President Khatami. They “agreed that China and Iran, two great ancient civilizations in Asia, should enhance exchanges and cooperation in the cultural, educational, and social areas, to develop and substantiate the dialogue of civilizations.” Furthermore, they “maintained that the Silk Road had laid a solid foundation for cultural exchanges between the ancient civilizations of Iran and China in the west and east of Asia, and that revitalization of the Silk Road would contribute significantly to consolidation and development of the cultural, art, tourist, and people-to-people exchanges and contacts between the two nations.”

The dialogue of civilizations was also the subject of talks between Iranian Minister of Culture and Islamic Guidance Ayatollah Mohajerani, and his Chinese counterpart, Sun Jizheng, on June 22. Mohajerani opened a three-day seminar on Persian language and literature at Beijing University, with 100 outstanding Chinese scholars of Persian.

In a gesture highlighting the importance placed by Iran on this cultural exchange, Khatami donated 10,000 books on Iranian studies, Persian literature, and Islamic studies, to the Beijing University library.

In addition, the Iranian national orchestra performed in Beijing and Shanghai, for the first time.

The dialogue of civilizations has been the trademark of President Khatami’s government, since he won a massive popular mandate in elections in 1997. He has elaborated the concept repeatedly, not as an academic idea, but as the principle on which he defines Iran’s foreign policy approach to every other sovereign nation. The basic concept, is that each nation should identify its greatest moment of cultural achievement, no matter how far back or how recent in history, and revive that tradition, as the means to shape its self-identity in relating to comparable periods of cultural flowering in other cultures. Ideally, each nation should strive to identify the history of contacts among great civilizations, and use such precedents, to redefine relations today, on the highest moral and cultural plane.

In a lecture delivered on June 23 at Beijing University, Khatami spoke of China and Iran as “two important cradles of civilization,” and asserted that the relation between the two countries “predates recorded history,” as documented in legends and myths. “Here we observe the amazing similarities,” he said, “between the Iranian epic tragedy of Rostam and Zohrab, and the legend of Li Ging and Li Noga in Chinese literature.” Even if one were to rely solely on historical documents, he said, “we can still demonstrate the existence of uninterrupted historical links between China and Iran as early as the third century B.C., though some

authentic researches link such ties as far back as the sixth century B.C.”

The historic Silk Road, he said, was the vehicle of cultural exchange, where “we can observe a striking spectrum of cultural and spiritual interchanges involving religions, customs, thoughts, literature, and ethics, which, on the whole, added to the vitality and vivacity of eastern culture and thought.”

Driving home the political implications of cultural dialogue, he said, according to the Iranian News Agency (IRNA) summary, that “the Chinese outlook has been instrumental in opening up the way to the fruitful and constructive historical discourses throughout the ages, due to its emphasis on the intellectual over the political, in an attempt to epitomize wisdom, temperance, and parsimony. Thus, he added, the inter-culturation between the civilizations of Iran and China has been invariably modelled on an age-old and common eastern mentality and similarity of attitudes, rather than on profit-seeking motives and short-term interests.”

Khatami said, “Emphasis on our long-standing close historical ties and dialogue among the great Asian civilizations, is a valuable instrument for the *regeneration* of thought, culture, language, and learning.” He regretted that Asian civilizations have distanced themselves over time, and become self-alienated, and called for reversing this trend, reviving the values of Asian civilizations. The Iranian leader, himself a scholar, made the point that “in Asian civilizations, *culture* has always been the core of the economic and political process,” and “therefore, we are compelled to give a more serious thought to the revival of our cultures than we did before.” He added, that such cultural revival would not only prevent their degeneration, but would “impede their assimilation by a domineering, unipolar global culture, economy, and politics.” He concluded, saying, “The future belongs to cultured, wise, courageous and industrious nations,” and wished success for “the intelligent, conscientious, hard-working, content, and artistic people of China.”

Defusing Ethnic and Religious Tensions

One of the most sensitive issues in China, has been the manipulation of religious groups, as insurgencies against the central government. Among these, is the Uighur minority, of Muslims living in Xinjiang province in western China, a group which has received priority treatment by geopolitical think-tanks in the West, as vehicles of destabilization. Thus, it is of extreme significance, that the Chinese government should arrange for an Islamic leader of Khatami’s stature, to visit Xinjiang, home to half of the country’s 20 million Muslims. In a clear effort to defuse ethnic and religious tensions, Khatami discussed with Xinjiang Governor Ebent Abd al-Rashid, areas of economic cooperation, especially gas and oil. “Pointing to the economic potentials and the natural resources of Xinjiang, Khatami proposed that the province could serve as a bridge connecting the grand China with the Central Asian and Muslim world,” reported IRNA. He added,

that “the relationship between China and the Muslim world, due to the strategic situation of China and the common interest of Muslims, could play a key role in improving the situation of this region.”

Not only through economic relations, but also through shared cultural and religious traditions, such cooperation could flourish. The visit to Xinjiang included meetings with Muslim scholars at the grand mosque in Kashgar, where the 12th-century Persian poet Sa’adi had prayed. Earlier, on June 23, in Beijing, the Iranian President had participated in Friday prayers at the Beijing mosque, built in 996 A.D. While there, he viewed the Persian manuscripts, and paid homage to two Persian scholars, Emaddodin Bokhari and Ahmad Bertani Qazvini, who were buried there, 700 years ago. When meeting with members of China’s Islamic Assembly, Khatami told them, the Silk Road is “a way linking the hearts between the nations of Iran and China.” He also urged them to respect the rights of the Chinese nation.

Asian Convergence Strategy

There is no doubt, that the successful encounter of the Iranian and Chinese government representatives, signalled further consolidation of the regional arrangements of cooperation—and self-defense—which have been proliferating in Asia. In his remarks to a business conference in Hong Kong on June 26, President Khatami outlined the case for including Iran in such arrangements, as a viable trade partner; he referenced the fact that his government has introduced economic reforms, and new measures for protecting foreign investment, and pointed to its vast raw materials resources, as well as its strategic location as a bridge to Europe, the Middle East, the Caucasus, and Central Asia. These geographical factors, he said, meant that cooperation would go beyond Hong Kong and Iran, “to give them access to a market of several hundred million people in Western Asia and several billion on this continent as a whole.”

Emphasizing that Iran considers cooperation with Asia as a “macro-policy,” a cornerstone of its foreign policy, he outlined his view of the potential for cooperation of a strategic nature. “We genuinely believe that the Asian countries, with their past experiences and common, rich, and multifarious economic capabilities, their vast underground and immense human resources, are quite capable of institutionalization of an Asian Convergence Strategy.” He said, “Close cooperation of regional countries via manipulation of each others’ potentials for the purpose of development, along with the Asian Convergence Policy, will be both feasible and to the benefit of all parties.” This cooperation, he said, in the event of financial crises, “can act as an invincible fortress, drastically reducing the ominous impact of such crises.”

In other words, Iran has become part and parcel of the regional combinations that have come into being in Asia, and has adopted an Asian Convergence Strategy.

It is no coincidence that Khatami’s China visit, largely

ignored by the major Western press, was carefully followed in the Asian press. The press inside Iran hailed the event as a great step forward, singling out the fact that China is an independent country, and does not allow itself to be dictated to. The conservative *Kayhan International* also lauded the Chinese for having welcomed Khatami in Xinjiang, pointing out that such developments would counter outside attempts to manipulate religious issues. The *Iran Daily* called the visit a “momentous development,” and commented, “countries like Russia, India, China, and Iran have well understood that the theory of a ‘new global order’ and ‘unipolar system’ is truly inefficacious and cannot make strategic Asian cooperation deteriorate.” It said, that therefore, “these powerful and important countries continue to be capable of forming a reliable economic and political ‘security belt’ in the volatile region.” This idea of an Asian convergence, “will be the cornerstone of the future,” according to the paper. It added, that it is essential that “long-term and strategic Beijing-Tehran ties assume an effective and constructive part in the cultural, political, economic, and military systems of today’s world.” Cooperation on the Silk Road, it said, would reinforce Asia’s “long-forgotten vital role in global equations.”

Japanese media, and India media also, highlighted the visit. The New Delhi-based *Pioneer* highlighted the fact that Khatami was the first Muslim leader to visit Xinjiang.

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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Drug Legalization Is the Next Phase of Colombia's 'Peace Process'

by Valerie Rush

Colombia's drug-trafficking FARC terrorists, together with the government of President Andrés Pastrana, are sponsoring a June 29-30 international conference on "Illegal Crops and the Environment," to be held in the heart of the FARC-controlled "Coca Republic," also known as "FARClandia," in southern Colombia. That conference, which will be attended by delegates from more than a score of European and Ibero-American countries, is designed to confront the United States government with a "world consensus" in favor of drug legalization, as an "alternative" to a U.S.-backed military war on drugs, which at least some in Washington, including White House drug policy adviser Gen. Barry McCaffrey (ret.), still favor.

As part of the June 29-30 conference, the delegates will be treated to FARC-escorted tours of the surrounding coca-growing region, lectured on the horrors of drug-eradication techniques, permitted to "dialogue" with a hand-picked delegation of coca-farmers, and urged to finance a FARC-run pilot project of "crop substitution."

In the forefront of this scenario is London's puppet government in Canada, which has already announced that it will send its ambassador in Colombia to the conference. Indeed, at the same time that Canadian Ambassador Guillermo Rishchynski has admitted that his attendance "implies a certain level of recognition for the FARC," Canadian Foreign Minister Lloyd Axworthy is deploying into Peru, to undermine the sole government on the continent which has successfully defeated narco-terrorism there.

'Investing' in the Coca Republic

This phase of the drug-legalization strategy was publicly launched back in late March of this year, when the FARC issued a call to the U.S. government to endorse global drug legalization as an answer to the illegal drug trade and its attendant evils. The FARC proposed that delegations from the U.S. Congress be sent to Colombia to speak with FARC leaders, to tour the country's vast coca plantations, and to talk directly to Colombian coca-farmers about their "crops."

In fact, this strategy was more quietly set into motion last summer, when Richard Grasso, the president of the New York Stock Exchange, flew down to FARClandia to discuss mutual "investment scenarios" with FARC leader Raúl Reyes.

Grasso's visit, fully blessed by Madeleine Albright's U.S. State Department, opened up the Coca Republic for a pilgrimage by prominent international business magnates, all of them simultaneously offering olive branches and "investment opportunities" to the murderous FARC narco-terrorists.

When did the FARC get transformed from a narco-terrorist army of assassins, kidnapers, and extortionists, into an "investment opportunity" for London and Wall Street financiers? The answer: When the FARC took over Colombia's cocaine and heroin trade as the country's Third Cartel. All that was needed was a little whitewash, eagerly supplied by President Pastrana.

Indeed, since last year, the FARC has been boosted into a position of dual power with the Pastrana government. A tour of Europe by a joint FARC-government delegation earlier this year lent the narco-terrorists a veneer of respectability abroad, even as they have continued to blackmail the nation with escalating terrorism. The FARC announcement of a 10% "tax" on all Colombians with assets of more than \$1 million, to finance "the war against the state," triggered an uproar among Colombia's entrepreneurial class, but government "peace negotiators" in FARClandia barely raised an eyebrow. Last month's decapitation by a "necklace bomb," of a woman farmer who had refused to pay FARC protection money, caused an outpouring of demands for an end to Pastrana's farcical "peace process." A panicky President Pastrana was forced to suspend the international conference plans, until a neighbor with a grudge was suddenly "discovered" to be the culprit behind the murder. The conference was quickly reinstated.

The FARC has intensified its international diplomacy, with the dual purpose of making recognition of its status as a "belligerent" under the Geneva Convention a *fait accompli*, and to drum up support for its drug-legalization proposal. In May, Colombian government officials travelled with FARC representatives to Spain and Norway, where they won commitments from those governments to serve as "facilitators" for the June 29-30 drug conference in FARClandia.

In early June, FARC "ambassador" Raúl Reyes attended a seminar on Colombia's "peace process" at Spain's University of Alcalá de Henares. European non-governmental organizations and members of the European Parliament met with

Reyes to map out a strategy for political and financial support for the FARC, under the cover of “alternative development” programs in areas under FARC control. During his speech at the Spanish conference, Italian parliamentarian Roman Montovani gave away the show by declaring outright that the solution to Colombia’s problems is to develop a market for “new” agricultural products, and to support the worldwide fight for drug legalization!

The University of Alcalá meeting fed into a June 19 meeting in London, which will in turn feed into a July 4-5 meeting in Madrid, where non-U.S. donors to Pastrana’s proposed multibillion-dollar “Plan Colombia” will be given responsibility for blocking the military (i.e., U.S.) component of the aid package, in favor of Colombian “social reform” — in other words, the FARC program of “crop substitution” and “human rights” for terrorists.

The latest diplomatic foray of the FARC’s Reyes has been to Venezuela and Mexico, where he is seeking an official commitment for them to send delegates to the late-June FARClandia conference. In Venezuela, Reyes met privately with President Hugo Chávez, whose pre-election political movement had shared membership in the pro-terrorist São Paulo Forum with the FARC. Chávez endorsed the goals of the FARC’s recently launched “Bolivarian Movement” as his own, but was then forced to publicly deny charges, issued by his own former director of the Venezuelan political police, Jesús Urdaneta, that the Chávez government had funnelled money and weapons to the FARC insurgency next door.

A Growing Resistance

The FARC’s increasingly brazen actions, both at home and abroad, may have the endorsement of the Colombian government, but not of its people. The repeated outcry by millions of Colombians to each new atrocity committed by the FARC, bears witness to the quiet but growing resistance to President Andrés “Neville Chamberlain” Pastrana’s appeasement policy toward the narco-terrorists.

On June 10, more than 2,000 Colombians from around the country came to Bogotá for a meeting of the Fuerza Colombia Movement, led by retired Armed Forces Commander Gen. Harold Bedoya Pizarro. Joining Bedoya at the podium were representatives of the peasant rebellion in a five-province region of north-central Colombia, which has thus far prevented the Pastrana government from giving away yet another piece of national territory, this time to the National Liberation Army (ELN) narco-terrorists.

With the Colombian flag in his hand, Bedoya called for the organization of a nationwide resistance movement: “We must wage a war for a second independence,” he said. “We are practically at the brink of national dissolution. Let us not fear those who are evil and corrupt, but rather, indifference.” He especially called on the Colombian Armed Forces to be vigilant, and to not allow the dismembering of the national territory.

Bedoya also praised Peruvian President Alberto Fujimori for his courage in confronting narco-terrorism, an attitude of admiration which is widespread among Colombians. In fact, when the Peruvian President appeared at the recent heads of state meeting of the Rio Group in Cartagena, Colombia, he was greeted with an ovation by many of the Colombians present. During an interview with the Colombian daily *El Tiempo*, Fujimori was asked to comment on the applause: “I interpret it as the desire to achieve peace and tranquility in Colombia. I have heard ‘Fujimori, we need you’ in the streets here, and similar expressions. And I believe that in Colombia, there can be different ideas on how to achieve peace.”

In his June 10 speech, Bedoya likened the Colombian ruling elites’ situation to “the *Titanic*, where people were dancing as the ship was sinking,” an image which was also picked up by Colombian newspaper columnist Plinio Apuleyo Mendoza, who wrote on June 22 that his country is “sinking like the *Titanic*, while the crew throw plates at each other.”

Apuleyo Mendoza went on: “The picture is black. Encouraged by all they have received without giving anything in return, we have a very well-armed guerrilla movement which has a presence in 876 townships in the country, controls the entire south, and receives more than a billion dollars a year through cocaine, kidnapping, and extortion. It assaults, assassinates, and kidnaps, and calls this a peace process. . . . Its political branch moves its pawns in Congress, the press, the justice system, the prosecutor’s office, and by using ‘human rights,’ is in a position to ruin the careers of the Armed Forces’ best officers, through unfounded accusations.”

However, for most Colombians, merely attending a meeting in Colombia such as Bedoya’s takes courage. Many other Colombians are acting as if three or four parallel governments rule their country, and they must get permission from each for any local or national project they seek to undertake. Exemplary of this generalized terror, was the recent trip of the president of the Federation of Colombian Municipalities, Gilberto Toro, first to the headquarters of the “left-wing” FARC narco-terrorists, and then to that of Carlos Castrano’s “right-wing” narco-terrorists in the Self-Defense Units of Colombia, to beg both groups to stop assassinating mayors, so that mayoral elections can be held as scheduled later this year!

The “official” government has simply abandoned the mayors. There are more than 190 townships without any public protection (police or military), and some 500 — almost half the towns and cities in the country — are under constant assault by one or another narco-terrorist gang. In January 1999, the government ended the life insurance policy it had provided mayors; the private insurance companies also refuse to insure them, because a mayor is considered a walking dead man.

The pressure is such that some candidates have sent the FARC e-mail messages, asking permission to campaign. The FARC has replied that they must come to the FARC-controlled territory in the south, lay out their plans, and then we “will decide if we approve or reject you.”

Anglo-Americans Still Seek Mugabe's Ouster

by Dean Andromidas

The results of the June 24-25 Zimbabwean parliamentary elections, in which the opposition Movement for Democratic Change (MDC) won 57 of the 120 contested seats, is seen by some as a surprising and major victory for the opposition. The results may be a major victory for the opposition, but they were by no means surprising. It marks the end of the first phase of an operation aimed at overthrowing the government of President Robert Mugabe and destroying Zimbabwe as a nation-state capable of resisting Anglo-American economic and political plans for the region. As *EIR* has detailed in recent articles (see, for example, "The Anglo-Americans Fear an African-Malaysian Alliance," *EIR*, June 30; "Anglo-American Elite Escalates Its Anti-Zimbabwe Campaign," *EIR*, June 2; and "London Headquarters Established To Overthrow Zimbabwe's Mugabe," *EIR*, May 12), these London- and Wall Street-based interests are not interested in a "democratic" Zimbabwe; rather, they want full control of its mining and land resources, especially at a time when their global financial empire is on the verge of collapse.

The election results gave the ruling ZANU-PF party 62 seats, and the independent ZANU party 1 seat. Despite the MDC's 57 seats, its leader, Morgan Tsvangirai, lost in his own district. In the previous Parliament, the ZANU-PF held 117 of the elected seats. Under the Constitution, another 30 seats are delegated by President Mugabe, of which 10 are delegated to the various tribal chiefs. This means that President Mugabe, who was not up for reelection until his current term runs out in 2002, will form his own government as he sees fit, but the ZANU-PF will no longer have the two-thirds majority needed to amend the Constitution.

On June 27, in a ten-minute address to the nation, President Mugabe called for reconciliation. In reference to the legion of international observers deployed especially from the European Union, President Mugabe took a well-deserved swipe, declaring that they had come to Zimbabwe with preconceived notions "in the mold of Victorian missionaries who came to pacify and redeem the natives. They go home humbled and educated." Indeed, the much-predicted "civil war" that the international media were accusing President Mugabe of planning after the election, has not materialized. The President also restated his intentions to continue the process of land redistribution, saying, "There are great ex-

pectations around land, which will soon come to the people in a big way."

In a call for national political cooperation, President Mugabe said, "Victory and defeat are quick to reconcile, quick to connect and cohabit in the same national space for greater peace and togetherness. The results are out. They bind us all, losers and winners alike." Mugabe continued that, in a parliament which "is certainly destined to be very lively, . . . I look forward to working with the new parliament as together we grapple with the pressing challenges of improving the livelihood of our people and developing our nation." He then spoke of the need for a "continual search for greater unity and stability within our nation, unity across race, tribe, and ethnicity, across regions, across class, the unity of our people which more than ever before has become so valuable."

While the international media have played up the MDC's "stunning victory," the fact is, according to African intelligence sources, the senior ZANU-PF leadership were expecting the opposition groups to receive between 45 and 55 seats.

The erosion of Mugabe's popularity began after 1991, when he began to implement an International Monetary Fund-mandated stabilization program, whose typical austerity sparked to mass demonstrations and rioting in the mid-1990s. In 1998, the IMF and other international institutions cut off all credit, after Zimbabwe, in self-defense, joined with along with Namibia and Angola, to militarily back the Democratic Republic of the Congo (D.R.C.) when the Anglo-American marcher-lords, Ugandan President Yoweri Museveni and Rwanda's Paul Kagame invaded the D.R.C. in order to overthrow their former ally, Congo President Laurent Kabila.

In this same period, ZANU-PF ceased to be a national party when MDC leader Tsvangirai, as Secretary General of the Zimbabwe Congress of Trade Unions, pulled out of the ZANU-PF, taking the trade unions with him. The move effectively closed down ZANU-PF's urban political organization. The election results reflected this split, with the MDC winning in almost all the major urban areas. The only rural areas where it did well, was the Matabeleland region, which is traditionally anti-ZANU-PF.

'They Jumped the Gun'

Abdulsalami Abubakar, the Nigerian chairman of the British Commonwealth observer group, declared that the vote-counting process was "commendably transparent," despite reports of violence and intimidation. He was seconded by Tony Yengeni, leader of the South African observer team, who not only declared the elections free and fair, but also ridiculed former Swedish Foreign Minister Pierre Schori, who, as head of the European Union observation team, refused to declare the election free and fair. Yengeni told reporters, after meeting with Mugabe, "We thought the EU was supposed to be humble and allow Africans to express themselves. . . . They jumped the gun."

South Africa's ruling African National Congress said in a statement: "We congratulate ZANU-PF on their victory as we realize that the election process has underscored the fact that democracy was taking root, not only in Zimbabwe but in the sub-region and indeed in the whole of Africa."

Thus, for the moment, Anglo-American attempts to mobilize African support for reversing the election are falling flat, as they have done in the past. The MDC has withdrawn its threat to challenge 20 electoral districts, a move designed to achieve a two-thirds majority, which would allow them to oust President Mugabe. They will now only challenge 10, based on allegations of violence, rather than vote fraud. As of this writing, the opposition has remained silent on what their next move will be, although they held a strategy session on June 28.

The Anglo-Americans have not remained silent. British Foreign Secretary Robin Cook refused to congratulate President Mugabe, and announced that Britain will not release the £36 million it had promised for land reform unless Mugabe "steered a path of national reconciliation" — thus signalling the continued international campaign to cut off all financial assistance to Zimbabwe. Earlier, Cook had threatened to launch an international campaign "to put pressure on President Mugabe to implement the will of the people," meaning the British oligarchy. Upping the pressure on South African President Thabo Mbeki, Cook said that Britain will "be looking to South Africa for support."

More sinister was a commentary in the London *Times* by Lord Renwick, formerly Ambassador to the United States and South Africa; he is currently director of the Robert Fleming Holdings brokerage firm and an adviser to the Hakluyt Foundation, the MI6-linked British partner of Kissinger Associates. After an anti-Mugabe litany, Renwick said, "So long as the present regime remains in power, Zimbabwe will be unable to attract any investment or further lending by anyone in their senses." Coming from the director of of Flemings Holdings, this is a serious threat. He called for "ostracism" of the regime. Renwick is a Labour Party member, and also a patron of the South African-based Suzman Foundation, which played a major party in the anti-Zimbabwe campaign. The same commentary was carried on the website of the Zimbabwe Democracy Trust. The ZDT, as *EIR* has documented, is the London-based center of the operation to overthrow Mugabe. Renwick, although not a formal patron, is intimately involved with ZDT's board members, including Lord David Steel and Lord Peter Carrington, in anti-Zimbabwe operations.

In the United States, networks associated with George W. Bush have begun mobilizing against the Zimbabwe government. On June 23, the U.S. Senate voted up the Zimbabwe Democracy Act, sponsored by Sen. Bill Frist (R-Tenn.). The bill calls for suspension of bilateral assistance to the Zimbabwe government, including debt relief, and "would instruct U.S. executive directors of the multilateral lending institu-

tions [e.g., the IMF] to vote against the extension of any credits or benefits to the government of Zimbabwe."

Frist has endorsed his close crony Bush for President. With respect to Africa policy, he is linked to right-wing Christian fundamentalists who support the Anglo-American killing machine in southern Sudan, the Sudanese People's Liberation Army (SPLA). Frist recently toured the SPLA-held areas with the World Medical Mission and the Samaritan's Purse. The southern Sudanese operation is coordinated by another British oligarch, Baroness Caroline Cox of Christian Solidarity International, and by one of former President Bush's Christian fundamentalist money-bags, Pat Robertson, who also had diamond interests in the Congo.

It is obvious that institutions such as the U.S. National Endowment for Democracy, its GOP wing, the International Republican Institute, and the U.S. State Department, and British Foreign Office will continue to deny aid and credits. This will worsen the food and fuel crises, and lead to another round of destabilizations. They will also move to get the opposition to play its assigned role of mobilizing the widespread discontent. The MDC, although it has not officially announced its strategy, has nonetheless openly embraced the policies the World Bank and the IMF.

Such a policy will only lead to a civil war that will affect all of southern Africa.

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Al Gore, Democratic Party Commit Suicide in Arkansas

by Harley Schlanger

If the examples of Michigan and Virginia, where Democratic Party state officials had already acted with vicious stupidity in overturning the will of the voters, were not enough to demonstrate the suicidal intentions of the party leadership, the actions of the Arkansas Democratic Party in Hot Springs on June 24 offered conclusive evidence. In a kangaroo court run by the Credentials Committee, delegates pledged to Democratic Presidential pre-candidate Lyndon LaRouche were denied seats at the special state convention held to select delegates to the National Convention in Los Angeles on Aug. 14-17.

LaRouche received 53,181 votes in the Arkansas Democratic primary on May 23. That total was 22% of the votes cast, which entitled LaRouche to at least seven delegates to the National Convention. While candidate LaRouche stated that he was not surprised by the vote, Arkansas Democratic officials were in a state of shock. In commenting on the vote, the head of the Gore campaign in Arkansas, Attorney General Mark Pryor, told the state's leading newspaper, the *Democrat Gazette* of Little Rock, that he had been unaware "of any sort of presence LaRouche had in the state."

He and other party officials were made fully aware of that support on June 9, when LaRouche supporters Rev. Robert L. Aycok and Erma Jennings filed a slate of delegates at party headquarters in Little Rock, in compliance with party rules. In their press statements, they made clear that they and the other LaRouche delegates expected the party to abide by its rules and bylaws, and seat the delegates.

Democrats Violate Their Own Rules

Under the Arkansas Election Code, each party is required to hold a binding preferential primary election. The code specifies that delegates to the National Convention "shall be apportioned according to the votes cast for each candidate." This

rule was reinforced in the Arkansas Delegate Selection Plan, which was approved by the Democratic National Committee (DNC). The plan states that the primary shall be governed by the election laws of the State of Arkansas. Prior to the May 23 primary vote, there had been no opposition raised against this plan.

Thus, under state code and state and national Democratic Party guidelines, the 22% vote for LaRouche meant that delegates pledged to him should be official delegates to the National Convention.

However, on June 15, the LaRouche delegates received a letter from Arkansas Democratic Party Chairman Vaughn McQuary, informing them that they would not be seated at the special State Convention on June 24, nor credentialed to attend the National Convention as delegates. Instead, the delegates for LaRouche, elected by more than 53,000 voters, were being given to Al Gore. In making this ruling, McQuary cited the series of slanderous and lying letters from DNC Chairman Joe Andrew. In his first letter of Jan. 18, Andrew had ordered state party chairs to "disregard any votes that might be cast for Mr. LaRouche."

The action by McQuary led to a showdown in the Circuit Court of Pulaski County, Arkansas Third Division, in Little Rock on June 20. Attorney John Wesley Hall, representing LaRouche and his delegates—and, in fact, the more than 53,000 voters whose votes were being thrown out by Andrew—argued that the ruling by Andrew was in violation of Arkansas state law. In response, Arkansas state party lawyer Robin Carroll argued that the party had the right to exclusion, citing the decision by the U.S. Supreme Court in *LaRouche v. Fowler*. (Former DNC Chairman Donald Fowler had excluded LaRouche's delegates from the National Convention in the 1996 Presidential campaign.) Carroll's argument means that the Democratic Party has chosen to hide behind the robes

of the judicial fascists William Rehnquist, Antonin Scalia, and Clarence Thomas, whose vote in the LaRouche case was aimed at nullifying the Voting Rights Act of 1965.

During the hearing, Carroll brought up Andrew's characterization of LaRouche as "racist and anti-Semitic." Hall objected to this, saying that the LaRouche slate includes both African-Americans and Jews. In a highly provocative manner, demonstrating that it is the DNC members and their hired guns such as Carroll who are the racists, Carroll said, with a glance at Reverend Aycock, who is African-American, that just because a black man joins the Ku Klux Klan doesn't mean that it is not a racist organization!

On June 23, after a hearing in which Judge John Ward stated that this case requires serious thought, he ruled in favor of the Democratic Party, echoing the previous rulings in *LaRouche v. Fowler*, that the First Amendment right of association gives the party the right of exclusion.

For the moment, at least in that courtroom and among the Arkansas Democratic Party Executive, Jim Crow lives again!

Battle in Hot Springs

For the LaRouche delegates, the argument by the Democratic Party in favor of their exclusion was not a defeat. Instead, it proved that the backers of Al Gore among the DNC are willing to destroy the party in order to assure that his nomination occurs smoothly, with no dissenting voices, and that they, therefore, must escalate in order to save the nation from a George W. Bush Presidency. At a public meeting in Little Rock that night, and in numerous newspaper and radio interviews, LaRouche spokesmen Debra Hanania-Freeman and Harley Schlanger stressed that this is a suicidal course which Democratic Party leaders nationally, and in Arkansas, have adopted.

At the special State Convention on June 24, Schlanger appeared with four LaRouche delegates to present their case before the Credentials Committee, which was presided over by McQuary, who asked why they were appearing before the committee. After handing him papers requesting that the delegates be seated, Schlanger told McQuary and his two colleagues that they know that the court ruling was neither right nor just.

"To throw out votes cast by more than 53,000 voters is a disgrace," said Schlanger. "Instead of mobilizing the historic constituencies of the Democratic Party, you are rejecting them. This is suicidal. Your actions in disenfranchising 53,000 Democratic voters will put George W. Bush in the White House."

McQuary responded: "Your quarrel isn't with me, the court has ruled. This policy was decided by *Fowler* in 1996 and has been upheld in the courts."

"The courts are wrong, and you know it," replied Schlanger, who reminded him that the courts upheld segregation for many years, before the 1954 *Brown v. Board of Education*, when the Supreme Court ruled it unconstitutional.

At this point, Reverend Aycock, a Vietnam War veteran,

argued eloquently for justice, which requires his inclusion as a delegate. "I remember 1957 in Little Rock," he said, alluding to the desegregation of the city's schools under Federal orders, and enforced under the protection of Federal troops. "At that time, the government fought on the side of the disenfranchised. That made a very big impression upon me as a young boy, which I never forgot. . . . Now, in the year 2000, as someone over 50 years old, I see actions being taken to disenfranchise [voters] by those who are supposed to represent them. This frightens me."

Aycock was seconded by Frank Bostick, another LaRouche delegate. Bostick, a rancher and a contractor, said, "I'm one of the unwashed. I went to war in World War II and served my country to preserve democracy. Now, as a veteran, look at how I'm being treated." He looked at the three members of the committee straight in the eye and said, firmly, "You know this is wrong."

With no discussion, the committee then voted 3-0 to uphold the exclusion. The session concluded with Schlanger reiterating to the committee that this kind of blind obedience to the lying Chairman Andrew will destroy the party. "You may have a legal loophole, but you don't have justice on your side. We will keep fighting, because we will not let you put George W. Bush in the White House."

On to Los Angeles

The Credentials Committee hearing was observed by a reporter from the *Economist* magazine of London, which had covered the LaRouche case in Arkansas, after the May 22 primary. Taking copious notes, she later acknowledged to LaRouche delegates that she could hardly believe what she had just seen. "And they call themselves democratic?" she asked, sardonically.

LaRouche activists held a rally outside the Convention Center, to inform the delegates of their exclusion. LaRouche's call for Andrew's resignation (see *EIR*, June 23, p. 82) was handed to those delegates who would stop to talk. While some feigned disinterest, many others expressed shock and concern. One Gore delegate agreed that it is wrong to throw out the votes. "Why would Gore do that?" he asked. A state legislator asked for a copy of Judge Ward's ruling, as he said it sounds too shocking to be true.

Reporters from the Hot Springs newspaper and Associated Press took pictures and interviewed the LaRouche delegates.

In his statements to the press, Reverend Aycock affirmed his intention to attend the National Convention in Los Angeles. Just like the Mississippi Freedom Democrats in 1964, he said, we have to take this fight all the way to the convention. This is not "just our fight," he said, referring to the LaRouche delegates. "We are fighting for the 53,000 who voted for LaRouche, and the tens of thousands more who would have voted for him, if they would have known the truth about him, and the truth about Gore. When they find out, they will be glad we kept on fighting."

Supreme Court Limits Patients' Rights To Sue Wall Street's HMOs

by Linda Everett

On June 12, the U.S. Supreme Court unanimously ruled in favor of Wall Street's shareholder values against the rights of patients to use a Federal law to sue health maintenance organizations (HMOs) which pay doctors to ration patient care. As the court points out, the "inducement to ration goes to the very point of any HMO scheme" that Congress has promoted for over 27 years, since its 1973 passage of the "Health Maintenance Organization and Resources Development Act." In *Pegram v. Herdrich*, the court protests that allowing suits under the Employee Retirement Income Security Act (ERISA) would, in effect, "be nothing less than the elimination of the for-profit HMO," and might well portend the end of non-profit HMOs as well.

The court's ruling was immediately applauded by the HMOs and managed-care trade groups, and on Wall Street, where HMO stocks soared on news that HMO profits were given precedence over human life. But, the language in *Pegram*, its unanswered questions, and the court's subsequent June 19 rulings, gave rise to enormous speculation among attorneys on both sides of the issue as to what murky prescription the court is formulating to address suits brought by thousands of HMO patients (or their families) who have been harmed, disabled, or killed by the financier oligarchy's ruthless insurance companies and their HMO subsidiaries.

The *Pegram* ruling, written by Justice David Souter, appears narrow. Its explosive potential lies in effectively creating the basis for eliminating *Federal* legal action against HMOs, in favor of (only) malpractice suits in state courts. But, only a few states explicitly allow such suits. And, for years, HMOs have used the 1974 Federal ERISA law to eliminate any liability in state courts for their policies and practices that harm patients by wrongful denial or delay of care. ERISA provides uniform Federal regulation of employer benefit plans (such as HMO health plans) by superseding the hundreds of state insurance laws and other regulations. About 160 million Americans are enrolled in ERISA health plans that are beyond the reach of state regulators. ERISA HMOs, when sued in state court, simply claim that they are not governed by state laws because "benefit plan" issues are regulated by ERISA in Federal court. Which, in part, the Supreme Court's decision appears to support.

As the LaRouche political movement alone has exposed, the creation of HMOs was part of an overall post-industrial policy that including shifting U.S. health care away from its traditional preservation of human life standard, to a Nazi model, in which the medical needs of millions of people were denied, and the nation's health-care infrastructure systematically destroyed. Both were sacrificed in a free-market frenzy to "cut health care costs," while unleashing wholesale looting of the \$1 trillion-a-year health-care industry. Only the elimination of the HMO system, as the LaRouche movement calls for, will free the nation to rebuild its health-care infrastructure through an updated 1946 Hill-Burton Act.

The Background

In 1991, Illinois geologist Cynthia Herdrich suffered a ruptured appendix and life-threatening peritonitis, after her HMO doctor misdiagnosed an inflamed mass in her abdomen and delayed tests for eight days so that the tests could be performed at the HMO's facility. To further defray costs, the HMO insisted that Herdrich, once her appendix had ruptured, travel to its facility 50 miles from her home for surgery. She sued her doctor (*Pegram*) for medical negligence, and Carle Clinic, in state court in 1996, and won damages. Herdrich said that all of the decisions related to her treatment were based on the profit motives of all the entities involved in the HMO, which is a wholly owned subsidiary of the Carle Clinic, which, in turn, is owned by its physician-shareholders. She sued Carle Clinic for fraud and for not revealing that the HMO's doctors' compensation increased to the extent they minimized use of diagnostic tests, did not use facilities not owned by Carle Clinic, and did not make emergency referrals outside of the group — all schemes devised, set up, and administered by the HMO's physician-owners to reap profits while determining benefit eligibility in the plan.

The ERISA-protected HMO moved the case to Federal court. Herdrich's amended complaint alleged that the HMO violated its fiduciary trust under ERISA with its physician-profit schemes. ERISA requires an employee plan to act for the sole interest of the beneficiaries of the plan — in this case, the patient. The U.S. Seventh Circuit Court of Appeals upheld Herdrich's charges and expounded how managed care had a

deleterious effect on the quality of health care in the country. The HMO appealed that decision to the U.S. Supreme Court, which then overturned the ruling. According to Herdrich's attorney, James Ginzkey, the Supreme Court ignored the conflict-of-interest facts of the case—the doctors in the HMO were also the HMO's administrators and its owners. "While they served in their capacity as administrators to deny claims, they were increasing their bonuses in their capacity as physicians."

While the court upheld HMO-doctor financial incentive schemes, it left open the issue of whether HMOs are "obligated to disclose" such schemes to patients. On July 31, the Supreme Court will say whether it will take up *Ehlmann v. Kaiser Foundation Health Plan of Texas*, a class-action suit whose plaintiffs charge that ERISA's fiduciary trust obliges HMOs to disclose to patients *any* financial incentives it has with doctors to limit treatment or service.

State Malpractice Suits Not Prohibited

On June 19, the U.S. Supreme Court took up two potentially explosive cases in which the ERISA-protected HMOs were found to be medically negligent in state courts. In *U.S. Healthcare System v. Pa. Hospital Insurance et al.*, U.S. Healthcare appealed to the U.S. Supreme Court, a 1998 Pennsylvania Supreme Court ruling (*Pappas v. Asbel v. U.S. Healthcare*), which said that HMOs cannot avoid liability under ERISA. Pennsylvania's highest court drew upon a 1995 U.S. Supreme Court ruling that said: "[N]othing in the language of [ERISA] or in the context of its passage indicates that Congress chose to displace general health care regulation, which historically has been a matter of local concern. . . . Congress did not intend to preempt state laws which govern the provision of safe medical care." A concurring opinion is cited from *Dukes v. U.S. Healthcare*: "[P]atients enjoy the right to be free from medical malpractice regardless of whether or not their medical care is provided through an ERISA plan. . . . [Q]uality control of benefits, such as the health care benefits provided here, is a field traditionally occupied by state regulation."

The U.S. Supreme Court granted *certiorari* in the case, but vacated the ruling and sent the case back to the Pennsylvania Supreme Court for "further consideration in light of *Pegram v. Herdrich*." Attorneys with the case told *EIR*, that although the Supreme Court in *Pegram* said that Federal breach of trust claims are not permitted under ERISA, state court medical malpractice suits for negligent treatment decisions are *not prohibited* under ERISA. The U.S. Supreme Court agrees with the Pennsylvania court's decision, but wants a "less sweeping" conclusion.

The suit originated when Basile Pappas suffered permanent and total paralysis when his HMO denied emergency treatment after three hospital emergency and neurological specialists had diagnosed that Pappas's paralysis constituted a neurological emergency. Pappas settled the case against his

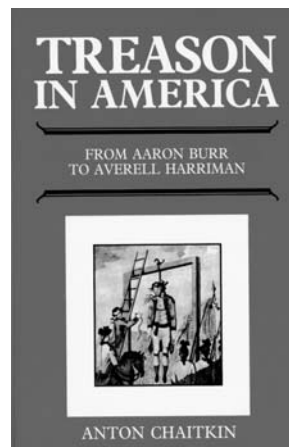
physician out of court. The quasi-state insurance company that paid the settlement was the Pennsylvania Hospital Insurance Company and the Commonwealth of Pennsylvania Professional Liability Catastrophe Loss Fund (the CAT Fund), which provides major malpractice coverage to hospitals and doctors in the state. The CAT Fund sued U.S. Healthcare to recoup the money it paid because the HMO wrongfully denied treatment. It won an appeal in Pennsylvania Superior Court, which ruled: "We see no reason why the duties applicable to a hospital should not be equally applicable to an HMO. . . . When a benefits provider, be it an insurer or a managed care organization, interjects itself into the rendering of medical decisions affecting a subscriber's care it must do so in a medically responsible manner."

Besides the obvious impact of this HMO's hideous policy on the Pappas family, like thousands of others harmed by HMO policies who are now dependent on county, state, and/or Federal agencies for support, the larger issue is the impact that HMOs have on the workforce in general. Why aren't county, state, and Federal officials up in arms about how Wall Street's HMOs are scuttling their skilled workforce, destroying their tax base, and robbing them blind? As one attorney told *EIR*, these workers, once injured, can no longer contribute to the Gross National Product.

In a second decision on June 19, *U.S. Healthcare v. Bau-*

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man 99-1383, the U.S. Supreme Court denied *certiorari* and affirmed the U.S. Third Circuit Court of Appeals ruling which shot down the HMO's contention that it is completely "pre-empted" from state laws governing medical negligence and malpractice. In this case, Steven and Michelle Bauman brought suit against U.S. Healthcare after the death of their newborn daughter, Michelina. Both she and her mother were discharged from the hospital, 24 hours after her birth. The next day, Michelina became ill, from a Group B streptococcus infection, which had been undiagnosed and untreated, developing into meningitis. But, after numerous calls, the HMO doctor did not advise the Baumans to go back to the hospital. The next day, the couple called U.S. Healthcare for a home-care pediatric nurse, which their contract covered. No nurse came. The infant died—after a brief 48 hours of life. The case now goes back to New Jersey Superior Court for trial.

The Crisis

While the U.S. Supreme Court appears to endorse state court medical malpractice suits as the remedy against medically negligent ERISA HMOs, this offers little protection for most people. Without Federal legislation to eliminate the 1973 HMO law, or to rein in abuses of the ERISA law, decent malpractice decisions in state courts depend on the vagaries of state law, the interpretation of ERISA by judges, and the skills of the attorneys involved. For decades, state and Federal courts have erroneously dismissed such suits. In fact, a June 20 ruling by the U.S. Fifth Circuit Court of Appeals in *Corporate Health Insurance (Aetna) v. The Texas Department of Insurance* upholds the state's law to protect the health of its citizenry and the patient's right to sue medically negligent HMOs, yet, it leaves open several areas for grievous denial of justice under HMO rule. In some states, suits are allowed only *after* a so-called independent review (usually controlled by HMO industry flacks) of the HMO's medical decision takes place. In other states, a patient's life may hang on how the term "medically necessary care" is defined—and, by whom. And, all states are overwhelmed with complaints about HMO denials. The Supreme Court, in *Pegram v. Herdrich*, called on Congress to deal with the managed-care debacle, but, the Conservative Revolution contingent in Congress intends to block—at all costs—even the limited Federal protections provided in the Bipartisan Patients' Bill of Rights, which they again recently shot down in the Senate. Now, with fewer than 30 legislative days left in this Congress, a growing number of Congressional members will attempt, on a bipartisan basis, to again bring this bill up for a vote in both Houses. But, it's time that the citizenry take up where the courts and Congress fail; it's time to reverse the HMOs' ravaging of our most vulnerable citizens, and to demand that legislators take up the LaRouche movement's "The Right to High-Quality Health Care" bill (see the LaRouche campaign's Committee for a New Bretton Woods's pamphlet "Ban the HMOs NOW!").

Interview: Lawrence C. Marshall

Stop the Conviction of Innocent People

Lawrence C. Marshall is a professor of law, and legal director of the Center on Wrongful Convictions at Northwestern University School of Law in Chicago. He teaches civil procedure, constitutional criminal procedure, legal ethics, and appellate practice, and, through the Center on Wrongful Convictions and the Northwestern Legal Clinic, he represents criminal defendants.

Professor Marshall held a press conference in Houston, Texas on June 12, at which a group of innocent persons, wrongfully convicted of serious crimes because of erroneous eyewitness identifications, called on Gov. George W. Bush and the Texas Board of Pardons and Paroles to block the June 22 execution of Gary Graham (also known as Shaka Sankofa). Graham, who was executed, was convicted solely on the basis of a single eyewitness account. At the press conference, the former prisoners, most of whom were exonerated by DNA evidence or confessions of others, each stepped up to a podium at Texas Southern University's Thurgood Marshall School and declared, "I am living proof that eyewitnesses can and do make mistakes."

In an unprecedented move, the government of France, speaking on behalf of the European Union, issued an official declaration of protest against the execution of Graham, which read, "We are dismayed by the news of the execution of Gary Graham in Texas. We especially regret that the authorities knowingly took the risk of putting an innocent man to death. . . . France is firmly opposed to capital punishment, and is committed, as are its European partners, to its abolition."

Among Professor Marshall's more well-known clients are wrongfully convicted former death-row prisoners Rolando Cruz and Ronald Jones, Ford Heights Four defendant Willie Raigne, and Gary Gauger, an innocent man sentenced to death in 1994 for the murder of his parents—a crime for which others are now under indictment.

It was the Center's cases, among others, which led Illinois Gov. George Ryan to announce, on Jan. 31, 2000, that he would impose an indefinite moratorium on executions, which has subsequently led to a growing movement for a nationwide moratorium in the United States.

Professor Marshall was interviewed by Marianna Wertz on June 29.

EIR: Prior to Gary Graham's execution on June 22 in Hous-

ton, you said, “It is difficult to imagine more compelling evidence of actual innocence than the evidence in Gary Graham’s case.” What do you have to say now that he has been executed?

Marshall: I’d say the same thing. I’d say that it shocked me profoundly that any folks of good conscience were willing to execute him, without ever taking the *few hours* that it would have taken to listen to the eyewitnesses who said that he was not the murderer. I can’t get my head around that. I can understand how some people support the death penalty, and I disagree with them, but I can understand that. I can respect people who do that. But, I can’t understand, and I can’t respect people who believe that it’s more important to kill someone at an appointed hour than it is to take a short time to finally, once and for all, hear six eyewitnesses who were in a position to give conclusive testimony that the person that’s been convicted is absolutely innocent.

EIR: In part because of this execution, and because of George W. Bush’s record on executions, the death-penalty issue is now impacting the Presidential race. Lyndon LaRouche, who founded the *EIR*, is in the race and is opposed to capital punishment. Al Gore and Bush have both taken strong pro-death penalty stances. Do you think this should be an issue in the election?

Marshall: I don’t think that the death penalty itself is likely to be an issue, because it still remains the case that a majority of Americans support the death penalty. What the Graham case was about, was not about the death penalty. The Graham case was about whether we want a leader who has a core sense of fairness, who has a moral compass, and who has a sense of conscience; and more than that, who has the leadership skills and decision-making skills that are what a President would need to have.

Again, the decision here last week, to me, was not a question of whether Gary Graham should die. It certainly wasn’t a decision whether there ought to be a death penalty. The decision was, should he die at 6:00 o’clock last Thursday, or should, finally, a hearing be held in which witnesses are heard, and then informed decisions can be made about the evidence?

The fact that Mr. Bush believed that he wanted to proceed without ever hearing the witnesses, to me called into grave question his temperament and ability to make decisions of epic proportions on behalf of this country, based on less than full information. So, I think that’s going to be the issue, and I think so far, at least, Mr. Gore has at least reached out a bit, and said that he recognizes that there are problems with the current death penalty, and that, although he supports capital punishment, he also supports serious reform measures that would make it far less error-prone, and [would] restore some semblance of morality to a questionable practice.

Capital punishment, per se, I don’t know if that’s the issue in the campaign. On the other hand, the question of accuracy in capital punishment is, and ought to be, an issue.

EIR: The Center on Wrongful Convictions was responsible for freeing many of the innocent men on Illinois’s death row, which then resulted in the decision by Governor Ryan to impose a moratorium. Could you tell us about the kind of work you do at the Center?

Marshall: We do a bunch of different kinds of work. Part of our work is representing clients who we believe to have been unjustly convicted and, in many cases, to be factually innocent. We’ve been involved here in Illinois in seven cases, where people who, at one time, have been on death row, [and] were later cleared.

Part of the rest of our mission is to extrapolate from that experience and to try to educate the public about some of the flaws in the system, so that if we are going to have a death penalty in this country, that it be a death penalty that inspires some degree of confidence that people who are executed, are executed only after unmistakably clear evidence comes forth, and after unmistakably fair trials have happened.

Unfortunately, that’s not the case with a tremendous number of people in this country. There are, in my view and estimate, but it’s an educated estimate—I think there are hundreds of people on death row today in the United States who are completely innocent of the crimes for which they’ve been convicted, and there are hundreds and hundreds, if not more than that, of people who have had trials that simply cannot begin to inspire the degree of trust that we ought to demand of any system that wants to take life.

EIR: I saw the statement by [former FBI Director] William Sessions a few weeks ago, to the National Committee to Prevent Wrongful Executions, that one-third of the people in Federal prisons who were given DNA tests when he was director, were found to have been innocent. If you extrapolate that to the whole prison system—

Marshall: That’s exactly right. It’s a problem of a magnitude that we’ve not paid attention to, mostly because the people who are victimized most directly by it tend to be people who we are able to dismiss as “others,” as “low-life,” as “minorities,” as people we ought not to be caring so much about.

Of course, there’s another side to this whole issue, which is, whenever we have convicted someone wrongly for a crime they did not commit, we haven’t convicted the person who did it. The issue is not whether a crime happened. The crime happened, certainly. The issue is, have we gotten the right guy? So, for people who are all law-and-order, it strikes me they need to begin to focus on the fact that, whenever the wrong person is in, the right person is out on the street. There have been many cases where, while the wrong person has been on death row or in prison, the actual criminal has been out there committing more murders, more rapes, and, but for the mistake that happened initially, in closing the case based on a flawed investigation, it is very possible that the original culprit would have been found earlier, and we would have prevented even more blood loss.

Money-Laundering Laws Must Be Toughened

On June 23, a panel of Clinton Administration officials, appearing before the Criminal Justice, Drug Policy, and Human Resources Subcommittee of the House Government Reform and Oversight Committee, endorsed legislation working its way through the House intended to give law enforcement additional tools for combatting drug money laundering.

The first of these bills, the International Counter-Money Laundering Act, which was reported out of the House Banking Committee by a vote of 31-1 on June 8, would give the Treasury Department additional authority to deal with money laundering by foreign financial institutions. The second bill, the Money Laundering Act of 2000, was introduced on June 20 by Bill McCollum (R-Fla.) and Marge Roukema (R-N.J.), and would expand the Department of Justice's authority to seize proceeds from foreign criminal activities deposited in U.S. banks.

The hearing came in the context of the release, the day before, of a report from the 26-nation Financial Action Task Force (FATF), naming 15 countries as money-laundering havens. Subcommittee Chairman John Mica (R-Fla.) wanted the United States to take more aggressive steps against money laundering. "Naming and shaming won't work without action to bring about change," he said. "What actions will the Treasury Department take to punish uncooperative countries?" he asked witnesses.

William F. Wechsler, special adviser to the Treasury Secretary, said that the FATF is prepared to take stronger action against these countries if they don't make such improvements. That includes FATF member countries taking steps to examine transactions between their countries

and financial institutions in countries on the list. He reported that the Treasury Department is in the process of "developing the guidance we're going to give our banks" on how to deal with transactions with the countries on the FATF list.

Prescription Drug Plan Voted Down by Senate

Democrats resorted, once again, to parliamentary maneuvering to force a Senate vote on another one of their agenda items, this time, on a prescription drug plan for senior citizens. The maneuver came on June 22, when Charles Robb (D-Va.) offered a motion to recommit the Labor, Health and Human Services, and Education Departments' spending bill back to the Senate Appropriations Committee, for the purpose of adding to it a bill providing a prescription drug benefit to Medicare.

Robb told the Senate that the bill, which includes Lincoln Chaffee (R-R.I.) as a co-sponsor, "would guarantee access to a comprehensive, meaningful drug benefit" that would cover all senior citizens without any limits or gaps. To avoid the "big government program label," the bill relies "on private sector, market-based mechanisms to deliver medications to seniors."

Finance Committee Chairman William V. Roth (R-Del.) objected strenuously to Robb's amendment. "It affects in an adverse manner, the possibility of getting legislation on prescription drugs enacted this year," he said. The process that the Finance Committee is going through will "give us a very good chance to develop a bill that can be supported by both Republicans and Democrats." He also complained that Robb's bill, which was

voted down 53-44, would cost upwards of \$75 billion, as opposed to the maximum of \$40 billion allowed by the budget resolution.

Two days later, President Clinton, in his weekly Saturday radio address, unveiled the latest White House proposal. According to a White House press release, the President's plan "is a Medicare benefit," while the House GOP private plan is not. The President's plan would add \$58 billion to Medicare over ten years, to help cover a total cost of the prescription drug benefit of \$253 billion over ten years or \$79 billion over five years.

Colombia Aid Clears Senate, Minus Blackhawks

On June 22, the Senate passed, by a vote of 95-4, the fiscal year 2001 Foreign Operations Appropriations bill. The \$13.4 billion bill includes \$974 million to support Colombian President Andrés Pastrana's "Plan Colombia." The aid package includes \$118.5 million for 60 refurbished Huey helicopters, rather than the Blackhawks that the Colombian Army has been asking for, and \$143 million for so-called human rights concerns.

The bill disburses the aid only on certification by the Secretary of State that the Pastrana government has met certain conditions, including putting Colombian Army soldiers charged with human rights violations on trial in civilian courts, and taking similar measures against paramilitary groups. This language was strongly endorsed by Edward Kennedy (D-Mass.), who said that the conditions in the bill "will ensure" that the Colombian government takes "concrete steps" to punish soldiers charged with human rights violations. However, Kennedy did not suggest prosecuting FARC narco-ter-

rorists for human rights violations.

John Kerry (D-Mass.) came close to saying that the drug trafficking and the insurgency are the same problem. "It is impossible," he said, "to attack drug trafficking in Colombia without seriously undercutting the insurgents' operations." He told the Senate that "because the drug trade is the most destabilizing factor in Colombia, our cooperation with the government will . . . limit the insurgents' ability to terrorize the civilian population."

How serious the Senate is about combatting drugs was put into question, however, by the unanimous adoption of an amendment sponsored by Paul Coverdell (R-Ga.), which requires a "review" of U.S. policy toward Peru, leading to possible sanctions if "the government of Peru has not made substantial progress" in "improving its respect for human rights, the rule of law," and so forth. While the amendment exempts anti-narcotics assistance from possible sanctions, it targets the one government which has been most effective in defending the nation against narco-terrorism, that of Peruvian President Alberto Fujimori.

Gas Price Rise Fuels Partisan 'Blame Game'

A flurry of meetings on both sides of the Capitol resulted only in hotter partisan rhetoric on gasoline prices. Typical of this were the dueling press conferences held by each party in the House on June 23.

Minority Leader Richard Gephardt (D-Mo.) accused Republicans of not taking "a single action" that would actually bring down gas prices. Democratic Caucus Chairman Martin Frost (D-Tex.) said, "Where American consumers see an energy crisis, Republi-

can leaders see a political opportunity." He slammed the Republicans for failing to re-authorize the Strategic Petroleum Reserve, for trying again to abolish the Energy Department, and for demanding a waiver for Midwest states, where gas prices topped \$2 a gallon, from new Environmental Protection Agency (EPA) reformulated gasoline standards, which he called "a cynical maneuver to force Americans to make the unfair and unnecessary choice between cleaner air and affordable gas."

Less than an hour later, a group of Republican members from the upper Midwest joined Republican Conference Chairman J.C. Watts (Okla.) and International Relations Committee Chairman Ben Gilman (R-N.Y.) in putting blame for the crisis squarely on the shoulders of Vice President Al Gore and EPA Administrator Carol Browner. Science Committee Chairman James Sensenbrenner (R-Wisc.) waved around a Congressional Research Service report that says that 50¢ per gallon of the price increase in the upper Midwest has been solely the result of the EPA-mandated reformulated gasoline. Gilman said that he will introduce two pieces of legislation to deal with the crisis: to allow lawsuits against the Organization of Petroleum Exporting Countries in U.S. courts, and to force a review to ensure that U.S. policy is not aiding OPEC's "price gouging."

House GOP Agrees on Sanctions Reform

Backers of a proposal to loosen U.S. economic sanctions against Cuba claimed victory on June 27, when the House GOP leadership agreed to bring to a vote a provision allowing food and medicine exports to five countries—

Cuba, Iran, Sudan, Libya, and North Korea—blacklisted by the U.S. State Department.

The deal came after a six-hour negotiating session between farm state members led by George Nethercutt (R-Wash.), and anti-Castro members led by Lincoln Diaz-Balart (R-Fla.) and Ileana Ros-Lehtinen (R-Fla.). The provision, which is expected to be attached to the Military Construction bill, only allows cash purchases of American food or medical products. It prohibits Cuba from seeking either public or private financing in the United States, but does allow third-country financing. The agreement has reportedly been ridiculed in Cuba as being so restrictive as to prevent any sales from taking place.

The battle over sanctions reform became increasingly heated in recent weeks, with Nethercutt refusing to bow to demands from the GOP leadership, led by Majority Whip Tom DeLay (R-Tex.), to drop his effort. DeLay was so bitterly opposed to the provision that he bottled up the Agriculture Appropriations bill, to which it was originally attached, in committee, to prevent a vote on it. However, growing support from both parties for the measure forced the leadership to back down.

The White House has reacted cautiously. While not threatening a veto, White House spokesman Joe Lockhart said, after the agreement was announced, that the Clinton Administration could support the export of food "if it goes directly to the benefit of the Cuban people and not the Castro government." He expressed concern, however, about provisions prohibiting sanctions from applying to food and medicine because they restrict the President's "flexibility as the steward of our foreign policy to implement the policy."

The Real Democrats Hold Ad Hoc Platform Hearings

A panel of 11 Democratic State Legislators, joined by former U.S. Senator Eugene McCarthy, met in Washington, D.C. on June 22, to preside over Ad Hoc Democratic Party Platform hearings. Under the chairmanship of State Rep. Erik Fleming of Mississippi, the panel did what the current Democratic Party leadership has refused to do: give a voice to those “forgotten Americans” who comprise the lower 80% of income brackets in the United States.

The all-day event began with remarks by Debra Hanania-Freeman, the national spokesperson for Democratic Presidential pre-candidate Lyndon LaRouche, excerpted below. She introduced the panel: Sen. Eugene McCarthy (ret., Minn.), State Sen. Carlos Cisneros (N.M.), State Sen. Joe Neal (Nev.), State Rep. Perry Clark (Ky.), State Rep. Erik Fleming (Miss.), State Rep. John Hilliard (Ala.), State Rep. Thomas Jackson (Ala.), State Rep. Harold James (Pa.), State Rep. Ernest Newton (Conn.), State Rep. Coy Pugh (Ill.), State Rep. Ed Vaughn (Mich.), and State Rep. LeAnna Washington (Pa.).

The day of testimony, by distinguished experts from around the nation, was divided into three panels. The first, on the economic crisis, was addressed by LaRouche by videotape. After this came health care, then constitutional law and justice. We publish here a selection of the testimony. The full proceedings of the event will be released shortly.

Debra Hanania-Freeman

My name is Debra Freeman. I serve as the national spokeswoman for Presidential candidate Lyndon LaRouche. . . . In welcoming the committee, I'd like to just briefly explain how today's event came about.

For those of us who have been active on the political scene for a number of years, it is traditional during the month of June, in Presidential election years, that Democrats hold platform hearings. It is normally the tradition that during June, platform hearings occur in major cities across the United

States. Those hearings usually go into a second round of hearings in July, prior to the National Convention, which are more of a regional nature. This year, as of yet, no such hearings have been scheduled. We are told by the party leaders, that at some point, hearings will take place. But at the same time, we're told that, basically, the only thing that will be in order at those hearings, will be comments on the past platform; the platform that was adopted four years ago. And the reasoning for this, we are told, is that, indeed, the fundamentals are sound.

For those of you who read the *New York Times* on Sunday . . . you will have seen commentary, that the only real issue in this year's Presidential campaign, the thing that makes this campaign different from previous Presidential campaigns, is that both the candidate of the Democratic Party, and the candidate of the Republican Party, will have to deal with what the *Times* calls a “crisis of abundance.”

Well, ladies and gentlemen, you only have to walk a couple of blocks to the east, or to the west, of this hotel, to know that the crisis that we face, here in Washington, D.C., in Baltimore, Maryland, in Birmingham, Alabama, in Detroit, Michigan, in Los Angeles, California, in any city that you name in the United States, in any rural area that you name in the United States, the crisis that we face is *not* a crisis of abundance.

I would also submit to you, that in a period when we cannot find the money to adequately feed our hungry, to house our homeless, and to educate our children, when the vast majority of the American people have no access to quality health care, when, in fact, we as a nation rank 37th among nations in the health of our people—I would submit to you that the fundamentals are *not* sound.

I can't really speak for the leadership of our party, as to why they insist on maintaining this absurd posture. What I do know, is that there has been a tremendous concern, concern since Newt Gingrich led what he called his Conservative Revolution. . . . I have to admit, I never thought of it as much of a revolution; I found it rather revolting, but I didn't find it to be a revolution. But, what occurred shortly after the Gingrich



Participants in the hearings, left to right: Melvin Muhammad, state president, AFSCME, Nebraska; E. Martin Jewell, chairman, Virginia Coalition on Housing; Terri Bishop, director, Community for Creative Non-Violence, Washington, D.C.; Robert Cebina, vice president, UAW Local 723 Monroe, Mich., CAP Council representative; Louis Whitehead, president, Portsmouth, Virginia Central Labor Council, AFL-CIO.

revolution, is that some “wise” people inside the Democratic Party said that the Democratic Party had to change, that we no longer had to worry about the traditional base of the party. That labor, African-Americans, Hispanics, farmers, people who had traditionally made up the vast sea of support that the party always enjoyed, that those folks had nowhere else to go. And that the new era would be defined by whether or not our party could appeal to soccer moms, and Wall Street yuppies.

Well, you know, we are, after all, the party of inclusion, and I think there’s room in the party for soccer moms. But, I also know that in our country, 80% of our population lives in the lower income brackets. And a Democratic victory has always depended specifically on our ability to mobilize that base of the Democratic Party. The idea that those people have nowhere else to go, is a cynical statement, and I believe that it’s a violation of everything that our nation stands for. And in fact, it is during the course of platform hearings, that that 80% has its voice.

This year, that voice is silent. It was our feeling, and it’s the feeling of Democrats all over the United States, that those voices have to be heard. And the men and women who sit before you today, have come together for that purpose. They’ve all left extremely busy schedules in legislatures that are sitting around the United States, many of them in emergency session to deal with this so-called crisis of abundance. But they came here, because they recognize that they have a responsibility, a responsibility to their constituents, a responsibility to see to it that the general welfare of the vast majority of the American people, is represented. It is a courageous move by each of them. It is a selfless move. And it is our hope that what goes on here today, will constitute a crucial intervention into this Presidential campaign, and will give a

voice to those 80% of the American people, whose voices will otherwise not be heard.

So, ladies and gentlemen, you have, I suppose, a very solemn task today. Because in fact, you must be the eyes and the ears, and ultimately, the voice, of that 80%.

We have tried to solicit witnesses in areas that represent the crucial areas, the areas of crisis, that face the American people. I am more than happy to admit to you, that for every witness who is here today, there are probably ten other witnesses who should be here. But we simply do not have the resources—this is an ad hoc committee, and it is something that we hope will spark a much greater dialogue and debate, but it is also the case that it cannot substitute for what in fact, should be going on far more broadly on a national scale.

What I would like to do now is to turn the proceedings over to our chairman, the distinguished Representative from the State of Mississippi—because we wanted everybody to know that there is a lot more to the State of Mississippi than Trent Lott. Representative Erik Fleming.

Rep. Erik Fleming

Thank you, Dr. Freeman. Before I go into the ground rules of where we are with the hearing, I did want to remark on a comment that Debbie made, as far as being courageous. Most of us here don’t look at what we’re doing today as being courageous, but a matter of conscience, and that the only thing that is considered a soft pillow to members of the legislature, is a clear conscience.

So, we’re well rested, with clear consciences, and we’re ready to get started with our hearing.

Providing the Leadership the American People Will Need

by Lyndon H. LaRouche, Jr.

The following videotaped testimony was presented by Democratic Presidential pre-candidate Lyndon LaRouche.

We face a situation now, which is roughly comparable to the situation when President Franklin Roosevelt was running for office in 1932. Contrary to wishful delusions about the economy, this economy is finished. It can go in one of three ways: We could have had, since 1997, as I warned, a collapse of the type where the stock market collapses by 50% or more—*suddenly*—a deflationary collapse, chain-reaction collapse. But then, in October of 1998, there was a change in policy to try to avoid a financial chain-reaction collapse, by hyperinflating the world monetary and financial systems, as a way of trying to postpone, if not prevent, a coming financial collapse—that's the second financial alternative, and that's the one we face right now.

The third alternative, is that governments, including the government of the United States, the President of the United States, personally, most notably, must intervene to call a conference, an international monetary conference, to reorganize what is actually a bankrupt international financial and monetary system.

Now, in the recent period, in the most desperate period—where Larry Summers and Alan Greenspan have been attempting to postpone what they know to be, or should know to be, is an inevitable financial crash—we've entered a hyperinflationary phase, somewhat comparable to Germany in mid-1923. *When* the thing will blow out, or when it might blow out, is not yet certain; but the threat of the blowout is present and growing. And that threat is a problem we're going to have to deal with—*now*.

The alternative, as I said, is to form a new monetary conference, call a number of nations together, and put the present system into bankruptcy reorganization, and start all over again, in effect, the way we did with Roosevelt, when he was first inaugurated in 1933. We're going to have to go through that. We have been—we must admit it, we must face reality: The population of the United States, or at least those in the top 20% of income brackets, and others, have been about as crazy, or more crazy than Americans in the late 1920s or early

1930s. We had a big financial bubble then, which resulted in the stock market crash of 1929. We're headed for a bigger crash now. We had a crash, not only because the bankers were crooked, as they always have been—our Wall Street banker-types are not exactly too moral—but, because they're worse today, and there are more people, a larger percentage of the population are involved in this euphoric belief in an ever-on-going prosperity under this so-called new form. And we're crazy. Therefore, we're going to have to go back and change our ways.

What's Required Is a Shock, and Leadership

We're not likely to change our ways until a great shock hits. Well, I tell you, the shock is coming. So, the chance to change is now. But, you're going to have to realize, that we as a nation have been crazy. What we've been doing in financial policy, in economic policy over 30 years, has been crazy, and has been getting crazier by the decade. We're now at the limit: Either we reorganize the system, and become sensible, or we're headed for something beyond belief.

I think, that with a shock, many Americans will wake up. What's required, however, in a shock like this, is leadership, the way that Franklin Roosevelt provided leadership in 1932-1933. Without that kind of leadership, after a shock, the American people will still be crazy. People recover from these kinds of situations only when shocks bring them to their senses, number one; and number two, when they have the leadership which inspires in them, the confidence to undertake rebuilding—and that's what we need now. That should be the function of the Democratic Party's Platform formation and the Convention—admittedly, a radical change from the trends in the party leadership right now. But that change must come, otherwise, you're going to be saying, "President George Bush." And that won't be pleasant.

So, there are several areas we have to cover. One area of the Platform, primarily, is the reorganization of the monetary system. That means we're going to have to cancel all the funny-money games and go back to a strict, hard-core, hard-commodity program. That is, we're going to have to rebuild our industries, we're going to have to invest in capital goods,



Democratic Party Presidential pre-candidate Lyndon H. LaRouche, Jr. with supporters. “Contrary to wishful delusions about the economy,” LaRouche told the Ad Hoc Platform Hearings, “this economy is finished.”

in technology—forget this so-called “New Economy,” it’s dead, it’s already as good as dead. We’re going to have to go back to the *old* ways. We’re going to have to make a number of social changes, as well as economic changes. Among the economic changes, of course, is rebuilding our infrastructure. We’re going to have probably about 10% of the population from the upper-income brackets, along with others, who are going to be out of jobs very soon. That is, people in the top half of the top income brackets, they’re going to be losing their jobs, most of them. We’re going to have to provide mass employment. The driver for increasing the level of employment, will have to be basic economic infrastructure: water systems, power systems, transportation systems, sanitation systems.

Education and Health Care

We’re going to have to also rebuild the physical and other infrastructure of our education system, and our health-care system, both of which are essentially breaking down. For example, reports are now, that half of the pupils reaching the eighth grade in the United States are *illiterate*. Now, that’s not a problem just of money; that’s a problem of bad teachers and bad teacher policies in the educational system. Yes, we need more money. We need more teachers. But we also have to have teachers who are committed to teaching—not what too many are doing today.

But, we have to build the infrastructural system.

We have a worse problem in health care, relatively speaking. In health care, we’re losing, and have lost, a great bit of our institutional infrastructure, particularly over the past 25 years, since the repeal of the old Hill-Burton law, and its replacement by the so-called HMO law. This change has re-

sulted in a disaster in health care. It’s not just a matter of who’s going to pay. That’s not the issue. The issue is, if you don’t have the hospitals, if you don’t have the physicians, if you don’t have the emergency clinics, if you don’t have the other *physical infrastructure*, where physicians assemble to perform various kinds of medical services, apart from their private offices, you *don’t have medical care*.

So, the main concern of the United States today, as before, in the postwar period, should be to build up our institutional capacity for delivering medical care as needed by the population, rather than anything else. If we provide the number of physicians, support the number of physicians, and so forth, who are needed, to work with these institutions, we can do as we were doing quite successfully, under the old Hill Burton system. Go back to it, but we have to rebuild much plant; we’ve lost hospitals, we’ve lost facilities.

The Threat of Infectious Diseases

We have also, at the same time—as President Clinton has admitted and emphasized—we have a global infectious disease threat, which is hitting largely in places like Africa, but which is also a threat to the United States and its people, already. That is, the basis for this report by the CIA, which the President used to declare this emergency, is the fact that two U.S. agents, travelling in strange parts of the world, could pick up, in the course of their travel, a disease from Africa, which was previously unknown, virtually, in Europe or the United States, and arrive at their destination in the United States, or Europe, dying from this disease, like Ebola, or other kinds of new fevers.

On top of that, as the report emphasized, we have an increase, through the failure of our antibiotic program—that the antibiotic program, and health-care program, as presently administered, is actually increasing the incidence of resistant strains of old epidemic diseases like tuberculosis. Therefore, we have to have a lot of emphasis on research to develop new technologies, as well as the support system for dealing with these kinds of diseases.

We have, in addition to that, all kinds of problems: We have urban problems; we have housing problems; we have social problems and mental-health problems, which are a by-product of this situation. And therefore, we’ve got to address these things.

The ‘New Violence’

We also have another problem that I’ve addressed recently, together with others: It’s a threat in the United States which I’ve called, “New Violence”; that is, violence is old, but the form of violence we’re undergoing now, in Europe

and the United States, is different, is a new form, not what we've experienced before. What's happened is, through the spread of military and other types of Nintendo games, such as Pokémon, our children in the highly suggestible age groups of three to eight, nine, and so forth, have been subjected to conditioning by these kinds of games. And these kinds of games produce a quasi-psychosis, where these children are doing violence to each other. Not just with guns, but look at the *kinds* of death that are proposed in Pokémon. Look at the way people are killed in the Pokémon stories. These ways are spreading.

Not only that, we have it in the police departments. From our military and police departments, we've gone to a Nintendo style of military training, of shoot-and-kill—point, shoot, and kill. As a result, we've produced people who, on instinct, can empty their weapons, rather accurately, at a bunch of targets. And we've had these cases of police shootings, violence. For example, the famous case in New York City, where several police, four in total, unloaded 41 bullets into the body of an unarmed man [Amadou Diallo], before finding out who he was. This is typical. Our military are being trained in these ways.

As a result of this kind of thing, the spread on television, through Nintendo-style games, and related methods, we have brought into the United States, as we saw at Columbine, a new kind of violence—a new motivation, new mental mechanisms for violence—into the United States. It is not guns. Remember, no gun, ever of its own volition, shot anyone. But the man who had it, did the shooting. To understand the problem of violence, don't look at weapons. Look at the mind of the individual. It is the mind of the individual that does the killing. And that's where you've got to go.

So, we have to clean this up. We have to clean up our entertainment system. Some people say this is a matter of free speech. It's not a matter of free speech. If you're taking children, putting them before a television set, every day, hour on hour, playing with these Nintendo-style games, hour on hour, they're being trained to kill on instinct. This is not a matter of free will. They're being conditioned. They're being literally *brainwashed*. People in our military are being brainwashed in similar ways. And some of our police teams are being brainwashed in similar ways. This is the kind of things that the violence is producing.

It is not only in these departments; it's in our mass media, our television, our electronic games, and similar kinds of things. If this continues, we're not going to have a society worth living in. And don't say this is a matter of free speech. This is the same thing with drugs and other things. It's not a matter of free speech and free choice. If you have a society which is afflicted with these kinds of habits, that society will destroy itself. And the decision you have to make, is whether you're going to condone our society's destroying itself. Or whether you're going to say, this kind of thing is not to be

encouraged in our country.

So, those are the kinds of problems we face.

The 'General Welfare Clause'

Otherwise, we face a more general problem. The difference, essentially, between the stock market or financial market lunacies of the 1920s, and again today, is that people no longer believe in the principle upon which this nation was founded. You can find that principle stated in various ways. It's stated in the first three paragraphs of the Declaration of Independence. It's also stated in the Preamble of our Constitution. Sometimes it's called the "General Welfare Clause." The principle on which our government was founded, our republic was founded, the principle which we contrasted to feudal society, and similar kinds of oligarchical society, is that, the government has no authority, no moral authority, except as it is officially committed to defend the general welfare of all of the population and their posterity.

That means that the economic policies, must be policies which promote the general welfare; that means, which promote the standard of living; which promote the security; which promote the health-care system; which promote the national defense, of course; which promote good education; which promote good opportunities; which promote upgrades in the conditions of life of our citizens at work, and elsewhere. These are the primary responsibilities of government.

Now today, we've gone to a different system. It's called the John Locke system: The right of property. The argument is, that anything which makes money is good. And therefore, if we have owners of property, they have a right to their profit, they have a right to profit, even as it is being made now in the Internet area. Just pure speculation, the kind of speculation which is destroying our economy and destroying the world. So, the fact that people condone this, think this is right, think that shareholder values are primary, the corruption of the majority of the members of the Supreme Court—as Roosevelt faced back then in the 1930s—these are the problems. And as long as we as a people, believe you have to go along with public opinion, as expressed by our major news media; have to go along with the idea of shareholder value, you have to submit to that—as long as you accept that, you're bringing it on yourself. You're bringing doom on yourself just the same way that the so-called popular opinion, the *vox populi* of the pagan Roman Empire, sent the Latin Roman Empire to its doom. We're headed in that direction.

We've often made that kind of mistake in our national past. Fortunately, in our past, we have corrected that mistake—again, and again, and again. We must now correct that mistake once more. We must say that shareholder value, the kind of free trade and related policies that we've imposed upon ourselves, are lunacy and they have to stop.

What you should do is look at what the hearings were, before the Congress and elsewhere, when Roosevelt became

President, Franklin Roosevelt. Look at the investigations that were conducted against Wall Street and others at that time. Look at the laws that were passed to prevent this foolishness from continuing. Those laws helped us. They carried us through most of the years up to recent decades. In recent decades, especially since the Carter Administration, we have been destroying those very laws, which the Roosevelt era put into place to protect us from the insanity that led us into the Great Depression of the 1930s. Today, the same kind of insanity prevails. It is supported by popular opinion. It's supported by leaders of the Democratic Party and their leading candidates. It's wrong. It was wrong then, and it's wrong now. You don't go along to get along. You go along with this, and you go down.

So, to sum up, first of all, we have the worst financial crisis in modern history. We shan't survive it, unless we come to our senses. If we come to our senses, we can. We need programs to deal with it, programs which do have precedents, and we need leadership, leadership typified in the past by people like Abraham Lincoln and President Franklin Roosevelt. With that combination, we can survive. With that combination of leadership, we will fix up our infrastructure, go back to high levels of productive employment, restore our health-care systems, restore our power systems, restore our transportation systems, restore our education system, and get some good old-fashioned clean morality into our nation.

Under those conditions, we can survive. That, I think, is the gut of the platform which the Democratic Party must shape during this coming period.

Look at LaRouche's Policies for Solutions

by Rep. Thomas Jackson

Mr. Jackson, from Thomasville, Alabama, is the chairman of the Agriculture, Forestry, and Natural Resources Committee for the House of Representatives in the Alabama State Legislature. He is also the vice-chair of the Agriculture Committee for the National Conference of State Legislatures (NCSL).

Thank you, Mr. Chairman. There are a couple things I'd like to say. I won't prolong the time this morning.

But we, in Alabama, we talked about the policies that the Congress should address; we need to get behind the candidate that will be more lenient to these policies. But there are problems that we're having in Alabama, and in southwest Georgia, southeast Alabama—the drought. And I brought one paper, with several headlines from last week. We were over in the

southeast, wild-grass area last week, . . . where the drought area is severe. The state newspaper said, the worst in 40 years, one headline said. And, it's not getting any better. We visited those cotton farmers, corn farmers, and peanut farmers over in that area, and they've lost every bit of their crop, to drought. And they're crying because the crop insurance policy that the Federal government has, is not helping them at all. Even the hay fields are in such deplorable conditions, that Alabama has to buy hay from Mississippi, to feed the cattle.



What we are asking for is that we look at the New Bretton Woods conference, and we pull the issues and policies from that conference, and re-invent them, and reestablish them, give them new life, and new meaning, in this 21st century.

—Thomas Jackson

We're in a bad situation as relates to farm and farm products.

Now, what effect is this going to have on families, consumers, when they go to the market, to buy produce? Prices are going to be sky-high, because the products never got out of the field, and that means that we're going to have to get those products from some other source, at a higher price.

Now, what we've got to do, and what we need to do, is, look at Lyndon LaRouche, running for President, and his policies, to address the issues that we are talking about here today. We've gone to Congress through the NCSL. We've lobbied Capitol Hill. We got a farm bill, but that farm bill is not anything like what we lobbied for. And when you think about what even the President has signed into law last week—it helped peanut farmers, but overall they didn't get anything that they really needed, as it relates to disaster relief.

We're in a crisis situation, and a lot of people don't realize that. In Alabama alone, agriculture is a \$5.5 billion industry. And, I think that we need to treat agriculture like we treat any other industry—give them incentives. You know, we give million-dollar incentives to bring an industry in, but we don't want to give the incentives to those industries already produc-

ing, like farmers, to help them make it through their crops.

This testimony might not be exactly what you want, but I must give you some of the things that we've lived with, and are living with now in the state of Alabama, as relates to disaster relief we do not get. And when it comes, it's going to be so late, that the farmers are not going to even be helped, when the monies are released. And we petitioned our Congressional delegation, and we asked them for at least \$2.5 million for farm relief in those drought-stricken areas. The government of Alabama has committed several hundred thousand dollars to the purchase of hay, and when you have the situation as we have, and it's not going to get any better, as we look at the forecasts from the weather service, that this drought condition is going to worsen. The *Niño*, they give as the reason for these things happening.

But over the long haul, if we had policies in place, as far as giving parity to our farmers, then they wouldn't be crying as loud as they're crying. They wouldn't have to go and buy hay from another state, and bring it in to feed their cattle. Because even if they do that, or sell their cattle at a low cost—and then they lose even on that end. So, what we're hearing today, and I passed in the legislature last year, through the House—we had a joint resolution, and we're calling for a New Bretton Woods conference for the international monetary system. And it passed the House, and it got bogged down in the Senate, because it didn't pass until the 4th day of May.

Let me read this, Mr. Chairman, to the panel:

Whereas the 1944 agreement of the Bretton Woods mechanism contributed to the realization of monetary stability, and to postwar economic reconstruction, and

“Whereas, there is a divergence between the real economy and the financial economy, since the decoupling of the dollar from the gold reserve system, and

“Whereas, financial crises have exploded in different parts of the world, especially since 1997, and

“Whereas, the international monetary and financial institutions in carrying out their tasks, are malfunctioning, and

“Whereas, it has been asserted that the speculative bubble has had devastating effects for the economies of developing countries, completely transforming the structure of the world economy, and reaching the level of at least \$300 trillion [that's with a “t,” \$330 trillion!] compared to the world GDP of about \$40 trillion,

“Now, therefore, be it resolved by the legislature of Alabama, that we call for a convention of a new conference, similar to the one at Bretton Woods, with the following goals:

“1. Creating a new international monetary system, to gradually eliminate the mechanisms which have led to the speculative bubble;

“2. Evaluating the possibilities of anchoring currency values to the elements of the real reference, and to better and more completely control the movement of currency rates;

“3. Proposing the creation of new credit lines, originating

to develop investment in the sector of real economy; and

“4. Defining infrastructure projects of a continental dimension.”

Now, what we are asking for is that we look at the New Bretton Woods conference, and we pull the issues and policies from that conference, and re-invent them, and reestablish them, give them new life, and new meaning, in this 21st century. Building the infrastructure in this country, the water irrigation. In northwest Alabama alone, last year, the drought took place, and we're right in the midst of the Tennessee River. Ask the question: Why can't we irrigate these crops? Why are these crops burning up in the field, and all this water here? There's a policy, saying that we cannot get water from the Tennessee River. TVA controls that water flow.

So, we need to look at, how can we help our farmers produce, and meet the needs and challenges of the food production in this country, and the countries that we're going to be exporting to, without taking such a great loss. So, I think we have to realize the situation that we're in. And it's not going to get better until we make it better, and we're in a position now, taking this platform to a higher level, and taking the message to the Democratic Party, that, no more business as usual, but now, we're in the process of unusual business, that we may meet the needs of the people that we represent, and the people of this great country.

Thank you very much.

The 'Free Market' Is Destroying Agriculture

by George 'Bill' Burrows

Mr. Burrows is a member of the State Committee of the Farm Service Agency in Adams, Nebraska, and a former State Senator. (Affiliation is for identification purposes only.)

In Nebraska, we have a group of well over 100 large, progressive farmers in a cooperative record-keeping of their incomes with the University of Nebraska. These, for the most part, have over half a million dollars in annual gross sales. In 1999, these farms received an average net income of less than \$5,000 per farm, while receiving over \$40,000 each in government payments. In many of these cases, the entire family is working on the farm and there is no supplemental income from other sources to carry the finances. For more than five years, over 80% of the net farm income in the United States has come from non-farm sources.

In Nebraska this last year, \$2.30 corn was used in projecting cash flows for the FmHA [Farmers Home Administra-

tion]. The government price support for corn is less than \$2.00 a bushel. According to the rules for maintaining loan eligibility, a loan must project a positive cash flow. Most of these FmHA loans will not project a cash flow using \$2.00 corn.

Although there was a relatively small number of farm sales during the past year in Nebraska, there are hundreds of farmers in the state who have little chance of being able to farm next year. This is following a period of two of the best crop years ever. The farms in trouble are both the large and small farms, and there appears to be little understanding of this on a national level.

There would have been hundreds of additional farm sales this last year, had the additional government farm payments not been made last fall.

The reason for the present farm crisis is the so-called Freedom to Farm law. For the first time since I was a child, the loan prices on the basic farm commodities were placed below the cost of production. This took away the basic price support safety net from the farms of this nation on a supposed free-market system, which allows the huge corporations to be the dominant price-makers in our country and much of the rest of the world.

One has to go back to the early 1930s to find a comparable period of prices to our current grain prices in purchasing power.

The arguments for a free market (which in effect turns the powerful multinational corporations free to dictate farm prices and inputs) were successful in passing the current farm law. Many farmers even bought onto the idea of free markets.

I believe it is intellectually dishonest for any economist to discuss farm prices on the basis of commodity supplies and inventories only. Ignoring the economic power and greed of our large multinational processors and suppliers is not living in the real world.

In the last two years, the packing industry took the price of live hogs below 10¢ a pound while they maintained the wholesale and retail price at 35¢ to 40¢ per pound, based on live weight. Can anyone believe a marketing system that does this is fair?

Monsanto, one of the leaders in ag technology, professes the total safety of genetically engineered crops for the public, while at the same time they sell non-genetically modified food in their cafeteria in England.

When we U.S. farmers were paying \$50 to \$55 a gallon for [weed-killer] Roundup (a Monsanto product that really works), it was being sold for \$25 a gallon in South America and for \$30 a gallon in Canada. A \$6 per bag technology fee is charged in the U.S.A. on Roundup-resistant soybeans. None is charged in some of South America.

The concentration of economic power and failure of our educators to openly discuss it, has not happened in just the last few years. In the early 1950s, I had an instructor in economics who openly discussed and did research on the concen-

tration of economic power with the packers. In Omaha, the so-called competitive market, Armour, Cudahy, Swift, and Wilson bought two-thirds of the hogs every day. His research showed that these four packers divided their hogs, so each received within 0.5% (or within 5 hogs per 1,000) of keeping their same percentage of plant capacity busy. It positively proved that they decided how many each would buy, before they went to the pens.

This economist, Dr. Mitchell, openly discussed farm is-



Let the government be a partner with family farmers rather than the multinationals. There are many

ways of improving the farm program, but raising the farm prices to profitable levels is at least ten times more important than all of the others.—Bill Burrows

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These four words describe nearly every farm transaction that takes place.

The National Farmers Organization, with competent business management and adequate participation, could quickly raise farm prices.

The national media have missed the boat completely in discussing the trade (so-called free-trade) issue. The issue that is generally at stake is whether sovereign countries have the right to regulate multinational corporations and prices, or whether these corporations rule the world.

There is no need for our government to be at odds with countries that believe in supporting their farmers and protecting their domestic food supply.

Although our ag programs have many problems, raising the price supports on basic farm commodities to profitable levels will solve over 90% of them. Raise the price supports to profitable levels and use the tools of government to work for fair prices in all commodities. If inventories of farm commodities get costly, supply management should be used. Let the government be a partner with family farmers rather than the multinationals.

There are many ways of improving the farm program, but raising the farm prices to profitable levels is at least ten times more important than all of the others.

Homeless: The Human 'Canaries' Are Dying

by Terri Bishop

Ms. Bishop is the executive director of the Community for Creative Non-Violence, the largest homeless shelter in Washington, D.C.

"It's clear that our country's in better shape than it was eight years ago; that we are moving in the right direction; that we not only have the longest economic expansion in history and the lowest unemployment rate in 30 years, we've got declining poverty, declining inequality, the lowest minority unemployment rates we've ever recorded. We have the highest home ownership in history. We've got the lowest crime rate in over a quarter-century—eight years of decline in a row; welfare rolls about half the size they were seven and a half years ago. Ninety percent of our kids are immunized against childhood disease, with over 2 million kids with health insurance that didn't have it before. And I could go on and on. . . .

"What are we going to do with this moment of prosperity? Most of us have never seen anything like it in our lifetime. Something like this comes along once in a lifetime. What is it that we proposed to do with it? And I hope the answer is,

we're not going to squander it, we're not going to indulge ourselves with it; we're going to take on the big challenges and seize the big opportunities so that we can build the future of our dreams for our children."

These statements were taken from a speech given by President Clinton on May 19 of this year at City Hall in Philadelphia, Pennsylvania. If these statements are true, why, then, are the canaries dying? Yes, I said canaries.

Let me explain: Coal miners once used canaries to indicate the presence of methane gas in the mines. If the birds died, methane concentrations were at dangerous levels. This nation



The homeless on the streets and in the shelters around the country are like the canaries in the mines, they're saying, "All is not well!" So I say to all those who would be President, listen to our human canaries and take note!—Terri Bishop

has human canaries. They're the homeless. Whenever you walk or ride through the cities of this country and see homeless persons, regardless of what the President, Congress, political analysts, or think-tanks say, the nation is dying.

What does the presence of these human canaries indicate?

1. It indicates a lack of affordable housing. In D.C. alone, Federal housing assistance has decreased by 75% in the past ten years. In D.C. alone, according to the Department of Public and Assisted Housing, 45,000 families who qualify for public housing are unable to receive such housing because there are no units available.

2. It indicates there are penalizing changes in welfare assistance to the poor. In D.C. alone, welfare grants have been cut by 10% in the last three years, although the cost of living has increased. As families lose welfare assistance, the number of families who become homeless is likely to grow. In addition, according to the Fair Budget Coalition, D.C. has cut programs that support low-income residents, including General Public Assistance and the Tenant Assistance Program.

3. It indicates poverty and lack of employment. In D.C. alone, according to the Fair Budget Coalition, the unemployment rate is approximately 10%, far higher than in surround-

ing areas and much of the rest of the United States. According to the U.S. Census Bureau, 1 in 3 of the District's residents lives in a poverty area, and 1 in 25 lives in an area where there is extreme poverty.

Now Mr. President—and those who would be President—can you smell the methane?

Of course you can't—neither could the miners. That is why they used canaries. But the human canaries, the homeless, are trying to tell us that there is something seriously wrong in the mine.

How serious is it?

In D.C. alone, according to the Community Partnership, approximately 15,000 people become homeless over the course of a year, and on any given day, 9,000 people are homeless, half of whom are women and children.

In D.C. alone, according to a Fannie Mae [Federal National Mortgage Association] report, 1 out of every 200 families requested emergency shelter assistance between May 1996 and June 1997; and 40% of homeless families in the D.C. area have been homeless more than once.

In D.C. alone, according to the Community Partnership, 1,406 families with 3,367 children applied for emergency shelter in 1996, and because emergency shelters for families remain full, most of the families had an average wait of six months for emergency shelter.

In D.C. alone, according to the Women's Service Providers Report, on any night, there are over 250 women in the D.C. singles shelter system. Sixty-five to 80% of the women do not have their children with them. Eleven to 16% of these women report their children as being in foster care.

An extrapolation of these data across the nation would be most revealing! Need I say more? Of course not. The homeless on the streets and in the shelters around the country are like the canaries in the mines, they're saying, "All is not well!" So I say to all those who would be President, listen to our human canaries and take note!

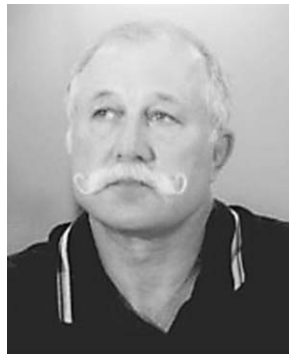
Dump Free Trade, Adopt Fair Trade Policies

by Robert Cebina

I am Robert Cebina, vice president of UAW [United Auto Workers] Local 723 in Monroe, Michigan. I would like to thank this panel for the opportunity to testify this morning, and hope that the results of this proceeding succeed in changing the policy both of the Democratic Party and the government.

First, I would like to address the problem of NAFTA, the North American Free Trade Agreement, and its impact on the

UAW. According to a recent UAW release, supporters of NAFTA claimed it would create 200,000 jobs in the U.S. But, the AFL-CIO now estimates that up to 400,000 jobs have been lost to Mexico alone under NAFTA; 90% of the companies that promised to create jobs in 1993 have failed to do so. Forty percent of U.S. so-called exports to Mexico under NAFTA are, in fact, parts that are assembled at low-wage U.S.-owned plants and returned as finished products for sale! The U.S. now has a shocking \$13.2 billion trade deficit with Mexico, and in Mexico, their wages have fallen 29%. What a disaster!



The big auto makers have been outsourcing for years, to earn large profits and destroy the workforce. . . .

Globalization, as endorsed by the Democratic Party, has created slave-labor conditions worldwide. This must be halted.

—Robert Cebina

Taking the case of General Motors as an example: The impact has been devastating. Over the period 1978-97, General Motors slashed its hourly labor force from 520,000 workers to 224,000, laying off nearly 300,000 workers. While some of the layoffs were due to technological improvements, the vast bulk was due to "outsourcing" to slave-labor work sites in Mexico and other nations.

Of the 296,000 workers that GM fired in North America, 81,400 jobs, or 28%, are now in Mexico alone.

Many tens of thousands of additional workers, paid below subsistence wages, have replaced the 300,000 fired workers. GM has Delphi Automotive divisions around the world, from Brazil to Malaysia to South Korea. In 1997, South Korea's Delphi Division had almost \$1 billion worth of parts sales.

This process has not stopped, it has accelerated. According to one UAW official in Detroit, the UAW has lost over 500,000 members in this time frame. Ford Motor Co., like GM, has been both outsourcing and spinning off divisions into private companies, to cut costs and increase profits for shareholders.

Like GM's Delphi Division, Ford has now created

Visteon Co., to produce parts such as seats, shock absorbers, and other things. Visteon will then be spun off from Ford and become independent. Ford will merely retain the licensing ability of the Ford name and make its money off its name. Things will hardly be “Ford tough.” Times will be tough for Ford employees.

Ford employees now earn \$21 per hour plus benefits at its parts division. They earn more in overtime, evening work, etc. Now they will be competing with inferior work and lower-wage workers in Japan and other nations. Those parts can be purchased by Visteon over the parts made in the U.S. This will lead to more plant closings and even more layoffs.

The big automakers have been outsourcing for years, to earn large profits and destroy the workforce. They have also been creating slave-labor conditions in Mexico and other *maquiladora* countries. Globalization, as endorsed by the Democratic Party, has created slave-labor conditions worldwide. This must be halted. The *maquiladora*, duty-free assembly plants and other plants, producing textiles and other goods, now employ over 1 million workers. The stories of horrible working conditions in these nations now fill the press; there is no need to repeat the horror stories, of long hours, no health care, horrible working conditions, child labor violations, environmental violations, “up the proverbial wazoo,” and other travesties of justice and morality. They have been documented elsewhere.

It is high-time the Democratic Party included in its platform a repudiation of free trade, NAFTA, WTO, and other “globalist” policies. This might “alienate” those high-wage, high-flying corporate big shots now being courted by the party: Good! It is long overdue to alienate those people. I hereby call upon the Democratic Party to strike the free trade plank from its platform, and return once again to the “fair trade” outlook of President John Kennedy, President Franklin Roosevelt, and other traditional Democrats.

We should expand trade with our brothers and sisters around the world, to feed a hungry world, and provide jobs for those nations and ourselves, in the tradition of the great Marshall Plan of the postwar period. That plan rescued a starving, war-torn world, and was the driver for our postwar recovery. It put Detroit on the map as the leading city for industrial jobs and high living standards. Now is the moment to restore that policy.

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Health-Care Policy

AIDS: Whole Nations Are Near Extinction

by Dr. Abdul Alim Muhammad, MD

Dr. Muhammad is the national spokesman for Nation of Islam Minister Louis Farrakhan, Minister of Health and Human Services for the Nation of Islam, and director of the Abundant Life Clinic in Washington, D.C.

In the Name of God the Beneficent, the Merciful, Mr. Chairman, I want to thank you for this opportunity — and for the whole panel, I will say that the remarks that I will give, can be supplied at a later date in a written format, so that whatever I don’t have a chance to cover today, verbally, can be available for the record.

I was asked to make some commentary about the issue of HIV and AIDS, and I think that this room and the people who are associated with this movement, are very familiar, especially those who read the *Final Call* newspaper, the *EIR*, and the *New Federalist*, they are certainly more aware than perhaps the average citizen would be, either in the United States or throughout the world. So, I will make certain assumptions that we are very familiar with the overall dimensions of this problem.

However, I will summarize, and then quickly jump onto the solution side, because I think we’ve been hearing about HIV and AIDS since about 1981, and people talk about it, and then tend to bury their head in the sand, as though there’s nothing that can be done. But as we speak, the world is facing an unprecedented biological holocaust, and right now the major impact is being felt in Sub-Saharan Africa. But I also have coined a phrase, which is the “Africanization of AIDS in America,” because early on in the epidemic in this country, the epidemic was actually called a “gay men’s disease,” which it never was exclusively, and it seemed to be a matter for high-risk groups to be concerned about. But if we look at the example of Africa, it always has been and continues to be predominantly a heterosexual disease — not that it is specifically associated with heterosexuality, just as it is not specifically associated with anybody’s sexuality, it happens to be something that is part and parcel of certain policy decisions that were entered into by the United States and our allies in the late ’60s and in the mid-’70s.

The disease has been documented to be due to an artificially created microorganism commonly known as human

immune deficiency virus. The thorough documentation of that fact can be found in a book published by Dr. Leonard Horowitz of Harvard University, and a new book that, as I understand it, is only available on the Internet, by Robert E. Lee, and is called *AIDS: An Explosion of the Biological Time Bomb*. So I'll leave it to those who have a greater interest to search out both those sources, but I think even a cursory reading of those two sources will convince any fair-minded person that what we're dealing with now is not a natural disease that came out of the jungle or out of a cave in Kenya, or any such notion. It has nothing to do with green monkeys, except to the extent that green monkeys were used in some of the early experiments that later produced this biological holocaust.

As we speak, the WHO [UN World Health Organization] says that there are more than 34 million people throughout the world infected; probably those figures are too optimistic. The cumulative infection rate, those who are living and those who are already dead of HIV- and AIDS-related causes, is well in excess of 50 million. The late Dr. Jonathan Mann of the Harvard School of Public Health estimated that in the year 2000-2001, the cumulative total would be somewhere around 100 million to 120 million. It's interesting that nowhere in the world, including in this country, can we trust the statistical figures related to HIV and AIDS, simply because, with the exception of Cuba, there is no nation on the face of the Earth that has actually done the epidemiological-prevalence studies through mass testing that would actually give us figures that we can rely upon.

What I would like to say at this point is that, without a doubt, HIV and AIDS is having an impact on life expectancy, both in the United States and elsewhere, but more especially in southern Africa. It's interesting to note, for example, that in the Republic of South Africa at the time of Mandela's release from prison, the infection rate was less than 1% in the black population—less than *one-tenth of 1%* in the black population. But I think that what we have to understand, is that there were forces in motion at that time and continuing since that time, that now bring the infection rate up to 3.4 million black South Africans, which, in some age groups, is as much as 25% in those young adult age groups. So we need to understand that the dynamics of what is going on, is not all that meets the eye, nor does the popular notion of HIV and AIDS tell the story.

A Biological Weapon

Interestingly enough, as we speak, in Tripoli, in Libya, there is a trial ongoing that involves, I believe, nine Bulgarian health workers who were caught red-handed injecting HIV and AIDS into babies in the Children's Hospital in Bengazi. They are accused of deliberately infecting, I believe the figure is 486 children, with HIV and AIDS, in a country that previously had reported very low prevalence rates. And so what I'm suggesting is that if we compare what is going on in

Africa, and throughout the world, that this unnatural, man-made disease should be viewed for what it is: It's a biological weapon that has been deployed by those who produce such documents as *Global 2000*, National Security Study Memorandum 200, which made population reduction the official policy of the United States government since about 1974-75, and that period of time coincides exactly with the spread of HIV and AIDS throughout the world.

Further, the preferred delivery system for this biological weapon is the hypodermic syringe, and there is documenta-



The diagnostic testing technology and the therapies that are proven to be effective, need to be employed now, in order to

get a grip on this epidemic and to literally save nations that are on the brink of extinction.

—Dr. Alim Muhammad

tion to show that hepatitis vaccination programs in this country and throughout the world, smallpox vaccination programs throughout the world, were in fact fronts to disguise the deliberate inoculations of hundreds of thousands, perhaps millions of people, throughout the world with HIV and AIDS.

And so, we need to understand that what we are dealing with is an ongoing genocidal program that has been made to look like a naturally occurring disease process. I would say that people who want to do something about this, need to be better informed about it, they need to read the references that I cited, but further than that, we need to mobilize the populations of this country and of Africa and other nations that are ill-affected by this epidemic. We need to understand that, in fact, the policies that are in effect by WHO, by agencies within this country and African countries and other countries throughout the world, are ineffectual because they have abandoned the tried, tested, and true principles of public health, and in fact the therapeutic measures that are being used are inadequate, ineffective, and overpriced, out of reach of those who are most in need of them—even if they were clinically effective, they are beyond the economic means of those who need them the most.

We should understand, however, that the technology does exist that would permit cost-effective mass testing of populations. The technology in the area of therapeutics also exists that can arrest and in some cases even cure HIV and AIDS infection, and it is specifically in these areas that resources are not made available.

I'll just briefly cite the example—I'm sorry I didn't bring it, but there's a test kit that could actually make the diagnosis of HIV and AIDS, within five minutes with a single drop of blood. This is off-the-shelf technology, but our FDA [U.S. Food and Drug Administration] has embargoed this technology for the last four years. The Abundant Life Clinic did the clinical research to prove the efficacy and the specificity of this diagnostic test. It could literally bring us up to speed in this country and throughout the world, because it's a technology that does not require electricity or any sophisticated infrastructure to utilize. We could literally do epidemiological testing anywhere we wanted to, and find out the actual facts of HIV and AIDS. And then, in addition to the diagnosis, we also have treatment modalities that are also under embargo, specifically, the interferon treatment that was pioneered in East Africa, in Kenya, which is also cost-effective, as well as being clinically effective.

So I think that those two things, the diagnostic testing technology and the therapies that are proven to be effective, need to be employed now, in order to get a grip on this epidemic and to literally save nations that are on the brink of extinction. Thank you.

Abolish HMOs, Before More Lives Are Lost

by Joe Jones

Good afternoon, members of the panel, and fellow Democrats. My name is Joe Jones, and I am a member of the City Council of Cleveland, Ohio, representing the First Ward.

On May 22 of this year, the Cleveland City Council unanimously adopted an Emergency Resolution which I had introduced, calling on Congress "to investigate the provision of health care services by health maintenance organizations and managed-care organizations, and if necessary, to abolish such organizations."

Today, I am convinced more than ever, that the platform of the Democratic Party should include a commitment to abolish HMOs and managed care, and that legislation to that effect should be introduced into the U.S. Congress as soon as possible, along with similar bills and resolutions on the state and local level around the nation. Lyndon LaRouche should be

commended for initiating this movement some weeks ago; his published material and research on this subject have been very useful to me in Cleveland. Furthermore, we need to restore the principle that the lives, health, and well-being of the people come first, before any consideration of profit margins, dividends, and executive salaries and bonuses, which is the kind of policy we used to have before HMOs were authorized by Congress in 1973.

As public officials, sworn to promote the General Welfare, we have a moral duty to do this. We know that many times, our moral principles seem to come into conflict with so-called "practical political considerations." However, the current health-care crisis shows that doing what is morally right, is the only practical political course to follow. In fact, this issue may be the key to winning Democratic majorities in the Congress and many state legislatures around the country, because on this issue people can be mobilized to vote as if their lives depended on it.

Hospital Cartelization

For example, we are going through a major health-care crisis in Cleveland, similar to many other cities, where three hospitals were going to be shut down this year, because of the bankruptcy of Primary Health Systems, a for-profit hospital company based in Pennsylvania. One hospital was actually closed in February, and remains empty to this day, with the loss of almost 1,000 jobs there. The two other hospitals have been saved, at least temporarily, as the result of a massive political mobilization, led by City Council members along with Congressman Dennis Kucinich [D-Ohio]. We had hundreds of people marching in the streets, holding vigils and demonstrating at City Council meetings, over a period of several weeks. The mobilization involved almost every sector of the community, including medical professionals, church and civil rights leaders, and organized labor.

This battle involved the Cleveland Clinic, a corporate giant that controls over 60% of the hospital beds in Cuyahoga County [which includes Cleveland]. The Clinic made a back-room deal to buy two community hospitals from Primary Health Systems, just so they could be shut down, thereby eliminating competition for their other facilities. The Clinic also planned to buy a suburban medical campus as part of the deal, which would stay open, since it is a big moneymaker in a relatively affluent area.

On March 29, a Federal bankruptcy judge in Wilmington, Delaware not only overturned the Cleveland Clinic deal, but threatened to turn the matter over to the Justice Department for possible violations of anti-trust laws! That day, the courtroom was packed with a busload of Cleveland residents and hospital employees, who travelled several hundred miles to be there, along with three of my City Council colleagues and Congressman Kucinich. This was without question a significant victory of the people over the corporate establishment.

Where we stand now, is that two community hospitals have been saved—at least temporarily—by being purchased by the University Hospitals Health System, while the Cleveland Clinic took over the suburban medical campus it wanted all along. We are now faced with a situation where these two corporations control over 90% of the hospital beds in Cuyahoga County, and both are under pressure by HMOs and managed-care policies to cut costs further, and eliminate “unprofitable” operations.

Among the lessons to be learned from this experience, are: 1) the health-care crisis will not be solved, unless we address the underlying problem, which is the pressure for constant cost-cutting coming from HMOs and managed care; and 2) the people can be mobilized, if there is leadership.

The Whole HMO System Is Wrong

We know that it is all but impossible to pass a bill to abolish HMOs this year, given the Republican control in Congress and many state legislatures, and also given the attitudes of some of our Democratic colleagues. But such bills should still be introduced, to give us a rallying point which addresses the reality of the economic crisis facing the majority of people. “Where does my Congressman or legislator stand on the bill to abolish HMOs?” can be the litmus test which determines who is going to be elected in November.

But why, some may ask, do we need to abolish HMOs? Why can't they simply be reformed with a Patient's Bill of Rights?

While those proposing reforms are usually well-intentioned, and certain reforms, such as including prescription drugs under Medicare, should be supported wholeheartedly, the problem is that the HMO managed-care system itself is wrong.

It is wrong to put a price tag on human life, by giving doctors and hospitals a financial incentive to withhold necessary care.

It is wrong to give an accountant the power to overrule the judgment of a medical professional, for the sake of profit margins and stock valuations on Wall Street.

Consider a recent case involving the Kaiser Permanente HMO, which has a major presence in Cleveland. Kaiser was fined a record \$1 million in May by the State of California, which accused Kaiser of “systemic health-care delivery problems.” The case involved a 74-year-old woman, Margaret Utterback, who started calling her primary care physician at 8:30 in the morning of Jan. 26, 1996, complaining of severe back and abdominal pain. She was treated like many of us have been treated when we try to call our health plan—put on hold, transferred to a recording and given the runaround, evidently in the hope that she would become discouraged and give up trying to see her doctor. After calling five times, Mrs. Utterback was scheduled for an appointment at 4:15 in the afternoon.

Despite pleading to be seen early, and visibly suffering in the waiting room, the doctor did not see her until 4:30 p.m., and by then it was too late. Mrs. Utterback was suffering from a dissecting abdominal aortic aneurysm, which means that the aorta from her heart was expanding like a balloon. The aneurysm ruptured an hour later, and she died within a day and a half.

Is the \$1 million fine going to bring Mrs. Utterback back to life? In fact, it was the HMO mentality that killed her, the



According to the U.S. Supreme Court, HMOs cannot exist without being given *carte blanche* to kill and injure innocent people by rationing health care. Ladies and Gentlemen, fellow Democrats: The situation is urgent. HMOs must be abolished before more innocent lives are lost.—Joe Jones

inhuman mentality that looks at sick people as a threat to the bottom line. The only solution is to abolish HMOs and managed care altogether.

For the record, I have 218 more HMO “horror stories,” all documented cases of deaths and injuries to innocent people caused by managed care, assembled by the National Health Insurance Citizens Network, and available on the Internet. There is no way to remedy all these abuses with separate laws for each abuse. Since the system itself is the problem, the system will generate abuses faster than we can legislate. Again, the only solution is to abolish HMOs and managed care.

The U.S. Supreme Court perhaps provided the best argument in support of Congressional action to abolish HMOs, as a result of its unanimous ruling June 12, in the case of *Pegram v. Herdrich*. The court ruled that, even if someone is injured or a loved one dies as a result of an HMO withholding necessary care, the HMO cannot be sued in Federal court. Why not? Because, wrote Justice David Souter for the court, the rationing of health care, through means such as giving doctors

bonuses to reduce care, was the intent of Congress in authorizing HMOs in the first place! If injured patients could sue HMOs for withholding care, Souter wrote, it would result in “nothing less than elimination of the for-profit HMO.”

In other words, according to the U.S. Supreme Court, HMOs cannot exist without being given *carte blanche* to kill and injure innocent people by rationing health care.

Ladies and Gentlemen, fellow Democrats: The situation is urgent. HMOs must be abolished before more innocent lives are lost.

Drugging Our Children into Submission

by Rep. LeAnna Washington

Good afternoon, I am State Representative LeAnna Washington, and I represent the 200th Legislative District in Philadelphia, Pennsylvania.

Thank you for the opportunity to testify today about the effects of psychotropic drugs on this nation’s children.

I am glad to see attention being focused at the national level on the use of these mind-altering drugs on our most vulnerable population, our children, our future.

In 1968, three years after the U.S. Elementary and Secondary Act was passed, broadening the definition of “handicapped” to include “mental disturbance,” this gave psychiatry the green light to label and drug children into compliance. A new category for children emerged called “behavior disorders of childhood and adolescence.” In 1975, the Americans with Disabilities Act was passed, providing “special education” classes for learning disabled [LD] children. Within two years, the number of children labeled LD reached more than 782,000. This figure soared to 1.9 million in 1989, and by 1996 it reached 2.6 million. Yet, Kevin Dwyer, assistant executive director of the National Association of School Psychologists, admitted that the way “learning disorders” are diagnosed is “not a science.”

In 1987, Attention Deficit Hyperactivity Disorder (ADHD) was literally voted into existence by the American Psychiatric Association. Within one year, 500,000 children in the United States were diagnosed with this affliction.

In 1990, the lucrative doors were opened to a cash welfare program to low-income parents whose children were diagnosed with ADHD. A family could get more than \$450 a month for each child. In 1989, children with ADHD made up 5% of the disabled population. In 1995, it rose to 25%. In 1991, education grants also funded schools an additional \$400 in annual grants money for each child. The same year, the Department of Education recognized it as a handicap, provid-

ing children with special services. In 1997, 4.4 million children were diagnosed with ADHD. In 1996, \$15 billion was spent annually on the diagnosis, treatment, and study of these so-called disorders.

Ritalin and similar drugs are prescribed to an estimated 6 million to 9 million children and adolescents in the United States. This reflects why Ritalin production has increased an incredible 700% since 1990.

Ritalin use in the U.S. is five times higher than the rest of the world combined.

The question of whether or not these drugs are helping or



As an African-American representing a predominantly African-American legislative district in the city of Philadelphia, I am witness to what I believe is the disproportionate prescribing of these medicines to minority children . . . [as a] substitute for dealing with problems that often are unique to poor, urban youth.—LeAnna Washington

hurting our children is the subject of great debate. It has been suggested that recent incidents of school violence and other occasions of violence are the result of children being unnecessarily medicated by such drugs.

Others maintain that placing the blame on these drugs is an over-reaction, and that the drugs are safe if used properly. According to the *Journal of the American Medical Association*, from 1991 to 1995, the number of preschoolers on antidepressants increased 200%, and the number of children ages 2 to 4 taking stimulants more than doubled.

I have been concerned about this issue for quite some time. As an African-American representing a predominantly African-American legislative district in the city of Philadelphia, I am witness to what I believe is the disproportionate prescribing of these medicines to minority children.

During my studies of the issue, I have learned that drugs such as Ritalin have become a convenient “easy way out” substitute for dealing with problems that often are unique to

poor, urban youth.

My concern led me to present workshops on the event before other policymakers, including last summer's presentation before the National Organization of Women Legislators.

Also, I sponsored a ratified resolution on the matter during the recent National Black Caucus of State Legislators annual legislative conference.

I want others to be aware that chemically treating our children at the rate and manner in which we are, may lead to problems in our society that will require great cost, both emotionally and financially, to correct.

All too often, psychotropic drugs are prescribed to children without an attempt to first understand the underlying factors that may be contributing to the behavior of the child in question.

Many overlooked factors such as parental stress, a changing family environment, or diet may influence a child's behavior.

The question policymakers and health officials should be seeking to answer is, whether or not Ritalin and similar drugs are being over-prescribed to help cope with normal life events, or, are they treating real disorders.

I am convinced that most behavioral problems may be just as treatable using other methods, such as nutrition, family, and community support. Patience and love also can be as effective as medication in certain instances.

Drugs should be a last resort, not the first step in solving emotional and behavioral problems in our children.

There is much work to be done in dealing with this issue. I support President Clinton in advocating the development of new research approaches for the study of medications for children.

As you know, medications are not typically studied in children because of ethical concerns about involving children in clinical trials. While these concerns are legitimate, they have created a lack of knowledge about the best treatments for children.

It is unconscionable to think that we have for years been giving them these drugs without actually knowing what long-term effects they may have.

In closing, allow me to voice one final concern regarding Ritalin: Ritalin is a Schedule II controlled substance, which the Federal government strictly regulates. It is in the same class as cocaine. There is a push to have Ritalin downgraded from a Schedule II drug. We can not let that happen.

I am concerned that relaxing controls will give young people easier access to a drug that already is used to get high and frequently is used by young people and college students on campus all across America. Students are giving and selling their medication to classmates who are crushing and snorting the powder like cocaine. In March of 1995, two deaths, in Mississippi and Virginia, were associated with this activity.

Thank you for listening, and thank you for your interest in this important issue.

Constitutional Law and Justice

We Must Defend the Voting Rights Act

by Sen. Theo Mitchell

Mr. Mitchell is a former South Carolina State Senator and Democratic nominee for governor, who was targeted for prosecution under the FBI's Operation Fruhmenschen program.

Mr. Chairman, and distinguished members of the panel, I certainly want you to know how grateful I am to take up a few minutes of your time. That you would allow such, on the issue of a very major problem. And that is, that we want those of you that will be going to the Democratic National Convention, to seek to have a plank in the platform repudiating the argument advanced by the Democratic National Committee, through its Republican lawyer, in the case of *LaRouche v. Fowler*, calling for the nullification of the 1965 Voting Rights Act.

Several of you signed on to a letter over my signature, which some 1,000-plus did participate in sending, a message that this is not the time, nor the place, to talk nonsense, especially from a party that has traditionally been known to consist, very heavily, of minorities, and those who represent the poor, the forgotten, the disadvantaged, the women, and principles and esteemed ideals and goals for making the Constitution of the United States work, for everybody.

Some of you, as well as myself, happen to have been elected to office, pursuant to the Voting Rights Act, especially from the Southern part of the United States. It's most appalling to know that [former DNC Chair] Don Fowler sent out in 1996, a call to chairs throughout the United States, of the Democratic Party, to repudiate those individuals, and reject seating them, who supported Lyndon H. LaRouche, Jr. for President. A lawsuit was filed, of which I happen to have been privileged to be one of the lawyers. The case even went up to the United States Supreme Court. But prior to going there, it was one in which the all-knowing judge, [Thomas] Penfield Jackson, whose wisdom broke up Microsoft, supposedly, sat and refused to have a three-judge panel impaneled to hear this case, raising the constitutionality of the act done by Don Fowler.

Now, I'm from South Carolina. Fowler was one who refused to have the Democratic National Committee contribute to my campaign for governor of South Carolina, after having won a bitter primary election. He's the kind of person who'd

throw rocks, and hide his hand, but has made no secret in the fact that Lyndon LaRouche—the only man who actually has a platform to help people, the only one who actually, running for President, can articulate answers to problems that beset this nation, to help empower, and re-empower, people, people in need.

There cannot be a Democratic Convention without having this matter raised, that if this party is going to prevail in the future—I dare say that it possibly won't prevail in November, as far as the Presidential candidate is concerned. By the way,



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—Theo Mitchell

they've appointed a special prosecutor-investigator on the case today, to question our Democratic nominee [Al Gore], to investigate his fundraising tactics, where he's trailing at 41%, below 49% for George W. Bush. So, it looks as though members of Congress may be the beneficiaries of a fallout; stay at home, or maybe go fishing on Election Day. Because, what do we have to represent us, from the Republicans, or, at this point, the Democrats?

Lyndon LaRouche was wronged. But it sends a message not just to those of us who have held office, or still hold office, but it sends a message to the hopelessness, and the despair, of the poor and dispossessed, the disadvantaged individuals. The question was raised: Why is it that people treat some people the way they do? And it's because they are knocked down, kicked down, walked over, stomped—especially by the party that supposedly has traditionally been sensitive to the needs of the peoples of the United States.

So, I'm here to ask you, those who will be going to the Convention, to have a plank inserted in the platform, repudiating the call of Jack Keeney, Jr., whose father is the architect of Operation Fruehmenschen, that doctrine that perilled and prosecuted minority officials throughout these United States. Fascist, to say the least. But certainly someone who actually represents the Democratic National Committee, not a Democratic lawyer; someone who raised this, to have this act declared unconstitutional. If there is going to be any relief for this century, it's going to take us all to work toward making America what we all want it to be, and what we all know it can be, and what we know it should be.

And the Democratic Party is indispensable. I have been a lifelong Democrat, as I'm sure many or most of you. And if there's any relief for the peoples of these United States, I still say it's through this party. And I still say it's through full participation under the Voting Rights Act, for those who had been traditionally locked out, and kept out, but [were] brought into the system. That now their voices—seated in legislative halls throughout the United States—and certainly, if ever there is a time for those voices to be heard, to raise the kinds of sensitive issues that deal with human dignity, and human rights, it's now.

So that is what we are here asking you to do. Thank you.

Let Us Expose the DOJ 'Permanent Bureaucracy'

by Judge Ira Murphy

Mr. Murphy is a former General Sessions Judge and former State Representative, from Memphis, Tennessee.

Mr. Chairman, and distinguished panelists, I just want to briefly follow up on one of the statements made by Senator Mitchell, and that's on this doctrine, as he has characterized it, of Operation Fruehmenschen.

I'm sure some of you have heard about this doctrine. We just want to highlight it, and do everything we can to get it on the agenda, on somebody's agenda, and perhaps the place to start would be at the Democratic Convention.

Essentially, what we're seeking is a restructuring of the Department of Justice. Maybe some of you are not aware of the fact, that they have in place there, a permanent bureaucracy, and it's this bureaucracy that runs the department. The bureaucracy runs [Attorney General] Janet Reno. And this is

an element that most Americans are not aware of.

The operation began, as we believe, under the late Richard Nixon, and J. Edgar Hoover, and it has continued since that time. For a long number of years, we suspected that there was an orchestrated, and organized, conspiracy to harass and berate black appointed and elected officials. Dr. Mary Sawyer did an extensive investigation on this, and published two very distinguished works. But in about 1988, an FBI agent came forward, and gave Congressman [Mervyn] Dymally [D-Calif.] a sworn affidavit that the Department of Justice had a policy of investigating, without probable cause, black appointed and elected officials. So, this was a fundamental violation of the due-process rights.

Congressman Dymally then went before Congress, and tried to get an oversight hearing. And ever since that time, he was unable to do it, and we are here ten years later—or better—still trying to get an oversight hearing on this permanent bureaucracy in the Department of Justice. Because essentially, what that was about, was intimidating the black and minority community, black and minority officials who moved aggressively in the community. And, of course, the targets that they usually selected, were those who had high visibility, aggressive leadership, and were a threat to the system.

And there was no discrimination in the selection of targets. The targets ranged from mayors, Congressmen, judges, you name it. Some of the investigations show now that perhaps over 300 black and minority officials have been investigated at some time or the other. And of course, it rolled into this Administration. Several of the cabinet members have been investigated, beginning with Secretary [of Commerce Ron] Brown, and ending with Secretary [of Housing and Urban Development Alexis] Herman, and others, where a Special Counsel has been appointed. So, aside from besmirching the reputations of these people, they tried to bankrupt them. So, these are some very iniquitous consequences of this permanent bureaucracy.

Now, most people out here don't know about the permanent bureaucracy. When it comes out, everybody is shocked. But there is a pattern. Of course, I'm primarily familiar with the pattern with Congressman Harold Ford [D-Tenn.], and Congressman Mike Espy [D-Miss., former Secretary of Agriculture], because they were mid-South Congressmen. But, it always begins with a leaked story from the Department, and then after the story is leaked, we have FBI agents running around for approximately a year and a half, two years, gathering dirt, etc. Then, after that procedure, we have a grand jury inquisition for about a year. So, all this time the victim is expending precious resources, and then, finally, we have a trial. And in the case of Congressman Ford, they brought the trial—it first started in Knoxville, 400 miles away from the man's home. And then after several appeals, steadily exhausting the Congressman's funds, it was finally moved to rural West Tennessee, out of the Shelby County area.

But this is just an illustration of the malevolence involved in this type of prosecution. And essentially, it's still a denial of due process.

But, at this point, it's time that this community do something about the permanent bureaucracy, and as Senator Mitchell has indicated, it's going to take a vigorous effort, and a coalition, on the part of all of us. But we've not been able to really get after the permanent bureaucracy for a host of reasons. Of course, fear is one of them. But, I think it's probably due to the strategy of the Department itself. Because, what



It's time that this community do something about the permanent bureaucracy. . . . Because, what you see happening here, is that a black official is attacked over here, maybe in California, another one is attacked in Pennsylvania. . . . It's somewhat of a stealth strategy to destroy the black leadership, and intimidate the black communities and would-be black officials.—Ira Murphy

you see happening here, is that a black official is attacked over here, maybe in California, another one is attacked in Pennsylvania. So, you never have the focus where you can alarm the community. The targets are selected at disparate places, and disparate times. So that, it's somewhat of a stealth strategy to destroy the black leadership, and intimidate the black communities and would-be black officials.

So, until we formulate a strategy, and get this to the public's attention, it's going to go on, and the only question is, who is next? It could be you, your Congressman, anyone at this time. So, my purpose is to urge this hearing to formulate some type of strategy where we can put together a coalition to expose this permanent bureaucracy. They need to be exposed. We need a hearing. We need the Democrats to bring this issue forward, to put it on the front burner, and let's expose this permanent bureaucracy for what they're doing to our community.

Discussion: The Threat to Constitutional Law

State Rep. Coy Pugh: Thank you, Mr. Chairman, and thank you, Judge and Senator for affording us this opportunity to spend some time with you.

Judge, you referred to this bureaucracy. Could you elaborate on who makes up this permanent bureaucracy?

Judge Ira Murphy: Essentially, it's in the Office of Internal—I think it's called Internal Security. These are officials who are not appointed by the Attorney General; they are the ones who have civil service status. They go from administration to administration. I don't have my notes with me on the point, but I believe it's in Internal Security.

And I might mention that the last victim was, of course, State Rep. Ben McGee [of Arkansas], who was alleged to have had improper conduct, but he was really just a lobbyist for an organization of the state, but they were in some way able to twist that into a criminal act, and they're just criminalizing acts that have been nothing more than business as usual, and they've taken them and turned them into criminal acts.

Representative Pugh: Well, I don't know if you're familiar, or have watched politics in Chicago, but there were several Fruehmenschen-type of projects. I think that one that's significant is the Silver Shovel. One of the individuals that survived that, happened to be a Latino Representative, and he was exonerated, but he made a statement on the House floor one day, that at any given time, the FBI can convict any elected official of a series of various crimes, because the nature of politics, the nature of what we do as elected officials, is corrupt. And so, I don't think it's so much a matter of the business as usual; it's who does the business as usual. And it's usually the minority representatives, or elected officials, that get caught up in crossing that line, that nebulous line.

Judge Murphy: Well, as Senator Mitchell has indicated in some correspondence, it's really selective prosecution. And it's selective prosecution for the most aggressive and visible minority politician. If you're highly visible, if you're a threat to the system, if you can move something, if you can change something, or you're a threat to something, then you are a target. You are a target.

State Sen. Theo Mitchell: If I may add something on this. In South Carolina they set up a so-called sting operation in 1989, shortly after I announced I was running for governor. And out of that, they caught over half of the Black Caucus, literally destroyed the seniority that the members had worked for. They set it up, tried to bait me. By God's grace, I didn't bite. But a few of the majority legislators took some of the

bait. Consequently, 27 people were convicted and went to jail.

After I ran for lieutenant governor in 1994, and was looking quite successful, then they went back eight years on a transaction I did as a lawyer, and brought it to the forefront, and threatened my staff and me with jail for money-laundering. Consequently, I had to take the fall on a misdemeanor, and a Republican judge gave me 88 days, and I was stripped of my seat in the Senate, without a hearing, on a misdemeanor charge.

Jack Keeney, Sr., the Deputy Assistant Attorney General, is in charge of this. He, along with J. Edgar Hoover and Richard Nixon, formulated this policy, put it in place. And I sent a letter to the National Association for the Advancement of Colored People—some of you have seen that letter—outlining in part the African-Americans and Latinos who actually had been victimized by this nefarious program. What it does is, it puts a glass ceiling over minorities' heads, to where if

The Speakers Roster

The following is the full list of those who presented testimony to the Ad Hoc Hearings on June 22. Several of the speakers also served on the panel of legislators. Affiliations are for identification purposes only.

Panel I. The Economic Crisis

Terri Bishop, director, Community for Creative Non-Violence Homeless Shelter, Washington, D.C.

Greg Blaska, director, National Dairy Board; local director, Wisconsin Farm Union; Sun Prairie, Wisc.

George "Bill" Burrows, member, State Committee of the Farm Service Agency, Adams, Nebraska.

Robert Cebina, vice president, UAW Local 723, CAP Council Representative; Monroe, Michigan.

State Sen. Carlos Cisneros, chairman, Senate Ways and Means Committee, New Mexico Legislature; Questa, N.M.

State Rep. Thomas Jackson, chairman, Agriculture, Forestry, and Natural Resources Committee, Alabama Legislature; vice-chairman, Agriculture Committee, National Conference of State Legislatures; Thomasville, Ala.

E. Martin "Marty" Jewell, chairman, Richmond Coalition on Housing, Virginia.

Lyndon H. LaRouche, Jr., Democratic Presidential pre-candidate; economist; *EIR* Contributing Editor.

V.B. Morris, National Secretary, American Agricultural Movement, Texas.

you're going to become a threat to the system, then the system squeezes you like an orange, and puts you out of business, and destroys you, if it can, and will put you in Federal prison. That is a system that is alive and well. The NAACP literally turned its back on my proposal for them to do something about it, and they didn't.

And since that did come up, as the judge said, [former HUD Secretary] Alexis Herman was the latest. Ben McGee, of course we know about that, and to point out, [Transportation Secretary] Henry Cisneros of Texas. You can go down the list. You've even got Alcee Hastings, a seated Federal judge, among many other legislators, members of Congress, and city councils, and mayors, and what have you.

These are fascists, these are Nazis, these are people who have stood behind that young Keeney, Jr. to turn the clock back, to maintain the status quo, and to destroy any and all African-Americans, Latinos, and other minorities, who dare

raise their hand, their voices, on issues, and show that they are human beings, and have a sensitivity for people. This is a very vicious, vile, and evil system, that must be destroyed.

State Rep. Ernest Newton: Thank you, Senator Mitchell, it's good to see you. And I do recall '89. I was a newly elected Representative, and had the privilege to go to Miami. And the things that the FBI did down there, were despicable, where they bugged our rooms, and they did all kinds of things to catch some of our colleagues.

My question is: Has the Congressional Black Caucus, seeing that most of them came from the National Black Caucus of State Legislators — and, as you're aware, we've tried to address this issue at our conventions — have they done anything, seeing the kinds of things that are happening, to try to address this issue on the Hill?

Senator Mitchell: Not to my knowledge. The only one who

Melvin Muhammad, State President, AFSCME, Nebraska.

Randy Sauers, dairy farmer, Middletown, Maryland; Executive Board, Mid-Atlantic Egg Council and Executive Board, Maryland/Pennsylvania Dairymen's Association.

State Rep. Ed Vaughn, first vice chairman, Michigan Legislative Black Caucus; Detroit.

Louis Whitehead, president, Portsmouth Central Labor Council, AFL-CIO; Portsmouth, Virginia.

Panel II. Health Care

Dr. Kildare Clarke, MD, associate director, Emergency Room, Kings County Hospital, Brooklyn; Doctors Council, New York.

Alphonso Coles, National Black Leadership Initiative on Cancer, Washington, D.C.

Joe Jones, City Councilman, Cleveland, Ohio.

Dr. Abdul Alim Muhammad, MD, Medical Director, Abundant Life Clinic Foundation; Minister of Health, Nation of Islam; Washington, D.C.

Dr. Ray Terry, Director of Health Research, University of Maryland.

State Rep. LeAnna Washington, member, Health and Human Services Committee; Judiciary Committee, Pennsylvania Legislature; Philadelphia; chair, Philadelphia Black Elected Officials.

Chet Wray, former State Assemblyman; chairman, United Auto Workers Retirees, California.

Panel III. Constitutional Law and Justice

Congressman Mervyn M. Dymally, former chair-

man, Congressional Black Caucus, Los Angeles, Calif.

John Gilliam-Price, National Speaker, Campaign to End the Death Penalty, Baltimore.

Most Rev. Thomas Gumbleton, Roman Catholic Auxiliary Bishop, Detroit.

State Rep. Harold James, chairman, Subcommittee on Crime and Corrections, Judiciary Committee, Pennsylvania Legislature; Philadelphia.

Father Richard McSorley, S.J., director, Center for Peace Studies, Georgetown University, Washington, D.C.

State Sen. Theo Mitchell, former Democratic nominee for governor of South Carolina; Greenville.

Judge Ira Murphy, former State Rep., former General Sessions Judge; Memphis, Tennessee.

State Rep. Ernest Newton, Deputy Majority Leader, Connecticut Legislature; Bridgeport.

State Rep. Coy Pugh, chairman, Revenue Committee; member, Committees on Human Services; Appropriations-Public Safety, Illinois Legislature; Chicago.

Delegate William P. Robinson, chairman, Transportation Committee; member, Judiciary Committee, Virginia House of Delegates; Norfolk.

Barry Scheck, Esq., professor, Benjamin N. Cardozo School of Law; co-founder, Innocence Project; member, National Commission on the Future of DNA Evidence; New York City.

Bryan Stevenson, executive director, Equal Justice Initiative of Alabama; assistant professor, New York University School of Law; Montgomery, Ala.

William Taft, National Juneteenth Observance Foundation, Washington, D.C. representative and legislative affairs chairman.

did anything was Congressman Dymally. And I understand that there are several members of the Black Caucus who did not run again, from some of the states that some of you represent, because they were told by the FBI, that if you run for re-election, we're going to launch an investigation, and we're going to indict you. Some of you know some of the people I'm talking about. And they choose other paths to follow.

As had been stated, at any point in time, dirt can be dug up where a "t" hasn't been crossed, or an "i" hasn't been dotted, on us, and that's why a lot of members of the Congressional Black Caucus, and the National Black Caucus of State Legislators, are silent.

Judge Murphy: I think Senator Mitchell made a valid point. Several of our distinguished Congressmen have not run, because of the threat. And this is the evilness of this whole Department: the intimidation. It's the intimidation first, of the black minority community, and intimidation of future officials. And they've squeezed out some of our distinguished and influential people, whose names you would know.

Senator Mitchell: Debra Freeman just reminded me, that when Congressman Ford was put on trial the second time, some members of the Congressional Black Caucus did go to the Justice Department, to complain about the forum-shopping, for the lynching. They were threatened with being indicted for obstruction of justice.

State Sen. Joe Neal: Mr. Mitchell, you mentioned the Voting Rights Act, and the nullification of that particular act, and for my friends who are on this panel, who were elected as a result of that act, would you further elaborate for us, just what you mean about the nullification of that particular act?

Senator Mitchell: Certainly. The argument advanced by attorney, Keeney, Jr., was that from a dissenting opinion that was written by Justices Scalia, Rehnquist, and "Uncle Tom" Thomas, wherein they raised the question of the constitutionality of the Voting Rights Act. And Judge Sentelle bought this argument. He was the chief judge presiding on the panel, and consequently wrote the opinion, wherein it was stated that the Democratic Party was a private club; it could choose anyone it wanted. It bought the idea that, like the Jaybird primaries of the '40s and the '50s, or the all-white primaries in the South, and particularly how they impacted against the minorities—that they didn't have to take anybody in, that they could exclude anyone they wanted to, and consequently, while not ruling that it was unconstitutional, the court bought the argument of this lawyer, which, with two more judges on the Supreme Court, could, in fact, have it declared unconstitutional. So, the seed has been planted in the Supreme Court, about this particular act, and how it was raised by a Republican representing the Democratic National Committee, and Don Fowler, and ironically, the Democratic Party.

Senator Neal: Am I correct in understanding that along

about 1968, thereabouts, that certain provisions were slipped into the Federal statute, to allow them to interpret this to say that that act was repealed? Is that what is happening here? I see Mrs. Freeman shaking her head, "no."

Senator Mitchell: I don't think it was. It has to be renewed every ten years. And it's always a fight. Always a fight to renew it—it's every ten years.

Senator Neal: Has the act been renewed?

Senator Mitchell: It has been renewed twice. It will be up in the next couple years, I believe. When will it be up again? It was in '65 that it passed—'75, '85—so, it's been renewed three times. It would be 2005.

Senator Neal: I guess, it must have been something I was reading—I don't recall at the moment—but some law professor was researching this particular act, and he found that the act was repealed. I think it came out of the University of . . . one of the western states, I believe it came out of the state of Utah, that interpreted some statute—I don't recall the citation of the statute—that somehow this act had gotten repealed. But, that was not the case?

Senator Mitchell: Not yet. It hasn't been. It would die automatically, if it wasn't renewed.

Senator Neal: On what basis? Well, answer this question for me. On what basis, then, was it determined that the Democratic Party is a private club?

Senator Mitchell: That was the argument that was advanced in 1948, during the Jaybird primaries—

Senator Neal: I understand that—

Senator Mitchell:—when blacks tried to get into the party, and it was called a private club doctrine. And this is the argument that was advanced by Keeney, and was bought by the court. And the court called it a private club, similar to a private club.

Senator Neal: And that simply then means, I gather then, that whoever is controlling that club, determines what policy that the club would operate under?

Senator Mitchell: The chairman of the Democratic National Committee has the power to be able to determine who is a Democrat, and who isn't. Who can run for President, and who can't. And can nullify anyone elected to represent someone that they call "unfavorable," someone who they don't want. Like Lyndon LaRouche. And don't seat them at their state conventions, and strip them of their credentials. And just this past week, Arkansas is in court now, because LaRouche had 53,000 votes, and the chairman of that particular party sent out his edict: If you seat any of them, they're going to be stripped of their credentials, and not seated at the state, nor at the national, Democratic Convention. And that was the letter,

that was the act taken by Don Fowler, who was then chair of the Democratic National Committee, in 1996, when he sent this letter to all members of the Democratic Central Committee, and said that if you seat anybody that supports Lyndon LaRouche, you can't be seated as a delegate.

Senator Neal: Let me ask another question if I may, Mr. Chairman. If it has been decided that the Democratic Party is a private party on the national level, does it then necessarily follow that the state parties become branches of that particular party?

Senator Mitchell: That's in essence what that decision said, yes.

Senator Neal: So! Well, I just wanted to get that clear.

Senator Mitchell: We're in trouble this year, in November.

State Rep. Erik Fleming: Are there any other questions for the gentlemen? . . . We thank you all for coming. We appreciate all that you do. And we're going to allow you to be excused at this point, and we're going to go on. . . .

Preventing Convictions of Innocent People

by Bryan A. Stevenson

Mr. Stevenson is the executive director of the Equal Justice Initiative of Alabama, and assistant professor at the New York University School of Law. His testimony was previously presented to the U.S. Senate Judiciary Committee on June 13, under the title "Post-Conviction DNA Testing and Preventing Wrongful Convictions of the Innocent." We publish excerpts here. Footnotes have been omitted.

I greatly appreciate the opportunity to address the important legislation pending before this Committee. The "Innocence Protection Act" or Senate Bill 2073, is an enormously important step forward in the effort to improve the administration of criminal justice in the United States. The advent of DNA testing technology has dramatically advanced forensic science as applied to law enforcement and criminal investigations. However, notwithstanding our ability to now identify some innocent people who have been wrongly convicted of a crime, there are several procedural and technical obstacles that prevent many imprisoned people from proving their innocence through DNA evidence. By creating an appropriate and efficient mechanism for post-conviction testing and by affording indigent people with the essential assistance

of counsel, S. 2073 provides much-needed reform in a critical area where the demands of justice are most compelling.

DNA Testing

It is now clear that DNA testing is a highly accurate method of identification. It is significantly more accurate than blood, hair or semen tests, which were the primary methods of scientific identification used before DNA testing became widespread. As a result of improved DNA testing techniques and more reliable testing protocols, forensic scientists and lab investigators can now make definitive determinations about the identity of someone's blood, hair, semen, and other genetic evidence. This technological advance has revolutionized pre-trial and trial proceedings in criminal prosecutions in the last five years. Forensic scientists can offer dramatically greater assurances in some cases that the accused is guilty of the crime for which he or she has been charged. Similarly, in the last several years, DNA testing has prevented hundreds of wrongful prosecutions against people suspected of committing a violent crime who were in fact innocent. Law enforcement agencies across the country now routinely send DNA samples to the Federal Bureau of Investigation for testing in any case involving the arrest of someone for rape or rape-murder. As has been previously reported, of the first 18,000 results analyzed by the FBI labs, DNA testing excluded the suspect in 26% of the cases. This evidence of error regarding those whom the police wrongly suspected of committing a serious violent crime compels more effective use of DNA testing in the post-conviction context and makes the elimination of testing barriers absolutely crucial.

As an attorney who has primarily represented capital defendants and death row prisoners for 15 years, I am very impressed with the revealing influence of DNA testing in some capital cases. In new capital cases, it is rare that an aggravated rape-murder or sexual assault case is prosecuted without some effort to introduce DNA test result evidence. There have also been dozens of cases where people suspected of capital crimes have been cleared pre-trial as a result of DNA tests.

Post-Conviction DNA Testing

In the post-conviction context, DNA testing has proved somewhat more complicated. Because DNA testing was not readily utilized in many jurisdictions until after 1994-1995, there are many people who have been wrongly convicted of crimes in the 1970s and 1980s who are still in prison. Some of these wrongly convicted prisoners could be exonerated by DNA testing if a procedural mechanism were available to assist both in facilitating a test and in providing the necessary relief if the test result revealed that the imprisoned applicant was not guilty. While dozens of imprisoned people have already won their release after DNA testing established

their innocence, many others have been blocked from DNA testing because post-conviction remedies are no longer available to them.

Many states have statutes of limitation which bar new evidence claims in post-conviction proceedings. Many innocent people have been unable to obtain adequate legal representation to secure a test and have an attorney advocate on their behalf. Consequently, many innocent men and women remain imprisoned or under a sentence of death. Each month the effort to provide relief to these wrongly convicted prisoners is undermined by the destruction of biological material necessary to conduct DNA testing. The failure of some law enforcement agencies to preserve scientific evidence has eliminated any hope for some wrongly convicted prisoners to prove their innocence.

The Innocence Protection Act provides for important new procedures and requirements that would address many of the problems currently preventing the identification of wrongly convicted prisoners through post-conviction DNA testing. . . .

The Innocence Protection Act will do much to restore confidence in many criminal cases where biological evidence can resolve lingering questions about guilt or innocence. Our nation's status as the world's leading democracy and our activism on human rights in the international context requires us to take all steps possible to protect against wrongful convictions and execution of the innocent. Improved procedures for post-conviction DNA testing will tremendously aid the goal of a more reliable and fairer administration of criminal justice. However, it is worth keeping in mind that DNA testing will touch a relatively small subset of cases where innocent people have been wrongly convicted. Improved access to DNA testing for prisoners will be useful only in those cases where 1) biological evidence can determinatively establish guilt or innocence, most notably rape, rape-murder, and sexual assault cases, 2) the accused is still in prison or on death row and, most likely, had his case tried before 1994, and 3) the biological evidence has been preserved and is still available for testing. This is a relatively fixed and finite universe of cases. . . .

In my state of Alabama, it is estimated that only 23 of the 187 people who are currently on death row have been convicted of murders aggravated by rape or sexual assault where biological evidence may be determinative of guilt. In 10 of the 23 cases where death was imposed, the trials took place after 1994 when DNA evidence was presumably available and utilized. While DNA evidence may sometimes prove useful in cases where the condemned has not been convicted or charged with an accompanying rape or sexual assault, a reasonable presumption exists that post-conviction DNA testing will be meaningful in only about 6% of death penalty cases in Alabama. The availability of physical evidence and the credibility of an innocence claim based on

other evidence will further reduce the viability and likelihood of post-conviction DNA testing in these cases. . . .

In Alabama, the death row population has doubled in the last ten years. There are dozens of death row prisoners who are without legal representation and who cannot present compelling claims that their convictions and death sentences are legally and factually invalid. While state law permits an Alabama circuit court judge to appoint a lawyer for post-conviction proceedings, the law does not authorize any appointment of counsel until after a petition has been filed. Petitions cannot typically be filed until the case has been investigated and a lawyer has expended hundreds of hours of work. Even with appointment, state law in Alabama limits compensation for appointed counsel to \$1,000 per case. This rate is so extraordinarily low that no lawyer can reasonably take on one of these difficult cases unless he or she is willing to represent the client for what amounts to *pro bono* service. . . .

Mobilize to Stop the Death Penalty

by John Gilliam-Price

Mr. Price is from Baltimore, Maryland.

I am John Gilliam Price, national speaker for the Campaign to End the Death Penalty. I am an abolitionist, an advocate, and an educator. I've distributed copies of *The New Abolitionist* to each of you on the panel; I'd like to ask that at your leisure, you review them. Inside *The New Abolitionist*, I have five reasons to oppose the death penalty.

I was asked to speak specifically on the racial disparities of the death penalty, but as a national spokesperson, in seeking abolition or a moratorium on the death penalty, I cannot separate the racial disparity issue from the other four issues, which are that the death penalty is racist; the death penalty punishes the poor—it is not just a racial issue, but we also find that it is a class issue; the death penalty condemns the innocent to die; the death penalty is not a deterrent to violent crime; and finally, that it is cruel and unusual punishment.

Having heard the previous speakers, and having been in session all day, we find that these issues are supported through every argument—whether it's economics or health care—we see that there seems to be a master plan, for some reason. Why they leave the death penalty on the books—I could, jokingly, say that I am happy to be before the delegation of the South African [apartheid] government, because that is what this country is moving toward: a system of genocide, a system

of apartheid, in arresting, in incarcerating, and, ultimately, executing those who oppose the system.

We should ask ourselves, is it strange for a case like *LaRouche v. Fowler* to take place, where they nullify the Voting Rights Act of 1965? Is that strange? When we have heard about the FBI investigation that targets the black legislators, the black elected officials, is that strange?

What we see is that the government is going into a new stage of defining who is, or who will be, the criminals. On one hand, we see they have a surplus of prisons, and prison spaces. We have heard those testify that it's a thin line, being a politician, of whether or not you are criminally right, or criminally wrong, and at any time they could bring up charges, and place you into that institution. Well, if they can bring up these charges and place you into those institutions, then who is to say that they won't say that you have now committed a crime which is worthy of death? And this is what we need to look at.

In 1961 in Maryland, there was a study commissioned by a Congressperson there by the name of Murty. Murty found that, in 1961 — just to show that we're at the same place now, historically — in 1961, blacks in Maryland were 95% more likely to be executed than whites. Ninety-five percent more times likely to be executed. Maryland has the most racist death row rate now.

I was going to use an example, if I could, that this panel before us today represents Maryland's death row, where we have one white male, and the majority blacks or other nationalities. And this is how it is in Maryland. But we find that the murders that are taking place are 50% [against blacks]. However, as the facts show, only in the white cases — when the victims are white — are the defendants being sought after more aggressively. It's not that the blacks are doing more of the crime, or committing more of the crimes, it's only that they are being sought after more aggressively.

So, when you look at the whole continuum, whether from racial profiling, to "driving while black," to where you look at our school systems, and our educational systems, where dollar-for-dollar in Maryland, the justice system money is being increased, and the educational system money is being decreased. Where you see that white youth are receiving treatment for their offenses, where you find that the black youth, for loitering, and other things — they're being incarcerated, for the same, or similar, type offenses.

There was also a Maryland "Report Card" done by Prof. James Liebman [of Columbia University School of Law, as reported in "A Broken System: Error Rates in Capital Cases, 1973-1995"]. The Report Card showed that Maryland has a 100% overall error rate in its death row population. One hundred percent error! And the way they break that down is, you go through the different stages of appeals. So if you have 60 cases, on the first direct appeal, 57 of those cases were overturned. These were men that were going to be sentenced

to die! Fifty-seven of those cases were overturned! On the second appeal, you went down to two, and finally, on that last appeal, when the *habeas corpus* relief was granted, then you would have that final sentence overturned. So that if the cases were given the proper representation, the fairness in the courts that is due each and every one of us, if they were given that chance — you've heard of your colleagues being removed from office without hearings and without cases — but if these convicted, or alleged criminals were given the proper legal proceedings, they too would not be there. Not to say that there



I'm in the percentage group of 18- to 35-year-old black males in America, and I should be either in the penal system, coming out of the penal system, or heading into it. . . . I'm an innocent man sitting here before you—but I could be an innocent man sitting on your death row.

—John Gilliam-Price

aren't some who should be incarcerated because of the crimes they've committed.

And what I would like to ask, is that, even as Congressman Jesse Jackson, Jr. has done, to pass, or to introduce legislation, H.R. 4162, calling for a national moratorium, that those innocent may be removed from death row — we must make this our number-one priority, in this election. Whether you're a Democrat or Republican, this must be the number-one priority. Because if we allow them to execute the innocent, juveniles, those who are on death row because of jailhouse snitches, and for other offenses — then, it could be me today. I'm in the percentage group of 18- to 35-year-old young black males in America, and I should be either in the penal system, coming out of the penal system, or heading into it. I'm in the percentage group. That's why I carry my bag everywhere I go — so I know what's in my bag, who's near my bag, who touched my bag — because I *am* living in a state of paranoia. I'm an innocent man sitting here before you — but I could be an innocent man sitting on your death row. Thank you.

Europe Rallies against Summers's Madness

Since May, *EIR* has covered the fight of the nations of Asia, to protect their own existence against the wild economic aggressions of the United States, led by Treasury Secretary Larry Summers. Summers and his supporters are desperate to prolong the illusion of a boom in the so-called New Economy, the Internet, and the Nasdaq, long enough to try to elect the unelectable Al Gore. Their wild piratical raids have violated the "trilateral" alliance of Europe, Japan, and the United States, and also the remaining traditional U.S. regard for its Ibero-American neighbors. Summers's aggressions against Asia and the Japanese yen, continental Europe and the euro currency, and U.S. traditional allies in Ibero-America, such as Peru, have forced regional groupings to begin to organize themselves in self-defense.

In Asia, this and previous issues of *EIR* have covered the Chiang Mai, Thailand, agreements of May 6-8, the Inter-Korean Summit in Pyongyang on June 13-14, the Organization of the Islamic Conference meeting in Kuala Lumpur, Malaysia, on June 27-30, and other moves in Asia to consolidate in mutual defense. At their core, this has been a China-Japan rapprochement in mutual defense, and defense of Asia generally.

Now, just within the past two weeks, continental European defensive moves against Summers's insanity have come into the open, around actions by the government of France. U.S. Secretary of State Madeleine "Madwoman" Albright had organized a so-called "Towards a Community of Democracies" conference in Warsaw, Poland, on June 25-27, with pirate financier George Soros. The project, modelled on the world-government schemes of Albright's idol, British intelligence figure H.G. Wells, was that those countries approved by Albright as true "democracies," would form a world council to sit in judgment on all other countries, threatening them with sanctions or even war, unless they remodelled their policies to her liking.

Albright and her minions were taken aback when France refused to go along. French Foreign Minister Hubert Védrine was reported to be furious. He refused to put France's name on Albright's statement, after first inviting American reporters over to the French Ambassador's residence to hear his reasons.

At just the same time, French President Jacques Chirac was visiting the new German capital of Berlin, and addressing the German parliament, the Bundestag. What he said was quite unprecedented: No one representing the French state had spoken this way since German unification. He harkened back to a speech President Charles de Gaulle had given on his German visit in 1962: Franco-German reconciliation is the core of the European Union (EU). Europe's task is once again, after the devastation of the war, to become a factor of international politics, equal to the United States and to the other superpower. In doing so, Europe has a special obligation to contribute to the development of the globe as a whole through scientific and technological progress. Then, speaking for himself, Chirac said that an efficient balance between national and federal sovereignty must be found, based on a firm, clear commitment to the nation-state, and the rejection of Europe as a supranational superstate.

He said that a "pioneer" or "avant-garde" group should be formed within the EU to deal with questions of economic growth and social stability, as well as monetary stability. The group should also deal with foreign policy and security and defense policy.

Chirac spoke on June 27. So alarmed was British Prime Minister Tony Blair, that he invited himself to Berlin on June 29, to discuss the Franco-German initiative with Chancellor Gerhard Schröder. One is reminded of Albright's sudden trips to China and South Korea the previous week, after the results of the Inter-Korean Summit became known.

On June 28, French Finance and Economics Minister Laurent Fabius endorsed the "Tobin tax" on financial transactions in the French National Assembly, as part of a program to re-regulate runaway financial markets.

In the same fashion, the end-stage of financial collapse dominates all U.S. domestic controversies. The schemes to support deprivations by HMOs and banks, which the Republican U.S. Congress is trying to enact under the cover of Medicare "reform," HMO "reform," and personal bankruptcy "reform," are the same thing as Summers's pirate raids against America's overseas allies. Will Americans put up with it? Probably not.

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Thursdays—4:30 pm

COLORADO

- DENVER—Ch. 57
Sat-1 pm; Tue-7 pm
Daily—8 pm

CONNECTICUT

- CHESHIRE—Ch. 15
Wednesdays—10:30 pm
- GROTON—Ch. 12
Mondays—10 pm
- MANCHESTER—Ch. 15
Mondays—10 pm
- MIDDLETOWN—Ch. 3
Thursdays—5 pm
- NEW HAVEN—Ch. 28
Sundays—10 pm
- NEWTOWN/NEW MIL.
Charter Ch. 21
Thursdays—9:30 pm

DIST. OF COLUMBIA

- WASHINGTON—Ch. 25
Sundays—3:30 pm

GEORGIA

- ATLANTA
MediaOne Ch. 12/25
Mondays—2:30 pm

IDAHO

- MOSCOW—Ch. 11
Mondays—7 pm

ILLINOIS

- CHICAGO—Ch. 21*
- QUAD CITIES—AT&T
In Illinois: Ch. 6
In Iowa: Ch. 75
Mondays—11 pm
- PEORIA COUNTY
AT&T Ch. 22
Sundays—7:30 pm
- SPRINGFIELD—Ch. 4
Wednesdays—5:30 pm
(INDIANA)
- DELAWARE COUNTY
Adelphia Ch. 42
Mondays—11 pm

MICH. CITY—Ch. 99

- Mondays—10 pm

KANSAS

- SALINA—CATV Ch. 6
*Love, Unity, Saves**

KENTUCKY

- LATONIA—Ch. 21
Mondays—8 pm
- DULUTH—Ch. 24
Wednesdays—8 pm
- LUISVILLE—Ch. 70
Fridays—2 pm

LOUISIANA

- ORLEANS PARISH
Cox Ch. 6
Tue., Thu., Sat.
2:30 am & 2:30 pm

MARYLAND

- A. ARUNDEL—Ch. 20
Fri. & Sat.—11 pm
- BALTIMORE—Ch. 5
Wed.: 4 pm, 8 pm
- MONTGOMERY—Ch. 19/49
Fridays—7 pm
- P.G. COUNTY—Ch. 15
Mondays—10:30 pm
- W. HOWARD COUNTY
MidAtlantic Ch. 6
Monday thru Sunday—
1:30 am, 11:30 am,
4 pm, 8:30 pm

MASSACHUSETTS

- AMHERST—Ch. 10*
- BOSTON—BNM Ch. 3
Thursdays—3 pm
- GREAT FALLS
MediaOne Ch. 6
Mondays—10 pm
- WORCESTER—Ch. 13
Wednesdays—6 pm

MICHIGAN

- BATTLE CREEK
ATT Ch. 11
Mondays—4 pm
- CANTON TOWNSHIP
MediaOne Ch. 18
Thursdays—6 pm
- DEARBORN HEIGHTS
MediaOne Ch. 18
Thursdays—6 pm
- GRAND RAPIDS
GRTV Ch. 25
Fridays—1:30 pm
- LAKE ORION
AT&T Ch. 65
Alt. Weeks: 5 pm
Mon., Wed., Fri.
- LANSING
AT&T Ch. 16
Tuesdays—4:30 pm
- PLYMOUTH—Ch. 18
Thursdays—6 pm

MINNESOTA

- ANOKA—Ch. 15
Thu.—11 am, 5 pm,
12 Midnight
- COLUMBIA HTS.
MediaOne Ch. 15
Wednesdays—8 pm
- DULUTH—Ch. 24
Wednesdays—10 pm
- HERMAPTOWN—Ch. 12
Tue. btw. 5 pm - 1 am
- ST. LOUIS PARK—Ch. 33
Friday through Monday
3 pm, 11 pm, 7 am
- ST. PAUL—Ch. 33
Sundays—10 pm
- ST. PAUL (NE burbs)*
Suburban Community
Ch. 15

MISSISSIPPI

- JACKSON
T/W Ch. 11/18
Mondays—3:30 am

MISSOURI

- ST. LOUIS—Ch. 22
Wed-5 pm; Thu.-Noon

MONTANA

- MISSOULA—Ch. 13/8
Sun-9 pm; Tue-4:30 pm

NEBRASKA

- LINCOLN
Time Warner Ch. 80
Citizen Watchdog
Tue-7 pm; Wed-8 pm

NEVADA

- CARSON CITY—Ch. 10
Sun-2:30 pm; Wed-7 pm
Saturdays—3 pm

NEW JERSEY

- MONTVALE/MAHWAH
Time Warner Ch. 27
Wednesdays—5:30 pm

NEW MEXICO

- ALBUQUERQUE
Jones Ch. 27
Thursdays—4 pm
- LOS ALAMOS
Adelphia Ch. 8
Sundays—7 pm
- MONTEZUMA
Mondays—9 pm
- TAOS
Adelphia Ch. 2
Mondays—7 pm

NEW YORK

- AMSTERDAM—Ch. 16
Mondays—7 pm

BROOKHAVEN

- (E. Suffolk)
Cablevision Ch. 1/99
Wednesdays—9:30 pm
- BROOKLYN—BCAT
Time Warner Ch. 35
Cablevision Ch. 68
Sundays—9 am
- CORTLANDT/PEEKS.
MediaOne Ch. 32/6
Wednesdays—3 pm
- HORSEHEADS—Ch. 1
Mon., Fri.—4:30 pm
- HUDSON VALLEY
MediaOne Ch. 62/90
Fridays—5 pm
- ILION—T/W Ch. 10
Saturdays—12:30 pm
- IRONDEQUOIT—Ch. 15
Mon., Thu.—7 pm
- ITHACA—T/W
Ch. 78: Mon.—8 pm
Ch. 78: Thu.—9:30 pm
Ch. 13: Sat.—4 pm
- JOHNSTOWN—Ch. 7
Tuesdays—4 pm
- MANHATTAN—MNN
T/W Ch. 34; RCN Ch. 109
Alt. Sundays—9 am
- NASSAU—Ch. 71
Fridays—4 pm
- NIAGARA FALLS
Adelphia Ch. 24
Tuesdays—4 pm
- N. CHAUTAUQUA
Gateway Access Ch. 12
Fridays—7:30 pm
- ONEIDA—T/W Ch. 10
Thursdays—10 pm
- OSSINING—Ch. 19/16
Wednesdays—3 pm
- PENFIELD—Ch. 12
Penfield Community TV*
• Poughkeepsie—Ch. 28
1st, 2nd Fridays—4 pm
- QUEENS—OPTV
Channel 35:
Tue., Jul. 11: 1 pm
Channel 57:
Mon., Jul. 24: 1 pm
Mon., Jul. 31: 2 pm
- QUEENSBURY—Ch. 71
Thursdays—7 pm
- RIVERHEAD—Ch. 27
Thursdays—12 Midnight
- ROCHESTER—Ch. 15
Fri-11 pm; Sun-11 am
- ROCKLAND—Ch. 27
Wednesdays—5:30 pm
- SCHENECTADY—Ch. 16
Tuesdays—10 pm
- STATEN ISL.—Ch. 57
Thu-11 pm; Sat-8 am
- SUFFOLK—Ch. 25
2nd, 4th Mon.—10 pm

SYRACUSE—T/W

- City: Ch. 3
Suburbs: Ch. 13
Fridays—8 pm
- TRI-LAKES
Adelphia Ch. 2
Sun.: 7 am, 1 pm, 8 pm
- UTICA—Ch. 3
Thursdays—6 pm
- WATERTOWN—Ch. 2
Tue: betwn. Noon-5 pm
- WEBSTER—Ch. 12
Wednesdays—8:30 pm
- WESTFIELD—Ch. 21
Mondays—12 Noon
Wed., Sat.—10 am
Sundays—11 am
- W. MONROE
Time Warner Ch. 12
4th Wed.—1 am
- W. SENECA—Ch. 68
Thu.—10:30 pm
- YONKERS—Ch. 71
Saturdays—3:30 pm
- YORKTOWN—Ch. 71
Thursdays—3 pm

NORTH CAROLINA

- MECKLENBURG
Time Warner Ch. 18
Saturdays—12:30 pm

NORTH DAKOTA

- BISMARCK—Ch. 12
Thursdays—6 pm

OHIO

- FRANKLIN COUNTY
Ch. 21: Sun.—6 pm
- OBERLIN—Ch. 9
Thursdays—7 pm
- REYNOLDSBURG
Ch. 6: Sun.—6 pm

OREGON

- CORVALLIS/ALB.
AT&T Ch. 99
Tuesdays—1 pm
- PORTLAND—AT&T
Ch. 27: Tue.—6 pm
Ch. 33: Thu.—3 pm
- SALEM—ATT Ch. 28
Tuesdays—12 Noon
Thu.—8 pm; Sat.—10 am
- SILVERTON
SCANV Ch. 10
Alt. Tuesdays
12 Noon, 7 pm
- WASHINGTON—ATT
Ch. 9: Tualatin Valley
Ch. 23: Regional Area
Ch. 33: Unincorp. Towns
Mondays—5 pm
Wednesdays—10 am;
Sundays—10 am

RHODE ISLAND

- E. PROVIDENCE—Ch. 18
Tuesdays—6:30 pm

TEXAS

- EL PASO—Ch. 15
Wednesdays—5 pm

UTAH

- GLENWOOD, Etc.
SCAT-TV
Ch. 26, 29, 37, 38, 98
Sundays—about 9 pm

VIRGINIA

- ARLINGTON
ACT Ch. 33
Mondays—4:30 pm
Tuesdays—9 am
- CHESTERFIELD
Comcast Ch. 6
Tuesdays—5 pm
- FAIRFAX—Ch. 10
Tuesdays—12 Noon
Thursdays—7 pm
- LOUDOUN—Ch. 59
Thursdays—7:30 pm
- PRINCE WILLIAM
Jones Ch. 3
Mondays—6 pm
- ROANOKE—Ch. 9
Thursdays—2 pm
- SALEM—Ch. 13
Thursdays—2 pm
- STUARTS DRAFT
WPMG-TV Ch. 17
Adelphia Ch. 13
Saturdays—2 pm

WASHINGTON

- KING COUNTY
AT&T Ch. 29/77
Thursdays—3 pm
- SPOKANE—Ch. 25
Wednesdays—6 pm
- TRI-CITIES
Falcon Ch. 13
Mondays—Noon
Wednesdays—6 pm
Thursdays—8:30 pm
- WHATCOM COUNTY
AT&T Ch. 10
Wednesdays—11 pm
- YAKIMA—Ch. 9
Sundays—4 pm

WISCONSIN

- KENOSHA—Ch. 21
Mondays—1:30 pm
- MADISON—Ch. 4
Tue-2 pm; Wed-8 am
- MARATHON COUNTY
Charter Ch. 10
Thursdays—9:30 pm;
Fridays—12 Noon
- OSHKOSH—Ch. 10
Fridays—11:00 pm

WYOMING

- GILLETTE—Ch. 36
Thursdays—5 pm

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What's behind all the hysteria against China?

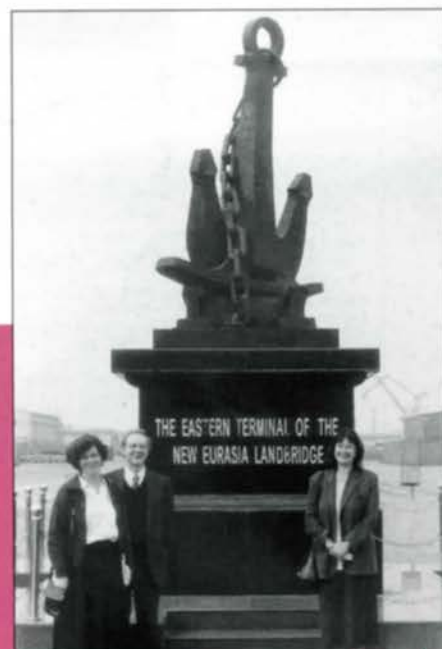
China wants to buy *trillions of dollars* worth of U.S. capital goods, for the great infrastructure project of the 21st century, the Eurasian Land-Bridge. But the British-led financier oligarchy, determined to prevent such collaboration at any cost, has unleashed its mad dogs in Congress, to wreck President Clinton's efforts to forge a mutually beneficial partnership with China.

The Eurasian Land-Bridge

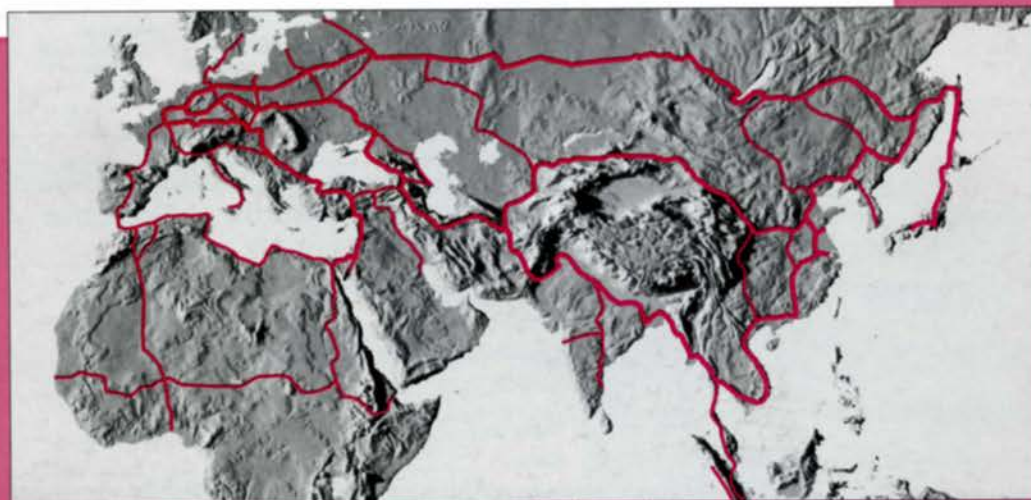
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Helga Zepp-LaRouche (right), known as "the Silk Road Lady," has played a major role in organizing worldwide support for the Eurasian Land-Bridge. She is shown here with Schiller Institute associates at Lianyungang Port in China, October 1998.



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