

# EIR

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Revive the Statecraft of David Ben-Gurion  
FAO Reports Severe Global Food Deficits  
CFR Sets Agenda for 'National Emergency' Rule

## Temple Mount Fanatics Foment A New Thirty Years War

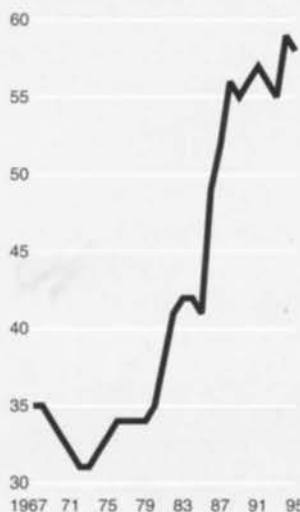


# EIR Doesn't Print What's Popular, But Prints The Truth

## The Truth About The Real Economy

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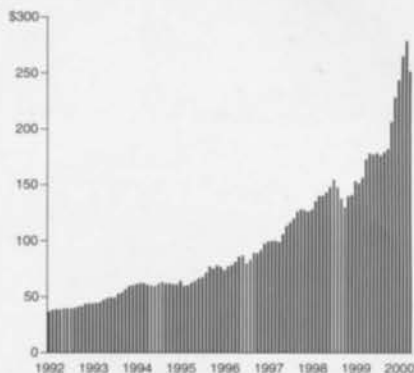
includes finance costs



## The Truth About Their Policies

## The Truth About The Bubble

Stock Market Margin Debt, 1992-2000  
(billions \$)



## LaRouche: Call Them 'The Baby Doomers'



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Make checks payable to EIR News Service Inc.  
P.O. Box 17390, Washington, D.C. 20041-0390.

Founder and Contributing Editor:

*Lyndon H. LaRouche, Jr.*

Editorial Board: *Lyndon H. LaRouche, Jr.,  
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*World Wide Web site: <http://www.larouchepub.com>  
e-mail: [eirns@larouchepub.com](mailto:eirns@larouchepub.com)*

*European Headquarters: Executive Intelligence Review  
Nachrichtenagentur GmbH, Postfach 2308,  
D-65013 Wiesbaden, Bahnstrasse 9-A, D-65205,  
Wiesbaden, Federal Republic of Germany  
Tel: 49-611-73650. Homepage: <http://www.eirna.com>  
E-mail: [eirna@eirna.com](mailto:eirna@eirna.com) Executive Directors: Anno  
Hellenbroich, Michael Liebig*

*In Denmark: EIR, Post Box 2613, 2100 Copenhagen ØE,  
Tel. 35-43 60 40*

*In Mexico: EIR, Río Tiber No. 87, 5o piso, Colonia  
Cuauhtémoc, México, DF, CP 06500. Tel: 208-3016 y 533-  
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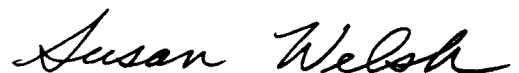
## From the Associate Editor

**E**xactly five years ago, on Nov. 4, 1995, Israeli Prime Minister Yitzhak Rabin was assassinated by a crazed terrorist associated with the conspiracy to rebuild Solomon's Temple on the site of the Dome of the Rock in Jerusalem, one of Islam's holiest shrines. Rabin was killed for his heroic role in bringing about the Oslo Accords, which set into motion the peace process with the Palestinians. Today, we see Rabin's legacy up in flames, as the same British-steered Temple Mount fanatics, led in Israel by Ariel Sharon, are determined to drown the peace process in blood, and whose provocations in turn have brought to the fore the most radical wing of the Palestinians.

Our *Feature* is a double-barrelled attack against this rapidly developing nightmare. First, Harley Schlanger and Steven Meyer document the historic battle-lines within Zionism, between, on the one side, David Ben-Gurion, who based himself on the humanist tradition of philosopher Moses Mendelssohn; and, on the other, the self-proclaimed fascist Vladimir Jabotinsky. It is the heirs of these two traditions who are today fighting it out for the soul of Israel: the one to revive the peace effort; the other to exterminate as many Arabs as possible. Second, an *EIR* investigative team presents never-before-published information on the Temple Mount conspiracy, tracing its invention in Venice and London, and featuring the collaboration of "Vladimir Hitler" Jabotinsky, the cabbalistic Rabbi Kook, and the Quatuor Coronati freemasonic lodge.

We expect this issue to receive especially wide circulation, and call on our readers to help in that process.

The editors are pleased to announce the imminent release of a new book by Lyndon H. LaRouche, Jr., titled *NOW, Are You Ready To Learn Economics?* It will include several of LaRouche's recent writings, first published in *EIR*: "Trade without Currency," "The Becoming Death of Systems Analysis," and "People First!" All are on the theme of what must be done, after the global financial and monetary system crashes. The book will also have a chronology of LaRouche's forecasts, a biography of the world's leading economist, and a 14-page section of charts on what is *really* happening with the world economy — contrary to the lies of Alan Greenspan.



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## UN FAO Reports Severe Global Per-Capita Food Deficits

by Marcia Merry Baker

This year, on Oct. 16, World Food Day, the United Nations Food and Agriculture Organization (FAO) released the latest edition of its periodic report, “The State of Food Insecurity in the World—When People Live with Hunger and Fear Starvation” (SOFI 2000). The findings estimate both how many millions are without adequate food, and where hunger is most intense. These statistics are a rebuttal to those still speaking of the mythical U.S. model of “economic boom,” or free-trade “prosperity,” or prospective benefits of globalization.

According to the report, 826 million people around the world do not get enough to eat, including 792 million in developing countries, and another 34 million in industrialized countries and in countries the UN describes as “in transition.” These statistics for people lacking food, are in the same range as what the FAO tallied in its previous survey. In 1996, the FAO made global hunger estimates, and at the World Food Summit that Autumn, encouraged nations in pledging to reduce hunger. While still paying lip service to the mythical “prosperity globaloney,” the FAO’s press release on its latest report said, “These figures represent essentially no change since the last count—a sad indictment of the world’s failure to respond adequately in a time of unprecedented plenty.”

### More Free Trade, Less Food

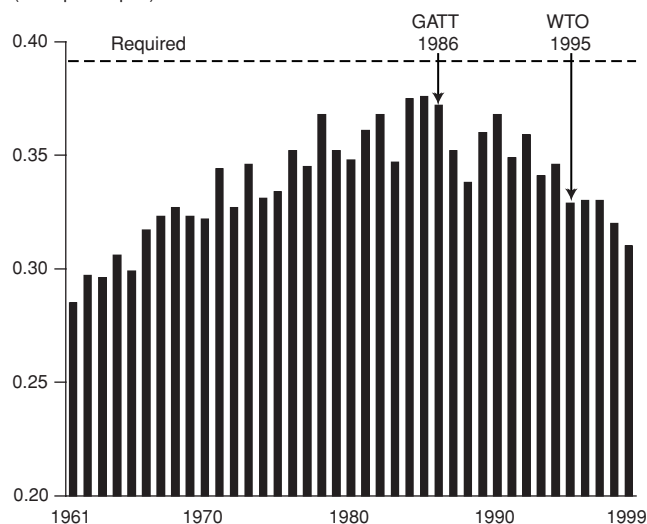
Leaving aside the FAO’s obligatory rhetoric about “plenty,” the picture is clear that the more dominant globalized free trade policies have become—as opposed to real physical economic development of nations (infrastructure, agriculture, and industry)—in recent years, the *less food per capita* has been produced. **Figure 1** shows how production of total annual world cereals (wheat, corn, rice, millet) has declined per capita. During the 1960s through the early 1970s, there was a continuing increase in grains per capita, both for direct consumption, and indirect consumption (animal protein cycles), as well as for reserve stocks, allowance for spoil-

age, aid supplies, and so on.

As of 1986, the year of the initiation of the General Agreement on Tariffs and Trade talks (“Uruguay Round”), and then the subsequent years of negotiations for the World Trade Organization, beginning in 1995, grain output per capita has been in decline.

The level of 40% of a ton is a reference point for what should be the minimum output per capita, to ensure sufficient quantities of cereals to meet needs. Think of 14 bushels a year, or about 850 pounds of cereals—enough for direct consumption of processed foods, plus some for indirect consump-

FIGURE 1  
**World Cereals Production Declines, 1961-1999**  
(Tons per Capita)



Sources: UN FAO, EIR.

tion (through the animal protein chain), plus additional amounts for food security.

At this rate of per-capita cereals supplies, for a world population of more than 6 billion people, there should be at least 3 billion tons of cereals annually—merely half a ton per person. In fact, there has never been more than 2 billion tons. In September this year, the FAO's *Food Outlook* report estimated that world cereals production in 2000 will be 1.881 billion tons, an increase of only 0.3% over 1999 output.

The forecast for the 2000 rice crop is for 398 million tons (milled basis), which is 1.5% less than last year's record crop. Overall, global cereals stocks are forecast to be drawn down to their lowest levels in four years, causing the stock-to-use ratio to fall below the minimum level the FAO considers necessary to ensure world food security.

This puts into perspective the fraudulent claims which U.S. grain farmers are being told, namely, that it is their "over-production" of corn and other products, that is causing a glut, and low prices. Such myths go along with the choke-hold over prices and the food chain exerted by the commodity cartel companies.

### Severe Hunger in Africa

The new FAO report has also attempted to quantify the varying depths of hunger in different parts of the world. A chart is presented, titled "The Deepest Hunger," of the 23 countries showing where the undernourished (not the population as whole) have the greatest dietary energy deficit—expressed in kilocalories per person per day. This depth of hunger figure is measured by comparing the average amount of dietary energy (kilocalories) that undernourished people get from the foods they eat, with the minimum amount of dietary energy they need to maintain body weight and undertake light activity. The greater the food deficit, the greater the susceptibility to nutrition-related health risks.

In numbers, there are more chronically hungry people in Asia than in any other region, but for depth of hunger, the severity is greatest in Sub-Saharan Africa. In 19 out of 46 Sub-Saharan countries assessed in the report, the undernourished have an average food deficit of more than 300 kilocalories per person per day.

The FAO's per-capita "hunger listings" read as a forthcoming death toll. The following are some of the countries where the undernourished are suffering the most extreme average daily per-person food deficit: Somalia, 490 kilocalories; Afghanistan, 480; Haiti, 460; Mozambique, 420; Burundi, 410; Liberia, 390; Democratic Republic of Congo, 380; Sierra Leone, 380; Eritrea, 370; Niger, 350.

Hartwig de Haen, Assistant Director General of FAO's Economic and Social Department, said that the SOFI 2000 thus pinpoints groups most vulnerable to hunger. "This refining of information is an important tool for policymakers. It will allow them to move forward in a more focussed way, directing their actions and resources more precisely and effectively to the places where the need is greatest," he said.

Of course, the lack of concerted international action on hunger to date, has not resulted from lack of targeted information. Nevertheless, the new report gives stark regional specifics. In the Horn of Africa, for example, regional cycles of hunger are afflicting some 70 million people. On Oct. 27 in New York, the Horn of Africa food crisis was on the agenda of the conference of the Administrative Committee on Coordination, comprised of the heads of 26 UN organizations. In April this year, UN Secretary General Kofi Annan established an inter-agency task force to try to respond to the area's long-term food security crisis.

In the foreword to the food insecurity report, FAO Director General Dr. Jacques Diouf notes that "what we need to do is adopt more urgent, targeted measures, quickly." He called for action on four measures, including to "address conflict," which he called, "the cause of the deepest hunger in most of the poorest countries of the world." Second, Diouf said, "We must make the investments needed to build foundations for long-term sustainable growth and poverty reduction." Third, "Countries and their development partners must target the people who are suffering the deepest hunger." Last, he called for orienting "agricultural research toward improvement of agricultural commodity production."

### Central Asia: 'Famine'

Among the regions of the world facing acute food shortages is Central Asia. The new FAO report highlights persistent hunger in member-nations of the Commonwealth of Independent States, where in nine out of twelve of these former Soviet countries, at least 5% of the population suffer from malnutrition. In Armenia, Azerbaijan, Georgia, and Tajikistan, the level is 20% or higher. Diouf said that Armenia, Georgia, Tajikistan, and Uzbekistan currently have "a very serious situation." The latter two nations are located in Central Asia, which is suffering the worst drought in 75 years. The FAO report talks about "a breakdown of agricultural production and marketing systems, spiralling inflation, temporary bread shortages and, in several instances, outright conflict."

A report in the Oct. 26 London *Independent* reported on the suffering in Tajikistan, which is simultaneously experiencing armed clashes on its border with Afghanistan, and facing the prospect of a flood of Afghan refugees from the northern provinces of that country.

In southern Tajikistan, on the arid plains where the Amu Darya (Oxus) River has run dry, people expect to have to eat their seed corn just to survive the next three months, which will then leave no means to plant next year's crop. According to the UN, 3 million of Tajikistan's population of 6.2 million people "already face severe food shortages." One UN official was quoted saying, "The country will become like Somalia." Tajikistan had a developed network of pumping stations for water from the high mountain rivers during the Soviet period, but these are in disrepair. This year some farmers harvested corn crops that totalled less than the amount of seed they had planted.

# New Junk-Bond Crisis Radiates Globally

by William Engdahl

Amid the proclamations from financial traders, such as Goldman Sachs market guru Abby Joseph Cohen, that the “market correction” is over, the underlying reality is anything but tranquil. While the Dow “industrial” stocks may climb a bit higher, in what market pros cynically call a “suckers’ rally,” a credit crunch in the global market for high-risk corporate bonds is radiating out of the debt-choked U.S. and European telecoms and Internet companies, across the world. With Argentina and the Philippines the focus, the world is right now on the brink of a new debt crisis in the emerging markets.

Ironically, the latest international bond market crisis is erupting just as the “Group of 20” central bankers and finance ministers met on Oct. 24-25 in Montreal to discuss “how to reduce vulnerabilities in financial crises.” Little news came out of those talks.

Many of the economies which were worst hit during the global crisis of 1997-98, are once more about to explode into new, far more dangerous debt crises. This time, the artificially soaring dollar is likely to be the trigger, as dollar-short, oil-importing developing economies are driven to the brink.

Simultaneously, the euro, the single currency of 11 members of the European Union, continues to fall to daily new lows, now down 29% against the dollar since its January 1999 launch. The euro’s troubles are bringing a political and monetary crisis closer, in the world’s second-largest economic domain, further adding to institutional instability.

## Junk-Bond Gridlock

The epicenter of this deepening global financial crisis is located in the corporate bond market—more specifically, the market for high-risk bonds issued by companies. Over the past five years or so, especially in the United States, many new high-tech startup companies have gone to the high-yield corporate bond market to raise capital for various Internet and related ventures which otherwise would have had trouble getting capital. The Internet revolution in the United States is built upon this mountain of high-yield bonds. In the bond market, these high-interest bonds are referred to as “junk bonds,” as they turn into worthless junk for the holder, in the not-too-unlikely event of the corporation’s bankruptcy.

Over the past two months, interest rates in junk bonds have risen to 8% on average above that for comparable U.S. Treasury bonds, a jump of 1.5%. Many firms have to pay interest of 14% or more on such bonds, or face bankruptcy.

With a slowing economy and several highly public bankruptcies in telecom companies in recent weeks, banks have all but cut credit to such high-risk firms.

The situation is becoming alarming enough that Moody’s credit rating agency chief economist John Lonski warned on Oct. 18: “The third quarter of 2000 was the tenth straight quarter in which U.S. corporate credit quality weakened, with downgrades outnumbering upgrades by two to one.” Speaking of junk-bond issuers, he said, “Speculative-grade-rated [i.e., junk-bond-rated] companies contributed the bulk of the quarter’s downgrades. A slowing of domestic expenditures; higher costs for credit, energy, and labor; the lagging performances by the economies of Japan and Europe; and a strong dollar all create additional challenges to credit quality for U.S. firms.” Lonski also pointed out that “not since 1989 have speculative-grade credit-rating revisions incurred so worrisome a deterioration. 1989 coincided with the approach of the credit crunch and recession of 1989-92.” Ironically, that recession is widely credited with having cost George Bush re-election in 1992.

The corporate U.S. bond market has ballooned over the past decade amid declining government deficits, to the point that the \$4.5 trillion of total U.S. corporate bonds outstanding now exceeds the \$3.5 trillion total of U.S. Federal debt traded in public. Much of the growth has arisen from the dubious practice by corporate treasurers of issuing bonds to raise money to buy their own stock back, which gave a major boost to share prices in the late 1990s. The problem is, it has left companies with extremely dangerous debt levels.

Of this \$4.5 trillion in corporate U.S. bonds outstanding, some \$800 billion, according to informed estimates, is low-grade, high-risk speculative “junk.” In another study of the “Refunding Risk for Speculative Grade Borrowers: 2000-2002,” Moody’s points out that many companies which have issued junk bonds “may have difficulties rolling over” those bonds as they come due. They point out that, while “both speculative-grade bond and bank debt should be manageable in 2000,” an “increase in total maturities and the large percentage of unsecured bank debt maturing in 2001 and 2002 increases refunding risk.”

In short, the crisis in the junk-bond market is just beginning. William Gross, the head of PIMCO, a California-based investment company which is now part of the German Allianz insurance group, and the world’s largest bond fund, warned investors on Oct. 17, that they should avoid corporate bonds “at any cost.” He said that the junk bond portion of the bond market is “in for some grim reappings in the next month, and in the next few quarters,” and recommended the safety of government Treasury bonds or government-guaranteed bonds such as Ginnie Mae—of course, some months after he himself had moved his money there.

However, the troubles are not restricted to the U.S. corporate bond market. According to one estimate by Bridgewater Associates, a U.S. economics research firm, a global dollar



shortage is rapidly developing, aggravated by the soaring price of crude oil, which by Organization of Petroleum Exporting Countries rules must always be sold in dollars. According to this estimate, "The United States is now absorbing about 70% of the net savings of all surplus countries combined." This is in turn creating the kind of crisis which a soaring yen created in 1996-97 for the Asian currencies.

The shortage of cheap dollars means that oil-deficit developing economies, many just staggering out of the International Monetary Fund-induced depression of 1997-99, must pay exorbitantly high interest costs to borrow dollars to import oil. Countries such as South Korea, Taiwan, Peru, Thailand, Argentina, Malaysia, Bulgaria, the Philippines, and Turkey are all facing a new liquidity crisis. To date, it is not yet to the breaking point of 1998, but it is getting there, fast.

Worst hit are developing economies with high dollar debt compared to their Gross Domestic Product. Aside from the basket-case economy of dollarized Ecuador, among the worst are Chile, Bulgaria, Thailand, Argentina, Indonesia, the Philippines, Peru, and Brazil.

"Argentina is the country to watch," says Bridgewater Associates in a recent statement. "It is the bellwether; it could be the first to go. It has an exchange rate pegged to the dollar,

so its competitiveness is eroded by dollar strength." Written into Argentina's Constitution is a mandate to have a currency board which ensures a rigid peso-dollar link. Bridgewater continues, "It has a sizable amount of dollar-denominated debt, a slug coming due over the next year; interest on dollar debt is now over 3% of GDP, and principal payments coming due are large. The economy is stagnant and deflation exists. So, Argentina needs to come up with lots of dollars at a time that they are especially hard to come by. Classically, the next move is to devalue and stimulate monetary growth, but that is not an option. Deflate, contract, or default are the more viable alternatives."

The default of Russia on its sovereign bonds in August 1998 was the trigger which set off the worst crisis in global financial markets since the end of World War II. Today, an estimated \$1 trillion in dollar-denominated high-yield or high-risk bonded debt of emerging economies hangs over the global financial system. One or more defaults, or new debt crises at this point, could set off a chain-reaction collapse. Bonds, unlike stocks, are the securities at the heart of the global money mechanism. A full-blown bond-market crisis, notes City of London bond strategist S.J. Lewis, "for this reason strikes at the very heart of the global credit system."

## Smithers: Asset Bubble Is Worse than 1929

British consultant Andrew Smithers, head of London's Smithers & Co. firm, told *EIR* on Oct. 20, that the U.S. equity market is now "probably three times" what it should be, and that this "is very frightening, much worse than the asset bubble of 1929." He stressed that "a good central banker would do anything possible to avoid an asset bubble," but U.S. Federal Reserve Chairman Alan Greenspan has done exactly the opposite, creating "the worst asset bubble in modern history."

Smithers concurred with *EIR's* assessment, that Greenspan has allowed an excessive expansion of the money supply, and seems anxious to keep the stock market from collapsing. He wishes, perhaps, to avoid going down in history as the man whose policies led to a major crash. But, paradoxically, he noted, "the more Greenspan postpones the crash, the worse the eventual crash will be, because of the massive build-up of debt."

Smithers recently co-authored a book, with Cambridge University economist Stephen Wright. In the Oct. 20 discussion, he stressed that "the asset bubble has driven down savings. The household sector is not saving, and the cash

deficit of the U.S. private sector is 6% of GDP. The growing deficit on current account, is financed by vast flows of debt. The debt is expanding, because the bubble is, necessarily, debt-financed." He noted that lenders are becoming "increasingly nervous," as seen in Europe, over the telecom sector, and the pressure by European banking regulators on banks, because of the increase of telecom debt. In the United States, Deputy Comptroller of the Currency Nancy Wentzler recently predicted that this year would show a 50% increase in banks' delinquent commercial loans.

Smithers noted, that in both the United States and Great Britain, the major buyers of shares are companies, which is why the debt is rising so rapidly. Respecting the U.K., he has recently co-authored a report, entitled "Britain: The World's Largest Hedge Fund," in which he shows how Britain has become an enormous beneficiary of the asset bubble. He said, "We are almost a mono-economy. As with the Saudis and oil, so it is with us and financial services. As the Americans would say, we have been living high on the hog, from the asset bubble. We are, actually, in far worse shape than is being acknowledged. The current account is being held up, despite a massive trade deficit, because of the very big income from abroad, which comes from financial services. Meanwhile, we have negative external assets. Such a situation cannot go on for long."

—Mark Burdman

# Palestinian Economic Decline Fuels Unrest

by Muriel Mirak-Weissbach

People watching film reportage of the renewed uprising in the Palestinian territories, might ask themselves: Who are those children throwing stones, and why? One aspect of the conditions fomenting the rage behind the resistance (Intifada), is economic. Poverty breeds rage, frustration, and despair. And they breed violence.

The single most important feature of the 1993 Oslo peace accords between the Palestinians and the Israelis, were the economic annexes, which outlined ambitious plans for bilateral and regional economic cooperation, including important infrastructure projects, necessary to build a viable Palestinian state economy. Had these projects, especially those related to large-scale infrastructure, and water production through desalination, been realized, a solid basis for further cooperation would have been laid. The Palestinian population, especially those who have lived three generations in refugee camps, would have experienced real, positive change, and hope would have begun to replace despair.

As *EIR* has documented repeatedly in the interim, almost none of the projects materialized. Instead of experiencing economic progress, in terms of a visibly improving material standard of living, the Palestinian population has become economically worse off since 1993.

With the outbreak of violence, triggered by Ariel Sharon's provocative visit to Al-Haram Al-Sharif, on Sept. 28, an already precarious economic condition was worsened, as a result of the Israeli measures taken to close off the Palestinian territories.

A humanitarian aid worker active in a Palestinian refugee camp in Nablus, was quoted in the Spanish daily *El País*, on Oct. 22, describing the imminent danger of a hunger crisis, following the three-week blockade of foodstuffs into the zone, by the Israeli authorities. "This is intolerable," the aid worker said, "almost everything is lacking." He added that "the deterioration of the conditions of life were aggravating the situation, increasing the aggressivity of the inhabitants and their hatred against the Israeli security forces."

The article documented that it is not just the 36,000 refugees in Nablus, but also those in Gaza, who lack "food products, especially milk and yogurt, which they imported directly from Israel. Also lacking are sugar, flour, meat, and frozen fish, according to inhabitants of the region."

A report compiled by the Office of the United Nations Special Coordinator, on "The Impact on the Palestinian Econ-

omy of the Recent Confrontations, Mobility Restrictions and Border Closures," in the period from Sept. 28 to Oct. 19, has put together a picture of the crisis, showing that "productive activities and the international circulation of goods" have been disrupted, producing the main negative impact. The estimated losses in total Palestinian Gross Domestic Product, which was otherwise expected to reach about \$5 billion this year, equivalent to \$16 million per normal working day, will instead be 50% of that, or about \$8 million per day, for the period affected by the restrictions.

In addition to the losses in the internal economy, "the border closures have effectively halted the outward flow of Palestinian labor," who have jobs inside Israel. This labor force, about 125,000 Palestinians, has been reduced by 53% in the designated period, which has increased unemployment from 11% in the first semester of this year, to 30%. Exports from Gaza have been blocked, and those from the West Bank, "constrained." About \$1.9 million per day in exports to Israel have been lost, and imports, from Israel as well as from other countries, have been negatively affected, having a significant impact on the GDP.

The UN report adds in losses resulting from physical destruction of private and public assets, "caused by Israel's use of heavy weapons, including rocket fire, against numerous buildings and vehicles and the destruction of fruit orchards near flash points in the Palestinian territories," and concludes that the aggregate economic losses amount to about \$186.2 million. To put this figure in perspective, it notes, "These losses exceed the value of donor disbursements to the Palestinian Authority during the first half of the year, which were \$183 million."

The crisis has furthermore required larger outlays in hospital costs, and has brought development projects to a "near halt" due to security considerations.

## Peace Betrayed

As *EIR* has documented, the agency which sabotaged the Oslo agreement's economic promise, was the World Bank, which, in December 1993, issued a report defining which projects were viable and which not. Large infrastructure projects were rejected across the board, in favor of small, labor-intensive programs aimed at "repairing existent infrastructure"—in areas, like Gaza, where no meaningful infrastructure existed. Projects for hotels, and even casino gambling, were promoted, in place of urgently needed basic infrastructure, including housing. Although the construction sector was the fastest growing during 1993-98, the housing that was built was for upper-income brackets, leaving the majority of the population with inadequate, crowded living quarters. What has been accomplished in the period since 1993, in construction, is largely due to private investors, including many Palestinians from abroad.

The other source of funds has been the "donations" made by donor countries and institutions. The pledges have been

TABLE 1

## Poverty Rates in the West Bank and Gaza Strip, 1995-97

(Percent)

Area	MOPIC Study Families Below Poverty Line, 1997	MAS Study Population Below Poverty Line		Increase
		1995	1997	
West Bank and Gaza Strip	30.2%	19.1%	20.1%	5.2%
West Bank	16%	10.5%	11.1%	5.7%
Gaza Strip	38%	36.6%	40.4%	10.9%

Source: PDP 1998-2003.

ambitious, but the actual funds released and allocated for projects, has been consistently below the mark.

In addition, the “free movement of individuals and goods to and from the PA territories,” which had been guaranteed in the articles of agreement with the Israeli government, has not been respected, and the permanent restrictions on movement, have, according to the “Palestinian Development Plan 1998-2003” (PDP), “also complicated the implementation of the economic agreement signed between the PLO [Palestine Liberation Organization] and the Israeli government to regulate the economic relations between both sides during the interim period.” Although freedom of movement had been accorded, “the Palestinian side was not permitted to establish direct geographical relations with the Arab neighboring countries, and to import and export some commodities through international non-Israeli crossing points.” This limited the PA’s ability to reach international markets and to implement trade agreements.

The PDP, issued in 1998, stated, “The performance of the Palestinian economy has seriously deteriorated over the past five years,” and cites World Bank and UN estimates, that “the real GNP increased by 4.7% during the period 1993-97, while the population grew approximately 27.1%.” And thus, “GNP per capita decreased by more than 17.5% during that period. The greatest part of this decline in the standard of living is attributed to the forced unemployment which thousands of Palestinian workers experienced as a result of losing their jobs in Israel.” Per-capita GDP “decreased by about 16.2% during that period.”

### Growing Poverty

The result of the deteriorating economic conditions, is growing poverty. Two studies done on poverty, one by the Ministry of Planning and International Cooperation (MOPIC) and another by the Palestine Economic Policy Research Institute (MAS), documented the increased poverty, from 1995 to 1997, in Gaza and the West Bank (**Table 1**).

Further economic indicators depicting the deterioration of overall conditions, are those related to investment. Due to political uncertainties and risks, “The total investment rate dropped by more than 50% during the period 1992-96, and the share of total investment expenditure to GDP dropped from 30% to 14% during the same period.” The sharpest drop was in private investment, whereas public investment, mostly from the donors, “has more than doubled during the period 1993-1997,” as did its share of GDP, going from 3% to 6%. It still does not compensate for the drop in private investment, however.

Unemployment is particularly severe, and has the most deleterious social effects. “Historically,” the PDP wrote, “the unemployment rate rarely exceeded 5%.” In 1993 and 1994, due to closures, it went up to 10% and 15%. By the end of 1995 and early 1996, it was at 20%; in March and April, during closures, it reached 50%. Thereafter, it went down to about 16% in 1998.

Due to the inadequate and unbalanced construction programs, whereby private investors built deluxe housing, and public investment, through the World Bank-directed programs, did not target low-cost housing, “About 28% of families live in overcrowded conditions with over three persons per room, and 30% of families live in units with two families or more.”

Finally, in education, although very significant improvements have been made under PA direction, with schools built and others repaired, and more teachers hired, still there are an average of 43 students per classroom, at all levels, and “43% of all existing schools have severe shortages in basic services such as water, electricity, or toilets.”

Putting the picture together, one sees a rapidly growing Palestinian population, of 2.89 million, in 1997. About 47% of the population is under the age of 15. The manpower available, considering 15 years as the cut-off age, was 1.3 million in 1997, but the labor force was only 545,000. Employment perspectives are dim.

### Political Disappointments

If one adds to this picture, the political disappointments since 1993, of unimplemented agreements, and, as Palestinian Fatah Secretary General Barghouti put it, *faits accomplis* on the ground, with “new settlements, expropriations, confiscations of land,” one can calculate the corresponding increase in the rage factor. The provocation by Sharon in East Jerusalem, lit the fuse.

Those in the World Bank who blocked serious economic development, along with the U.S. Administration, which refused to force through economic progress, vectored on vast water desalination projects, and those in Israel, who have restricted Palestinian economic activities, including through the punitive use of the closure mechanism, should have no difficulty in answering the question: Who are those children, and why are they throwing stones?

# Physicist Offers Russia Lessons in Economics

by Rachel Douglas

Russian President Vladimir Putin evidently received some sound economic advice from the scientist he met with for an hour on Oct. 12. This person was not one of his economics advisers, but Academician Zhores (Jaures) Alfyorov, who two days earlier had received the Nobel Prize for Physics. It appears that not only is Dr. Maurice Allais, a physicist, the exceptional Nobel Laureate in Economics who promotes something other than quackery, but now we have also a Nobel Laureate in Physics, who is a better economist than most of the Nobel Laureates in Economics.

Alfyorov is vice president of the Russian Academy of Sciences, having worked for nearly half a century at the A.I. Ioffe Institute for Physical Technology, which he currently directs. Seventy years old, he is also an elected member of the Russian State Duma (lower house of parliament), sitting in the parliamentary group of the Communist Party of the Russian Federation (CPRF).

This year's physics Nobel was awarded jointly to Alfyorov and Herbert Kroemer (University of California at Santa Barbara) for research on semiconductors and lasers, and Jack Kilby (Texas Instruments), who developed the integrated circuit. They were hailed in the media as laying the basis for "the revolution in communications technology."

Alfyorov's response to receiving the Nobel Prize for Physics, was to speak out forcefully on good and bad economics. In interviews with Russian television and print media, Alfyorov spoke to the growing recognition in Russia, that the information-technology-based "New Economy," so much heralded in the West as well as the East, is a hoax. The Russian physicist concurred, citing his own work.

"Today, two-thirds of world finances is composed of capital [derived] from currency speculation, securities, bonds, etc.," Alfyorov was quoted in Moscow *Vedomosti* on Oct. 16. "As for existing systems of communications, to which I personally made a serious contribution—these are rather in virtual reality, while the real economy is reflected only by 10% of global capital. In the U.S.S.R., it was the real economy we were developing."

On Oct. 10, Alfyorov told TV interviewers, "I feel very proud for my country, for St. Petersburg, and for my beloved Ioffe Institute for Physical Technology. . . . I regard this award as a natural recognition of Soviet science. . . . I often read in papers that the Soviet Union was far behind the United States in electronics. Meanwhile, our institute discovered the princi-

ples now used in compact disks, solar batteries in space exploration, mobile phones. All of this resulted from our research on the properties of solids."

## Increase Funding for Science

What would he do with his prize, and how would he celebrate? asked ORT television. "I am going to spend part of the money on financing construction of a new scientific center in St. Petersburg. . . . How will I celebrate? I'll go to the State Duma and demand, once again, that budget spending for science be increased. I hope I'll be given the floor. I believe that the future of Russia is determined by its achievements in science and technology, and not in trade in oil and gas. I believe that the future of Russia is determined by physical science rather than by [financiers Boris] Berezovsky and [Vladimir] Gusinsky. . . . Just imagine: in the draft budget, 1.72% [of spending] is allocated for support of science, and 2.6% for the incompetent tax-collecting bureaucracy."

The next day, Oct. 11, Alfyorov did take the floor in the State Duma, where he has been a deputy for four years. (In 1996, he was elected as part of Viktor Chernomyrdin's Our Home Is Russia group, but he broke with Our Home—he says it was over dismissive statements about the accomplishments of the Soviet state, made by some of Our Home's younger members—and joined the CPRF group.) Speaking in the midst of the parliamentary debate on the 2001 budget, Alfyorov repeated his polemical question: "How is it possible that the Finance Ministry, which merely consists of bureaucrats, gets one and a half times more money than the entire science sector?" In 2000, he said, the latter figure was only 1.72% of all budget spending, as against 3.8% in 1998 and 7% in the Soviet period. An average scientific worker at, for example, the Ioffe Institute, receives a salary equivalent to \$80 per month.

According to *Vedomosti*, Alfyorov is urging re-examination of the better features of the Soviet "industrial sector-based management of the economy, on the basis of specialized ministries," each of which he compares with "a transnational corporation, having within its framework the whole range of science, from fundamental research to applied disciplines."

Alfyorov described his meeting with President Putin on Oct. 12, as "very productive," reported Itar-TASS. He stated that his aims for the discussion had been "500%" achieved.

In the latest round of the Russian budget fight, the Duma passed the second reading of the 2001 draft on Oct. 21, but only after the government agreed to some increase in spending on defense, science, agriculture, and education, and to reduce spending on foreign debt service—albeit by only a small amount. The increases, totalling 30 billion rubles (about \$1 billion), are matched by official acknowledgment of anticipated higher revenues, though not on the scale demanded by several opposition parties.

# Natural Gas Crisis Strikes Down Mexican Industry

by Paul Gallagher

During an Oct. 17-19 visit to the northern Mexico state of Nuevo León, to present Lyndon LaRouche's emergency government oil-trade proposal, I found that the industry of Mexico's north is being brought to its knees by the global hyperinflation in energy prices. Despite emergency meetings between Mexican state and federal officials on the subject, layoffs and shutdowns were ongoing. Some 40-60,000 workers were affected in each of the three states of northern Mexico—Nuevo León, Sonora, and Coahuila. Even the extremely labor-intensive *maquiladoras*, the hundreds of large-scale run-away shops from Monterrey to Nuevo Laredo assembling parts for re-export to the United States, are now being affected by the energy inflation crisis.

An increase in the regional price of natural gas by 150% in one year, has forced steel and chemical factories, large and small, to close, and iron ore is being shipped for smelting to Venezuela, where the natural gas price is fixed and regulated at \$1.60 per million btu. By comparison, the price in Mexico is \$4.75. After the initiation of the North American Free Trade Agreement (NAFTA) and the subsequent peso collapse in 1994-95, distribution of natural gas in Mexico was bought up by the Spanish conglomerate, Gas Natural. (In the same period foreign financial corporations bought up the entire Mexican banking sector.) Since the advent of Gas Natural into Mexico, the price of the fuel has tripled, including last year's 150% increase up to the price of West Texas Intermediate.

## No Relief

Delegations of business leaders and state governors, rushing to Mexico City on Oct. 18 and 19 for emergency meetings with federal ministers, were told by Finance Minister José Angel Gurría that there would be no relief. Either federal subsidies, or federal authorization to Pemex (the state oil company) to sell the gas at lower rates, would go against International Monetary Fund (IMF) dictate to the country, and against NAFTA. In fact, the devastating energy price increases will continue to escalate, as the Mexican price tracks upward the North American gas spot prices, which are headed to levels 25-30% higher during this Winter.

As I told all the audiences to whom I spoke, the new Canadian natural gas pipeline being brought into the United States this year by a conglomerate including Enron Corp., is a speculative vehicle for increasing U.S. prices along with

imports, even as the Texas prices are pulling Mexico's higher and higher. ENRON is meanwhile selling Mexican companies financial derivatives, as a "hedge" against the higher prices! And the huge new Chevron-Texaco oil giant is publicly aiming to lock up international distribution of a large part of Mexico's oil production. This is Texas Gov. George W. Bush's idea of an "energy NAFTA," in which *all* hemispheric supplies of petroleum products would be subject to the hyper-speculative futures markets in New York (the NY-MEX) and London (the International Petroleum Exchange).

The Mexican government (effectively, that of President-elect Vicente Fox) is simultaneously trying to privatize more state assets, to fill a new \$5 billion deficit-hole in this year's budget; withdrawing about \$35 million per day from the national money supply, in a strict IMF austerity plan; and claiming a 7% annual rate of GDP growth. In Monterrey this "growth" can be seen: Throughout the decade, new *barrios* have been growing up the foothills which surround the city. These new *barrios*, really Brazilian-style *favelas*, have no regular water or sanitation services and only jerry-built electrical and telephone services. Their inhabitants work for \$1 an hour in the *maquiladoras* which stretch for miles around the airport and off to the north of the city; or in little micro-factories that are suppliers to the *maquiladoras*, and pay even lower wages.



Paul Gallagher (left) and State Senator Joe Neal (D-Nev.) (right) attack deregulation and privatization during an Oct. 17-19 visit to the Mexican state of Nuevo León.



The Pemex installation in Veracruz, Mexico. Pemex could ignore the world market price for natural gas, and save its industry and its people.

## LaRouche's Policy Proposal

I travelled to Monterrey with Nevada's veteran State Senator Joseph Neal (D), currently the leading opponent among Western States' elected officials, of energy and electricity deregulation. Senator Neal has recently succeeded in stopping this year's scheduled deregulation of electricity in Nevada, and his policy views were sought by businessmen, journalists, and those in the economics profession. Our report of LaRouche's emergency proposal, for long-term government-to-government oil-trade agreements at fixed prices, was widely discussed in the media and at the State University of Nuevo León in Monterrey.

LaRouche's emergency proposal was first circulated in early September, reported in the Venezuelan media during the Organization of Petroleum Exporting Countries (OPEC) heads-of-state summit there later that month, and has become widely known in Europe since. LaRouche identifies the 1997-2000 hyperinflation in the U.S. dollar asset "bubble" as the cause of the sudden skyrocketing of oil and energy prices worldwide. The increases are not due to OPEC, but are the harbingers of an oncoming inflationary blowout of the dollar and dollar-dominated financial markets. Urgent agreements "against the markets" between producer and consumer governments, for long-term trade of technology for oil products (at stable prices), would not remove the *cause* of the hyperinflation, but they would collapse its most virulent flank, and could be the stepping-stone to new monetary agreements among nations, eliminating the IMF and removing the cause of the speculative cancer.

The entire cause of the hyperinflation and looming dollar crash, and the LaRouche proposal, was presented to hundreds

of students and teachers at the State University, with the presentations covered on Monterrey television stations. "Advertien Colapso" ("Warn of Collapse") headlined the Monterrey daily *El Norte*, which quoted Senator Neal as insisting that the crisis would require "trade without currencies as it has been proposed by Lyndon LaRouche." "Temen Crisis Global" ("Fear Global Crisis") was the lead of *El Diario de Monterrey*, which featured the LaRouche proposal next to articles on the failed emergency natural gas price negotiations with the federal government. We were interviewed on successive nights on the drive-time program "Understanding the News." Remarkd one industrial executive during a policy-discussion, "You certainly have our attention; we would not have listened to this several months ago."

## Nuclear Power

Most of the effort to organize our presentations on the crisis, were made by student members of the Movimiento Solidaridad Ibero-Americana at the Autonomous University of Monterrey, "the LaRouche tendency" there, as the television coverage identified it. Thus, a major focus of the discussions was on nuclear power, and the possible gradual substitution of nuclear power for oil- and gas-fired power, through technology-for-oil trade.

This was part of former Mexican President José López Portillo's 1982 proposal for a conference of oil-producing and -consuming nations. Since that time, demand for production of the U.S. nuclear-power industries has fallen to virtually nil, through economic deindustrialization and environmentalist hysteria; yet, those industries have developed a new generation of higher-temperature, more productive and inherently fail-safe gas-cooled reactor designs. Meanwhile, Mexico witnesses the insanity of ENRON and other Anglo-American companies planning new gas-fired electricity ventures, even as the price of natural gas escalates uncontrollably.

Thus, there was great debate and discussion among the departments at the State University in Monterrey, about the possible revival of nuclear power plans in Mexico; the country's only nuclear plant, the Laguna Verde plant built in the early 1980s, now runs at 25% of capacity or less, due to environmentalist scares and pressures. As one student asked, thinking of LaRouche's oil-trade proposal, "How many barrels of oil would it take for Mexico to get one nuclear power plant?"

Through the students' organizing efforts, the university became the "platform" for the wide broadcast of LaRouche's crisis warning, and his solution, throughout northeastern Mexico.

## Decriminalizing the Derivatives Market

*Pushing two bills in Congress, bankers are battening down the hatches for a major derivatives crisis.*

**T**he urgency with which the big derivatives dealers and their regulators, i.e., protectors, are pushing two derivatives bills through Congress, strongly suggests that a major derivatives crisis is under way. One of the bills would legalize trillions of dollars of derivatives transactions which are illegal under current law, while the other would enforce the “netting” of derivatives contracts, were a big financial institution to file for bankruptcy.

On Oct. 19, the House of Representatives passed H.R. 4541, officially designated the Commodity Futures Modernization Act of 2000, but which could more precisely be called the Derivatives Decriminalization Act of 2000, given that it would legitimize many of the currently illegal over-the-counter derivatives activities of the big banks and investment houses.

The champions of the bill included Federal Reserve Board Chairman Alan Greenspan, Treasury Secretary Lawrence Summers, the major financial services associations and institutions—in short, all the major derivatives dealers and their regulators.

One of the major components of the bill is the explicit legalization of trillions of dollars of over-the-counter futures transactions, an issue of contention for the better part of a decade. The problem was succinctly described by Enron’s Mark Haedicke in an appearance before Congress in April 1997. Haedicke, testifying in his capacity as an official of the International Swaps and Derivatives Association, complained that “legal uncertainties

continue to exist” in the over-the-counter derivatives market, because the Commodity Exchange Act “flatly prohibits off-exchange futures contracts.” “If certain swaps transactions were ever classified as ‘futures contracts,’” Haedicke continued, “they would be illegal and unenforceable as a matter of law.” That, Haedicke arrogantly asserted, “is obviously unacceptable in the global marketplace.”

The point was made again by Chase Manhattan Bank director of global markets Dennis Oakley, in a July 17, 1998 hearing before the House Banking Committee. Oakley testified that “the Commodity Exchange Act requires that all commodity futures contracts be traded on a board of trade, and that since 1974, financial products have been considered commodity futures, unless they fall within the exception of the Treasury Amendment. If a product is deemed to be a future, and is not traded on a board of trade, it is null and void.” The problem, he continued, “is that some of our fastest-growing products, such as equity and credit derivatives, are not covered by the exemption.” Unless the law is changed, Oakley threatened, “Chase will be forced to move this business to another location, probably London.”

The issue of illegal derivatives came to a head in 1998 when Commodity Futures Trading Commission (CFTC) Chairman Brooksley Born suggested that her agency might review the issue of over-the-counter futures. The response from the deriva-

tives gang was venomous, with the President’s Working Group on Financial Markets (known informally as the Plunge Protection Group) virtually ordering the CFTC to stand down, and demanding that Congress pass a law making sure that the agency did. Born was run off, and the CFTC was effectively neutered. H.R. 4541 completes the process by removing the issue from CFTC jurisdiction.

The other derivatives bill before Congress involves the handling of derivatives contracts in a bankruptcy filing. When a company files for bankruptcy, many of the monies it owes are written off, while the monies owed to it by others are collected and paid to creditors. Were a major derivatives player to go under, this could cause a big problem for the system. Imagine if bankrupt Bank A owed Bank B \$1 trillion in derivatives contract settlements, while Bank B owed Bank A \$1.5 trillion. Under bankruptcy law, the \$1 trillion A owes B could be written off, while B would still have to pay the \$1.5 trillion it owed. Such a deal could bankrupt B.

The “solution,” strongly endorsed by Greenspan and Summers, is a netting provision which would allow institutions to settle the difference between the various contracts, rather than the full amount. Under netting, Bank B would have to pay \$0.5 trillion, the difference between what it owes A, and what A owes it.

The larger aspect of both bills is that they would further remove the resolution of a derivatives crisis from the jurisdiction of the U.S. government. From the Fed’s standpoint, the prospect of a U.S. Federal judge asserting jurisdiction over a derivatives bankruptcy is frightening and unacceptable. From the bankers’ perspective, the government should just keep the money flowing, but otherwise stay out of the way.

# Business Briefs

## Cooperation

### New Eurasian Economic Community Is Formed

The Presidents of Russia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan created the "Eurasian Economic Community," at a summit in Astana, Kazakhstan, on Oct. 10. The accord had been proposed by Kazak President Nursultan Nazarbayev. It will work toward the creation of common policies on taxes, employment, currencies, and customs tariffs, and will have its own institutions, staff, and budget, a Kazak Presidential spokesman said.

Russian Prime Minister Mikhail Kasyanov said on Oct. 6 at the meeting: "In the new century, we are headed for a new level of integration and this agreement proposes a widening of all aspects of cooperation."

In the new organization, customs duties will be decided on a bilateral basis among member-states. This will replace the non-functioning 1996 "customs union" of these states, which had tried to create a "single economic space," but never functioned because Russia had not ratified an accord on a free-trade zone. Also, in August, Russia had announced that it was withdrawing from a visa-free travel agreement with other members of the Commonwealth of Independent States. Kasyanov said that Russia would consider signing either a joint or bilateral agreement on visa-free travel with its customs union partners.

## Africa

### 'The Problem Is Poverty,' Says De Klerk

Former South African President F.W. De Klerk said that he did not agree with the generalization that Sub-Saharan Africa does not have a future, speaking at a conference in Prague, the South African press reported on Oct. 16. "What Africa needs is a fair break from the rest of the world," he said, "a fair break with its crippling debt, and a fair break with access to First World markets and First World investment."

De Klerk acknowledged that some states are lagging behind, but that this was not because they were African, but because they were "desperately poor."

De Klerk addressed the Forum 2000 Conference on whether there was a future for Sub-Saharan Africa. "The problem is poverty—not Africa," he concluded.

## Nuclear Energy

### Exports Help Russia's Machine-Building Firms

On Oct. 11, Russian Minister of Atomic Energy Yevgeni Adamov, who accompanied President Vladimir Putin on his Oct. 3-6 visit to India, announced that four major St. Petersburg machine-building plants—Leningrad Metal Plant (LMZ), Electrosila, Izhory Works, and the Central Construction Bureau of Machinebuilding (CKBM)—will participate in the construction of at least six power units for nuclear plants in China (Tieng Wang), Iran (Busher), and India (Kudankulam). This work is scheduled over six years, and is projected to generate \$1.4 billion in business.

There is rumored competition from the German Siemens firm emerging over Busher, if the United States promotes improved relations between the West and Iran. The chief of Siemens Nuclear Power's corporate relations department, however, told the Russian newspaper *Vedomosti* that his firm will participate in an auxiliary role only in the Tieng Wang project, and has no plans in the nuclear field with Iran or India. (Siemens is a co-owner of Electrosila; until 1999, it also had a stake in LMZ, but sold it to Interros Group.)

The Atomic Energy Ministry also said that it intends, despite attacks from Greenpeace and its domestic sidekicks, to continue the development of Russia's nuclear energy facilities, including completing construction of the first energy unit of the Rostov nuclear plant. The Ministry also plans to construct new energy units at the Kalinin (Tver) and Kursk nuclear plants. Beginning in 2005, Adamov said, "We are going to build one energy unit per year."

Adamov reiterated his plan to set up a

unified power-generating company, including the eight nuclear power plants subordinate to Rosenergoatom Concern, along with the (formally independent) Leningrad nuclear plant. The firm should "integrate all the resources of this branch of industry," and invest them in construction of new and modernization of existing energy units, he said. Before the end of this year, the Ministry will introduce to the government its proposal for the reform of the nuclear power industry.

## Yugoslavia

### Foreign Funds Needed To Stabilize Economy

At least \$625 million is needed just to stabilize the Yugoslav economy, Vladimir Gligorow of the Vienna Institute for Comparative International Economic Studies (WIIW), and a member of the G-17 group of economists tied to Yugoslav President Vojislav Kostunica, told the Oct. 20 *Financial Times Deutschland*.

According to the WIIW, Yugoslavia's Gross National Product in 1999 amounted to only 30% of the GNP of 1989; average per-capita annual income was \$880. Unemployment is 40%, and inflation 50%. In mid-October, the dinar, Yugoslavia's currency, was devalued 33%, with the official rate still twice as high as the black market rate.

Many people survive only because they get money sent by their relatives abroad, which is estimated to be roughly \$160 million. The situation is said to be much worse than expected. Government emergency food warehouses are vacant, oil reserves are dry, and bank accounts empty.

If Yugoslavia is to get through the Winter, more than \$300 million in aid is needed, in addition to the aid granted by the European Union during its summit in Biarritz (\$200 million)—which still has to clear many bureaucratic hurdles, in order to arrive before Christmas. But, Reuters quotes UN Balkans envoy Carl Bildt as saying: "We are not interested in making a Third World economy dependent on hand-outs." Instead, he is favoring "direct corporate investment."

Meanwhile, the Danube Commission, the body appointed by Danube Valley na-



**TEXACO** was acquired by Chevron for \$43 billion, it was announced on Oct. 16. It will be the fourth-largest oil firm in the world. Initial estimates of job cuts are in the range of 4,000, out of a worldwide workforce of about 57,000. This, it is claimed, will provide \$1.2 billion in annual cost savings.

**KAZAKSTAN** has moved to settle its multimillion-dollar debt dispute with the Russian national power grid, Unified Energy Systems. UES chief Anatoly Chubais has created a joint venture with the Kazak-owned Ekibastuz coal mine to exploit a high-voltage transmission power line to link European and Asian Russia. The new firm, Ekibastuz Power Station-2, will, within months, supply some 500 megawatts of electricity, which is 10-15% of the region's needs.

**CHINESE** Prime Minister Zhu Rongji rode on Japan's magnetically levitated (maglev) train, a prototype system under development. "It was good," Zhu said of the ride, which hit a top speed of 280 miles per hour during a 20-minute trip in Yamanashi, west of Tokyo. "But there was more noise and vibration inside the tunnel" than when he rode the German maglev, he said.

**RUSSIANS** living below the poverty level make up one-third of the population, or 50 million people, says Nataliya Ryumashevskaya, director of the Institute for Social and Economic Problems of the Russian Population, Prime-Tass news agency reported on Oct. 17. More than half of the children are growing up in poor families, she said.

**OIL PRICES** are not set by OPEC, the Oct. 16 *Wall Street Journal* admitted. The big oil firms shut down their tanker-tracking war rooms in 1985, when prices crashed, and "at about the same time, OPEC switched to controlling production, handing over the role of setting of prices to the futures markets that had been launched only a few years earlier in London and New York."

tions to handle transport on the river, has agreed to appoint French engineer Bernard Genevet project director for the clean-up of Kosovo war debris, to make the river navigable again. Genevet was director of French public infrastructure projects. His appointment clears away one of the major administrative blocks for the project. The EU Commission has agreed to give 22 million euros for the clean-up, and another 4 million will come from member nations Germany, Austria, Ukraine, and the Netherlands. The chairman of the commission estimates that shipping could be resumed by Summer 2001.

## Credit

### Bankers Cut Off Funds, Killing German Industry

A credit embargo by private banks is threatening the survival of German machinery producers. Diether Klingelberg, vice president of the Association of German Machinery Producers (VDMA), charged at a press conference in Berlin on Oct. 18. All loans are flowing into "New Economy" firms, whose soundness, let alone profitability, is far from a sure thing. Bankers will, sooner or later, have a rude awakening, when it becomes obvious that many New Economy ventures have produced nothing but losses.

Bankers are "capping the lifeline of the capital-goods industry," Klingelberg said. "Without the financing from bank credits, the *Mittelstand* [small and medium-sized industry] structure of our sector and thereby also the extraordinary position on world markets, in particular of the many small companies, is threatened. We therefore call on the banks, not to give up their role as long-term partner and creditor of our sector, just to seek short-term excessive profits." He said that in spite of all the talk about the New Economy, "industry remains the backbone of the German economy."

The *Mittelstand* firms are being told to look for alternative financing, but all three so-called alternatives, Klingelberg said, don't work. First, they are being told to go public and issue stock. However, those few machine-building firms which have gone to

the stock market are not happy about it, and some are planning to withdraw. If you go public, he explained, you are forced to keep investors enthusiastic by announcing "simplistic business ideas" and "skyrocketing" turnover expectations. Of the 3,000 VDMA member firms, fewer than 5% are planning to go public in the medium-term future. Second, is issuing corporate bonds. However, the usual minimum amount of bond issue is far greater than what *Mittelstand* firms need. Third, is to seek venture capital. But venture-capital funds are oriented toward "short-term success," and usually intervene directly in the business decisions of the companies.

## Infrastructure

### Trans-Asia Railroad Completion Nears

The Trans-Asia Railroad should be completed within 2002, the Thai News Agency reported on Oct. 16. The railroad will link Singapore, Malaysia, Thailand, Laos, Myanmar, Cambodia, Vietnam, and Kunming, in southern China. Many of the rail lines already exist, but must be connected.

The head of the State Railway of Thailand, Saravuth Thammasir, said that the State Railway had been approved to help the Cambodian state railway study the feasibility of repairing the 48-kilometer Poipet-Sisophon rail line, which would be part of the projected 5,500-kilometer main route, running through Singapore, Thailand, Cambodia, Vietnam, and Kunming.

Thailand, Malaysia, and Singapore are already linked by rail. Laos has a plan to build a rail line from Kunming, China, to the Lao capital, Vientiane, through Thailand's northeastern province of Nong Khai.

Association of Southeast Asian Nations (ASEAN) transport ministers met in Brunei recently, and they approved the feasibility of the main line. Its branches will connect to central Vietnam, Bangkok, and the Myanmar capital, Yangon. Building the rail links will cost about \$2.5 billion, and the leading provider of capital is the Asian Development Bank.

## Revive Ben-Gurion's Legacy To Defeat Saboteurs of Peace

by Harley Schlanger

Within weeks after the handshake in Washington, D.C., on Sept. 13, 1993, which sealed the Oslo peace agreement between Israel and the Palestinians, Lyndon LaRouche wrote that, for peace to be realized, the economic annexes of the accord must be implemented immediately. The key to peace, he said, is to “get the earth moving at once,” digging the canals, building the Port at Gaza, constructing the water, energy, and industrial projects, etc., specified by the agreement.

LaRouche, who had been involved in organizing for infrastructural development as the basis for a comprehensive peace plan for the Middle East, with his “Oasis Plan,” for more than two decades, warned of the consequences of failure to proceed with this approach: “For years, our proposals for economic development have been repeatedly brushed aside, with the advice that the political settlement must come first, and then economic cooperation for general development in the region might become possible. We have repeatedly said, and rightly so, that that line of argument is wrong, and even dangerously absurd. The simple reason is, that without a policy of economic development, the Arabs and Israelis have no common basis for political agreement. . . . Unless you start with an economic development package, based on infrastructural development of the Middle East, any attempt at a political solution of the conflict between Arabs and Israelis, particularly between Palestinians and Israelis, will fail.”

The sabotage of this perspective—a program for mutual development which is explicitly written into the Oslo Accord—is directly responsible for the explosion of violence in the region in recent weeks, and completely confirms LaRouche’s warning. It is accurate to say that Clinton “blew it” at Camp David, with his rejection of LaRouche’s advice, and by insisting that the religious issue of control over Jerusalem take precedence over forging ahead with the stalled development perspective.

What was clear to LaRouche in September 1993, was that the strategic thinking



*Palestinian leader Yasser Arafat (right) shakes hands with Israeli Prime Minister Yitzhak Rabin, at the Sept. 13, 1993 signing of the agreement on Palestinian autonomy in the Occupied Territories, one of the Oslo Accords. Rabin hailed “those with the courage to change axioms.” Today, with the breakdown of the peace process, such courage is needed more than ever, in the tradition of the late David Ben-Gurion.*

embodied in the Oslo Accord represented a profound break with the outlook that had dominated Israel’s policy following its stunning victory in the 1967 war. In that war, Israel conquered the West Bank, Gaza, and the parts of Jerusalem that had been previously under Jordanian sovereignty.

It is control over this territory which has been at the heart of the confrontation between Israel and the Palestinians since 1967. Successive governments of Israel allowed the construction of Jewish settlements on this land, settlements increasingly populated by fanatic believers in “Greater Israel,” a blood-and-soil cult which claimed every grain of sand as a “holy birthright” of the Jewish people.

When the Intifada broke out in 1987, as a revolt against continued Israeli occupation, the reaction of the government was to suppress it, through application of brute force, using tanks and automatic weapons to crush youths armed with stones. The man chosen to break the back of the revolt was Gen. Yitzhak Rabin.

It was this experience, using the Israeli Defense Force (IDF) against unarmed youth, which caused Rabin to question the accepted view, that Israel must retain control over this territory for “security reasons.” His wife, Leah Rabin, wrote in her touching memoir, *Rabin: Our Life, His Legacy*, that the brutality employed against the Intifada “made it wholly clear to Yitzhak that Israel could not govern another people.” He feared that violent suppression of the rebellion would permanently embitter the Palestinians, while turning

Israeli youths into stormtroopers, ending any hope for future peace. By 1989, she reports, he “was gradually moving toward advocating Palestinian autonomy and self-determination.”

### **Oslo: A Change of Axioms**

When presenting his Cabinet to the Knesset (parliament) on July 3, 1992, Rabin was explicit that he had decided upon a different direction for Israel. “We shall change the national order of priorities,” he said. “Israel is no longer necessarily an isolated nation, nor is it correct that the entire world is against us. We must rid ourselves of the isolation that has gripped us almost for half a century.”

It was this change in direction, to break out of a self-imposed ghetto, which led to the secret talks in Oslo, which resulted in the peace agreement. And it was this change that was the subject of Rabin’s toast in the White House, following the formal ceremony signing the Accords, when he said, “We lift our glasses to honor those with the courage to change axioms.”

As the ground-breaking reports on the following pages demonstrate, this course adopted by Rabin and Foreign Minister Shimon Peres, breaking with the post-1967 policy of occupation of the West Bank, etc., put Israel back on the course envisioned by its most important Founding Father, David Ben-Gurion, and opened the door to a dialogue with Yasser Arafat.

For Ben-Gurion, Israel was to be a model of anti-colonial development, a nation which could achieve peace with its neighbors based on the principles of ecumenical dialogue that were advanced in the writings of the great Moses Mendelssohn (1729-86), and his close collaborator, Gotthold Lessing (1729-81).

Mendelssohn and Lessing realized that an ecumenical “peace among the faiths” would come, not from debate on religious principles, but from establishing a community of principle among sovereign nation-states, which promotes mutual economic development. This principle of statecraft was the lesson they learned from studying the Treaty of Westphalia of 1648, which ended the devastation of 30 years of religious wars in Europe.

It was this collaboration which opened the door for the Emanicipation of the Jews of Germany, both from the anti-Semitic laws of the time, and from the self-isolation imposed by fearful and superstitious leaders in the Jewish ghettos.

### **Economic Protocols of Oslo**

The treaty negotiated by representatives of the government of Israel and the Palestine Liberation Organization in Oslo was based on this principle of statecraft, centered on economic development. The primary author, from the Israeli side, was Shimon Peres, a protégé of Ben-Gurion. Though Peres and Rabin had been bitter, longtime rivals for leadership of the Labor Party, the two recognized that the best hope for ending the Intifada and achieving peace depended on their collaboration.

In *The New Middle East*, a book written by Peres shortly after the Oslo Accords, he reports that his conclusion that peace depended on mutual economic cooperation between Israel and its Arab neighbors was inspired, in part, by an encounter in the early 1950s with Jean Monnet, the architect of the European Common Market. “The Middle East needs a Jean Monnet approach today,” he wrote.<sup>1</sup>

In this book, Peres sets forth a three-stage approach to overcome the obstacles to peace. First, there must be “bi-national or multinational projects, such as a joint research institute for desert management or cooperative desalination plants.”

Second, he proposed the establishment of international consortiums to carry out projects requiring large capital investments, such as “a Red Sea-Dead Sea canal . . . a joint Israeli-Jordanian-Saudi Arabian port; development of hydro-electric power for electricity and desalination; well-planned, rapid development of Dead Sea industries. When these projects are completed, they will fulfill Ben-Gurion’s dream of developing the Negev [Desert], opening new horizons for countries of the region and creating real interest in preserving the peace.”

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1. For Monnet’s policy, see Jacques Cheminade, “FDR and Jean Monnet: The Battle vs. British Imperial Methods Can Be Won,” *EIR*, June 16, 2000.

The third area would then be what he called “regional community policy.”

This outline, which was largely adopted in the Economic Protocols of Oslo, directly reflects, as he notes, the conceptions of David Ben-Gurion. A focus on “water, biotechnology and the war against the desert” must be adopted, he wrote, one which “aims to paint the desert green, to supply abundant food for its many inhabitants.” By adopting this course, Peres stated that it were possible to “take the salt from the sea, the sand from the desert, and the hatred from the heart.”

The Israelis discovered, at Oslo, that Arafat’s representatives shared this outlook. Uri Savir, who was appointed by Peres to serve as chief negotiator for Israel at Oslo, reports in his book, *The Process: 1100 Days that Changed the Middle East*, that Abu Ala, Arafat’s chief negotiator, emphasized that “Palestinian-Israeli cooperation, mainly in the economic field,” should be at the center of their talks.

In their first meeting, Abu Ala spoke of “encouraging the creation of a Marshall Plan for the Middle East; developing our economies, so that we [Palestinians] can open the doors to the Arab world to you and to freedom to ourselves.” Savir writes, “I was surprised by the degree of Palestinian interest in economic ties with Israel. They saw such cooperation not just as beneficial to their economy but as a bridge to regional development.”

Immediately following the handshake at the White House in September 1993, Peres met with Abu Mazen, a top aide to Arafat, and they agreed “to focus on the key issue of economic development in the territories.” The government of Norway had agreed to set up a mechanism to fund this development, which led to the convening in Washington, on Oct. 1, of a “Donors’ Conference,” at which \$2.5 billion in grants and loans was pledged.

The money was never delivered, due to sabotage by a combination of the International Monetary Fund and World Bank, which was never challenged—at least publicly—by President Clinton. Without the development aid, the earth was not moved, the projects remained on the books, and the frustration of the Palestinians grew, as their already-poor economic conditions worsened.

As Savir laments in his book, “Unfortunately, economic cooperation, which had been so prominent in our thinking at the start of the talks, would be overshadowed by security concerns and political considerations for the Palestinians and for us.”

The hopes raised by Oslo were not realized, the promises were never met, and momentum switched from those committed to building two nations to spur the establishment of a Middle Eastern Common Market, to fanatics prepared to kill for what they believed was “their” religion. Once again, the Grand Design envisioned by a David Ben-Gurion whose thinking was shaped by the ideas of Moses Mendelssohn, is on the verge of being washed away in a sea of blood.

# David Ben-Gurion, Moses Mendelssohn, and the Peace Process: A Lesson in Statecraft

by Steven P. Meyer

The original architect of the Middle East “peace process” was David Ben-Gurion, Israel’s first Prime Minister. In the spirit of the Seventeenth-Century Treaty of Westphalia, he initiated the peace process by launching discussions with leaders of the Arab world as early as 1933. His proposals included the creation of an independent Jewish state conjoining with independent Arab states to form an integrated economic federation for the entire Middle East, free of colonial rule. In addition, on two specific occasions, in the British Peel Commission report of 1937, and the United Nations Special Committee on Palestine (UNSCOP) recommendation of 1947, he supported and brought majority backing for partition proposals that would have created a separate Palestinian state.

His statecraft was modelled on sections of the Old Testament, Plato’s *Republic*, and Cervantes’ *Don Quixote*, and during the two decades following World War II, he would become one of the world leaders in the fight against colonialism, and a champion of the scientific and economic development of the new nations of Africa, Asia, and Ibero-America.

Ben-Gurion’s dream for Israel was for it to become a “light among nations,” and, after a dozen years of building a new nation itself, Israel held an historic conference, in 1960, on how mankind’s most advanced scientific knowledge must be used for the development of the new nations of the world. Forty countries attended; although the Arab states were invited, none came, and the only country that attended from the Middle East was Iran. Israel’s commitment to these nations was soon concretized in two programs. It provided a corps of technicians who travelled abroad to help them establish modern agriculture and infrastructure programs, while it also hosted thousands of their countrymen and -women in Israel’s universities and collective farms. Ben-Gurion’s mission for Israel was being realized.

His most bitter enemies then, as they are to Israel today, were the racist Jewish fascists, led by Vladimir Jabotinsky and his Revisionist Party. Jabotinsky and many of his associates in the leadership of the party were outspoken supporters of Hitler and Mussolini, the latter endorsing the “fascist Jabotinsky,” in 1933, as the most able person to create a Jewish nation in Palestine.

The Revisionists maintained a “blood and soil” ideology like that of the Nazis, and they believed that the Jews had the

right to establish a nation occupying all of old Palestine, that which is synonymous today with “Greater Israel.” Partition or a Palestinian state was vehemently rejected by them. In 1937, Jabotinsky sent Sir Winston Churchill a personal letter saying that he would never accept the partition policy set forth in the Peel Commission proposal. The World Zionist Congress, under Ben-Gurion’s leadership, did. Unfortunately, 400 Arabs representing all the Arab states as well as Palestine met in Damascus and rejected partition altogether. They passed their own resolution, that Palestine was “an integral part of the Arabian homeland.”<sup>1</sup>

Former Prime Minister Benjamin “Bibi” Netanyahu, who did all he could to destroy the peace process, and is trying to get back into office today to finish the job, is a follower of Jabotinsky, through his father, who was devoted to the Revisionist cause. The late Meir Kahane of New York, who created the terrorist Jewish Defense League and Israel’s Kach Party, was trained by his father, a radical Revisionist who also was an intimate of Jabotinsky.

David Ben-Gurion was not a flawless individual. He personally found it difficult to deal with the Arabs, and with what he considered was their cultural backwardness, but he always sought to find a just solution to the problems of the region. He was very much influenced by certain teachings of the Old Testament, and his passion to return to the land of his teachers was a personal legacy for him as for many of his associates. They were not by any means religious fanatics; rather, their view of themselves tended toward Biblical socialists.

His most unique quality was his thirst for knowledge, and no matter what might preoccupy him at any moment, he always sought out new and profound knowledge to guide him forward. He learned Greek to read Plato, studied the Buddha

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1. Though the purpose of this article is to focus on Ben-Gurion, and his fight for peace in the Middle East, and against the fascist tendency among Zionists allied with Jabotinsky, it is essential to note that this battle took place in an arena of British imperial manipulation of both Jews and Arabs. British operations against the Arabs, going back to efforts launched in the last decades of the Nineteenth Century, included building up a British-controlled Zionist movement, under Theodor Herzl, to advance British geopolitical interests in the region, with creating competing claims for the same land. Arab distrust of Jewish settlement in Palestine, and later rejection of Ben-Gurion’s proposals for mutual development, must be seen in light of their suspicion of these dirty British imperial designs.



*President Harry Truman (left) receives a gift from Prime Minister of Israel David Ben-Gurion (right), Washington, May 1951. Ambassador to the United States Abba Eban looks on.*

to understand the Asians, learned Spanish to read *Don Quixote*, and read George Washington to prepare himself to fight a war of independence against the British. In all, he spoke and read Russian, Polish, Yiddish, German, French, Spanish, Turkish, and English.

Through the first decade and a half of Israel's existence, he personally guided the physical building of a nation that stood as a model for many around the world. He worked closely on various matters with Gen. Charles de Gaulle of France and Konrad Adenauer of Germany, holding lengthy discussions with the latter on African economic development. He shunned the Socialist International, although many of his closest friends were active participants, because he thought they were condescending toward the Africans and Asians with whom he felt a special kinship. On his desk proudly stood a bust of Mahatma Gandhi and a bust of Plato.

Ben-Gurion was born in 1866, in Plonsk, Poland, a small town which lay less than 50 miles from Warsaw. At the time, Poland was a part of Russia. Unlike most Jews of Plonsk, his grandfather and father were both well educated and steeped in European culture. They spent much of their time in Warsaw. The two played a major role in educating the young Ben-Gurion.

His grandfather was a lover of Plato, and was fluent in not only Polish and Yiddish, but also Hebrew, Russian, and German. His father was a lawyer of sorts, who considered himself a member of the Haskalah, those who inherited the philosophical tradition of Moses Mendelssohn. After the pogroms in Poland and Russia in 1884, his father became active in the Lovers of Zion movement. Young Ben-Gurion was brought up in his father's tradition of Classical European cul-

ture and the young Zionist movement.

He went to Warsaw to study for his matriculation certificate and became involved in radical politics. After the failed Russian Revolution of 1905, he became a labor Zionist, joining a youth movement called Paolei Zion (Workmen of Zion) in Warsaw. He soon started a cell in Plonsk, which was the beginning of a long life of organizing. He was arrested by the Tsarist police on two occasions, and, but for the intercession of his father, would have been sent to Siberia.

In August 1906, not yet 20 years old, he set off for his first trip to Palestine. The intervening years are not significant for this report. He spent numerous years "pioneering" on agricultural settlements in Palestine, attended university in Constantinople, and was deported from Palestine to the United States as an undesirable during World War I. Returning to Palestine after the war, he became a political and trade union leader. In 1920, he founded the Histadrut (General Federation of Jewish Labor), which was his real labor of love. The Haganah, the first clandestine self-defense organization for the agricultural settlements, was created inside the Histadrut. In 1930, Ben-Gurion founded the political party Mapai (Party of the Workers of Israel). Both organizations became the bedrock of Israel's existence in its early years while Ben-Gurion was Prime Minister.

Ben-Gurion soon became one of the leading three spokesmen in the World Zionist Movement, travelling all over Europe and to numbers of U.S. cities in the ensuing decades. When he was not organizing in Europe, the United States, or Palestine, he spent his time in London, where he diplomatically attempted to move the British government toward creating an independent Jewish state.

## Battling Jewish Fascists

Opposing Ben-Gurion in the 1930s was the racist, fascist Zionist Vladimir Jabotinsky, whose Revisionist Party following was always a minority. Jabotinsky, a Russian Jew from Odessa, was a young follower of Friedrich Nietzsche, and on a trip to Italy, he came under the spell of the Mazziniites, whom he credited with giving him his view of Zionism. He was profoundly influenced by Benito Mussolini, and Jabotinsky's youth movement, the Betar, paraded in the streets in paramilitary uniforms modelled upon the *squadristi* of Mussolini and the youth corps of Hitler.

Many of Jabotinsky's allies among the Revisionists were open backers of the Nazis. Elyahu Zvi Cohen, an attorney with the Revisionists, spoke for this faction when he said, "Were the Hitlerites to remove their hatred of the Jews from their program, we would stand by their side." The newspaper of the Revisionists, *National Front*, defended Hitler in a March 30, 1933 editorial. "The various socialists and democrats are of the opinion that Hitler's movement is just a shell, but we believe it has both shell and substance. The anti-Semitic shell must be disposed of, but not the anti-Marxist substance."

Ben-Gurion minced no words, publicly calling Jabotinsky a fascist. In 1933, Mussolini embraced Jabotinsky as the savior of the Jewish people, when he told the Italian Rabbi Prato, "For Zionism to succeed, you need to have a Jewish State with a Jewish flag and a Jewish language. The person who really understands that is your fascist, Jabotinsky."

With the crowning of Il Duce, Ben-Gurion lashed out, labelling Jabotinsky, "Vladimir Hitler." As the world leader of the Zionist movement, Ben-Gurion warned his associates not to "underrate the severity of the Hitleristic peril in the Jewish, Zionist street." In March 1933, he declared war against "our own Hitlerites," adding that it would be "a war of life and death."

In June 1933, Chaim Arlozoroff, Ben-Gurion's close friend and political associate, was assassinated, while walking with his wife on the beach in Tel Aviv. Ben-Gurion's personal security detail was immediately increased. Arlozoroff was a leading member of Mapai, which Ben-Gurion had founded three years earlier. He was also the director of the Political Department for the Jewish Agency. He had been denounced, along with Ben-Gurion, in the newspaper *Hazit Ha-am* (*The People's Front*). The paper was run by Abba Ahimeir, an extremist Zionist who had joined Jabotinsky's Revisionist movement in 1928. Two of his followers were identified by Arlozoroff's wife as the assassins. The Palestine police had arrested all three, who denied the charges, and whose defense was that the killing was part of a sexual attack on Mrs. Arlozoroff by two Arabs!

Leah Rabin, the widow of Israeli Prime Minister Yitzhak Rabin, was at the time just a young girl who had immigrated to Palestine only days before the assassination. She remembered it always, and spoke of it with her husband in later years.



Vladimir Jabotinsky, whom Ben-Gurion denounced as "Vladimir Hitler." One of Jabotinsky's allies, the attorney Elyahu Zvi Cohen, said bluntly, "Were the Hitlerites to remove their hatred of the Jews from their program, we would stand by their side."

In the aftermath her own husband's assassination on Nov. 4, 1995 by Yigal Amir, she drew the obvious parallel, writing, "The Revisionists had created a climate that provoked his death. They spread vicious rumors and promoted articles contending he was a Nazi collaborator." During the Spring of 1933, after Hitler took power and anti-Jewish attacks were just beginning in Germany, Arlozoroff had travelled to Germany to negotiate the release and emigration to Palestine of thousands of German Jews, who would escape Hitler's "Final Solution."

Ben-Gurion was not deterred by these fascists and their violence, and it was during Fall 1933, that he began his secret negotiations with the leading Arabs, something the Jabotinskyite fascist vehemently opposed. In later years, he was equally hard on the fascist terrorist groups Etzel, Irgun, and the Stern gang, which he publicly branded as "cowards" who would destroy the moral fabric of Israel. He constantly deployed militarily, as well, in order to disarm and disband these gangs.

As Israel's first military commander and Prime Minister in 1948, he outlawed Jabotinsky's Revisionist Party. He also refused to allow Jabotinsky's remains to be brought to Israel for burial. (Jabotinsky had died in the United States in 1946.) For Ben-Gurion and his associates, Israel would not tolerate a fascist of any kind.

Today, the mantle of Jabotinsky is worn by Bibi Netanyahu, Ariel Sharon, and the religious fundamentalist followers of Rabbi Zvi Yehuda Hacohen Kook (see accompanying article). Rabbi Kook's father, as Chief Rabbi, had defended Jabotinsky and maintained the innocence of Arlozoroff's killers, denouncing the affair as a blood libel perpetrated by Jews against Jews.

These two political outlooks, that of Ben-Gurion and that of Jabotinsky, distinct as night and day, have fought for power in Israel to the present day.

## Negotiating a Durable Peace

In September 1933, while still battling Jabotinsky and the Revisionists, Ben-Gurion held several meetings in Jerusalem with Moussa Alami, who had been chief public prosecutor, before becoming one of the leaders of the Palestinian Arabs. He was closely connected with the Mufti of Jerusalem and the leaders of Istiklal, the Arab Independence Party. Ben-Gurion and Moussa Alami took a liking to one another and talked freely. Ben-Gurion's proposal was that the Arabs accept the establishment of a Jewish state in Palestine which would have a Jewish majority, but a large Arab minority. It would join a Middle East Federation, an economic bloc, in which all the Arabs of the region would participate. In addition, Ben-Gurion promised large-scale financial aid to improve the Arab economies. Alami was particularly interested in the idea of creating an economic federation for development and Jewish financial aid, and he secretly met with the Grand Mufti of Jerusalem, who viewed the proposals positively. It was suggested that Ben-Gurion go to Geneva and secretly meet with the Committee of Syrian and Palestinian Arabs.

The trip was a disaster; not only would the Arab interlocutors not accept the idea that the Jews become the majority in Israel, they publicly leaked a report on the secret talks between Ben-Gurion and Alami in their periodical *The Arab Nation*. That ended Ben-Gurion's contact with Alami and the Mufti. Ben-Gurion did not flinch, and he sought out and began holding further meetings in secret with other Arab leaders — Auni Bey, Abdul Haddi, and Moussa Hussein.

These initial talks ultimately fell apart. In 1935, a record 61,000 Jews arrived in Palestine, and the Palestinian response was to launch a wave of terrorism on the Jewish holiday of Passover in 1936, in which Ben-Gurion found the hand of the Grand Mufti of Jerusalem. The latter ultimately made his final thoughts on any possible agreement known, when he deployed to Berlin during the war to work for the Nazis. He was later arrested and held in France to be brought before a war crimes tribunal!

Nonetheless, this approach was to be the core of Ben-Gurion's outlook. He hoped that the entire Middle East could become nations which would be integrated into an economic bloc.

All other serious peace and economic development negotiations over the decades of Israel's existence have always been carried out by Ben-Gurion's closest allies including his personal protégés, who embodied the same outlook.

In 1947, when the United Nations Special Committee on Palestine put forward the creation of a Palestinian and Jewish State, which Ben-Gurion accepted, he sent the future Israeli Prime Minister Golda Meir *incognito* to meet with King Abdullah of Jordan in secret, to secure his backing for the proposal. The latter's assassination, made possible by someone in his immediate entourage who knew of the secret talks, was seen by Ben-Gurion as a harbinger of what was in store for any Arab leader who was willing to talk to the Jewish leaders.

(Years later, Golda Meir was to meet in secret with Abdullah's grandson, King Hussein.)

Ben-Gurion sent overtures to Egypt's Naguib and tried several times to meet with President Gamal Abdel Nasser after he came to power, including through the "peace-loving" Soviets; but both turned their back on him. The real story of the first Camp David Accords in 1979, with Egyptian President Anwar Sadat, is that Moshe Dayan and Shimon Peres had been holding secret negotiations with Sadat for years, and the final accords were produced by Dayan, not the reformed terrorist Menachem Begin of the Likud, who was Israel's Prime Minister at the time. Shimon Peres was later the person behind the scenes who organized and orchestrated the Oslo Accords in secret.

Both Dayan and Peres were protégés of Ben-Gurion, going back at least to the 1946 Basel, Switzerland meeting of the World Zionist Congress. Dayan was then 31 years old, and Peres was 23. The three were intimate friends and colleagues, and worked together until Ben-Gurion's death in 1973. They formed the Rafi Party in 1967, when they thought that their Mapai party had lost its moral commitment to justice

## Ending 30 Years of War: The Peace of Westphalia

*On May 5, 1999, Helga Zepp-LaRouche, the founder of the Schiller Institute, delivered a speech to an EIR seminar entitled "After the NATO Summit, What Next? The Post-Balkan War Perspective," in Washington, D.C. Mrs. Zepp-LaRouche, who is the wife of former U.S. Democratic Presidential pre-candidate Lyndon H. LaRouche, Jr., described the Peace of Westphalia, of 1648, which ended the Thirty Years' War, as the model for what the United States must try to accomplish in the Balkans. More recently, she has emphasized the same point for the Middle East. Her speech appeared in the May 21, 1999 issue of EIR. The following are excerpts.*

The end of the Thirty Years' War was in 1648; it was a war which rampaged in waves, like tornadoes, for 30 years, involving many European countries, including Germany, the Hapsburg Empire, France, Sweden, Bohemia, and Denmark.

After 30 years, there was enormous destruction — on average, 40% of the population and wealth, taken together, in Germany, were destroyed. Some areas were more than 66% wiped out. . . . This destruction had ravaged Europe for a long time. This was a so-called religious war, Reformation against Counter-Reformation. The hatred on both sides was enormous.



and the nation.

Peres gives a description of Ben-Gurion of the 1930s in his autobiography, *Battling for Peace*, which is worthy of including in this report.

Noting that Jabotinsky and Begin were influenced by the Poland of Pilsudski and by the Italy of Garibaldi and Musso- lini, Ben-Gurion was quite different.

“Opposing them stood the mainstream Zionist-socialist party, Mapai, led by David Ben-Gurion and Berl Katznelson, both of whom were firmly anti-Marxist, anti-Communist, and anti-Stalinist. They set out to fashion a new form of socialism that was neither imported from the outside nor translated from foreign sources. They believed that the original heralds of socialist morality had been the prophets of ancient Israel: Amos, who tongue-lashed those who ‘Swallow up the needy . . . [and] buy the poor for silver’ (Amos 8:4-6), and Isaiah, whose sublime vision of a peaceful and just society has rarely been surpassed in world literature. Ben-Gurion regarded the Biblical injunction, ‘Thou shalt love thy neighbor as thyself’ (Leviticus 19:18), as the essence of Judaism.

“The political movement he headed for decades was pro-

elled by a genuine desire to turn the vision of the prophets into a modern-day reality. Its vision was of a revived Hebrew language and a revitalized Israeli homeland, in which the moral message of the prophets would once again mold the national ethos.

“Throughout his life, and regardless of the changing political circumstances, Ben-Gurion always remained, in my eyes, a statesman and leader of genius. He was one of those rare figures in history whose policy and personality were inseparably melded into one consistent whole. . . .

“Ben-Gurion sought political independence for the Jews not only so they could become a nation like any other, but also so they could fulfill their historic mission as an ‘eternal nation’ by setting a universal example to the whole of mankind. The Biblical phrases ‘a light unto the nations’ and ‘a precious people’ were his watchwords.”

### Science and Liberation

In 1960, Israel organized and hosted the International Conference on Science in the Advancement of New States. The conference took place at the Weizmann Institute of Sci-

The Peace of Westphalia, when all the war parties came together, was the first time that a European community of sovereign states was established. And it was only possible because all of its members recognized each other as having equal legal standing, and guaranteed each other their independence. They had to recognize their international legal treaties as binding, if they wanted to be an international community of law.

It was clear that this not only required good will, but a minimum of efficient guarantees. Most important, was the idea that the *raison d’être*—the reason for its existence, the identity of this new alliance—of this community of states, could never be only its self-preservation. It would be morally justified only if it realized ideas and principles which had a higher unifying purpose than just the states themselves.

There is a precedent for this kind of thinking in American history; namely, the idea of John Quincy Adams, that the United States must work toward fostering a community of principle among nations of the world. . . .

Such principles exist in the treaties of 1648. Some were expressed for the first time in history. These negotiations lasted for four years, during 1644-48, and in the end, Protestants, Catholics, monarchies, and republican forms of government, were treated as having equal status in negotiations and in the treaty. . . .

I want to read you—and please forgive me for the somewhat awkward language, because I tried to translate it straight from German without going through an official editorial board. . . .

Article I of the peace treaty starts like this: “A Christian, general, and permanent peace, and true and honest friendship, must rule [among the many parties]. . . . And this Peace must be so honest and seriously guarded and nourished that each part furthers the advantage, honor, and benefit of the other, and that both form [a peace], from the side of the entire Roman Reich with the Kingdom of France, as well as the other way around, from the Kingdom of France with the Roman Reich. A faithful neighborhood should be renewed and flourish for peace and friendship, and flourish again.”

This is a very precious idea. It is essential to have peace. It is the idea of Nicholas of Cusa, which he had in the Fifteenth Century, that peace in the microcosm is only possible when you have the development of all microcosms. You can only have peace among different nations if each nation develops itself fully, and regards as its self-interest to develop the others fully, and vice-versa.

It is like the idea of a family, where each member of the family wants the other members of the family to have the best possible life.

You need to realize that the whole world wants President Clinton to be such a passionate lover of the international community of peoples. President Clinton could emerge to seize this historical moment, and do what all the poor, beaten-down countries in Africa and Ibero-America, and many parts of Asia, wish him to—to love the idea of an international community of peoples. And it needs passion. It needs passion for this, without which it will not be realized.

ence in Rehoveth. The chairman of the conference was Abba Eban, then Minister of Education and Culture in Ben-Gurion's government. who was also the president of the Weizmann Institute. Attending were representatives from 16 nations of Africa, 8 nations of Asia, 14 nations of Europe, plus Iran, Brazil, Australia, and the United States. Although the Arab world and the Soviets were invited, they refused to attend. There was added excitement to the conference, as many of the nations of Africa had just received their independence, while others were in the final moments of liberation.

Prime Minister Ben-Gurion's opening address to the conference stated the political reality the world then faced, and Israel's intended role:

"We regard this gathering as a historic event of inestimable importance, for it is closely bound up with the two most momentous revolutions in the annals of the human race, which are taking place in our day and have not yet come to an end. One of these is political, the second intellectual.

"The first of these revolutions to which I am referring is the ending of the rule of one people over another. We are witnessing a powerful and irresistible—though as yet unfinished—process in which all the peoples of the globe are winning their freedom. If this redeeming revolution is to succeed, we must realize that the gaining of independence is not the end of the redemption, but only the beginning. Up to now the difference between nations has been not only that some were rulers while others were subjects, but that some were rich and developed while some were poor and backward. The gravest and most dangerous problem of our days is not the clash between East and West that we call the Cold War, but the material and cultural gap between rich and poor nations. The peace of the human race will not be secure until this gap and these distinctions are wiped out—until all the peoples of the world are not only independent but more or less on a level in their status and their material and spiritual capacities. Mankind must not continue for long to be divided into rich and poor, progressive and backward. A house so divided cannot endure.

"The United States was the first power to recognize its duty to extend economic aid to the European nations which were crushed and impoverished in the Second World War, and wonders have been achieved through this aid. The center of gravity of world problems now passes to Asia and Africa—the homes of the great majority of the human race. Independence alone will not meet their needs. They require agricultural and industrial development, better education, housing, and health services, material and spiritual progress, for it is these alone that complement and complete newly regained independence. It is the duty of the rich and highly developed nations to assist their fellows, whose rights, status, and educational opportunities have been restricted by history, to overcome these limitations. They should offer this aid not as the charity of the rich to the poor or as the kindness of the strong, but as the obligation of fellow members of the same human family, out of a feeling of equality, comradeship, and univer-

sal human solidarity, to rectify a historic wrong and to establish throughout the globe a family of nations, founded on moral, social, and economic equality, mutual confidence, aid, and respect and sincere cooperation in the utilization of all the achievements of humanity and its scientific and technological discoveries.

"These discoveries are the second revolution that is taking place in our day—the intellectual, scientific revolution. The day is not far distant when the energy available to man will be multiplied, when scientists will succeed in achieving for peaceful purposes not only the fission of the atom but also the fusion of atoms. When we also succeed in utilizing solar energy more effectively and in desalinating sea water, wide horizons will open before mankind for the fructification of deserts and the worldwide realization of an almost unlimited supply of energy.

"If these two revolutions, which seem to be taking place independently in our day, are merged and combined, the entire character of the human race can be transformed. It can become a family of nations all of whose members enjoy equal access to all the resources of nature and the achievements of science and knowledge, in peace and cooperation. All the barriers and conflicts between blocs, colors, and races can be broken down, and human relationships can be established in all countries on foundations of freedom and dignity, mutual aid and creative initiative, without discrimination, denial of privileges, tyranny or exploitation by arrogant rulers.

"Perhaps it is no accident that this gathering is meeting in this country, whose geography is so poor and humble, but whose history is so rich and significant. Under a free and stable democratic regime, we aspire to make our little country, poor as it is in natural resources, into a land rich in the only natural resource with which we have been endowed—namely, moral qualities and intellectual capacity. Although we are still at the beginning of the road—only twelve years have passed since the day we succeeded in renewing our independence in our ancient homeland—the first steps we have taken, in fostering science and research and creating new social patterns in our economic life, are encouraging.

"We are well aware that in the realm of material resources, wealth, and power we shall remain a small and modest people, but we believe that in the realm of the spirit, in which it is quality that counts, our people will not lag behind the rest of the world in spiritual, social, and scientific contributions to the common treasury of mankind. In any case, we shall play out part, within our modest capacity, in the two great revolutions that are taking place in our day.

"For these reasons, we regard it as a privilege that this unique gathering should have assembled in our country. In the name of the entire people of Israel, I greet all the participants—from Asia and Africa, Europe, America and Australia—with the fervent wish that you may succeed in your deliberations."

Ben-Gurion's opening speech and the conference as a whole must have sent shivers down the spine of the London-

centered financier oligarchy, which has been committed, then and since, to keeping Third World countries in colonial backwardness. After welcoming remarks by Eban and a few others, presentations were made by international scientists on the most advanced breakthroughs in various fields and their promise for mankind and the developing nations. This included the promise of fusion power as an unlimited, cheap energy source. Then representatives of the developing nations presented short papers on their achievements and challenges.

When the floor was first opened for remarks, an agitated Jerrold R. Zacharias of MIT made a short and sharp intervention, which must have startled many. "I would like to say right now that it is irrelevant to discuss fission power or fusion power. We should not discuss the big accelerators, nor radio astronomy, nor space research, nor that foolishness called space travel, nor monster team researchers. They just have no relevance to the problems of the new states. . . ."

Warren O. Nelson, of the Population Council of the Rockefeller Institute, also addressed the conference and demanded that it was the responsibility of the leaders of the newly independent states to enforce population control policies. He was openly rebuffed by indignant and courageous African leaders.

A final communiqué was agreed upon for further work and collaboration. Israel's commitment to help these new nations was concretized with two programs. It established a full scholarship program to train students from the developing nations in agriculture, technology, and science, and it sent its own teams of technical advisers to these nations. By 1965, Israel had programs in 65 countries—30 in Africa, 13 in Asia, 18 in Ibero-America and the Caribbean, 3 in the Mediterranean and Iran. More than 2,000 foreign students a year underwent training in Israel and more than 400 Israeli experts were working abroad in these nations.

This was the outlook of Israel in its early years. It was the generation of Ben-Gurion and others who fought to make a better world in the aftermath of World War II, knowing full well the limitations that would be imposed by the Cold War. They forged ahead despite this, knowing it was the only moral outlook for a modern nation-state. They also knew the political benefits that would help ensure their security as a nation.

### **Plato, Cervantes, and Statecraft**

Ben-Gurion had good teachers for the art of statecraft. He wrote: "I had long been interested in Plato, and had read him in various translations, in Russian, French, and English. I found that in several important passages, the translations differed, each offering a different meaning. It was therefore clear that to find the true Plato, I had to read him in the original. So I decided that I had to learn Greek. It was not, however, until 1940 that I found the time to do so. I was in London during the Battle of Britain and so had many hours of enforced idleness during the nightly bombing raids. Dr. Weizmann's secretary, Miss Doris May, who was a classics scholar, cheerfully under-



*Two interlocutors of Ben-Gurion were German Chancellor Konrad Adenauer (left) and French President Charles de Gaulle. In a discussion with Adenauer, Ben-Gurion laid out a vision of the development of Africa and other former colonial regions.*

took to be my tutor, and my 'homework' I did mostly in the bomb shelter. Since the raids lasted quite a time, I managed to learn quite a lot of Greek, enough, anyway, to be able to continue on my own when I left London and to embark on my reading of the Greek classics.

"What a difference there is between the Plato original and the translation! Plato was a most profound thinker—unrivaled, to my mind; and he was also a master of literary style. A poet. He is complicated—Jowett's formidable translation makes him too smooth. . . . In his central work, *The Republic*, every sentence is a gem, full of wisdom and insight. It's silly for some people to have called him a fascist because of what he says about philosopher-kings. Plato's point was not that the ideal ruler was the philosopher-king who sought power. Plato set out the qualities of the ideal ruler, but added specifically that he would be a man who shied away from power, but who would, however, be forced by the people to rule. As for Plato's general works, I don't think anyone ever wrote quite like him. Both for content and style, what he said and the way he said it, he is matchless. And who could sketch a man's character as he does so brilliantly, in a couple of lines."

A decade later, after Ben-Gurion had assumed the posts of Prime Minister and Minister of Defense, he laboriously learned Spanish so he that could read Cervantes' *Don Quixote*. Ben-Gurion thought that all the secrets of statecraft were contained therein, and he made it a point to try and reread this dear work every year!

He also made the time for an in-depth study of Buddhism, during long hours in his Tel Aviv office, so he could understand the Asian mind. He made close friends with U Nu, the Prime Minister of Burma, and he admired the culture and rapid development of the Chinese, whom he demanded should be accepted into the United Nations.

He traced modern science to the Greeks and Plato, and he read numbers of the great Greek scientific authors. He also

saw the Italian Renaissance, which he said was dependent on those same authors, as the greatest scientific period, which had made the world what it was today.

### The Development of Africa

On March 14, 1960, Ben-Gurion met at the Waldorf Astoria Hotel in New York with German Chancellor Konrad Adenauer. The full transcript of their discussion was published, and it gives a further sense of Ben-Gurion's devotion to ending colonialism and to the best notion of the nature of man. Speaking about his recent experience, meeting African leaders at the Weitzmann Institute conference, he told Adenauer: "I belong to a race that has been persecuted more than others, but never lost its feeling of human dignity. I can understand these people. You have to educate in this direction the people you will send to Liberia and to Ghana and to Ethiopia. You have to teach them to know that there is one human race. As the Bible said: 'All men are made in God's image.' That is everything. Only if you go with that attitude, you may win them over."

He went on: "I did not go, myself, to Africa, but I met representatives of independent and non-independent coun-

tries. They were intelligent, nice people, people with ideas and vision. They want to elevate their people. Maybe they are primitive, but all of us have to know that the time for colonialism is over. Maybe in one more year, there won't be any colonies left and de Gaulle knows that . . . all the countries of black Africa will be independent. . . . If you go to Africa as a brother rather than as a benefactor, if you accept them as equal members of the human family, if they have that feeling, then they will trust you. Otherwise, they will think that this is just a new way of imperialism, as Khrushchev tells them."

Ben-Gurion also made it clear, in his dialogue with Adenauer, that he detested and rejected the notion of collective guilt, as it had been applied to Germany after the war. "Attacks have been made on me for meeting with you, and for differentiating between your Germany and the Germany of Hitler," he said. "I think it is not Jewish to levy collective responsibility upon a whole nation and to carry this on and on. My conscience is quiet. I am doing my duty as a Jew and as a human being. My conscience is clear."

### The Legacy of Moses Mendelssohn

One of the greatest writings of Moses Mendelssohn, the Orthodox Jew and Platonic philosopher, is *Jerusalem*. It is a treatise that defines Mosaic law as coherent with the Platonic concept of Reason, and it defines the responsibilities of the state and the church to both man and God in modern society. It is written not only for Jew, but for Christian and Muslim alike.

Writes Mendelssohn: "The reasons which lead men to rational actions and convictions rest partly on the relations of men to each other, partly on the relations of men to their Creator and Keeper. The former are the province of the state, the latter that of religion. Insofar as men's actions and convictions can be made to serve the common weal through reasons arising from their relations to each other, they are a matter for the civil constitution; but insofar as the relations between man and God can be seen as their source, they belong to the church, the synagogue, or the mosque. . . .

" . . . Fear and hope are no criteria for truth. Knowledge, reasoning, and persuasion alone can bring forth principles, with the help of authority and example, can pass into morals. And it is here that religion should come to the aid of the state and the church should become a pillar of civil felicity. It is the business of the church . . . to show then that duties toward men are also duties toward God, the violation of which is the greatest misery; that serving the state is true service of God; that charity is his most sacred will, and that true knowledge of the Creator can not leave behind in the soul any hatred for men. To teach this is the business, duty, and vocation of religion; to preach it, the business and duty of its ministers. How, then, could it ever have occurred to men to permit religion to teach and its ministers to preach the opposite?"

That was the spirit in which David Ben-Gurion lived, and which must be revived, if the Mideast peace process is ever to achieve its goal.

## Moses Mendelssohn, 'the Socrates of Berlin'

Moses Mendelssohn (1729-86), the philosopher and Orthodox Jew, played a pivotal historical role in keeping alive the Platonic tradition in philosophy, music, the natural sciences, and statecraft. A scholar of Plato and Leibniz, he was known the world over as "the Socrates of Berlin." He collaborated his entire life with Gotthold Ephraim Lessing, the great German writer, in seeking an ecumenical solution to the problems of the day.

He wrote extensively on the coherence of Mosaic law with the Platonic idea of Reason, and was the pivotal individual in providing the educational pathway that emancipated and transformed the backward, hermetic majority of the Jewish community of Europe and Russia into modern citizens and leaders of the day.

His commitment to the music of J.S. Bach provided one of the avenues that led directly to the further development of Classical music by Mozart and Beethoven, as well as Moses' grandson Felix Mendelssohn, and to the establishment of Classical composition in European synagogue music a generation later. (See Steven P. Meyer, "Moses Mendelssohn and the Bach Tradition," *Fidelio*, Summer 1999.)

# Temple Mount Fanatics Foment a New Thirty Years' War

by an EIR Investigative Team

*This special report was prepared by Salvatore Montagna, Jeffrey Steinberg, Michele Steinberg, Scott Thompson, and Anton Chaitkin. This article represents only a brief summary of the voluminous material gathered by the taskforce since the Nov. 4, 1995 assassination of Israeli Prime Minister Yitzhak Rabin. A comprehensive Special Report, featuring the transcripts of many of the key interviews, and scores of heretofore secret documents, is now in preparation.*

On Oct. 16, Israeli police turned back members of the Temple Mount and Land of Israel Faithful Movement, as they attempted to enter the Dome of the Rock to anoint the cornerstone of a Third Temple. It was an extraordinary provocation, given that, for the previous 17 days, the Israeli military and police had been waging a round-the-clock shooting war against Palestinian protesters, armed mostly with stones. Dozens of Arab demonstrators had already been killed, and Jerusalem was about to explode in religious warfare.

An earlier press release by the Temple Mount Faithful had claimed that “the event has the approval of the Israeli authorities and will be protected by the Israel security forces.”

The press release, written by Faithful leader Gershon Salomon, proclaimed, in blood-curdling language, “Now it is the time to rebuild the House of G-d on the holy Temple Mount, the location of the First and Second temples. G-d is ready for this and He expects Israel to re-liberate the Temple Mount from the pagan Arab worshippers and to rebuild His house to again be the heart, soul, and focus of Israel and all the nations. . . . Come and see for yourself what G-d is doing with Israel at this great time and be a part of this major end-time event.”

Had the Israeli authorities allowed these Temple Mount fanatics to carry out their provocation — the Dome of the Rock and the Al-Aqsa Mosque are among the holiest sites in Islam and have been the targets of scores of terrorist attacks by Jewish “Temple Mount” terrorists — a holy war of incalculable consequences would have erupted.

Just three weeks earlier, Israeli authorities *had* permitted Ariel Sharon, the head of the Likud bloc, the notorious “Butcher of Sabra and Shatilla” Palestinian refugee camps in Lebanon, and a leading player in the Temple Mount apparatus, to enter the site, accompanied by thousands of Israeli security personnel. Sharon’s Sept. 28 appearance triggered

the Arab protests, which were followed by deadly-force Israeli retaliation. In a matter of days, the entire Mideast peace process was in shambles, and war just a moment away. Such is the horrific power of religious warfare in the Middle East — in the hands of lunatic zealots.

On the day when Sharon staged his well-financed provocation at the Temple Mount, Israeli and Palestinian negotiators in New York City had reported that they were hours away from concluding an agreement, that would have restored the momentum to the peace process. The peace process had come to a screeching halt the instant that President Bill Clinton, under the influence of Vice President Al Gore and some treacherous advisers on the President’s Mideast team, had convinced the President to raise the issue of the Temple Mount and Jerusalem at the Camp David summit last July. Lyndon LaRouche described the insertion of the Temple Mount issue into the peace talks as “President Clinton’s greatest blunder.”

At the United Nations Millennium Summit in New York City at the beginning of September, President Clinton had met, separately, with Arafat and Barak, and extracted a commitment to attempt, once again, to reach a final agreement. Sources indicate that, this time around, the issues of Jerusalem and the Temple Mount were to be deferred, in favor of a more limited, but acceptable agreement.

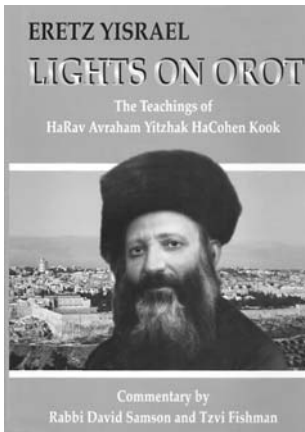
It was at that moment that Sharon played the “Temple Mount card,” and, literally, all holy hell broke loose.

## The Invisible Chain of Command

It is no secret that Sharon is the most visible and prominent “godfather” of the Temple Mount fanatics inside Israel. The Ateret Cohanim yeshiva, located in the Old City of Jerusalem, is one of the hubs of Jewish underground guerrilla warfare activity, directed against the Islamic holy sites on the Temple Mount. Sharon has been a fixture at New York fundraisers of the Friends of Ateret Cohanim, as has his ostensible rival within the Likud, former Prime Minister Benjamin Netanyahu.

Sharon has reportedly been the conduit of millions of dollars to the Gush Emunim movement of Rabbi Moshe Levinger and the late Rav Zvi Yehuda Kook, which serves as a religious fundamentalist death squad, out of the Kiryat Arba settlement near Hebron, on the West Bank, and out of at least

*HaRav Abraham Isaac HaCohen Kook: The Cabbalistic rabbi who collaborated with Jewish fascist Jabotinsky in the 1920s and 30s, and founded the network of yeshivas linked to anti-Arab terrorism, and to the assassination of Yitzhak Rabin.*



*The founding ceremony of the Jerusalem Lodge of Di Bernardo's Regular Grand Lodge of Italy. The location is the "Grotto of King Solomon," an underground cave in the Arab Quarter near the Temple Mount.*



*Benjamin Netanyahu, former Likud party Prime Minister of Israel.*

*The 7th Marquess of Northampton, Spencer Douglas David Compton (right) on a gondola in Venice, shortly after the installation of Giuliano di Bernardo (left) as Grand Master of a new Italian Freemasonic lodge.*



*Duke of Kent, Grand Master of United Grand Lodge of England, the mother lodge of World Freemasonry.*



*Ariel Sharon, Likud Party chief, who is vying to be Prime Minister of Israel. Sharon provoked the current Holy War in the Middle East. A call has been issued by Arab leaders to try him for war crimes.*



*Giuliano di Bernardo: Grand Master of the Regular Grand Lodge of Italy, which is sponsored by the British Freemasonry. Follower of the Cabbala, and proponent of building the "Third Jewish Temple" on ground that is holy to the three Abrahamic religions.*

130 other settlements dotted throughout the Israeli occupied territories, which Gush Emunim cadre have founded since the late 1960s.

(In February 1994, shortly after the signing of the Oslo I Accords at the White House, a Kiryat Arba fanatic in the Israeli Defense Forces reserves, Baruch Goldstein, massacred scores of Islamic worshippers as they prayed at the Cave of the Patriarchs mosque in Hebron. Goldstein is heralded as a hero and a martyr by the Gush Emunim.)

Through months of investigation, more than 30 interviews, and a review of thousands of pages of primary source documents, some never previously made public, *EIR* has established that the entire Temple Mount provocation is being run, top-down, by the most lunatic elements within the highest levels of British Freemasonry—with the blessing and involvement of members of the House of Windsor.

This Masonic control is exerted through the Quatuor Coronati “research” lodge of the Grand Mother Lodge of British Freemasonry, headed by the Queen’s first cousin, the Duke of Kent, and run on a day-to-day basis by the Seventh Marquess of Northampton (Spencer “Spenny” Douglas David Compton), a maternal descendant of the Baring family, of British East India Company notoriety.

Lord Northampton, who has been atop the Temple Mount conducting “Temple studies,” candidly has admitted in interviews, that he is an adherent of British Israelism, which holds that the British oligarchy has mystical powers, because England was colonized by one of the lost tribes of Israel. “I think the tradition of the Kabbalah is very strong in England, because I think one of the lost tribes came to England. And I think you can spot them, quite clearly, in old English families. I am sure you can. I know they came to Ireland, then to the north of Wales, and then down into England. And then that became some of the oldest families we have.”

He ranted on that America, too, had been colonized by another of the lost Tribes. “That was all predicted, that one would go to Hyperborea, the land of the north, and one would go across the sea. And so I think that America and England got the Two Lost Tribes, and that is why they then, in a very intellectual Jewish way, started to run the world!”

Lord Northampton is, by his own admission, a practitioner of the Satanic rituals of Aleister Crowley. Indeed, as he explained to an interviewer, Lord Northampton installed one of the world’s leading “scholars” of the Golden Dawn cult, R.A. Gilbert, as the editor-in-chief of *Ars Quatuor Coronarum*, the theoretical journal of the lodge. Crowley had written an account of his “spiritual progress” in magic and Satanism under the title *The Temple of Solomon the King*.

## The Jerusalem Lodge

In December 1995, the “Jerusalem” freemasonic lodge was established, adjacent to the Temple Mount, in the Grotto of King Solomon, to work for the rebuilding of Solomon’s Temple. The lodge worked side by side with the on-the-

ground networks of Jewish and Christian fundamentalist fanatics, to foment a bloody religious war over the control of the Temple Mount. That such a lodge would be founded shortly after the Israel-Palestine peace breakthroughs at Oslo—and just weeks after the assassination of Israel’s Prime Minister Yitzhak Rabin, an architect of that peace—is surely no coincidence.

The Jerusalem Lodge was founded by the Grand Master of Italian Regular Freemasonry, Giuliano di Bernardo, the right-hand man of Lord Northampton on the Temple Mount project. At the ceremony launching the Jerusalem Lodge, Di Bernardo declared, “The rebuilding of the Temple is at the center of our studies.” In June 1996, Di Bernardo published an Italian edition of his book, *Rebuilding the Temple*, which was to be published in English by the Quatuor Coronati Lodge.

In interviews, Di Bernardo candidly admitted that he has constructed an entire irrationalist “utopian” belief system, centered on the revival of Jewish Cabbalism and the rebuilding of the Temple. “A new utopia may be based on the Cabala. I see a utopia based on Jewish mysticism, but Jewish mysticism as a place . . . a material place, Solomon’s Temple. . . . This is my intention. This is my will!”

Di Bernardo also let slip that Anti-Defamation League of B’nai B’rith director Abe Foxman is a collaborator in the Temple Mount project. Di Bernardo revealed that, while Foxman lacks intellectual capital, Lord Northampton and he had met Foxman in Switzerland, just prior to the launching of the Jerusalem Lodge, to discuss their project, and have met with him on several other occasions. “There are strong relations between B’nai B’rith and Freemasonry,” Di Bernardo explained.

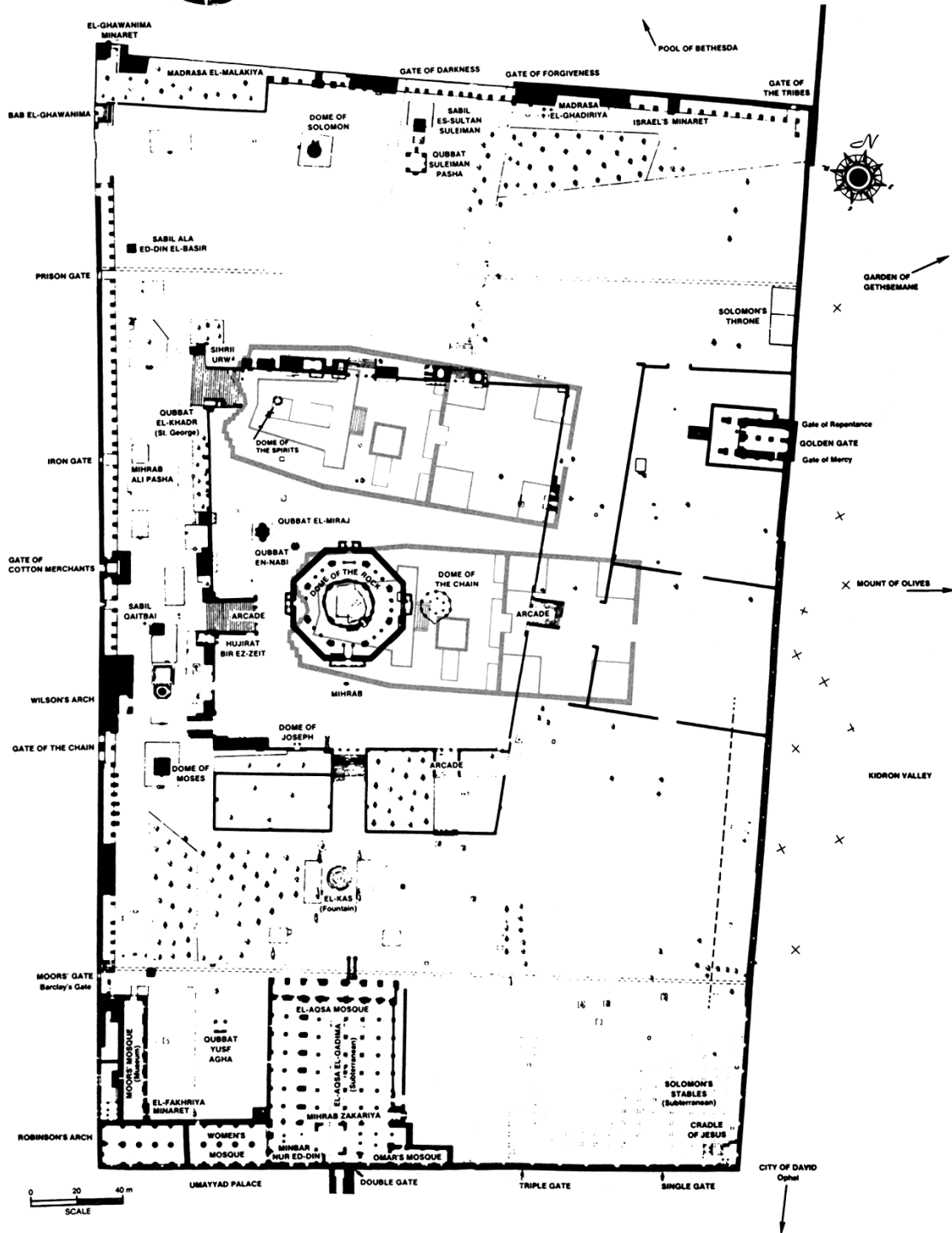
The role of the Quatuor Coronati Lodge in the Temple Mount plot significantly predates the launching of the Jerusalem Lodge. Dr. Asher Kaufman, a corresponding member of the Quatuor Coronati Lodge, did some of the first post-war archaeological “studies” of the Temple Mount, laying the foundations for the upsurge of Jewish fundamentalist assaults on the site. He was personally dispatched to Jerusalem by the lodge’s Dr. T.E. Allibone, a senior figure in the British Royal Society, and one of Britain’s preeminent nuclear physicists, who served for 30 years as the “Lord of the Manor” of Britain’s most top-secret nuclear weapons laboratory at Aldermaston.

Another key figure, whose work has dovetailed with the Quatuor Coronati activities on Temple Mount, is the Dutch-born architect Leen Ritmeyer, who received his doctorate from Manchester University in England on the design of Solomon’s Temple. Ritmeyer’s work in Israel, in which he claims to have discovered the resting place of the lost Ark of the Covenant inside the Dome of the Rock, has been almost wholly financed by Lord Jacob Rothschild, the son of the late Lord Victor Rothschild, and the head of Rothschild Investment Trust. The Rothschilds are at the very center of the



# Jerusalem Temple Foundation

מסד המקדש ירושלים



Two designs for the Temple Mount project, based on conflicting archaeological claims about where the Biblical Second Jewish Temple once stood. Both versions are sponsored by top Freemasonic circles in London. The “mainstream” version, propagated by Leen Ritmeyer, hired hand of London’s Lord Jacob Rothschild, claims that the Temple’s inner sanctum lay precisely in the center of the Muslim holy site, the Dome of the Rock. Such maps have been used to organize radical Jewish extremist groups to plot to blow up the Dome of the Rock mosque in order to make way for the “rebuilding” of the Temple.



British oligarchy's "Club of the Isles" (see "The True Story Behind the Fall of the House of Windsor," *EIR Special Report*, September 1997, for an in-depth profile of the Club of the Isles), the inner elite of policymakers, senior intelligence officials, City of London financiers, and raw materials barons, who are centered around the Royal Consort, Prince Philip, the Duke of Edinburgh.

### **Another Dimension of the Assault**

With the deployment of Dr. Asher Kaufman to Jerusalem in 1967, just weeks after the conclusion of the Six Day War in June, another dimension was added to the Temple Mount assault. An extensive network of American-based Christian fundamentalists, largely associated with the Darbyite movement and its Dallas Theological Seminary, soon were linked up to the Temple Mount operations under way inside the Old City of Jerusalem, which was now in the hands of Israeli authorities for the first time in 1,900 years.

Through Temple Mount Faithful founder Stanley Goldfoot, a member of the Stern Gang terrorist underground, Dr. Lambert Dolphin, a physicist at the Stanford Research Institute in Menlo Park, California, was brought to Jerusalem in the early 1980s. Dolphin had already been in correspondence with Kaufman, but it was Goldfoot who put the Quatuor Coronati field operative, Kaufman, together with the Darbyite fundamentalist, Dolphin. During World War II, Goldfoot had worked for Lord Martin Charteris, then-British intelligence station chief for the Middle East, and later, private secretary to Queen Elizabeth II.

Soon, massive amounts of money from American-based Darbyite Christian fundamentalists began pouring into the Jerusalem operations, aimed, ultimately, at blowing up the Muslim holy sites at the Temple Mount, and building the Third Temple. The American Jerusalem Temple Foundation was one early source of financing for this insane effort. According to Dolphin's exhaustive writings, now posted on his website, another big source of largesse has been Chuck Missler, a U.S. Naval Academy graduate and CEO of a string of U.S. defense companies, who runs a Darbyite publishing firm, Koinonia House, which propagandizes for the destruction of the Islamic sites and the building of the Third Temple.

Dolphin set all of this down in a written account of his 1994 visit to Israel, accompanied by Missler and 70 "pilgrims." "My specific responsibility on this tour," he wrote, "was to organize and host the Third Annual Temple Conference in Jerusalem where Jewish scientists and religious leaders presented ten papers concerned with the location of the First and Second Temples and plans and projections concerning the coming of the Jewish Messiah."

Dolphin revealed his own views on the current state of affairs inside Israel: "Now, strangely, the Jews have become their own worst enemies. The present government is openly, blatantly anti-Biblical and has set about dismantling the state of Israel piece by piece, giving it all back to Israel's own sworn

enemies in exchange for peace promises everyone knows are empty and meaningless. Even more amazing is that the public is well informed about all these issues and chooses to do nothing."

Dolphin was referring to the Oslo Accords, recently signed by Prime Minister Rabin, Palestinian Authority President Yasser Arafat, and President Clinton.

Dolphin made no bones about the fact that a great deal of blood would have to be shed for the Temple project to be completed. "Some things are clear," he wrote. "Sinful man can not approach a holy God without a suitable sacrifice. The shedding of blood is somehow necessary to make atonement for human evil. Even forgiven sinners need washing and regular cleansing in order to enjoy fellowship with their Creator. . . . God in His love wishes to teach us the depths of his love and forgiveness and mercy through the symbolism of the temple."

Dolphin ended with an ominous warning: "The time is fast approaching when the Temple Mount will (by one means or another) be accessible both for full-scale geophysical exploration, and for digging and exploring."

It is no small irony that the Darbyism preached by Dolphin, Missler, and the other central figures in the American Jerusalem Temple Foundation, is deeply anti-Semitic. At the core of the Gnostic "dispensational premillennarianism," advocated by Nineteenth-Century Anglican clergyman John Nelson Darby, is the belief that the extermination of the Jews, in a final battle of Armageddon, brought on by the rebuilding of Solomon's Temple, is the Biblical precondition for the second coming of the Messiah and the Rapture. Pastor Chuck Smith, Dolphin's mentor at the Calvary Baptist Church, when asked by *EIR* whether he had any compunctions about unleashing a holy war that would lead to the possible extermination of millions of Jews and Muslims, replied, "Frankly, no, because it is all part of Biblical prophesy."

Smith was also full of praise for the Jewish zealots of the Temple Mount Faithful, and their founder, Goldfoot: "Do you want a real radical?" he asked. "Try Stanley Goldfoot. He's a wonder. His plan for the Temple Mount is to take sticks of dynamite and some M-16s and blow the Dome of the Rock and Al-Aqsa Mosques and just lay claim to the site."

### **Rabbi Kook and 'Vladimir Hitler'**

Shortly before Prime Minister Rabin was murdered by a Jewish underground assassin, Yigal Amir, who was associated with the radical West Bank settlers and the Temple Mount crazies, Rabin had described the Jewish fundamentalist fanatics as an "errant seed," that had nothing to do with Judaism. The Judaism to which Rabin was referring, was the Mosaic tradition, carried into the founding of the state of Israel by such followers of Moses Mendelssohn as David Ben-Gurion, Abba Eban, and Rabin's "peace partner," Shimon Peres.

But, under the sponsorship of the British Crown, the Club



*Castle Ashby, 55 miles north of London between Bedford and Northampton. The 26-bedroom castle is one of the two ancestral homes of Freemasonic Grand Master, the 7th Marquess of Northampton, a follower of Aleister Crowley, who founded the Satanic lodge, Ordo Templi Orientis (OTO).*

of the Isles, and the British masonic structures, the “errant seed” had been injected into the religious and political life of the Jewish community in Palestine long before the launching of the current Temple Mount project. And not surprisingly, that irrationalist theological current closely paralleled the Jewish fascism of Vladimir Ze’ev Jabotinsky, the founder of the so-called Revisionist movement, that spawned the Likud bloc and the Gush Emunim of today’s “fundamentalized” Israel, and the man whom Ben-Gurion, the founding father of the state of Israel, referred to as “Vladimir Hitler.”

British imperial occult designs on Jerusalem and the Temple Mount first surfaced prominently in 1865, with the founding of the Palestine Exploration Fund, under British royal sponsorship, and the first archaeological expeditions to the Holy Land. Prince Edward Albert, the son of Queen Victoria who would succeed her as King Edward VII, had visited Jerusalem in 1862, and put his imprimatur on the launching of the Palestine Exploration Fund immediately thereafter. Prince Edward Albert, known as the “Prince of the Isles,” was a dominant figure in Britain’s imperial designs of the late Nineteenth Century, and Jerusalem and the Holy Land was one of his personal priorities.

The first excavation of the holy sites in Jerusalem, centered on the Temple Mount, was carried out by the Palestine Exploration Fund, under the direction of Gen. Sir Charles Warren, during 1867-70. This expedition launched the British Freemasonic “Temple Mount project.” In 1884, Warren was one of only nine Freemasons who *founded* the Quatuor Coronati Lodge, and he became its first head.

Within occult Judaism, the pivotal religious figure in this British-sponsored saga was Rav Abraham Isaac Kook. According to Kook’s autobiography, in pre-World War I London, he was an intimate collaborator of Jabotinsky, recruiting

and raising funds for Jabotinsky’s Jewish Legion, which fought the Ottoman Turks on behalf of the British Empire.

After the British Mandate was established over Palestine, Rabbi Kook was appointed by London to serve as Palestine’s Ashkenazic Chief Rabbi, a post he held until his death in 1935. Rabbi Kook revived Jewish mysticism, the teaching of the Cabbala, and the prophesies relating to the Third Temple.

Even more relevant to the present onrush of a religious war over the Temple Mount, Rabbi Kook the Elder founded Merkaz HaRav (the “Rabbi’s Center”) in Jerusalem, as a training academy for young religious zealots. When he died, his son, Rabbi Zvi Yehuda Kook, inherited the entire apparatus, including the infrastructure of training academies, which had spawned out of the original Merkaz HaRav yeshiva.

A famous story about Rabbi Kook the Younger is told by his students. On Israeli Independence Day in 1967—three weeks before the outbreak of the Arab-Israeli war—Rabbi Kook was delivering a sermon, in which he recounted, “Nineteen years ago, on the very night that the decision of the United Nations to create the State of Israel was handed down, as the entire people rejoiced . . . I was unable to join in their happiness. I sat alone—quiet and depressed. In those very first hours I was not able to accept what had been done, that terrible news, that indeed ‘my land they have divided’ had occurred! Yes, where is our Hebron—have we forgotten it? And where is our Schechem [Nablus], and our Jericho, where—will we forget them? And all of Transjordan—it is all ours, every single clod of earth, each little bit, every part of the land is part of the land of God—is it in our power to surrender even one millimeter of it?” He then told his students that “the Army of Israel will liberate the land of Israel.”

Three weeks later, the Israeli Army took control of East Jerusalem, including the Temple Mount, in the June 6-11, Six Day War. Rabbi Kook’s followers claimed that he had performed a miracle. In fact, there is no doubt that Rabbi Kook was one of a handful of figures who was aware of the secret plans for the war.

Among the Israeli paratroopers who seized control of the Western Wall of the Temple Mount, were students from Merkaz HaRav, who arranged for an armored car to fetch Rabbi Kook, to preside over the hoisting of the Israeli flag on the Western Wall and the blowing of the shofar, the ceremonial ram’s horn.

Two weeks later, in London, the greatest gathering of Freemasons in memory took place, to commemorate the 250th anniversary of the founding of the United Grand Lodge of England, and to inaugurate His Royal Highness the Duke of Kent as the new Grand Master of Masonry. It was out of that gathering, according to T.E. Allibone, that the decision was made to dispatch Kaufman to Jerusalem, launching the Quatuor Coronati drive to locate the precise spot where the Third Temple would be built. Almost on the same date, Rabbi Zvi Yehuda Kook launched the Temple Mount Faithful, with the Stern Gang terrorist Goldfoot. Kook also established the

Gush Emunim (although Gush Emunim would not be formally constituted as an organization until 1974).

### **The Jewish Underground, Unravalled**

Rabbi David Samson, a student of Rabbi Zvi Yehuda Kook, is one of the leading biographers and promoters of the Cabbalistic teachings of Rabbi Kook the Elder. He confirmed to an interviewer that the Merkaz HaRav Yeshiva networks founded by the Kooks is at the heart of the Gush Emunim settlers movement and the Temple Mount Faithful. "The entire settlements of Judea and Samaria, and the Golan, is all Merkaz HaRav," he said. "Rabbi Kook decided that 'I am going to establish a settlement movement.' Gush Emunim is Merkaz HaRav. And the leaders of Gush Emunim are all the students of Rabbi Zvi Yehuda, and whenever they would make a major policy decision, it would be in his dining room, sitting at his table." He later added, "Definitely, Rabbi Kook's students are again at the forefront."

Rabbi Samson also confirmed that Sharon had developed a deep personal collaboration with Rabbi Kook, specifically around the launching of the illegal settlements in the West Bank and other parts of the territories occupied after the Six

Day War and the 1973 Yom Kippur War. "Immediately after the Yom Kippur War," Samson said, "Sharon went, together with Rabbi Zvi Yehuda Kook, to the first illegal settlement, that was meant as a demonstration against the Army." He added, "His [Sharon's] connection with Merkaz HeRav was with Gush Emunim. . . . He was in the opposition together with Merkaz HaRav ideology."

Rabbi Samson also confirmed that the Merkaz HaRav networks have heavily penetrated the Israeli Defense Forces, through the hesder yeshivas, which are, in effect, military training institutes that also teach the Kooks' Cabbalistic fundamentalism. Students at the 22 hesder yeshivas, mostly in the occupied territories, spend their five years of study serving part-time in the Army, and spending the rest of their time in Cabbalistic studies. This apparatus has transformed the IDF into an evolving instrumentality for the Cabbalistic-fundamentalist holy war.

With Rabbi Kook the Younger's death in 1982, the leadership of Gush Emunim and the Temple Mount Faithful has been picked up by a group of even more violent and radical protégés, including Rabbi Moshe Levinger and Rabbi Eleazer Waldman. Waldman has asserted that Kook demanded a holy

## **The British Managed Riots in Palestine**

When Britain and France carved up the fallen Ottoman Empire, the British took control over Palestine and what was then called Transjordan, and the mandates for Syria and Lebanon went to France.

British practice in Palestine, in the years between the world wars, fostered violence and dissension between Jews and Arabs, as a matter of policy. Whenever Arab and Jewish forces moved toward peaceful collaboration, the British sparked riots, putting a bloody end to the chances for peace.

The British colonial regime militarily trained both the Jews and the Arabs during this period. The British policy of divisiveness was such that even today, the histories written of the period, depending on the political outlook of the author, will say that the "British favored the Zionists," or that "the British favored the Arabs." In actuality, the British favored the Empire, and pursued a policy that ensured wars at other peoples' expense.

### **The Riots of April 1920**

A case in point were the riots of April 1920. Col. Richard Meinertzhagen, the Chief Political Officer for British

Military Intelligence in Palestine, reported in his book, *Middle East Diary, 1917-1956*, that British Military Governor Ronald Storrs and Chief of Staff Bertie Harry Waters-Taylor, were encouraging anti-Jewish riots. On the day of the riot, he reports, the Arabs were told: "The Government [the British, that is] is with us; Allenby [the British General who captured Palestine from the Turks] is with us; kill the Jews; there is no punishment for killing Jews."

Waters-Taylor, according to Meinertzhagen, chewed out the Arab mayor of Jerusalem for not rioting more, and reportedly told the mayor: "I gave you a fine opportunity. For five hours Jerusalem was without military protection; I had hoped you would avail yourself of the opportunity, but you have failed."

Meinertzhagen later reported to the Palin commission of inquiry, set up by the British government, that the British officials in Palestine had taken the side of the Arabs, and that lives were lost because Governor Storrs had withdrawn British troops from Jerusalem at a critical point, to give the rioters free rein. He reported to the Foreign Office in April that the British Occupied Enemy Territory Administration head, Maj. Gen. Louis Bols, and his fellow officers had caused the riots. He wrote in his diary: "I find myself alone out here, among gentiles, in upholding Zionism. . . . And that is the irony of the whole situation, for I am also imbued with anti-Semitic feelings."

Meinertzhagen was fired after his report to the Foreign Office. — *Marjorie Mazel Hecht*

war, as the only means of achieving the coming of the Messiah. "On the one hand," Waldman wrote, "war is accompanied by destruction and death, on the other hand, it increases the power of the Messiah. . . . Unfortunately, it is still impossible to achieve the completion of Redemption by any means other than war."

Rabbi Samson confided that former Israeli Prime Minister Netanyahu "himself studies Rabbi Kook's writings with some of the biggest rabbis in Merkaz HaRav, on a regular basis. . . . Bibi Netanyahu is very oriented this way. He was in Merkaz HaRav on Jerusalem Day [1996] and it seems that his relationship with Rabbi Kook is very serious. The Minister of Justice that he appointed, not because of any coalition agreement, just because he was the one he wanted the most, is a proponent of Rabbi Kook's philosophy and is very well-versed in Rabbi Kook's philosophy." This, too, should come as no surprise, given that Netanyahu's father was the personal secretary of Jabotinsky, the intimate collaborator of Rabbi Kook the Elder.

### Where Does It Lead?

In the mid-1980s, after the United States arrested American citizen Jonathan Jay Pollard on charges of spying for Israel, the U.S. Defense Department's Defense Academic Research Support Program funded a research paper on the rise of fundamentalism in Israel and its strategic implications. The report, written by Ian Lustick, Associate Professor of

Government at Dartmouth College, was published in expanded form by the New York Council on Foreign Relations in 1988.

Its conclusions were blunt: Were the emerging Jewish fundamentalists, associated with Gush Emunim, and a growing faction of ultra-nationalists within the Israeli military (veterans, for the most part, of Merkaz HaRav), to seize power, "An Israel decoupled from the United States, opposed in principle to a negotiated peace, unfettered by the norms of liberal democracy, animated by redemptionist imperatives, and disposing of a large and sophisticated nuclear arsenal would pose challenges to American foreign policy and security interests at least as profound as those resulting from the Islamic Revolution in Iran."

Lustick's best-case scenario, under such an eventuality: a religious war as devastating as the Thirty Years' War in Europe (1618-48). His worst-case scenario was thermonuclear World War III.

## CFR Forecast Temple Mount Bloodbath

by Scott Thompson

For over 20 years, U.S. military and intelligence circles have known full well that actions such as Israeli Gen. Ariel Sharon's Sept. 28 invasion of Al Haram Al Sharif (also known as the Temple Mount) in Jerusalem could lead to war.

In 1988, the scenario was already fully developed in the book *Jewish Fundamentalism in Israel: For the Land and the Lord*, published for the New York Council on Foreign Relations by Ian S. Lustick, now a Professor at the University of Pennsylvania. Lustick has a long background in intelligence work. He began his study in 1979-80, when he worked as a CFR Fellow at the State Department's Bureau of Intelligence and Research. He later wrote a study on the issue for the Defense Academic Research Program of the U.S. Department of Defense.

Lustick's CFR scenario outlines how the plans of Jewish radical sects, such as the Gush Emunim, to rebuild Solomon's Temple on Al Haram Al Sharif, could ignite nuclear World War III. The best-case scenario to be expected would be a protracted bloodbath, such as the Thirty Years' War. The following are excerpts from the book (the subhead and emphases have been added):

"Some leading rabbis have used recent archaeological finds to eliminate religious restrictions against Jewish entry onto the Temple Mount. The most influential of these has been former Army Chief Rabbi and Ashkenazic Chief Rabbi

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Pictured is a sampling of some of the most important books and publications around which the Freemasonic, Protestant, and Jewish fundamentalist crazies have built the mystical “end-times” political movement that is responsible for the bloodbath in Israel and the Palestinian Authority. Freemasonic Grand Master Di Bernardo’s book (in Italian), is entitled The Reconstruction of the Temple.

Shlomo Goren. . . . Partly as a result of these developments, *partly as a result of the desire by many in Gush Emunim to do something so decisively repugnant to the Arab world that peace negotiations would forever be prevented*, and partly as a result of the very logic of the fundamentalist ideology, the Temple Mount issue has emerged from the realm of crackpot utopianism to occupy a central place in the political activity of the Gush Emunim. . . .

“[The journal] *Nekuda* published two editorials in 1985 and early 1986 warning of the radical and violent steps to be taken by Jewish fundamentalists if the government did not act swiftly to change the status quo: ‘Those in government and the Chief Rabbinate who pay only lip service to the basic rights of the people of Israel to the Temple Mount . . . must bear responsibility for the fire liable to erupt . . . which, God forbid, may ignite a *terrible religious war*, whose echoes would reverberate from one end of the earth to the other.’ . . .

“Nonetheless, according to prominent Israeli newspaper columnist Doron Rosenblum, the destruction of the Muslim shrines on the Temple Mount is ‘only a matter of time.’ The aftermath, as he predicts, will be horrible:

“ . . . The immediate cancellation of the peace agreement with Egypt; . . . spontaneous demonstrations in every Arab country; . . . mobilization of reserves amidst reports of tensions on all four fronts; the flow of Egyptian forces into Sinai; firing in the Golan and the Jordan Valley; dogfights with Iranian, Saudi, Libyan, Iraqi, and Syrian planes; . . . rumors of the massacre of Syrian Jews; . . . guerrilla war in the occupied

territories between Arabs and settlers; ‘massacres’ that will be called total anarchy; intervention by the superpowers and war that will go on for months or even years.’ . . .

“No event is more likely than a government-supported fundamentalist initiative aimed at Judaizing the Temple Mount to achieve a profound realignment of public attitudes within Israel, to precipitate an eminently crushable armed revolt in the occupied territories, to disrupt the Egyptian-Israeli relationship, and to distance Israel, politically and culturally, from the entire gentile world. . . .

“Should a Labor Party victory appear imminent, or even possible, however, the vanguardists within Gush Emunim will again seek to preempt the political process by raising the banner of the Temple Mount. . . .

“Washington must seek ways to prevent the explosiveness that surrounds Jewish fundamentalism from being unleashed. . . . In Israel such a crisis would almost certainly involve repeated demonstrations by hundreds of thousands of Jews, violence against both Jews and Arabs, challenges to the authority and legitimacy of the government, . . . the creation of scores of new illegal settlements, *threats of civil war*, a sudden influx of militantly ultranationalist diaspora Jews, and, as suggested above, attempts at spectacular actions such as the destruction of the Muslim shrines in Jerusalem. . . .

### A Break-Away Israel Scenario

“Israel is, indeed, so deeply divided on key territorial and ideological issues, and has such a short and essentially un-

tested tradition of constitutional democracy, that successful challenges to the regime cannot be ruled out. The most often discussed scenario of this sort is that of popular but unscrupulous right-wing politicians joining with ambitious military commanders to ‘restore order and sanity’ amid chronic, polarized, and increasingly violent intra-Jewish struggles. . . .

“An Israel decoupled from the United States, opposed by the norms of liberal democracy, animated by redemptionist imperatives, and *disposing of a large and sophisticated nuclear arsenal* would pose challenges to American foreign policy and security interests at least as profound as those resulting from the Islamic Revolution in Iran. *The United States, thus has a strong interest in finding effective ways to support those inside Israel who are struggling against fundamentalism.* . . . Washington should stress . . . the extent to which our friendship and support ultimately depend on . . . shared values — values we can directly portray as *unrealizable in the ‘Greater Israel’ [“Eretz Yisroel”] to which the fundamentalists aspire.*”

Lustick’s scenario, first published in 1988, is an almost exact forecast of events that occurred since Sharon’s march on Temple Mount. The CFR, along with the Defense and State Departments, have long known what the effects of such policy would be, just as David Ben-Gurion had issued such warnings about Zionist fascism. But even worse, Wall Street and elements of the U.S. government helped bring the bloodshed about.

## The Cabbala: Gnosticism, Freemasonry, and Religious War

On Oct. 4, 1995, a group of Cabbalists gathered outside the home of Israeli Prime Minister Yitzhak Rabin, and pronounced upon him the ancient Cabbalistic “curse of death,” the *pulsa denura*, to be executed within 30 days. Exactly 30 days later, Rabin was dead, killed by Yigal Amir, a young fanatic under the influence of the teachings of Rabbi A.I. Kook. Amir’s act had been approved beforehand, by a group of Cabbalistic rabbis.

The following month, Prof. Giuliano di Bernardo, the British-sponsored head of Italian Freemasonry, established the “Jerusalem Lodge” of Freemasonry, in a ceremony near the Temple Mount. He told an interlocutor, “I try to show the way in which the Cabbala may be considered the Utopia for the Third Millennium.” He said that his new lodge was committed to the near-term “*material* rebuilding of Solomon’s Temple,” based upon the Cabbala.

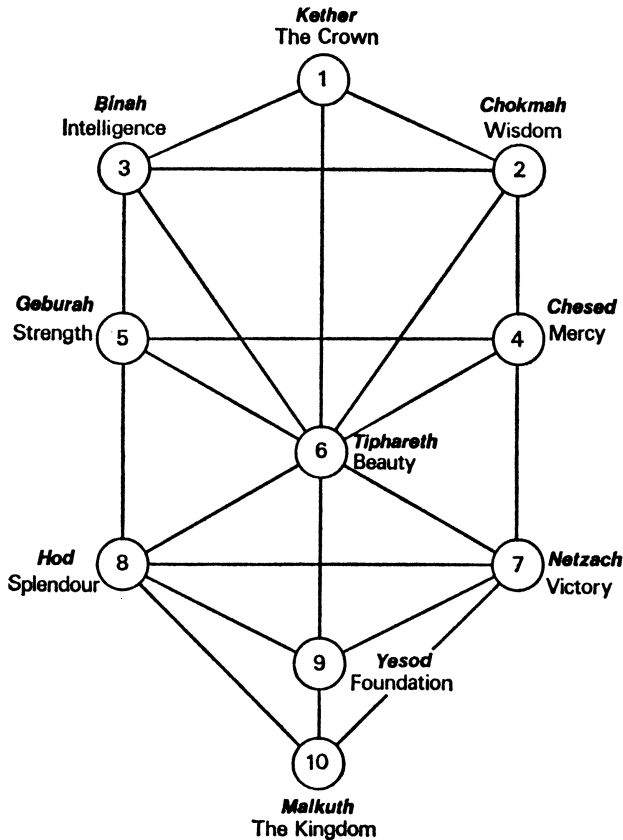
The ancient Gnostic heresy, the Cabbala, is the “red dye” by which one may trace the assassins and would-be Temple builders from the streets of Jerusalem and the Occupied Territories, back to their controllers in the elite freemasonic lodges in Britain, run by the Duke of Kent on behalf of the House of Windsor — those who are now unleashing a new Thirty Years War in the Middle East.

Created in Babylon during the first two or three centuries after the birth of Christ, the Cabbala was constructed upon the alleged mystical properties of the 22 letters of the Hebrew alphabet, and the ten “*Sephiroth*,” or “emanations of God” (as depicted in the Cabbalistic “Tree of Life”), which, combined, yield a mystical “32 paths” to redemption. In fact, as Cabbala proselytizer Rabbi Herbert Weiner admitted in his 1960s book on the subject, the Cabbala is a gnostic assault on Judaism, which revived the Satan worship out of which Judaism and Christianity had uplifted mankind: “This feeling for the reality of evil and power of the demonic found its expression through the Cabbala, which also became a vehicle for the reentrance into Judaism of old pagan superstitions, theurgic rites, and gnostic heresies.”

Beginning in the Sixteenth Century, the financier oligarchy of Venice, which city had already been for centuries the world’s most evil and powerful financial center, sponsored a revival of the Cabbala, as part of its deployment of mysticism and religious warfare against the Christian Platonic method which had given rise to the Golden Renaissance, and to the new institution of sovereign nation-states. A member of one of the oldest families of Venice, Francesco Zorzi, who specialized in religious warfare, and who played a key diplomatic role in 1508-09 in breaking up the anti-Venice League of Cambrai, in 1525 wrote a book, *De Harmonia Mundi (Harmony of the World)*, based upon a “Christian” form of the Cabbala. Zorzi claimed that Solomon’s Temple was designed by the “Grand Architect of the Universe,” and that it held all of the mystical secrets of creation.

### Zorzi Brings the Cabbala to England

Zorzi personally transplanted these Cabbalistic ideas to England, when he served as the chief “divorce counselor” for Henry VIII, encouraging the king to dump his queen, Catherine of Aragon, the daughter of Ferdinand and Isabel, the monarchs who united Spain. The divorce, in favor of the temptress Anne Boleyn, split England from the Catholic Church, and ushered in the “English Reformation,” and bloody Catholic-versus-Protestant fights in England and on the continent, including England’s wars with Spain. As reworked by John Dee and others, Zorzi’s *De Harmonia Mundi* gave birth, in Seventeenth-Century Britain, to all of modern Freemasonry, whose very name commemorates the Phoenician masons who originally built Solomon’s Temple. The 32 paths of the Cabbala became the ascending degrees of freemasonry, up to the highest, 33rd degree. Zorzi, who



*The Cabbalistic Tree of Life Diagram.*

was fluent in Hebrew, also propagated a new, messianic, apocalyptic form of Judaism, based upon the Cabbala, which stressed the near-term appearance of the Messiah, and the rebuilding of Solomon’s Temple. Zorzi’s messianic Cabbala gave rise, under Venetian sponsorship, to the first movement in more than 1,400 years, to return Jews to Palestine; it also gave rise, centuries later, to Rabbi A.I. Kook.

In 1884, the Prince of Wales (later King Edward VII), the grand master of world freemasonry, initiated a Cabbala-centered “world revolution in freemasonry” (as the masons themselves called it), by founding a “special research lodge,” the Quatuor Coronati (“Four Crowns”). The first grand master of the lodge, Sir Charles Warren, had been the chief engineer for British excavations of the Temple Mount two decades earlier, and was the head of the Palestine Exploration Fund (PEF), a front for British military intelligence. The PEF employed such legendary figures as Lord Kitchener (“of Khartoum”) and T.E. Lawrence (“of Arabia”), and was founded, in the words of Warren, “with the avowed intention of gradually introducing the Jew, pure and simple, who is eventually to occupy and govern this country.” The PEF is active today, and has sponsored two of the three major theorists on the subject of “where the Temple really stood,”

including the Quatuor Coronati’s Asher Kaufman, and is reissuing Warren’s original reports on his excavations of the Temple Mount.

The speech inaugurating the Quatuor Coronati lodge was entitled “Freemasonry as Seen in the Light of the Cabbala.” The new lodge, with its emphasis on Palestine and the Cabbala, was a key component of the British strategic policy to establish a British Jewish protectorate in Palestine, to protect the pathway to India, the “jewel of the British Empire.”

This Nineteenth-Century, British freemasonic-sponsored Cabbalistic revival took two forms, one “secular,” and one “religious.” The secular, was the “mystical nationalism” typified by freemasons such as Giuseppe Mazzini, one of whose adherents was Vladimir Jabotinsky; and the second, the apocalyptic religious mysticism of Rabbi A.I. Kook. Both are deployed against the modern sovereign nation-state, on behalf of the British Empire.

### Vladimir Jabotinsky

These two Cabbalistic sons of one British mother, came together in Kook’s collaboration with Jabotinsky in Jabotinsky’s British-sponsored Jewish Legion project during World War I, and again in 1934, when two of Jabotinsky’s Revisionists killed the leading Labor Zionist of the day, Histadrut leader Chaim Arlozoroff, and Rabbi Kook became the chief public voice defending the murderers. Likewise, the terrorist Stern Gang and Irgun of the 1930s and 1940s were almost entirely composed of followers of either Kook or of Jabotinsky. Sometimes, the same individual embodied both Cabbalistic currents, as did David Raziell, the head of the Irgun (Jabotinsky’s armed followers) from 1936 until his death in 1942, who was trained in Kook’s Merkaz HaRav yeshiva. Raziell also embodied the higher-level control which deployed both Kook and Jabotinsky: Raziell died in 1942, while on a mission to Iraq for British intelligence.

Rabbi Kook and his followers always rejoiced at the prospect of a religious conflagration, as Kook outlined in his major work, *Orot*: “The Truth Concerning the Land [is] Revealed in Cabbala. Jewish Mysticism (Cabbala) militates for life in the Land of Israel. Rationalistic approaches to Judaism place no special value on the Land of Israel. In wars, national characters crystallize. Israel, as the universal reflection of mankind, benefits thereby. The heels of Messiah follow upon world conflagration. . . . At the hour of the downfall of Western civilization, Israel is called upon to fulfill its divine mission by providing the spiritual basis for a new world order.”

With this mind-set, Rabbi A.I. Kook’s son and successor, Rabbi Zvi Yehuda Kook, was ecstatic about the Six Day War of 1967, in which Israel captured East Jerusalem. Immediately after that war, the Quatuor Coronati lodge sent its agent, Asher Kaufman, to Jerusalem, to begin studies on “where Solomon’s Temple really stood,” while Kook’s

Merkaz HaRav yeshiva soon gave birth to the entire West Bank settlement movement, as well as to Yeshiva Ateret Cohanim, set up to train priests for a rebuilt temple. Ateret Cohanim was headed by Rabbi Shlomo Aviner, a leading student of Rabbi Kook, and an agent of Israel's domestic intelligence service, Shin Bet.

The plot to rebuild Solomon's Temple, and to unleash a religious war beyond imagination, had begun in earnest.

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## The Case of Randall Price

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# Insane Fundamentalists in U.S. Seek World War

by Anton Chaitkin

Texas-based Armageddonist J. Randall Price is a leading advocate among nominal Christians now urging a mad descent into a Jewish-Arab conflict which, they hope, will bring on the end of civilization.

The filthy ties of Price and similar American "fundamentalists" to Masonic and intelligence circles in England, and to the British-controlled Jewish fundamentalists in Israel, are reflected in Price's books, including *Ready to Rebuild: The Last Days Temple* and *The Lost Ark and the Last Days: In Search of Temple Treasures*, which we review below.

Today's American fundamentalism originated with the Rev. John Nelson Darby, the Nineteenth-Century Englishman whose work was a plaything for British Crown geopolitics. Darby (named for his godfather, Lord Nelson, the naval commander of Darby's admiral-uncle) created the dogma known as "premillennial dispensationism;" Darby first described the so-called "Rapture."

Darby wrote that the physical movement of Jews to the land of Israel would herald the second coming of Christ, and identified Russia as the anti-Christ nation, "Gog," fighting in the Apocalyptic conflict.

This political doctrine was made-to-order for British propaganda aims in setting up a British-run Jewish enclave in the Middle East, and for keeping Tsarist Russia out of the region. British Foreign Minister Palmerston's son-in-law, the Seventh Earl of Shaftesbury, published his *State and Prospects of the Jews* in 1839, at about the same time as Darby's *The Hopes of the Church of God in Connexion with the Destiny of the Jews and the Nations as Revealed in Prophecy*. Shaftesbury wrote that the "divine plan" for the "stiff-necked, dark-hearted people," the Jews, was not for them to have civil rights in England, but to be sent to Palestine. Lord Palmerston soon

instructed British diplomats that the Jews burned with a desire to be removed from Europe.

A leading apostle of Darby's, who transmuted his ravings into what became known in the early Twentieth Century as Protestant "fundamentalism," was the British intelligence official Sir Robert Anderson. Best known as head of Scotland Yard's criminal investigation division (during the Jack-the-Ripper murders), Anderson ran Britain's spy system against Irish nationalists and their American supporters. Among his Masonic and Protestant agents were the notorious terrorist anti-Irish provocateur "Le Caron," and the evangelist Dwight Moody.

## John Walvoord and the Moody Bible Institutes

Darbyism, or fundamentalism, took root in the Moody Bible Institutes. The American center of its most extreme version has been the Dallas Theological Seminary, under John F. Walvoord (president 1952-86), whom a biographer describes as "carry[ing] the mantle of John Nelson Darby for all literalist Christians in the late 20th Century."

Walvoord trained and supervised Price, Hal Lindsay, and many of the other leading Armageddonists of recent decades. Walvoord has been near the center of a British web extending through the Pentagon, academia, and Bush-league intelligence circles. (Walvoord's 1974 *Armageddon, Oil, and the Middle East Crisis*, typically, does not denounce the oil-shortage hoax, but instead criticizes the traditional American attempt to meet man's material needs with science, such as developing nuclear power: Why bother, since God wants to end the world?)

Price told an interviewer in 1996, "We are looking for a conflict in the Middle East. It is inevitable." Price said that he would soon be addressing a "prophetic conference" in Jerusalem, speaking along with Temple Mount operative Gershon Salomon and Gen. Ariel Sharon. Price explained that the irreligious Sharon would be outlining the military situation to the "people who are interested in prophecy."

In *The Lost Ark and the Last Days: In Search of Temple Treasures* (Eugene, Oregon: Harvest House, 1994), Price pinpoints the efforts of his cohorts to inflame the Middle East and bring on mankind's annihilation, in the search for the physical remains of the Old Testament Ark of the Covenant, as in the Steven Spielberg movie, *Raiders of the Lost Ark*. Price describes (in chapter 16) what is desired as "The Ark Effect":

"Effect One: Instigate the Rebuilding of the Temple

"Effect Two: Establish Religious Claim Over the Temple Mount

"Effect Three: Usher in the Messianic Age for Israel

"Effect Four: Provoke a War in the Middle East"—this section begins with Price's startling statement, "The conflict in the Middle East stems from the imperialistic claims of Islam."



Price shamelessly throws in the original British Foreign Office canards about Russia as Gog. Under the subhead "The Future Scenario," he writes, "When the Russian-Arab alliance moves against Israel, the European community will be compelled to intervene." (p. 238)

## The Provocateurs

The provocateurs whom Price is profiling and helping manage are introduced to the reader. These include the most furious internal enemies of the state of Israel. Price writes: "Rabbi Nahman Kahane, the brother of the late Kach party leader Meir Kahane, . . . has long been at the forefront of religious efforts to see the Temple rebuilt. . . . He has stated goals [including] the return of the Israeli nation to a monarchy. . . . The restoration of the Sanhedrin to elect a high priest. . . . The formation of a government with a reigning prophet. . . . Rabbi Shlomo Goren [Price's close collaborator] . . . has constructed a fully furnished meeting place for the restored Sanhedrin adjacent to the Temple Mount." (p. 216)

Price continues: "The Temple Mount Yeshiva . . . [was] organized in March of 1993 by Kach activist Baruch Ben Yosef. . . . The . . . Yeshiva students, who are also Kach activists, seek to agitate the Arabs and at the same time to exercise their right as Jews to ascend to the Temple Mount. . . . In January of 1994 I spent some time with members of the Temple Mount Yeshiva and followed them during their daily circuits on the Temple Mount." Price quotes the Yeshiva's American-born founder and leader, Rabbi Baruch Ben-Yosef: " 'It is our purpose to clarify to the world that the State of Israel is not the Jewish state; [it] does not represent the Jewish people. It is one of the most anti-Semitic states that ever came into existence. And that is why for 26 years the Temple Mount has been left in the hands of the enemy. . . .'

"The Temple Mount Yeshiva and other organizations like it are gaining ground each year. They represent a new generation of Israelis who are more religious and radically determined to see Israel return to its biblical heritage and purpose. Their zeal may well be one of the factors that . . . invites the coming conflict with the Arabs" (pp. 290-293).

A little later, Price writes: "To see how a renewed search for (or the discovery of) the Ark [under the Temple Mount] might provoke the Middle East situation, we need to examine the present struggle between Jew and Muslim over both Jerusalem and the Temple Mount" (p. 299).

Under the subhead "Awaiting the Inevitable," "Price the Christian" applauds the murderous rage of Jews and Arabs which is to lead to heaven, through the hell of war: "The possibility that war may be imminent can be seen from the irreconcilable religious and nationalistic convictions held by Israelis and Arabs." A Hamas spokesman is quoted, "We . . . see the killing of Jews as an act that brings us closer to Allah." Price's collaborator, former Chief Rabbi Shlomo Goren, is quoted: " 'Arafat is responsible for thousands of murders.

Therefore, everyone in Israel who meets him in the streets has the right to kill him.' . . . Many of the settlers side with Goren; they say the government is insane to order them to evacuate their homes."

Price describes extreme Arab bloodlust and crimes, and a biblical text, to supposedly justify Baruch Goldstein's 1994 shooting spree, then continues: "Many of the settlers . . . now regard Goldstein as a patriot and hero (after the fashion of Mordecai in Esther 9:4). . . . As evidence of the community's viewpoint, when the news went out that 50 Arabs had been shot, one woman's outcry [was] . . . , 'We should kill 500, not 50!'. . .

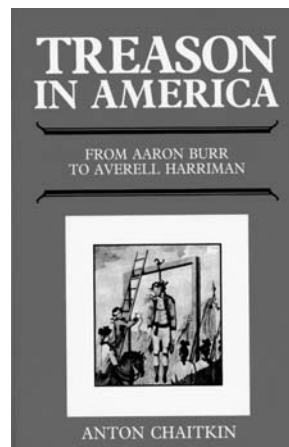
"Will the 'peace' process continue, only to be crowned by treachery as the PLO leads an Arab army against Jewish 'occupiers' and forces a final showdown in Israel? Will the ban on 'extremist' Jewish religious groups force a civil war in Israel. . . ? Will the Labor government be overthrown and a new reactionary right-wing government take its place, forcing the Arab world to go to war or face expulsion from the land? The specific catalyst for the final conflict is uncertain; but it is clear that such a conflict will come. . . .

"And as the Middle East conflict lurches away from the prospect of peace, will the Ark be recovered and move onto the stage of these final days? If our understanding . . . is correct, it is likely" (pp. 309-311).

# Treason in America

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## The Middle East Plunges Back into War and Chaos

by Dean Andromidas

Within the last four weeks, a decade of peace-making has been wiped out, and the Middle East is descending into a Thirty Years War that promises the same brutality and religious strife that characterized the 17th-Century war that destroyed half of Europe. The rapid pace of events makes it impossible to forecast what disaster will occur over the next hours or days.

In the span of one week, the peace agreement which Clinton falsely claimed to have achieved in a summit with Palestinian Authority President Yasser Arafat, Israeli Prime Minister Ehud Barak, and Egyptian President Hosni Mubarak, at Sharm Al-Sheikh, Egypt on Oct. 16, shattered. Barak announced the suspension of the peace process, and entered into negotiations for a national emergency government with Israeli right-wing Likud chairman Ariel Sharon—the “Butcher of Lebanon” who triggered the violence with a deliberate provocation, by visiting, with Israeli police forces, Islam’s sacred Al-Aqsa mosque on Al-Haram Al-Sharif, on Sept. 28. And, the Oct. 21-22 Arab League summit displayed a militant unity in support of the Palestinian cause that has not existed in decades (see accompanying article).

In the West Bank and Gaza, the death toll has reached 131, all but eight being Palestinians, while thousands have been wounded, many seriously. The psychology of war and siege is gripping the minds of both Arabs and Israelis. Because of an escalating alarm over the threat of terrorism, all U.S. forces in the Middle East and Gulf have been put on heightened alert.

The ongoing conflagration is a dramatic result of the fatal trap Clinton fell into, when he decided to offer “bridging proposals” at the Camp David summit last July, on how to

carve up sovereignty over Jerusalem, including sacred sites such as the Temple Mount/Al-Haram Al-Sharif.

Clinton failed to introduce initiatives premised on the crucial need for economic development, as envisioned in the Oslo Accords of 1993, particularly infrastructure development and the creation of new water resources, that would create a viable Palestinian state while integrating Israel into the region’s economic development. Sharon’s provocations blew open the Pandora’s box by turning a territorial dispute into a religious war, in a region where religious symbols can fire the passions of fanaticism on all sides.

Thus, one sees the bitter scenes of Europe’s Thirty Years’ War re-enacted in a Middle East landscape. The renewed Palestinian *Intifada* is now called the “Al-Aqsa Intifada,” named for the mosque in Jerusalem, while the Israeli military counter-operation is codenamed “Field of Thorns.”

### Carreening Out of Control

The unleashing of such passions has led to an uncontrollable situation on both sides. In one extremely serious battle in this irregular war, approximately 50 fanatical Israeli settlers, led by its ex-paratrooper rabbi, and including men, women, and children, some fully armed with assault rifles and submachine guns, marched past a Palestinian refugee camp near the Palestinian city of Nablus, which has been the scene of the most bitter violence. The predictable clash ensued, as hundreds of stone-throwing Palestinian youths, accompanied by a few gunmen, drew the predictable Israeli response of use of heavily armed forces, including helicopter gunships to rescue the settlers. On the following day, once calm had been temporarily restored, the battle zone became a funeral scene, with

the black coffins of the dead carried before hundreds of mourners marching in long winding files through the paths leading to the graveyard.

Proving how dangerously the situation has slid out of control on all sides, it was later revealed that the Israeli fanatics had been given permission for their march by the sympathetic local Israeli Army commander. His permission was in total violation of standing orders by the top Israeli military command.

The situation is far worse than a rejection of the peace process and simply turning back the clock to the Middle East of the 1980s. An entirely new terrain has been created.

## The Arab League Meets

The Arab summit on Oct. 21-22 demonstrated a degree of Arab outrage and unity not witnessed for decades, and in the forefront of which are several of the same Arab states that were leading players in the peace process of the 1990s.

In his speech to the summit, Syrian President Bashar al-Assad called upon the Palestinians in the Occupied Territories and in the refugee camps in neighboring Arab countries, as well as the Arab-Israeli population, to learn the lessons of the Hezbollah in southern Lebanon. Assad declared that the latter demonstrated that it is possible to force the Israelis to respond to reality and withdraw from occupied Arab land.

Under the initiative of Crown Prince Abdullah of Saudi Arabia, the summit created two funds, a \$200 million Jerusalem Intifada Fund, to "assist the families of Martyrs," and a \$800 million Al-Aqsa Fund, to finance a project that would strengthen the Arab identity of Jerusalem.

On the day following the summit, Egyptian Foreign Minister Amr Moussa expressed the mood in the Arab world, in an interview with the Lebanese daily *As Safir*. Moussa declared that the peace process is dead. "Now we are back at zero. This creates a new situation, which presupposes new actions. Each country should decide," he said.

Moussa confirmed, "The problem is, all forces inside Israel have put the peace process on the shelf. There is complete political chaos inside Israel. . . . I believe Barak mismanaged the peace process, and did not understand it. If Barak thinks with the mind-set of a former chief of staff, it would be the worst thing for the peace process. He has to think as a man who has the full picture, as head of state, who is in a conflict. Therefore, he has to think as a political not as a military man, who responds to public demonstrations with airplanes and tanks."

On the U.S. role, Moussa said, "We must admit the American bias toward Israel inflicted heavy losses on the peace process. Israel would never have dared do what it is doing, unless it saw someone supporting it." Regarding the statements by Saudi Crown Prince Abdullah, he added, "We all agree that the American bias toward Israel has led to what has happened. A strong and committed stance by the U.S. as a

broker for the peace process, could have brought it under control. We did not have this in the [Arab summit] final communiqué, because we focussed only on relations with Israel."

Moussa also remarked on the intifada, that "We never denied in any stage of our political work, that occupation leads to resistance. The peace process has failed because of Israeli policy, and this naturally leads to resistance. The Arab summit supports this resistance." Moussa voiced support for the anti-Israel campaign of the Islamic militant organization Hezbollah in Lebanon. He said, "The Palestinian resistance is legitimate, as was the Lebanese resistance. The Arab summit decided to support the intifada; it was necessary. If asked, we say we do, because this is what we decided."

Such statements are coming from the first Arab nation to sign a peace treaty with Israel, and the one country which continues to actively cooperate with the United States in attempts to cool down the situation.

Although Egypt and Jordan did not cut off diplomatic relations with Israel, other moderate states have. Tunisia, Oman, and Qatar broke off their low-level economic and diplomatic relations with Israel. More dramatic, was the announcement by the Kingdom of Morocco that it was severing its relations. Morocco has long been one of the important players in the peace process, and one of the first Arab nations, after the Oslo peace accords were signed, to establish official relations with Israel.

These governments are responding not only out of sympathy for the Palestinian cause, but to the radicalization now taking place among their own people. The Al-Aqsa intifada has continued unabated in the Occupied Territories, with reports of the more militant Hamas and other Palestinian factions taking part as full partners. While current activity is clearly directed at the strong points of the Israeli military occupation, especially the settlements, terrorist attacks within Israel itself can be expected.

On Oct. 20, leftist and Islamic groups, including the Hezbollah, Hamas, and Islamic Jihad, met in Beirut "to draw up a comprehensive confrontation plan," including the use of military means. They also called for using the "oil weapon." In Jordan, riots broke out when 10,000 Palestinian refugees began a march to the Allenby Bridge, the River Jordan border crossing between Jordan and the West Bank which is controlled by Israeli security forces. Although they never reached the border, the idea of masses of unarmed Palestinian refugees crossing into the West Bank from Jordan, or into northern Israel from Lebanon, is one of the tactics believed to be under consideration.

On the diplomatic level, the Palestinians have not only hardened their positions, but are also demanding a fundamental change in the form of negotiations. At a press conference in Ramallah on Oct. 25, Palestinian Parliament speaker Ahmed Qureja, acknowledging that President Clinton is no longer an "honest broker," said that if negotiations with Israel are



A demonstration against the war in Lebanon, on Aug. 25, 1982. Some of the Hebrew banners read: "Stop Sharon," "We are not the policemen of the Middle East," and "The government's policy in Beirut has brought about the perversion of our image as a chosen people." The Israeli daily *Ha'aretz* is calling for a revival of the peace movement today.

renewed, the Palestinians will demand that the UN, Russia, China, and the European Union also participate.

### Is Barak Preparing a War Cabinet?

Only 48 hours after the Sharm Al-Sheikh non-agreement, Prime Minister Barak declared "a time out" in negotiations with the Palestinians, thus declaring the peace process dead. Meanwhile, the Chief of Staff of the Israeli Defense Forces (IDF) released an assessment that the violence in the Occupied Territories would continue for many months, and that the chances of a general war are greater than they were a month ago.

With this political backdrop, Barak opened official negotiations for a national emergency government with Sharon. As of this writing, it appears that the formation of such a government is inevitable. According to the proposal that Barak gave to Sharon, in the latter's capacity as chairman of the Likud party, the sole purpose of the government would be to deal with the security crisis. Sharon, along with other parties who wish to join, would be represented on the so-called "security cabinet." Although this cabinet would be comprised of such Labor Party ministers as Shlomo Ben Ami, Yossi Beilin, and Shimon Peres, all of whom are believed to be pushing for a renewal of negotiations with the Palestinians, Barak has offered Sharon a special status whereby only Sharon and Barak would set the security agenda of cabinet meetings.

It should be emphasized that Sharon and Barak are personally committed to creating not only a government of national unity for the current crisis, but also one that would govern for

the next three years.

The Israeli daily *Ha'aretz*, which has represented the pro-peace element in Israel, called on the peace camp to mobilize to stop Barak. The daily warned, "Barak is trying to persuade his colleagues in the One Israel [Labor] faction, as well as the public, that bringing the Likud under Sharon into the government does not contradict the government's commitment to the peace process. The Prime Minister is throwing sand in the public's eyes. There is no doubt that he, himself, is aware of the efforts being made by the U.S. Administration and by Egypt to calm the situation in the territories and in the Arab world, and to pave the way back to the point in the negotiations at Camp David. The talks being held with a figure like Sharon, whose foreign policy views are well known, are liable to drag Israel into an extraordinarily dangerous diplomatic and security adventure."

Resistance to bringing in Sharon has been openly expressed by such people as Cabinet Minister Yulis Tamir and by Knesset (parliament) members Uri Savir, an architect of the Oslo Agreement, and Dalia Rabin Pelosoff, the daughter of Prime Minister Yitzhak Rabin, who was murdered on Nov. 4, 1995 by Zionist fanatics. But the Labor Party pro-peace "heavyweights," such as Beilin, Ben Ami, and even Peres, have been "wobbling on the fence," according to *Ha'aretz*.

### Right-Wing Zionists Mobilize

Sensing the weakness of his opponents, former Prime Minister Benjamin Netanyahu, a disciple of the fascist Vladimir Jabotinsky, has returned to the political stage. Reassured by polls showing that he could beat Barak if elections were

held now, and commanding the support of half of the Likud party, he has called for early elections in return for his support for the emergency government.

This is more than Netanyahu's well-known opportunism: It is the spearhead of a major mobilization of right-wing Zionist circles internationally. The most prominent such activity, has been a call for an international Jewish summit, to counter the Arab summit, by Ronald Lauder, Chairman of the Presidents of Major American Jewish Organizations. Lauder is the scion of the multibillion-dollar cosmetics empire of Estée Lauder, and is the chief financial backer of Netanyahu's political career. Lauder made his call at a press conference in Jerusalem, at a time when leaders of Jewish organizations from around the world, including Edgar Bronfman of the World Jewish Congress, were arriving in Israel for a show of solidarity. Other voices in these organizations criticized Lauder's proposal as a "right-wing scheme."

In moves that will escalate religious tensions, Jewish and Christian fundamentalists are deploying en masse to Jerusalem. On Oct. 20, Sharon spoke to a conference of 1,500 self-styled Christian Zionists from all over the world, organized by the International Christian Embassy of Jerusalem. These fanatics, drawn from organizations that represent millions of fundamentalist Christians, are fully in support of the most radical Jewish claims on the Temple Mount and Jerusalem.

Also going to Jerusalem was New York State Assemblyman Dov Hikind (D). A founder of the fascist Jewish Defense League of the late Meir Kahane, Hikind has been courted by First Lady Hillary Clinton in her election bid for the U.S. Senate from New York. Hikind is considered a "Jewish extremist" by the Israeli police, and was refused permission, along with 100 other extremists, to attend a house-opening ceremony in the Arab Quarter of Jerusalem's Old City.

### **Barak's 'Separation Plan' Is a Disaster**

In place of the peace process, Barak has proposed a "unilateral separation" plan, whereby Israel will unilaterally withdraw from parts of the West Bank, but remain in control of the Jewish settlements. The open question would be, where to draw the line. Sharon opposes such a policy, but stated that he would agree to an "interim agreement where Israel maintains all the settlements and strategic points it sees as necessary. This would leave the Palestinians with only 42% of the West Bank, cut up into a patchwork of bantustans, all of which is obviously unacceptable to the Palestinians, who have declared they will resist it.

The plan was roundly criticized by Gen. Shlomo Gazit (ret.), former head of Israeli military intelligence, who was recently quoted in the Israeli press, saying that the only workable plan is a full Israeli withdrawal from occupied territory. "We need a courageous Prime Minister who will say [to the Israeli settlers]: 'I'm sorry we've misled you for 33 years and

brought 170,000 people into the territories. Now this is the border. We recommend that you leave, but anyone who wants to stay will be a citizen of Palestine.' I see no other way. It can't be done piecemeal." Nonetheless, he admitted that as of yet, no Prime Minister has the power to implement the policy. "Only the sword of Alexander of Macedon could cut through the Gordian knot we have shortsightedly built here over the last 33 years."

## **Arab Summit Displays Unity for Palestinians**

by Hussein Al-Nadeem

Under great pressure from the Arab and Islamic peoples that have been enraged by the ongoing Israeli provocations and assaults on Palestinians, Arab leaders convened their Extraordinary Summit on Oct. 21-22 in Cairo. The summit was organized and chaired by Egypt's President Hosni Mubarak; it was the first all-Arab summit since 1996, and the first to include Iraq since the 1990 Gulf War.

The results of the summit came as no surprise to many analysts and observers, however, all of whom agree that the most important aspect of this meeting was the unity shown by the Arab leaders to pursue a united policy vis-à-vis the Israel-Arab conflict and other related regional issues. In addition, a number of developments in and around the region have emerged around the summit, signifying a shift in the strategic relations of the Middle East to the rest of the world. These developments, which went almost unreported by Western media, included Iranian Foreign Minister Kamal Kharrazi's visit to Iraq to launch a new mechanism to normalize relations and trade.

Another significant development was the high-level visit of Saudi Arabia's Defense Minister Prince Sultan Bin Abdul Aziz to China, South Korea, and Malaysia. The main item of his discussions with leaders of these countries was military-industrial cooperation. Well-informed sources state that these moves came in light of increasing frustration among Persian Gulf countries against the current Anglo-American policy of unconditional support for the state of Israel.

Meanwhile, Russian policymakers have stayed away from the chaos in the peace process created by the U.S. Administration's policies, while taking constructive moves toward the Arab countries. An envoy from the Russian government started a tour of Iran and Arab countries in the Gulf, to push an initiative for security cooperation in that region, including the reintegration of Iraq in such a mechanism.

Despite calls for war against Israel, the Arab heads of state, led by Mubarak, calmed down the rhetoric, in order to leave open a window of opportunity for the resumption of the peaceful settlement with Israel, and to prevent the situation in the Palestinian territories from deteriorating further—possibly leading to a public uprising in the Arab countries themselves. The conviction is that the Arab countries do not want a new Arab-Israeli war, because it will not lead to anything positive, and the Arabs cannot afford such a war either.

The speeches by the Arab heads of state ranged from calls for a de-escalation of the violence and a resumption of the peace negotiations, to calls for military action against Israel, at least in support of an expanded armed Intifada by the Palestinians. However, all agreed on condemning Israel's leadership and holding it responsible for the violence and breakup of the peace process. One sign of the Arab leaders' hope that saving the peace process is still possible, was shown by their abstention from condemning or criticizing the U.S. Administration for condoning and even supporting the Israeli government in its provocations against the Palestinians. The Arab leaders believed that President Clinton is still in a position to affect Israeli policy.

Syrian President Bashar Al-Assad told the summit in his speech: "While we were seeking and searching for peace,

Israel searched for war. We opted for peace as the strategic option when Israel approached peace as a tactical option," which also included the use of military force. "What we presented of ideas and mentioned of suggestions would push the Israeli leaders to think of walking along the road of the just and comprehensive peace. This would make them realize the difference between peace and weakness option regarding the Arab nation."

## The Resolutions

The final communiqué of the Arab Summit included a strong condemnation of Israel. "The conference comes in the aftermath of conversion by Israel of the peace process into an act of war against the Palestinian people, using military force in besieging, isolating, and keeping them as hostage inside the West Bank and Gaza Strip," said the statement. It hailed the Intifada of the Palestinian people, while condemning Israeli actions.

The Arab leaders vowed to take certain actions and make other demands. "Arab leaders stress their commitment to firmly challenge Israeli attempts to infiltrate the Arab world in any form, and from now on to stop opening relations with Israel," it said. "In line with a Saudi proposal, the summit has decided on the creation of two funds: . . . 'Al Aqsa Fund,' worth \$800 million, will finance projects to preserve the Arab identity of Jerusalem . . . the \$200 million 'Jerusalem Intifada Fund,' will assist the families of martyrs," killed by Israeli soldiers recently. The Arab leaders also decided "to open Arab markets to Palestinian goods while exempting them from taxes and duty."

Emphasizing Israel's responsibility for the current situation, the Arab leaders "demand the [UN] Security Council form an international criminal court to try Israeli war criminals who have carried out massacres against the Palestinians and Arabs." In addition, "The Arab leaders demand the United Nations Security Council and General Assembly take responsibility for guaranteeing the necessary protection of the Palestinian people suffering under Israeli occupation with a view to establishing an international force."

Also, it said, "The Arab leaders stress that a comprehensive and just peace will not be achieved without returning Jerusalem to complete Palestinian sovereignty and giving the Palestinian people their legitimate rights, including the right to establish an independent state with Jerusalem as its capital." They demand "the return of all Arab occupied lands including Israel's complete withdrawal from the West Bank and the Gaza Strip and from the occupied Syrian Golan [Heights]. . . . [And] the removal of Israeli settlements in implementation of Security Council Resolution 465 of 1980."

## Cooperation Is Conditional

The Arab leaders closed the door on any regional economic cooperation which includes Israel, unless Israel implements the demands. "The Arab leaders . . . stress that healing

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matters of regional cooperation can only be achieved by real progress toward a comprehensive and just peace in the region,” said the statement. This touches on the core of the failure of the whole peace process as brokered by President Clinton, because the aspect of economic justice for all parties, especially that of the Palestinians, was pushed aside, considered secondary to other issues. The absence of real economic cooperation is partly responsible for the current state of frustration among the peoples in the region.

One resolution which was pushed to the bottom of priorities is the “economic cooperation and coordination” among Arab countries. The leaders said that the regular meetings of the Arab governments and their agencies should promote this “coordination, especially in the light of the international and regional transformations, making inter-Arab economic cooperation a pressing need.”

One positive sign of the return of normal relations among the ever-quarreling Arab governments is the decision to institutionalize the summit. “The Arab leaders decide to adopt the special mechanism for holding regular Arab summits [each year in March] . . . [and] will meet in March 2001 in Amman [Jordan].”

### **LaRouche’s Associates’ Challenge to Arabs**

In the week prior to the summit, Lyndon LaRouche’s associates challenged the Arab leaders to rise above the current situation and act at a higher level. A statement issued by *EIR* was widely circulated in the Arab world, among government and media circles. The statement contained LaRouche’s proposals on how the Arab leaders could shift world strategic relations by promoting, in coordination with other groupings, such as the Association of Southeast Asian Nations plus China, Japan, and South Korea (ASEAN-Plus-3), a new, just world financial and monetary system, in accordance with LaRouche’s New Bretton Woods initiative.

The statement was first published in the London-based Arabic daily *Al-Arab International*, on Oct. 19. It was followed the next day by a commentary by the paper’s Economy editor Dr. Mustafa Al-Bazargan, who called on the Arab leaders to initiate the work on integration of the Arab economies, starting from joint work on major infrastructure projects and trade. The statement was reportedly published in other Arab Gulf states. A commentary by Salim Nassar in the London-based Saudi daily *Al-Hayat* on Oct. 21, for example, also emphasized LaRouche’s warning that the Middle East crisis, the oil price crisis, and the ongoing meltdown in the international financial markets, are in reality one and the same issue.

Although the Arab leaders did not raise the issues to the level of a “New Bretton Woods”-type of initiative, the idea of economic cooperation and integration among Arabs countries was officially put on their agenda. LaRouche’s concept of peace through development is a matter of serious debate and consideration among leading Arab circles today.

# Geopoliticians Raise Kosovo Question To Block Balkans Peace

by Alexander Hartmann

While Yugoslavia’s President Vojislav Kostunica has made remarkable progress in stabilizing his position, geopolitically motivated forces within the British establishment are again trying to light the fuse on the Kosovo powderkeg: An “Independent International Commission on Kosovo” published a report in late October, calling for “conditional independence” for Kosovo.

After several weeks of negotiations, President Kostunica succeeded in forcing former President Slobodan Milosevic’s Socialist Party of Serbia (SPS) to accept the formation of a transitional government, and to call for early elections to the Serbian state parliament for Dec. 23. The reformers used a “carrot-and-stick” policy, offering seats in the transitional government to Milosevic’s SPS, while at the same time threatening to “bring the people back” to demonstrate in front of the Parliament, with Kostunica aide Zoran Djindjic playing hard cop, and Kostunica himself being the soft cop.

Ultimately, the SPS gave in and agreed on a scheme, whereby the Serbian Prime Minister and four important ministers would have deputies from Kostunica’s Democratic Opposition Party (DOP) and Vuk Draskovic’s Serbian Renewal Party (SRS), with every decision taken by consensus, i.e., giving all parties veto power over all important matters. Thus, there will be a truce within Serbia for the time being.

At the same time, Kostunica succeeded in forming a new government of the Federal Republic of Yugoslavia, drawing on the Socialist People’s Party of Montenegro, who have been backing Milosevic. While the government of Montenegro’s President Milo Djukanovic does not recognize the elections, which it boycotted, and thus does not recognize the new Federal government, the international community is recognizing and working with Belgrade to start sorting out the many problems left over after four wars in the region within the last decade.

### **International Diplomacy in High Gear**

In recent weeks, Belgrade has become a hub of diplomatic activities to “reintegrate Yugoslavia into the international community” and to begin reconstruction—or, to prevent it. Yugoslavia has been offered membership in the Organization for Security and Cooperation in Europe, the Stability Pact for



*Yugoslav President Vojislav Kostunica.*

the Balkans, and even in NATO's Partnership for Peace, while the International Monetary Fund, the World Bank, and the European Bank for Reconstruction and Development have sent "fact-finding" missions to Belgrade to prepare negotiations for Yugoslavia's reentry.

But before getting economic reconstruction into high gear, some of the diplomatic roadblocks have to be cleared away. One of these roadblocks, is relations to the other former members of the Yugoslav Federation, Slovenia, Croatia, Bosnia-Herzegovina, and the former Yugoslav Republic of Macedonia. On the weekend of Oct. 21-22, Kostunica visited Bosnia-Herzegovina, meeting members of the Bosnian Presidency and UN administrator Wolfgang Petritsch.

There, Kostunica sent important signals to the international community. For example, he acknowledged that massacres against civilians perpetrated by Serbian or Yugoslav forces were "crimes," which have to be punished, and added that Serbs have been victims of such crimes, too. He said that he considers that working with the International War Crimes Tribunal in The Hague is part of the 1995 Dayton agreements, although he left open whether this means he would deliver Milosevic, who has been indicted, to The Hague; asked about that, he said that Milosevic was going to stand trial, "somewhere."

But before meeting the Bosnian Presidency, he first visited the ethnic Serb entity in Bosnia, the Republika Srpska, to attend the reburial of Serbian national poet Milorad Dodik,

in a ceremony led by Serb Orthodox Patriarch Pavle and attended by the Republika Srpska leadership and leading Serb nationalists, including the wife of former Srpska President Radovan Karadzic, who is a fugitive from the War Crimes Tribunal. Earlier, he had called for implementing UN Resolution 1244, which envisages a limited presence of Yugoslav military and police forces in Albania. Thus, he may be willing to do just enough to start economic reconstruction without compromising his fragile government coalition, or his fundamental nationalist views. One of these positions is, that Kosovo is an integral and indispensable part of Serbia.

### **A Geopolitical Monkey Wrench**

This is where those political forces who want to geopolitically use the multi-ethnic Balkans region, to destabilize continental Europe, are now trying to preempt economic cooperation "from the Atlantic to the Urals," as it had been put by French patriot, President Charles de Gaulle.

Just when the doors are opening to economically rebuild the war-torn region, and thus start healing the many wounds left from the war, an Independent International Commission on Kosovo proposed "conditional independence" for Kosovo. The commission was originally founded by Swedish Prime Minister Goeran Persson, to investigate the use of depleted uranium ammunition during the NATO bombardments. Strangely enough, the commission changed its subject, and published a report on what should be done with Kosovo.

Among the members of the commission are Prof. Mary Kaldor of the London School of Economics, a daughter of Lord Kaldor and an intimate of Emma Rothschild, and Richard Falk of Princeton University, who had been involved in former U.S. National Security Adviser Zbigniew Brzezinski's project to overthrow the Shah of Iran.

The UN rapporteur on human rights in former Yugoslavia, former Czechoslovak Foreign Minister Jiri Dienstbier, called the idea of "conditional independence" for Kosovo "a dangerous game." Creation of more countries in the region would cause chain-reaction destabilizations, he said. Independence for Kosovo would mean "a direct path to division of Bosnia-Herzegovina." In a discussion with *EIR*, another expert from a Vienna think-tank warned against creating "atomized micro-states, which have no economic viability." Splitting up the region more and more would make it impossible to rebuild it, and would perpetuate the many existing conflicts.

Predictably, the British media have been heavily promoting the Independent Commission report, showing clearly the intentions of their masters: They want to keep the Pandora's box of the Balkans open, which they had first opened when they started sponsoring the career of Milosevic 13 years ago with the aid of former U.S. National Security Advisers Sir Henry Kissinger and Sir Brent Scowcroft.



# German Politics Is Ignoring Reality

by Rainer Apel

As in any other country that still adheres to the bankrupt global system of monetarism, the elites of Germany are also confronted more and more with difficulties in maintaining the nation's political stability. The protests against speculative fuel price increases, which haunted most of Europe during September, were a warning sign: They slipped beyond the control of the labor unions, whose reins over unrest among the rank and file proved to be not so tight as believed. The protests were calmed down by government concessions in late September, which were made easier because oil prices dropped a bit at the time. Now, as oil prices enter another round of speculative increases, the signs of renewed protest are already visible. They may break out in Britain, where the 60-day deadline set by protesting farmers and truckers expires on Nov. 13, and the government has not made any real concessions to the protesting groups.

Protests may also break out elsewhere in Europe, possibly even in Germany, where public dissatisfaction with government policy on numerous issues, ranging from the ecology tax on fuel to the pension fund privatization program, have made news during the second half of October. An indication that new social conflicts are emerging rapidly, is the strike by medical doctors in the state of Thuringia, one-third of whom closed their offices during the last week of October, to protest the government's budget cuts in health care programs.

## Trying to Divert Attention

The government and the German elites are aware of these developments, but have so far chosen not to address them openly, but rather to preoccupy themselves with other "issues" that draw attention away from the economic and social realities. Notably, the plan by the government to ban the right-wing radical National Democratic Party (NPD), as an "action against neo-Nazism," dominated news headlines during late October, because the majority of the media are going along with the government propaganda. Instead of reporting about global strategic issues, about the constructive proposals for a new economic-monetary system, a New Bretton Woods, made by Lyndon LaRouche—as numerous Ibero-American, Arab, and a few Italian newspapers have begun to do—the majority of the German media are painting a picture of a world that does not exist. There is no threat to the German political system posed by the NPD, but there is a real threat from the elites' failure to keep the country's economic and banking

system alive, as the global crisis deepens.

The disproportionate emphasis given to the NPD by the government and the media implies a danger that an artificial dynamic will be created, fuelled by unexpected, uncalculated events. For example, the ambush and shooting of a leading NPD party official in Geislingen, a city in southwestern Germany, on Oct. 25, are such a dangerous development: The victim was severely wounded in the head; and if he dies, the NPD will have its martyr, and members of the party and the right-wing/radical movements around it will seek revenge, striking back against members of the radical left. With that scenario unfolding, Germany could be drawn into a cycle of violence and counter-violence, which would remind one of the situation in the Balkans, where fanatics of each side invest all their energies in killing fanatics of the other.

## No Longer a Beacon of Stability

Germany is no longer a beacon of stability in Europe, as indicated by the state of the political party system. For example, the decomposition of the Green Party is undermining the ruling "red-green" coalition government with Chancellor Gerhard Schröder's Social Democratic Party (SPD). The decision at the end of October of two members of the European Parliament to quit the Green Party and join the SPD, with a third member expected to quit the Greens but not join the SPD, highlights that process of erosion. Many more are expected to quit, over the next days and weeks, because ecologism is out: Voters and citizens are more concerned with the grim economic perspectives and with the threat of unemployment. The Greens have lost about one-third of their vote overall in elections since they joined the government coalition with the SPD in October 1998. The red-green government has just muddled through the first half of its four-year term, and the minor coalition partner is now falling apart. Were elections for national parliament held right now, the Greens would be voted out.

The cohesion of the government is also undermined by the response of Chancellor Schröder and the SPD leadership to the Green decomposition: The SPD has begun talks with two opposition parties in the national parliament, the neo-liberal Free Democrats (FDP) and the post-communist Democratic Socialists (PDS). This is an attempt to broaden government support in the parliament, to construct majorities for a policy that no longer has the backing of the electorate.

All the latest opinion polls show that the red-green alliance as such would not make it back into the parliament, because the Greens would not receive the mandatory minimum 5% of the vote, and because the two main parties, the SPD and the opposition Christian Democrats (CDU-CSU), are behind by a small margin of only 2-3%. The FDP or the PDS, which can be expected to get votes in the 5-7% range, could decide to join a coalition with either the SPD or the CDU-CSU (in the latter case, that can be ruled out for the PDS, for ideological differences). There is a slight chance of

a Grand Coalition between CDU-CSU and SPD, which the population would prefer, but neither the SPD nor the CDU wants that.

### Coalition Scenarios

All these coalition scenarios that are being sparked by the Greens' crisis, might not work, because the PDS, the FDP, the CDU-CSU, and even the SPD are being shaken by internal brawls and succession fights of their own. In the case of the CDU and FDP, the fights revolve around the political repercussions of the global monetary-economic crises of 1997 and 1998, which led to their dramatic election defeats, and their loss of control of the government, in the national elections of September 1998. The CDU and FDP have been in unabated internal succession fights ever since, and they are far from having regained stability. The resignation of CDU general party manager Roprecht Polenz, after only six months in office, on Oct. 23, is an example. His successor, Laurenz Meyer, is considered a transition figure as well, and he is already the CDU's third general party manager in the last two years. The CDU is not in shape to govern, or co-govern, the nation.

The SPD is losing members and voters to the PDS, but what is most amazing, is that the SPD leadership is even promoting the process. Harald Ringstorff, SPD Governor of the State of Mecklenburg, who presides over the first "red-red" government — of the SPD and the PDS — said, in an interview on Oct. 22, that it would be wrong if the SPD tried to regain the lost votes on the left spectrum of the electorate. These votes should be left to the PDS, whereas the SPD should continue conquering former "territory" from the CDU and FDP. This means that Schröder, who is also national SPD chairman, should stay on his neo-liberalist policy course. But this is exactly what has cost the SPD a net loss of 22% in popularity since late August. The SPD will go under, if it follows the advice of people like Ringstorff. And the PDS would benefit — were the party itself not paralyzed by internal faction fights. The recent top-level talks between the PDS and the SPD are opposed by many leftists in the PDS, who consider contact with a "neo-liberalist party like the SPD" an act of "treason" against the principles of "socialism." The PDS might split over that issue during coming weeks.

Therefore, because there are no convincing options for coalitions other than the present government, which is falling apart, and with political parties controlled by an "establishment" that is running away from economic reality, Germany is headed toward ungovernability.

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## State Dept. Intends To Fund Colombian Narco-Terrorists

by Valerie Rush

A high-level State Department official declared in mid-October that Washington would be willing to consider paying Colombia's murderous narco-terrorists to cease their kidnapping and extortion practices, "under certain obligatory conditions." Those "obligatory conditions" apparently do not include ending their bloody insurgency against the Colombian nation-state, or abandoning their billion-dollar cocaine- and heroin-trafficking racket.

In Washington on Oct. 19, U.S. Deputy Assistant Secretary of State for the Western Hemisphere Bill Brownfield told media that the United States would not oppose the creation of such a financing mechanism for the narco-guerrillas of the Revolutionary Armed Forces of Colombia (FARC) and National Liberation Army (ELN), but only if the FARC murderers of three U.S. citizens in Colombia last year were surrendered to U.S. authorities, and no more American citizens or interests were targeted. "Not a penny of U.S. resources will be offered to the guerrillas" until they meet these criteria, insisted Brownfield. "There are scenarios under which we could play a role, but these do not exist today. If the circumstances change, we'll see."

Brownfield's comments echoed those of State's Office of Andean Affairs director Phillip Chicola, who said on Oct. 18, during a visit to Bogotá, that U.S. support for international financing of the guerrillas would become feasible "when there is a clear agreement as to where the peace process is going." Chicola was the first State Department official to open direct negotiations with the FARC, holding a secret two-day confab with the FARC's notorious chief of finances, Raúl Reyes, in Costa Rica on Dec. 14-15, 1998, despite the fact that the FARC was — and remains — on the U.S. government's list of international terrorists, with whom dialogue is prohibited. Making public that the State Department is opening negotiations again, Chicola used his trip to give his first public report on those "relatively positive" 1998 talks. What is important to the United States, he said, is that the FARC implement Reyes's assurances that the FARC "will make it a policy" not to kill Americans.

While Chicola was in Colombia, Colombian government representatives, scores of international "human rights" and "peace" non-governmental organizations, Colombian narco-

terrorists released from their jail cells for the occasion, and various government delegations, including an “observer” from the Clinton Administration, were meeting in Costa Rica for an International Conference on Peace, Human Rights, and Humanitarian Law.

One proposal coming out of that conference was that an international fund be created to pay the narco-terrorists the equivalent of a salary, if they would stop kidnapping and extorting civilians and businesses to finance their armed insurgency against the Colombian state.

The proposal was immediately embraced by the head of the Colombian industrialists society, ANDI, whose members have been heavily targeted by the narco-terrorists, while UN Human Rights Commissioner Anders Kompass endorsed the idea as one which had already proven successful in El Salvador and Guatemala. Although Wall Street has not yet issued a formal opinion on this latest proposal, the president of the New York Stock Exchange, Richard Grasso, offered a similar FARC-financing mechanism more than a year ago, when he visited the so-called “demilitarized zone” under the narco-terrorists’ control, and was photographed embracing the FARC chieftains while discussing “investment potential” in their cocaine heartland.

### **Collaborating with Nazis**

All too consistent with the State Department’s repeated endorsement of ongoing power-sharing negotiations between the Andrés Pastrana government in Colombia and the FARC narco-terrorists, this latest U.S.-backed proposal is the moral equivalent of paying Adolf Hitler to move his crematoriums out of sight. Indeed, recent revelations of at least five Nazi-style concentration camps in the FARC’s “demilitarized zone,” where more than 500 soldiers, police, and civilian kidnap victims are being held hostage under horrendous conditions, makes the comparison all too real.

The FARC recently invited several mothers of captive soldiers to visit these camps, and “allowed” photographers to take pictures, which were then released to the national media. Scenes of barbed wire, cobbled-together wooden planks serving as beds, no sanitary facilities, and sickly hostages—some of them in their third year of captivity—brought the word “Auschwitz” to the lips of even the most toughened government officials. In particular, the plight of one hostage, an Army colonel who was paralyzed from the waist down when his helicopter crashed during an anti-narcotics raid six months ago, has been given widespread coverage. The colonel, reportedly kept drugged but deprived of necessary medical treatment, is said to have begged for a bullet to end his misery.

Precisely as the FARC intended, these horror stories have prompted a growing chorus of support for a proposed swap of these captives for hundreds of battle-hardened FARC terrorists currently sitting in jail cells around the country. Once again, the Pastrana government is capitulating to FARC blackmail. President Pastrana announced on Oct. 29 that his government, despite being prohibited by law from carrying

out a “prisoner exchange” with the FARC, will make exactly that a top priority at the “peace” talks.

### **Barbarism Reigns**

FARC barbarism is not limited to the territory that President Pastrana surrendered to the narco-terrorists over a year ago, when he withdrew all military and police forces and gave the FARC free rein to terrorize, murder, and subjugate the 90,000 inhabitants of the area. In the neighboring department of Putumayo, on the Ecuadoran border, the FARC is engaged in bloody combat with drug-trafficking “paramilitary” forces, who are challenging the FARC for dominion over the extensive coca plantations located in the department, half the estimated 300,000 acres planted nationwide with the raw material from which cocaine is extracted.

Although the Army has attempted to protect Putumayo’s handful of cities, the rest of the impoverished state remains trapped between two murderous armies of criminals. All transportation has been blocked for many weeks, with no food or fuel going in or out of Putumayo’s towns, villages, and isolated farms. Electricity and communications lines have been downed, and any civilians attempting to smuggle in food, to travel, or to cross the border into Ecuador are considered “military targets,” and murdered. Civilians suspected by one side of helping the other, are summarily executed, often by being burned alive or decapitated. Children and the elderly hide in their homes and face starvation, while adults and youth are being forced to take up arms with one side or the other, merely to avoid being caught in the crossfire.

Nor is the north of the country safe from such ravages. Recently, more than 1,000 FARC terrorists assaulted two towns in the Uraba region, near the border with Panama. The towns of Bagado and Dabeiba had both suffered narco-terrorist attacks in previous years, but the few score police and soldiers assigned to protect them, didn’t stand a chance against the terrorist horde that descended. A three-day siege, during which the Colombian Army and Air Force attempted to relieve the towns, ended with an unknown number of casualties on both sides. The police stations, telecommunications offices, mayors’ offices, schools, hospitals, and churches were razed by FARC explosives, and a Black Hawk helicopter carrying Army troops crashed, killing all 22 on board.

Both the FARC and the “paramilitaries” have been increasingly targeting Colombian political figures for kidnapping, less for ransom than to intensify the level of terror in the country and to turn the Oct. 29 state and municipal elections into a farce. In the last two weeks in October alone, at least four federal legislators and one congressional candidate had been taken hostage, as the Pastrana government scurries back to the negotiating table to grant still more concessions to the narco-terrorists.

Pastrana’s treasonous policy of appeasement toward the FARC may stem from cowardice, but the State Department’s readiness to pay these terrorists their blood money is a crime against humanity, answerable as such.

# Wall Street Demands Prosecution of Military Who Saved Peru

by Cynthia R. Rush

For those trying to make sense out of the confusing recent developments in Peru, in which President Alberto Fujimori, the Peruvian military, and Fujimori's former intelligence adviser Vladimiro Montesinos have all been charged with plotting against "democracy," they should think back to April 1997, and what *EIR* said at the time.

Then, President Fujimori delivered a mortal blow to the narco-terrorists of the Túpac Amaru Revolutionary Movement (MRTA), who, since December 1996, had been holding 72 hostages at the official residence of the Japanese Ambassador in Lima. After several months of painstaking planning and secret excavation of tunnels underneath the residence, Fujimori launched "Operation Chavín de Huántar," a daring rescue operation in which 150 commandos entered the residence from the tunnels under it, rescuing all but one hostage alive, and killing all of the MRTA hostage-takers. Only two of the commandos, the two officers leading the operation, lost their lives.

Fujimori's decisive action put an end to almost five months of a hostage drama, international media coverage of which had focussed on the need to "negotiate" with the narco-terrorists, and to treat them nicely lest they harm the hostages. The London-directed mob of human rights non-governmental organizations (NGOs), as well as international media representatives and other mouthpieces for Fidel Castro's São Paulo Forum, camped out in front of the Japanese Ambassador's residence to keep up a daily drumbeat in favor of making a deal with the MRTA.

The boldness and success of Chavín de Huántar, infuriated the financial oligarchy in London and on Wall Street, whose drive to annihilate the sovereign nation-state required dismantling the institution of the Armed Forces. Fujimori had already defied them with a successful military offensive that defeated the Shining Path and MRTA narco-terrorists, and put their top leaders in prison. For this, he was labelled "authoritarian" by U.S. Secretary of State Madeleine Albright's terrorist-loving Project Democracy apparatus. Chavín de Huántar was Wall Street's worst nightmare. With it, Fujimori validated the need for a strong military institution throughout Ibero-America, and remoralized civilian and military patriots around the continent, in a display of nationalist pride not seen since the British monarchy's 1982 imperial attack against Argentina over the Malvinas Islands.

The key to understanding what is happening in Peru today, is found in the report from Fujimori's congressional ally, Martha Chávez, that a human rights NGO is planning to file suit at the Inter-American Human Rights Court in Costa Rica against the military heroes of Chavín de Huántar for "violating the human rights" of the MRTA terrorists who were killed in freeing the 72 hostages! Chávez's view is that "the nation is indebted to, and morally and politically obliged to back . . . those who saved us from terrorism."

## A New Opium War

Chaos and political turmoil have characterized events of the past month in Peru. On Sept. 16, Fujimori announced that he would step down and call new elections, and his intelligence chief Montesinos, a central figure in the civic-military alliance that has governed Peru in the last decade, and one of the key architects of Fujimori's anti-terrorist campaign, left the country in late September to seek asylum in Panama, only to return on Oct. 23. The international media have filled their pages with rumors and speculation of military coup plotting and political intrigue, while the George Soros-financed political opposition has called for a "Yugoslavia" strategy of mass demonstrations, to oust the "dictator" Fujimori.

The reality of the situation is that the same international financial oligarchy which accused President Fujimori of committing "genocide" against the merely "misguided" MRTA narco-terrorists in April 1997, is now thrashing about, threatening all of Ibero-America with destruction, in a desperate bid to prop up its doomed financial empire by establishing "narco republics" in the region.

Lyndon LaRouche's co-thinker organization, the Ibero-American Solidarity Movement (MSIA), spelled this out in a statement released on Oct. 25, entitled "Wall Street Is Hell-Bent on Annihilating Peru . . . But Wall Street May Go Down First." A "new Opium War is being waged against Ibero-America, with special ferocity toward Peru," the MSIA statement reads. Facing the "inescapable disintegration of their international financial system, the vampires of Wall Street have unleashed a brutal assault designed to annihilate, as quickly as possible, the republican institutions of the region, beginning with the Armed Forces of each nation. They intend to hand power over to their narco-terrorist assassins, and to prop up their speculative bubble with legalized narco-

dollars.”

The MSIA warns that “enraged Wall Street financiers, their servants in Washington, and their pet bureaucrats at the Organization of American States [OAS],” intend to smash Peru with a “democratization” scenario, “whose actual objective is to throw Fujimori and Peru’s military leaders into the jail cells currently occupied by the leaders of the narco-terrorist Shining Path and MRTA gangs—while these criminals would be freed in order to rule Peru.”

As for the plan to prosecute the veterans of the Chavín de Huántar operation, the MSIA demands to know what President Clinton has to say about this. “Does he condone the terrorist takeover of the Japanese Ambassador’s residence, and the seizure of the hostages? Does he condone the U.S. government expressing sympathy for the narco-terrorists by endorsing such a perverse trial against the military? Why is Madeleine Albright’s State Department demanding Peru’s surrender to the drug trade, as it is doing in Colombia?”

### **Amnesty Is the Issue**

Working through the U.S. State Department and the OAS, Wall Street and London have succeeded in significantly weakening Peru’s ruling civic-military coalition, as seen in Fujimori’s agreement to step down and hold new elections. Moreover, on Oct. 17, the Army acquiesced to a key Project Democracy demand, and announced that on Jan. 1, 2001, thirteen generals, including current Armed Forces commander Gen. José Villanueva Ruesta, will be retired.

But on Oct. 22, the government and the military appeared to draw the line, when Justice Minister Alberto Bustamante presented to the OAS-run “Dialogue Committee,” which includes government and opposition representatives, a “National Reconciliation” proposal. This would prohibit prosecution against those involved in the anti-terror and anti-drug war of the 1990s, and validate the decisions and actions taken under the aegis of the April 5, 1992 special legislation, which allowed Peru to save itself from narco-terrorism. The government demanded insertion of the amnesty law into the Constitution, and indicated that setting a date for elections would be contingent on acceptance of this proposal.

The opposition went berzerk. Its representatives walked out of the OAS talks and the Congress, screaming that there can be no “impunity” for the military. Calls for Fujimori’s immediate resignation by leading opposition figures, intensified after Montesinos suddenly returned to Lima from Panama on Oct. 23, reporting that threats on his life, and failure to obtain asylum from the Moscoso government, had forced him to return. Shrieking that Fujimori “let Montesinos return,” defeated Presidential candidate Alejandro Toledo demanded Fujimori’s immediate resignation and the formation of an interim government.

From Washington, OAS Secretary General César Gaviria, the man who as President of Colombia abetted that country’s takeover by the drug cartels, issued a statement just prior to

flying into Lima on Oct. 24, warning, “Mr. Montesinos needs to answer to the Peruvian justice system.” On the issue of the proposed amnesty, Gaviria stated, “We think the opposition cannot be put up against the wall, and told that there won’t be elections unless it accepts some norms presented by the Executive.” Terrorist advocate Jorge Santistevan, the misnamed “Peoples’ Defender,” screamed that there could not be any “indiscriminate amnesty” granted to the military, and that the work of the all-important, OAS-run “Dialogue Committee” could not be interrupted by a debate on the amnesty issue, or the proposal that it be included in the Constitution.

Several confusing events occurred over the next 24 hours, including a high-profile tour by President Fujimori and top-ranking military officers to several military bases around the country, in search of Montesinos, and open fracturing of the governing Peru 2000 coalition. Fujimori stated that he wanted to locate Montesinos to offer him protection, not arrest him as had been reported, but vowed to search “night and day” until he found his former adviser.

In the midst of this, under intensifying international pressure and threats of financial boycott, Fujimori succumbed to the opposition, and agreed to drop the “national reconciliation” proposal put before the “Dialogue Committee.” Gaviria officially announced this in a press conference late on Oct. 25, reporting that a date of April 8, 2001 had been set for elections. The amnesty matter would reportedly be among the top agenda items for debate when the Dialogue Committee resumed its operations, he said. Santistevan’s promise that no “witch-hunt” would be launched against the Armed Forces, was belied by the mobilization of the Soros-run human rights lobby, which is already preparing legal cases against Montesinos for murder, torture, and kidnapping. And even if an amnesty clause were inserted in the Constitution, Amnesty International’s representative in Peru said, it won’t matter. “Judicial globalization will prevent any intended impunity from prospering,” she predicted.

President Fujimori has explained his actions of recent days as an attempt to stabilize Peru, and, in some way, to preserve the achievements of the last ten years. But Wall Street and London are in a race for time on the Peru case. As the MSIA warns, the region’s patriotic forces must rally, not only to the defense of Peru’s sovereignty, but also to the call to “put the current international financial and monetary system through bankruptcy reorganization, and replace it with a New Bretton Woods system, as U.S. economist LaRouche has proposed.” The question is, “not who held power yesterday, nor who holds it today,” but “who will hold power tomorrow, in the face of total world financial disintegration.” As LaRouche has warned, the MSIA concludes, “today’s powers-that-be would do well to remember the fate of Erich Honnecker,” the East German dictator who, weeks before the fall of the Berlin Wall, predicted his “Socialist Reich” would last for a thousand years. He was soon living out his days in exile in Chile, Peru’s neighbor.

# International Intelligence

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## ***Bush Advisers' Recipe For China-Japan War***

UCLA Prof. Tom Plate, in an article in the Singapore daily *Straits Times* on Oct. 24, blasted a "blue ribbon panel report" which proposes that the United States build up Japan as an Asian superpower, as a counterpole to China. The panel includes Richard Armitage (a former Bush Administration official who now advises G.W. Bush) and Joseph Nye (a former George Bush and later Clinton adviser). Plate refers to this "zero-sum game" as a "formula for disaster." He does not mention the fact, that it is also a direct attack on the formation of an Asian Monetary Fund.

The report urges the next President to "re-establish the lost focus" of the U.S.-Japan relationship, by urging Japan to "shed its self-restraint when negotiating regional defense issues, develop its own independent military intelligence capabilities and upgrade its forces. In short, the Washington-Tokyo relationship must move from a 'burden-sharing' one to a power-sharing arrangement. Another way to put it: Let Japan become more like the U.S. . . .

"But even the whiff of a suggestion that Asia is a zero-sum game in which there can be only one winner—either Japan or China—is a formula for disaster," Plate writes. For example, he cites "the report's provocative call for increased American-Japanese cooperation in missile defense, [which will] . . . undermine regional security by raising tension.

"Lastly, the panel's endorsement of joint U.S.-Japan military exercises would yank the rug out from under those in China who have advocated a decreasingly confrontational policy towards the West. . . . Any suggestion that America can juice up its relationship with Tokyo while slighting Beijing is misconceived."

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## ***Primakov Anticipates Bad U.S.-Russia Relations***

In an interview with *Moskovsky Komsomolts*, published on Oct. 17, Russian former Prime Minister Yevgeni Primakov was asked about "talk in the diplomatic circles

. . . that the American policy toward Russia will become much tougher after the November Presidential elections there. They say that goes for both Gore and Bush. Your opinion?"

Primakov replied: "I cannot rule this out. But I do not think there will be a U-turn. The process is likely to be protracted and boring. But I am concerned by many things. Thus, Gore's closest associates are saying that the talks on a new arms reduction treaty, a START-3, and on amendments to the ABM treaty should be waged as a package only." He said that Strobe Talbott, "Gore's senior adviser [sic], . . . recently wrote me a letter to that effect. I asked him whether it was a U-turn in the American policy. He answered, it was. Bush is also making no secret that in case of his victory, the U.S. would want to tackle many defense and arms reduction issues without negotiations with Russia."

Primakov's analysis of the U.S. posture: "The main thing is that the U.S. continues to think it is the only global superpower. The U.S. is indeed stronger than anybody else—militarily and economically. But this is no reason to feel itself a superpower. For a 'superpower' is a category of the Cold War that is known to be over. This is very unpleasant, naturally. A way out must be found. In the end, even the Americans will see, it is a road leading to nowhere."

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## ***Princess Diana's Priest Breaks His Silence***

Rev. Frank Gelli, who in 1997 was parish priest of St. Mary Abbots Church, next door to Princess Diana's Kensington Palace, decided to break his three-year silence about their conversations, prompted by the appearance of *Shadows of a Princess*, by her former personal secretary, P.D. Jephson, according to Germany's largest daily, *Bildzeitung*, on Oct. 16. "It is time to tell the truth. This is what Diana would have wished," he said.

Gelli said that he met with Diana two months before her death. He related: "I lived in Turkey, for two years. She asked me how Muslims treat their wives. Diana seemed deeply impressed by the respect shown to her by Dodi [Fayed]. She was so happy and in love. She was gladly looking to the future, and told me, how much Dodi loved her two

sons, how much the children liked to spend their time with him.

"When I saw her for the last time, that was before her vacation in France, she asked me, whether I could preside over the ceremony at her wedding. She wanted a Christian blessing for her relation to the Muslim Dodi."

Gelli said that the last time he spoke with her, she had phoned him from her yacht, off the Côte d'Azur, and she said she had good news for him, which she wanted to tell him when she returned to Kensington Palace. "I wholeheartedly believe: Had the accident not occurred, the two would long ago have been married to each other."

*Bildzeitung* adds: "The consequences of the priest's confession could be enormous. For none of the court reporters believed that the royal family could possibly approve of Lady Di's marriage with a Muslim. Yes, there are quite a few who even see therein a motive for the couple's sudden death—that it wasn't an accident, but murder!" According to *Bildzeitung*, Dodi Fayed's father, Mohammed Al Fayed, has been encouraged by the priest's revelations, to continue his search for evidence that they were murdered.

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## ***Chile Renews 'Special Relation' with Britain***

The Chilean government will "coordinate with Great Britain" on "Plan Colombia," as part of the renewal of its "special relationship" with London, after two years of tension surrounding the case to extradict former Chilean dictator Augusto Pinochet from Britain to Spain. Chilean Foreign Minister María Soledad Alvear arrived in London on Oct. 1, to meet with British cabinet members and other officials, and President Ricardo Lagos has accepted an invitation from Prime Minister Tony Blair to visit Britain.

Great importance was ascribed to Alvear's meeting with Cabinet Minister "Mo" Mowlam, with whom, among other things, "Plan Colombia"—a U.S. State Department-hatched scheme for Colombia to eradicate the drug trade, without fighting the narco-terrorists—was to be discussed. On Oct. 2, *El Mercurio* reported that the idea is

that Chile can “assume a more active role in the project, together with Great Britain.”

Precisely what Chile’s role is in this, remains to be seen. But Mowlam visited Colombia in early September, where she asserted that Britain would give no money to the military side of Plan Colombia, attacked the use of herbicides to eradicate coca and opium poppy, and demanded that the Armed Forces undergo further “reform,” to get rid of alleged human rights violators.

A number of economic and defense agreements were also discussed. After his meeting with Alvear, Foreign Secretary Robin Cook reported that a bilateral agreement had been reached. Britain has agreed to serve as mediator in Chile’s negotiations with the European Union, and is reportedly greatly interested in Chile’s drive to join the Southern Cone Common Market, or Mercosur. Chilean press praised Crown Prince William’s plans to travel to Chile in the coming year for volunteer work, as a “gesture of recognition” by the British Crown.

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## *S. Korea’s Kim Dae-jung Wins Nobel Peace Prize*

The Nobel Prize Committee announced on Oct. 13 that South Korean President Kim Dae-jung had been awarded the Nobel Peace Prize for lowering tensions on the Korean peninsula and for promoting peace and reconciliation. It praised his Sunshine Policy toward the North, and the historic June 12-14 summit in Pyongyang, North Korea, which opened dialogue toward a permanent peace on the peninsula.

Kim, sometimes referred to as “Asia’s Nelson Mandela,” was, in the 1970s and 1980s, twice sentenced to death, repeatedly tortured, twice almost assassinated, exiled twice, and placed under house arrest 55 times. In 1973, he was kidnapped from a Tokyo hotel by men whom he identified as South Korean intelligence agents; they took him onboard a boat and tied him to a Korean burial board weighted with concrete. He believes he was saved from being thrown overboard to his death by the unexplained appearance of a U.S. helicopter.

Unfortunately, since that incident, Kim’s weakness has been his blind faith that

freedom and the “free market economy” go together “like two wheels on a cart,” and hence, he has never bucked the International Monetary Fund’s depredations in South Korea. On Oct. 13, the IMF’s Seoul office announced that it may soon open talks with North Korea.

A devout Catholic, Kim’s first act as President in December 1997, was to pardon those who had sentenced him to death, two of whom were in jail. “When I was kidnapped, and when I was sentenced to death, of course, I was afraid of death, but I thought to myself: I was the victor. If I felt that I was the victor, then I had no reason to be discouraged,” Kim told an interviewer at the time. “Often it was the ones who failed, who turned out to be the victors in history.”

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## *Sri Lanka Mourns Loss of Sirimavo Bandaranaike*

On Oct. 10, Sri Lanka’s former Prime Minister, Mrs. Sirimavo Bandaranaike, arguably the most competent political leader Sri Lanka ever had, died at the age of 84. Like the democrat she always was, her last public act, less than half an hour before her death, was to exercise her franchise in the national elections held that day.

Mrs. Bandaranaike was propelled into the political arena in 1959, following the assassination of her husband, President S.W.R.D. Bandaranaike. Although she belonged to Sri Lanka’s handful of wealthy elite, she quickly moved her party’s political direction to the left of center, and became a passionate devotee of the Non-Aligned Movement. In 1976, she hosted the Non-Aligned Movement summit, which demanded a new, just world economic order, including a moratorium on poor nations’ unpayable and illegal debt.

She also became a close friend of her neighbor, Indian Prime Minister Indira Gandhi, until her assassination on Oct. 31, 1984.

In 1994, amid the turmoil of an insurgency by the terrorist-separatist Liberation Tigers of Tamil Eelam, Sri Lankans elected Bandaranaike’s daughter, Chandrika Kumaratunga, as President. Kumaratunga appointed Mrs. Bandaranaike as Prime Minister, from which post she resigned on Aug. 10, citing ill health.

**AUSTRALIANS** have filed class-action suits in the United States against the American Psychiatric Association and the U.S. makers of the highly addictive stimulant Ritalin, which is prescribed for children as young as 18 months for so-called Attention Deficit Hyperactivity Disorder. At least 50,000 Australian children are prescribed mind-altering drugs to treat ADHD.

**ANIMAL RIGHTS** activists from the terrorist Animal Liberation Front in the United States are taking training from the British ALF, according to an Oct. 22 BBC documentary, “Beastly Business: Tactics in Terror.” American members of the ALF are coming to Britain to learn how to force research laboratories to cease using animals in their experiments.

**23 MEDITERRANEAN** and Black Sea countries sent naval commanders to a symposium in Venice, which was organized to set up joint naval operations against drug trafficking. The Oct. 18-20 symposium, the result of a planning meeting in Venice in 1998, was also attended by U.S. and British observers.

**QUEEN ELIZABETH II** and Pope John Paul II held a 20-minute private audience on Oct. 17 in the Vatican. Although she is the head of the Church of England, the Queen presented herself as “the head of the Commonwealth of 54 independent nations.” During her trip to Italy, Buckingham Palace gave orders that no long pasta be served. It was also ordered that no garlic be used in any food that was served, prompting one royals-watcher to quip: “If Her Majesty wishes to see cloves, she can take off her shoes.”

**HANS-DIETRICH GENSCHER**, who was West Germany’s Foreign Minister ten years ago, when Germany was finally reunited, was hosted by Russian Foreign Minister Igor Ivanov in Moscow. The meeting was arranged in the context of the celebrations of the tenth anniversary of the fall of the Berlin Wall, Nov. 9.

## CFR Sets Agenda for 'National Emergency' Rule

by Scott Thompson

The New York Council on Foreign Relations (CFR), through its "Campaign 2000" project, is working to override traditional U.S. constituency politics, and create instead a "bipartisan consensus" for a national emergency agenda—no matter which bozo wins the Nov. 7 Presidential election. The project is running alongside the Council's "Financial Vulnerabilities Project," which, in a July 12-13 meeting of the Wall Street elite, floated the idea of an "emergency crisis government," including a possible coup against the President, in case of a global financial meltdown ("Exposed! CFR Bankers Plan for Financial Crash," *EIR*, July 28, 2000).

The CFR, the U.S. affiliate of the Royal Institute for International Affairs (Chatham House), has been, since its founding in 1921, one of the principal institutions for British oligarchical influence in the United States. In addition to replacing constituency-based U.S. politics with Wall Street rule, the CFR's policies include: a one-world dictatorship, eliminating national sovereignty; promotion of globalization and the "new economy"; and, in league with Britain's Prince Philip, continuing the takedown of industry, under the banner of radical "environmentalism."

The CFR, along with its unindicted co-conspirators at the Trilateral Commission, installed Jimmy Carter in the White House, and its policies have not changed since that time. In the mid-1970s, under the direction of Boston Brahmin William Bundy, the CFR ran a "1980s Project" which demanded "a degree of controlled disintegration in the advanced sector" economies. Carter was selected at the Trilateral Commission meeting in 1975 in Kyoto, Japan, to be installed as U.S. President, to implement that policy. Through the usurious 20%

interest rates imposed by Federal Reserve Chairman Paul Volcker, whom Carter supported, along with related measures of deregulation and free-market insanity, that policy has turned U.S. basic industry into a rust heap.

### 'A Governing Coalition' — with Wall Street

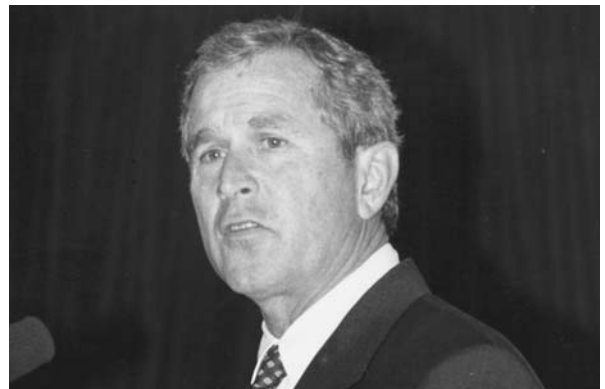
The Campaign 2000 website features the scribblings of Samuel P. Huntington, the protégé of former Carter National Security Adviser and Trilateral Commission Executive Director Zbigniew Brzezinski. The article, entitled "The Lonely Superpower" (which was also published in the March/April 1999 issue of the CFR quarterly *Foreign Affairs*), calls on America to "circle [itself] with wagons" under times of declining power with what Lyndon LaRouche has dubbed a "Gang of Five": "There is now only one superpower. . . . The United States, as Zbigniew Brzezinski has said, will be the first, last, and only global superpower. . . . Much [as the] foreign policy elites may ignore or deplore it, the United States lacks the domestic political base to create a unipolar world [i.e., a *Pax Americana*]. The result is a foreign policy of 'rhetoric and retreat' and a growing reputation as a 'hollow hegemon.' . . . The community for which the United States speaks includes, at best, its Anglo-Saxon cousins (Britain, Canada, Australia, New Zealand) on most issues."

Huntington, the U.S. rapporteur for the 1975 Trilateral conference in Kyoto, argues that the moment a candidate is elected, he must break from any vestige of an "electoral coalition," to form a "governing coalition" with the Wall Street elite. This was stated explicitly in *The Crisis of Democracy* (New York: New York University Press, 1975), which was





*The Council on Foreign Relations intends to run U.S. policy as a “governing coalition [that] need have little relation to the electoral coalition,” as Harvard professor Samuel Huntington delicately puts it. No matter who wins the Presidential election, the CFR plans to run the show. Shown here, clockwise from left: Huntington; Gore adviser and CFR honcho Richard Gardner; Al Gore, Jr.; Bush adviser Condoleezza Rice, a CFR favorite; George W. Bush.*



the final published version of the Trilateral Commission report. Huntington wrote:

“To become President a candidate has to put together an electoral coalition involving a majority of voters appropriately distributed across the country. . . . Before the New Deal, when the needs of the national government in terms of policies . . . were relatively small, the President normally relied on the members of his electoral coalition to help him govern the country. . . . Since the 1930s, however, the demands on government have grown tremendously. . . . Indeed, once he is elected President, the President’s electoral coalition has, in a sense, served its purpose. The day after his election the size of his majority is almost—if not entirely—irrelevant to his ability to govern the country. . . . What counts then is his ability to mobilize support from the leaders of the key institutions in society. . . . He has to constitute a broad governing coalition of strategically located supporters. . . . This coalition, as we have indicated, must include key people in . . . the private establishment. The governing coalition need have little relation to the electoral coalition.”

Huntington boasts that by forming such a “governing coalition,” the power of the Presidency has been “weakened to the extent that the President does not come into office through

an involvement in national politics which compels him to mobilize support throughout the country, negotiate alliances with diverse economic, ethnic, and regional groups, and defeat his adversaries in intensely fought state and national electoral battles.”

The CFR’s plan for wrecking “electoral coalitions” goes head-to-head against LaRouche’s policy of reviving the constituency politics that characterized the Franklin D. Roosevelt Administration. It is no surprise, therefore, that the CFR blocked LaRouche’s access to its Campaign 2000 programs, even though he was a candidate for the Democratic Presidential nomination, and had qualified for Federal matching funds. The head of Campaign 2000 is Anne Luzzato, whose husband is a member of the Luzzato family, part of the oligarchy that ruled Venice. Several months ago, when this author spoke with Mrs. Luzzato, she said that the CFR’s rules for its Campaign 2000 program were that it would invite to speak before the CFR any declared candidate who had met the Federal Election Commission matching fund criteria. However, when a campaign spokesman for LaRouche called to arrange for him to speak, Luzzato hysterically refused. The CFR had even asked Green Party candidate Ralph Nader to speak, although LaRouche had outpolled Nader by 120,000 votes in California

alone in the previous election. Clearly, the CFR is excluding anyone who will not turn to them for their genocidal marching orders when the financial crisis hits.

### **Wipe Out National Sovereignty**

One of the first debates hosted by the CFR was between Amb. Richard Newton Gardner, former U.S. Ambassador to Italy and Spain, and now a member of the Gore 2000 Foreign Advisory Group, both as its European co-chair and its chair on policy toward the UN and other international organizations, and John Despres, who represented former Sen. Bill Bradley (D-N.J.).

Ambassador Gardner, whose sister-in-law is the above-mentioned Anne Luzzato, has, through marriage, been admitted to the highest levels of what Queen Victoria's favorite Prime Minister Benjamin Disraeli described in his novel *Coningsby* as "The Venetian Party," which, since the 1714 Hanoverian succession, has run policy in Britain (see "Team Gore": Trilateral Retreats, Eco-Fascists, and Right-Wing Zionists," *EIR*, July 28, 2000). Gardner's wife is Danielle Luzzato, whose family had been among the leading ones during the Venetian Empire creation of the British Empire.

One of the leading documents still circulated by the CFR is a piece by Ambassador Gardner from the Summer 1974 issue of *Foreign Affairs*. He writes: "In short, 'the house of world order' will have to be built from the bottom up rather than from the top down. It will look like a great 'booming, buzzing confusion,' to use William James' famous description of reality, *but an end run around national sovereignty, eroding it piece by piece, will accomplish much more than the old-fashioned frontal assault*" (emphasis added). In short, Gardner has approved the "piece by piece" erosion of U.S., and every other nation's, sovereignty.

During his debate with Despres, Gardner argued that Gore would be better at "putting a human face on globalization." Gardner noted that Gore is prepared to sacrifice national sovereignty to ecology: "I had the privilege of accompanying Al Gore to the Rio Earth Summit, and this brings me to the fifth big headline I put up there, the new transnational global challenges. I was so impressed at his ability to see the role of the UN in all those issues of the environment and sustainable development. Al Gore, as you may know, also headed our delegation to the Cairo Conference on Population, where he played a decisive role. He was head of our delegation to Kyoto, where we made firm commitments to reduce greenhouse gas emissions in the climate change protocol."

These ecological programs are already wiping out the vestiges of industrialization throughout the so-called developed sector, while relegating the Third World to a demographic holocaust.

In the 2000 literature, Anne Luzzato features as the Democratic Party program, an article from the March/April 2000 edition of *Foreign Affairs* entitled "Campaign 2000 New World, New Deal—A Democratic Approach to Globaliza-

tion," by W. Bowman Cutter, Joan Spero, and Laura D'Andrea Tyson. Echoing Gardner, these Gore spokesmen call for the creation of yet another international organization to undermine the sovereignty of the United States:

"A growing number of environmental problems—ozone depletion, global climate change, threats to biodiversity—are international in scope and require cross-border solutions. Industrial countries, including the United States, are disproportionately responsible for these environmental problems, but developing countries are also rapidly damaging common environmental resources. Solutions, therefore, require the participation of both developed and developing countries. . . . No vehicle exists for nations to negotiate new multilateral pacts on environmental issues. . . . To head off these risks, a new Democratic President would propose creating a new Global Environmental Organization to develop and enforce new international agreements on specific problems."

### **Bush Backs the 'New Economy,' Too**

Not to be outdone, Condoleezza Rice, the self-described "quarterback" of George W. Bush's team of policy advisers ("the Vulcans"), gave an hour-long on Bush's foreign policy on Oct. 12, which was webcast, and videoconferenced from the CFR branch in New York to the one in Washington, D.C. She also wrote an article for the Campaign 2000 project published in the January/February issue of *Foreign Affairs*, in which she dispels the view that Bush would be significantly different from Al "I Invented the Internet" Gore on economics. She writes: "The Soviet Union's collapse coincided with another great revolution. Dramatic changes in information technology and the growth of 'knowledge-based' industries altered the very basis of economic dynamism, accelerating already noticeable trends in economic interaction that often circumvented and ignored state boundaries. As competition for capital investment has intensified, states have faced difficult choices about their internal economic, political, and social structures. As the prototype of this 'new economy,' the United States has seen its economic influence grow—and with it, its diplomatic influence. America has emerged as both the principal benefactor of these simultaneous revolutions and their beneficiary."

The CFR's "Campaign 2000" project is reminiscent of how Bank of England Governor Montagu Norman worked together with such Wall Street creatures as W. Averell Harriman and his partner, Sen. Prescott Bush (Governor Bush's grandfather), to help finance Adolf Hitler's rise to power, in the expectation that Hitler would bleed the "Eurasian Heartland" to death in a bloody struggle between Nazi Germany and Russia.

Given a choice between two CFR-backed candidates, the only hope facing the American people is to build a constituency movement, under LaRouche's leadership, that will sweep aside these genocidal policies, no matter who is elected on Nov. 7.

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## Book Reviews

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# The Renaissance Created Civilization, and That Culture Alone Will Save It

by Nancy Spannaus

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### **Culture Matters: How Values Shape Human Progress**

edited by Lawrence E. Harrison and Samuel P.  
Huntington  
New York: Basic Books, 2000  
348 pages, hardbound, \$35

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### **The Twilight of American Culture**

by Morris Berman  
New York: W.W. Norton & Co., 2000  
205 pages, hardbound, \$23.95

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Whether human civilization survives the coming period ahead, will depend chiefly upon whether leading statesmen once again revive the ideas of the Golden Renaissance, and its image of mankind, in the grand project of rebuilding nations and peoples. Above all, this enterprise depends upon clarity on questions of culture, that nexus of social relations which determines the individual's relationship to his fellow man and woman, to nature, and to ideas. That clarity has been provided, in the 20th Century, by only one great economist and philosopher, Lyndon H. LaRouche, who has fought for a revival of Renaissance ideas in the fields of economics, music, science, art, and statecraft, around the central concept of man as a creature of cognition, made in the image of God.

There could hardly be any greater enemies of LaRouche's war for Classical culture than Samuel P. Huntington and Lawrence E. Harrison, the editors of *Culture Matters*. In fact, these Harvard professors are not interested in the broad question of culture at all. What they want to do, is to assert the allegedly superior economic and related values of British Imperialism, as the pathway to economic progress and democracy. The nation state, the key vessel of Christian humanists for promoting progress and the dignity of the individual, is to be de-

stroyed, in deference to "the markets" and international institutions like the International Monetary Fund (IMF) and World Bank.

Yet, the assertion of those "values" — loosely defined as the Protestant Ethic of Max Weber fame — did *not* create the heights of modern European civilization. To the contrary, the assertion of those values, the values of the Enlightenment which fought to supplant the achievements and ideas of the Renaissance, has put world civilization on the road to decline, and very rapidly so. Those who listen to Huntington and Harrison will enter that path of devolution.

That decline is truthfully described in the book by social critic Morris Berman, who effectively shows that American culture is disintegrating into a New Dark Age, as a result of hedonism, corporate greed, the income gap, increasing illiteracy, and other forms of degeneracy. But Berman himself, doesn't understand that the Enlightenment was a counterdeployment to the Golden Renaissance, and therefore cannot present the conceptual solution to the crisis which he sees.

### **The Harrison-Huntington Thesis**

One cannot approach the Harrison-Huntington book without looking at the history of these two individuals, who took co-responsibility for pulling together the Harvard Symposium, which produced *Culture Matters*.

Samuel Huntington, well known for his *Clash of Civilizations* thesis, and his role as a member of President Jimmy Carter's National Security Council, is no stranger to the limelight of public policy. Huntington was a Coordinating Group member of the New York Council on Foreign Relations' "1980s Project" during 1975-76, working particularly on issues of "democracy" for the then-fledgling Trilateral Commission. The report which he produced then, along with Michael Crozier and Joji Watanuki, actually asserted: "We have come to recognize that there are potentially desirable limits to economic growth. There are also potentially desirable limits to the indefinite extension of political democracy. . . . A government which lacks authority . . . will have little ability, short of cataclysmic crisis, to impose on its people the sacri-

ices which may be necessary” (*The Crisis of Democracy*, 1975). In the Carter Administration, Huntington’s role, planning for security disasters, was coherent with such a perspective of repressive emergency rule.

There is, however, no hint of such a view in Huntington’s introduction to *Culture Matters*. Here he purports to be naively fascinated by the fact that countries like Ghana have declined over the last 30 years, while countries like Korea have prospered. He wants to look into the role of culture in creating these contrasting results. He defines culture “as certain values and attitudes toward man and society. . . .”

By Huntington’s own testimony, and the weight of material in the book, the chief editor was Lawrence E. Harrison, a 20-year veteran of the U.S. Agency for International Development (AID), primarily in Ibero-American nations, during 1962-82. Like Huntington a professor at Harvard, Harrison has been a very public proponent of changing Ibero-American cultures, allegedly in order to permit them to develop. As *EIR* uncovered decades ago, however, AID’s role in Ibero-America, like that of the Trilateral Commission internationally, was aimed at the opposite of economic progress—primarily at population control.

Harrison’s introduction is an affront to one’s intelligence from the outset. He starts off by saying how the development efforts of the 1960s failed, and then those efforts of the 1990s, after the fall of the Berlin Wall. But he rules out economic exploitation as a cause of those failures! “Neither colonialism nor dependency has much credibility today,” as an explanation for poverty in Third World countries, he writes. He also finds racial discrimination an equally unconvincing explanation for “underachievement” of African-Americans. Apparently, in Harrison’s view, all the development assistance required has been provided nationally and internationally over the last decades.

Can it really be that Harrison is unaware of the way in which the international bankers’ cartel has blackballed African and other nations, and absolutely denied them credit for real economic development? Is he unaware of the growth of cartels, and the international financiers that set the terms of trade? That cannot be. Yet, Harrison brushes aside the economic relations of the real world, in order to assert that he subscribes to the increasingly popular school founded by Alexis de Tocqueville, Max Weber, and Edward Banfield, who all asserted that cultural values play a critical role as either facilitators or obstacles to progress.

Max Weber, of course, is the notorious author of *The Protestant Ethic and the Spirit of Capitalism*, written in the early 20th Century, who sought to prove that the alleged values of capitalism—primarily the desire to accumulate wealth and compete, without immediate rewards—was the critical motor force in the development of industrial society. In effect, what Weber was arguing for, was the superiority of the British System, and the Hobbesian, not Protestant, philosophy which

drove it.

As I shall report later, in a summary of the proceedings of a Book Forum in Washington, D.C., at the American Enterprise Institute (AEI) on *Culture Matters*, Harrison didn’t totally get away with his crass promotion of British imperialism.

## The Harvard Seminar

Twenty-two individuals participated in the Harvard symposium, and have their contributions printed in this book. They are divided into seven sections under the following titles: Culture and Economic Development; Culture and Political Development; The Anthropological Debate; Culture and Gender; Culture and American Minorities; The Asian Crisis; and, Promoting Change.

True, not every contributor followed the Huntington-Harrison thesis. Directly challenging them are Jeffrey Sachs, who argues that geography accounts for differences in development; cultural anthropologist Richard A. Shweder, who opposes all international standards of culture; and Nathan Glazer, another Harvard professor of Education and Sociology, who is reluctant to deal with culture, because of its divisive role in society. But the rest of the speakers, most of them professors in sociology or anthropology, were gung-ho, so to speak, on the main thesis.

The most striking epigones of Harrison and Huntington’s outlooks were two Ibero-Americans and one African: Mariano Grondona, a journalist from Argentina; Carlos Alberto Montaner, a journalist now operating from Spain; and Daniel Etounga-Manguelle, a Cameroonian whose profession is never identified, but who was on the World Bank’s advisory committee for Africa. Their contributions to the seminar show an infuriating, and pernicious influence.

Grondona insists that the decision for development, or non-development, lies within the society alone, and then lists 20 contrasting cultural values which he claims determine a society’s decision on this matter. I cite the most outrageous.

Under the “Value of Work,” Grondona condemns as “progress-resistant” those societies which value the intellectual, the artist, and the politician, among others, as leading citizens. Under “Importance of Utility,” he claims that grand visions deter progress. He adds that the “lesser virtues” of punctuality and tidiness, for example, are more conducive to progress than the great traditional virtues of “love, justice, courage, and magnanimity.” He then claims that “rationality” consists in a lot of small achievements, not great projects in economy or social organization.

All this amounts to, is Grondona’s saying that, in his view, economic progress is inconsistent with, and actually antagonistic to, morality. Truly, that’s a modern theory, but historically, and in the long term, amounts to a total lie.

Montaner develops the same theme, with more specific reference to attacking Ibero-American cultural values. He attacks tariffs, for example, apparently without a clue to the

role they played in building up the greatest industrial nations. He is even more explicit on the morality question, claiming, "It is a quest for social justice that condemns the poor to permanent poverty—a true case of the road to hell being paved with good intentions." (p. 61)

As for Etounga-Manguelle, he is equally rabid in arguing that "we can no longer reasonably blame the colonial powers for our condition," and in arguing that the African's concern to care for his community, is one of the major blocs to African development. In the case of Africa, where domination by raw materials cartels couldn't be more obvious, the evil of this "cultural" approach is particularly hideous. But Etounga-Manguelle, who runs the Société Africaine d'Étude, d'Exploitation et de Gestion (SADEG) (African Society for Study, Exploitation, and Management), which runs more than 50 "development" projects in West, Central, and Southern Africa, is clearly very active in spreading his outlook in high places.

### **Harrison Spills the Beans**

Better insight into the nature of intervention being conducted by the Harvard symposium participants, and their hangers-on, was available at an Oct. 12 Book Forum held at the AEI, which this author attended. Gathered to congratulate themselves and each other on their work, were Huntington, Harrison, and a number of other "big names" in academia, including AEI economics fellow Michael Novak; Harvard Prof. Dr. Francis Fukuyama; Transparency International Vice Chairman Frank Vogel; and senior sociologist Seymour Martin Lipset. About 30 or 40 other citizens attended as well.

The individual who exposed the game was Lawrence Harrison, the second to speak on the panel assembled by AEI, under its president Christopher DeMuth. Harrison began by telling the audience about a seminar he had addressed in Ottawa, Canada the previous week, where "economic development" issues were being addressed. In the course of the discussion, a student brought up 1960s economist Sir Arthur Lewis, said Harrison, which brought to his mind a famous statement by Lewis. Sir Lewis, from the West Indies, was noted for his statement that the best empires have helped civilization, by giving their colonies better health care, education, and so forth. He cited the West Indies as a clear example. Harrison proceeded to endorse Lewis's remark, and British imperialism in general, citing the great records of the United States, Canada, Australia, and New Zealand in terms of economic development, as another form of "proof."

The fact that the United States had broken from the British Empire was not significant in his mind.

Harrison's shameless endorsement of the British Empire, in fact, provides the clearest key to the entire concept by *Culture Matters*. The whole project insists that the Anglo-American model today, which is in fact the British free-trade and imperial system, is the model of success, and therefore

must be adopted by poor nations around the world. The fact that this model is currently collapsing, in the midst of the most dramatic financial and social crises in centuries, is blithely ignored.

Oh, at the conclusion of his remarks, Harrison did note that there have been some negative changes in culture in the United States, but this was not permitted to interfere with his overall model.

This author, in a question, congratulated Harrison for his shameless honesty, and then pointed out the fact that the current financial system is collapsing. But, there is a strong likelihood of a paradigm shift back to American System economics, similar to the shift in the United States in the 1920s, to FDR's policies of the 1930s. The professor declined to respond.

But he did have to deal with some other critics, among them Fukuyama, Novak, and Lipset. Novak, who was on the panel, complained that the Harrison-Huntington study actually left out moral questions, and that the Weberian thesis, attributing capitalist progress to Protestantism, had actually been contradicted by many examples. Lipset implicitly, although not directly, criticized the methodology being used, by noting that there had been a statistical study in Ibero-America, purporting to show that Jews were responsible for capitalist development, because everywhere Jews had settled, there was such development. Unfortunately, he noted, this correlation was absolutely *false* in terms of causality.

Also interesting was the criticism by Fukuyama, who noted that there were virtually no economists involved in the seminar. He said he thought cultural factors like those being discussed, only amounted to about 20% of the reason for economic progress, or non-progress, but was harsher when it came to the Weberian thesis. Weber is wrong, he said. He then cited a quote from Weber, who apparently said that he thought the only country less likely than China to develop economically, was Japan. Clearly, Weber did not understand Confucian culture, or the Japanese either!

If one didn't know that billions of dollars was going into trying to force the cultural shifts which Huntington and Harrison were "studying," the whole affair would not have been so disconcerting.

### **What Is Happening to American Culture?**

Let us now turn to *the Twilight of American Culture*, by Morris Berman.

Berman's thesis is direct, and to the point: American society is in decline, headed into a New Dark Age. The markers for this process range from the domination of the culture by corporations, the hideous decline in literacy, the culture of violence, and the growing gap between the rich and the poor. Berman compares the American decline to that of other empires, specifically that of Rome.

Keep in mind that Berman is writing social criticism, not

history. His observations are often anecdotal, and his analysis of the decline of empires is not historically precise. But, as a social scientist, he is certainly a lot more truthful than those inflated “analysts” who came together in Harvard in the Spring of 1999.

What Berman doesn’t understand is the etiology of the decline. He treats it as if there had not been a life-or-death struggle between the republican and oligarchical tendency in the United States since its birth, but that the decline was more or less an organic, or natural, outgrowth of U.S. history. The roles of the assassinations in the 1960s, the rock-drug-sex counterculture, and the takeover of financial institutions by post-industrial society lunatics do not make it onto his radar screen.

This becomes particularly evident in the proposal that Berman makes for dealing with the problem. He comes up with the concept of the “New Monastic Individual,” in which an individual makes the choice of withdrawing from the dominant, dumbed-down, degraded popular culture, in order to preserve intellectual standards. The parallel, of course, is to the work which Christian monks did during the decline of the Roman Empire, where they saved manuscripts or other artifacts of learning, which were later revived during the Renaissance. Berman says that he does not recommend that people literally withdraw into private communities, as did the monks, but that they nonetheless work to preserve cultural standards within their own little worlds of activity, be they teaching, or playing music, or other such things.

One fundamental problem is that Berman does not make a distinction philosophically between the revival of culture in the Renaissance, and the Enlightenment. The Enlightenment of the 18th Century was built directly as an attempt by the world oligarchy to crush the ideas of the Renaissance, which had inspired a universal culture of progress. Exemplary is John Locke, for example, a spokesman for slavery and the British oligarchy, who promoted the social contract, rather than the universal natural law of Gottfried Leibniz, Nicholas of Cusa, and Leonardo da Vinci.

But Berman does realize that a breaking point is coming. In his concluding chapter, he says that he expects today’s culture to be replaced because of “the enormity of the Great Collapse, which will act as a wake-up call on an unprecedented scale. In addition, transnational corporations and their control and saturation of the environment will not be possible because they will be so financially devastated.” This is true at the moment of collapse, but, clearly, new *institutions* will have to be built in order to prevent what will simply be a new feudal arrangement. This, Berman does not attempt to define. He does not propose political intervention, but personal fulfillment.

### **The Question of Culture**

The truth of the matter, is that there are two warring cultures today—that based on oligarchism, which denigrates

man’s nature, and that based on republicanism, which values every individual for his or her mind. And the political battle ongoing to determine which of these cultures succeeds, will determine the pathway of mankind’s future, for generations to come.

But this does not have to be taken as a matter of faith. An honest study of how technological progress has actually proceeded, over the history of mankind, reveals what kinds of cultures, and values, led to advancement, versus those which led to decline. The crucial case in point, is the American Revolution.

The American Revolution, and the industrial strength which it produced, is *not* a product of the so-called Protestant Ethic, although many Protestants were actually involved. No. The American Revolution is a direct descendant of the cultural revolution made by the Golden Renaissance, which promoted the values of Classical education, beauty, and statecraft, which reached their political height in the creation of United States. Not that there hasn’t always been a political battle within this country, where oligarchism has maintained its toehold, and more. But it was the Renaissance tradition, which valued and promoted man in the image of the Creator, which is provably responsible for the advances made. In this tradition, morality and economics are combined into a common search for the general welfare of the population.

Contrast the historical United States, then, with those nations which never revolted against the British Empire, or who are subject to the IMF today. Many of those nations may have had dramatic increases in Gross National Product, or strong militaries, or a calm political scene where political liberties appear to be respected, but none has ever enjoyed the level of progress for the individual, which this republic has achieved. They are all marred by such cultural problems as the caste system, or ruling oligarchies, or mass illiteracy, which reflect the fact that their people are *not* viewed as citizens made in the image of the Creator, and there are not even any institutions devoted to the concept of the general welfare.

Of course, today, the United States itself is acting to a large extent, as if it had never broken from the British imperial tradition. But, as the inevitable breakdown crisis, created by the rottenness of that system, strikes, there will come the opportunity, no, the necessity, for drastic changes. As that time comes, sane political leaders will throw away books like *Culture Matters*, and read LaRouche.

**Check Out This Website:**

**[www.larouchespeaks.com](http://www.larouchespeaks.com)**

# LaRouche Candidates Reviving FDR Coalition Through Their Campaigns

by Molly Kronberg

With a week to go till Election Day 2000, a kind of numbed despair is enveloping many American voters as they look at the standard-bearers of the two major parties. But in several states where LaRouche Democrats are in the running for Federal or state office—Louisiana, Wyoming, South Dakota, Kansas—the political process is entirely different, because out of these “LaRouche” campaigns are emerging the outlines of a new FDR-style coalition.

In these races, seven in all, what is being built is an alliance of farmers, labor, minorities; of civil rights, church, and community activists who understand the LaRouche candidates’ insistence that we stand at the brink of a catastrophic explosion of the economy and the financial system. And so, they are coming forward to support LaRouche’s program to create a new monetary system vectored toward production, and to use that monetary system to finance economic and technological development and infrastructure-building, here and abroad.

During LaRouche’s Presidential campaign this year, he struck the theme of the “Forgotten Man,” recalling Franklin Roosevelt, and identifying his own campaign as *the* representative of the lower 80% of family-income brackets. Those themes have been picked up in Mel Logan’s race for U.S. Senate in Wyoming; in Roger Beall’s campaign for U.S. Congress from Louisiana’s 5th CD; and in State Legislature races in South Dakota and Kansas.

Thus, the campaigns are circulating tens of thousands of copies of a pamphlet from the FDR-PAC, “A Democratic Platform for October,” which focusses on crises and solutions: the need to outlaw “managed health care” and HMOs, which kill people; the need to jettison deregulation and “free trade”; LaRouche’s ten-point emergency proposal to deal with the oil price explosion, and the like.

## Logan’s Race

It was a resounding victory in the Aug. 22 state primary, 65% of the vote, that made LaRouche Democrat Mel Logan, a miner and labor leader, the Democratic Party nominee for U.S. Senator from Wyoming. His general election opponent is Republican incumbent Craig Thomas.

Logan, who is president of the Sheridan Central Labor Council and secretary of his United Mine Workers local, is being backed by the state Democratic leadership, as the *Wyoming Tribune-Eagle* reported after the primary: “By nearly a

2-to-1 margin, a LaRouche Democrat has won the right to take on U.S. Sen. Craig Thomas, R-Wyo., for Thomas’ Senate seat,” adding that Logan’s Democratic primary opponent “Sumey [has] endorsed Logan, and Wyoming Democratic Party chairman Steve Freudenthal said he would call on Democrats to support the LaRouche follower.”

Also supporting Logan is the state AFL-CIO, which on Sept. 7, at the state AFL-CIO convention in Casper, made public its unanimous endorsement. The endorsement said that “Mel Logan has demonstrated that he can provide an effective and badly needed voice for workers and the Wyoming public as a whole,” and “has shown a concern for the economy.” For those reasons, and because “Wyoming workers have not been represented in the U.S. Senate for the past 24 years,” it concludes,

“*Now Therefore Be It Resolved*, Mel Logan be strongly and wholeheartedly endorsed by this 37th Constitutional Convention of the Wyoming State AFL-CIO; and be it finally

“*Resolved*, that the local unions, councils, and members in Wyoming work to ensure the election of Mel Logan to the U.S. Senate.”

Throughout the race, which has included an Oct. 22 debate in which the two candidates squared off before public television cameras, Logan has hammered on the theme of the collapsing economy, and the imploding financial system. “We have people working two jobs, people working longer hours,” he says; “inflation hits us, our electricity bill is up, they’re telling us, 40% or something like this the next few months; gasoline has been up 50% for the last three months. There’s nothing we buy there, or nothing we need, that hasn’t gone up a huge amount, and yet the government is telling us that we have 3% a year inflation. . . . Everybody knows that’s not true. . . .”

“That’s the message we’re delivering—Lyndon LaRouche talking about the bubble economy stripping the real economy. That’s where it’s at.”

As for his opponent, Logan recently remarked, of Craig Thomas on the economy, “Would you vote for someone who habitually lies?”

## Beall in Louisiana

Also seeking Federal office is Roger Beall, 62, a lifelong Democrat and cotton farmer from Louisiana’s Delta whose

farm operations went bankrupt. He is on the ballot for the 5th Congressional District seat currently held by Republican John Cooksey. Beall has the support of many labor, religious, and farm activists in the state, and recently became the first farmer ever to address a Louisiana state AFL-CIO convention. He also recently gave a keynote address at the state convention of the National Association for the Advancement of Colored People.

To run as a LaRouche Democrat, said Beall in an interview, “was a hard decision. I can’t compromise with the system. The system has put me out of business. To save my business, and to save a lot of other people’s business, and to uplift the general welfare of people, I’ve got to get identified with somebody that understands all this, and that’s the reason I’m identifying myself with the LaRouche movement.”

He described the toll the “economic boom” has taken on Louisiana, and particularly the 5th CD, stretching throughout northeast Louisiana from the Arkansas border to Alexandria in the center of the state—one of the poorest areas in the country.

These rural areas are characterized by desperate poverty; towns have become ghost towns, with only an occasional Wal-Mart or Burger King still in business. Beall has made health care a major issue, as parish hospitals are bankrupt, and the charity hospitals, set up by Huey Long during the last Depression, are overcrowded. Billboards reading “Save Our Rural Hospitals” dot the landscape, and doctors are rallying to Beall’s campaign.

“We have 1 million adults who don’t have health insurance,” Beall says. “You have a lot of bankruptcies in my district. You have a lot of poverty in my district. The average per-capita income in the 5th CD is no more than \$7,000 per year. That’s half the state average, which is about \$12,000, and the state of Louisiana is at half the national average, which is something like \$23,000 per year. . . . The Democratic and Republican candidates say we’ve got a boom in the economy. That’s an outright lie. When you’ve got 47 million people in the U.S. who don’t have health insurance, you’ve got bankruptcies going out the top, and, most importantly, people can’t feed themselves any more.”

In the past, Beall has run twice (1994, 1998) for State Representative, and the second time, missed winning by 31 votes. Now, being known as a LaRouche Democrat, he expects to better that: “I’ve got strong union support, I’ve got strong black support. I’ve got strong Pentecostal support. In Louisiana, the traditional Democratic base is Pentecostal, black, small farmers, and labor unions. Lyndon LaRouche ran strong in the district where I ran.”

### Four Running in South Dakota

On Nov. 7 in South Dakota, four LaRouche movement-affiliated candidates will appear on the ballot for State Legislature. The candidates—Donald Beaner of Parker (District 9), Larry Elfrink of Highmore (District 23), Vance Feyereisen



Wyoming Democratic senatorial candidate Mel Logan.

of Gregory (District 25), and Robert Hockett of Pierre (District 24)—have been welcomed at high school and university homecoming parades across the state, where their now-famous slogan—“\$10 gas coming soon; Join LaRouche or walk”—has “caused people to grab the literature out of our hands so that we could barely get it out fast enough.”

The candidates, all LaRouche delegates during LaRouche’s Democratic Presidential primary campaign earlier this year, decided to run for State Legislature when their delegation was disenfranchised by the Democratic National Committee in the South Dakota caucuses. In an interview with *New Federalist* newspaper, Hockett said, “I’m not a lawyer or a professional politician—I work at the Pierre Indian Learning Center, Larry’s a rancher, Don’s a dairy farmer, and Vance works at the farmers’ elevator. We’re all veteran organizers and we’re going to lead the movement in the Legislature and throughout the state.”

Larry Elfrink summed up, in a radio debate on Oct. 5: “You have to consider the social cost of the things you’re talking about. What’s the social cost of families holding down two or three jobs just to survive? What’s the social cost of kids killing kids? We’re in a crash of the economy and we have to change our policies. We have to repeal [the free-trade agreements] NAFTA and GATT. We have to have full parity for our family farmers.”

Also running for State Legislature—in Kansas—is Nancy Stubbs of Lawrence, running in the 45th Legislative District against incumbent Tom Sloan.

Stubbs, a 63-year-old nurse and a grandmother, has been campaigning door to door as a no-budget citizen candidate, to get her message out.



# Maryland Town Meetings Take Up Urgent Issues

by Debra Hanania-Freeman

With the U.S. Presidential election just days away, the candidates of America's two political parties, Al Gore and George Bush, have had almost nothing of substance to say on the vital issues dominating the strategic arena. The Middle East peace process, which held such tremendous promise just a few short months ago, has disintegrated into an escalating pattern of brutal violence that threatens to become a full-scale religious war, as a result of Bill Clinton's failure to provide the economic framework for a just and lasting peace that economist and statesman Lyndon LaRouche outlined just prior to the ill-fated meetings between Israeli Prime Minister Ehud Barak and Palestinian Authority President Yasser Arafat that Clinton hosted at Camp David in July. At the same time, despite frantic efforts to postpone the inevitable until *after* Election Day, the entire global financial system is tumbling down. No wonder one French newspaper openly refers to the candidates as "the Cretin" and "the Stiff." No wonder pollsters are predicting the lowest voter turnout in history, as the traditional institutions seem unable to motivate Americans to come out to support whomever they perceive as "the lesser of two evils."

Indeed, it would seem that a tragedy for the United States and its people is almost inevitable. Except for the fact that, increasingly, in the days leading up to the elections, leaders of the traditional Democratic core constituency groups (i.e., the vast majority of Americans) that Gore and his "New Democrat" Wall Street backers declared irrelevant, are lining up with the movement led by Lyndon LaRouche, in emergency town meetings across the nation, to discuss how to steer the country safely through this time of grave crisis.

At one such meeting in Baltimore on Oct. 19, LaRouche's national spokeswoman, Debra Hanania-Freeman, posed the situation in stark terms. After presenting the full scope of the immediate danger, Freeman posed the paradox: "We face the worst crisis to confront civilization in 300 years. But, Lyndon LaRouche, who is the only person qualified to serve as President of the United States, especially in this crisis, will not appear on any ballot, despite his willingness to serve. Why?"

"Lyndon LaRouche's drive for the Democratic Presidential nomination provided a clear alternative to the Wall Street-dictated farce that today leaves us with a choice between two evil idiots. But, Americans didn't do enough to make sure that LaRouche could be elected. When LaRouche's message began to sink in, and he began to win delegates in key primary races, Al Gore's friends on the Democratic National Commit-

tee threw your votes in the trash. They said, 'Well, we're happy that you came out to vote, but unfortunately, you voted the wrong way, so your vote doesn't count.' And you let them do it."

## LaRouche Defends the General Welfare

Freeman contrasted LaRouche's relentless drive to represent the general welfare of the American people, regardless of the opposition, to President Clinton's tragic refusal to confront the foreign intelligence operation that almost destroyed his Presidency and which did destroy the Middle East peace process. "Bill Clinton talked about the need for 'a new financial architecture.' It wasn't LaRouche's New Bretton Woods proposal, but it was a step in that direction, and it was enough to provoke the financial oligarchy to move against him. He won the fight against impeachment, but he lost his Presidency when he decided that, in order to protect himself and his family, he had to get Al Gore elected."

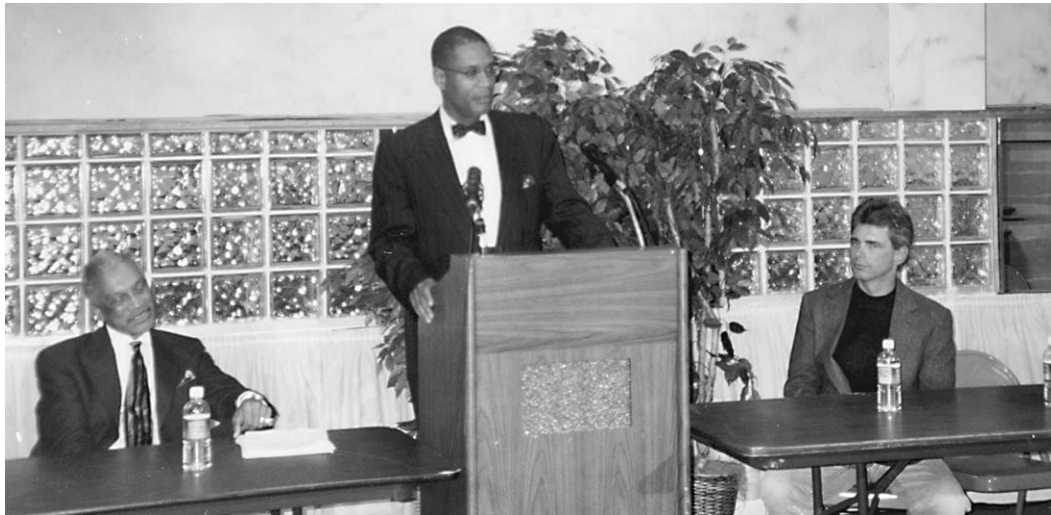
Freeman was joined by speakers who were in the forefront of LaRouche's drive to force the Democratic Party to at least adopt a national platform that would protect the general welfare. Dave Brode, the AFL-CIO Committee on Political Education director for Western Maryland, discussed his frustration when the Democratic Party leadership failed to respond to the reality facing America's working families, and his relief when he learned about LaRouche's effort to first convene, and then facilitate the circulation of the proceedings of the Ad Hoc Democratic Platform Committee prior to the Democratic National Convention.

One of the key witnesses at those hearings, Dr. Abdul Alim Muhammad, director of the Abundant Life Clinic in Washington, D.C. and a national leader in Minister Louis Farrakhan's Nation of Islam, spoke next. He issued an urgent call for the immediate declaration of a national health care emergency, motivated by a chilling account of the state of America's health. He insisted that it was time to put an end to corporate health care-for-profit, and, referring to LaRouche's emphasis on man as being made "in the image of God," identified that the relationship between the physician and the patient cannot be balanced on an accountant's ledger.

Dr. Muhammad also addressed the state of the nation's moral health. "If we are a government for, by, and of the people, as the Constitution promises, and if the government is not functioning in the interest of the people, then the government has to be changed. But," he emphasized, "if the people are also corrupted, if the people lack the courage and the will to change the government for the better, then all of civilization is in trouble."

## A 'National Health Emergency'

When Dr. Muhammad finished his presentation, Freeman, exercising the prerogative of the chair, called for a motion from the floor for a resolution in support of Muhammad's call for a declaration of a National Health Emergency. The



*Dr. Abdul Alim Muhammad (speaking), former South Carolina State Senator Theo Mitchell (left), and AFL-CIO COPE director for Western Maryland Dave Brode, at a town meeting in Baltimore on Oct. 19.*

motion, along with an urgent call on other groups to do the same thing, was made, seconded, and unanimously passed. Others addressing the Baltimore gathering included Bill Dickens, president of the Teamsters' Port Division and United Container/Rail Haulers of America, and Dr. Carl Washington, president of the Baltimore Baptist Ministers' Alliance, and former South Carolina State Senator Theo W. Mitchell, both of whom had endorsed LaRouche's bid for the Democratic Presidential nomination.

The following night, Mitchell, who also served as one of LaRouche's attorneys in his battle to defend the Voting Rights Act from the Democratic National Committee's efforts to have it declared null and void, joined Freeman in a similar meeting in Prince George's County, Maryland, a densely populated Washington, D.C. suburb. At both events, Mitchell issued a firm call to action, telling those gathered that "it is time for us to organize!" With a passion that clearly left the audiences moved, the longtime leader located his comments in a historical perspective.

"Brothers and sisters, it is hard to accept, but we are losing ground. The progress won in the 1950s and '60s in civil rights, economic justice, and voting rights is being targetted for destruction.

"The racists inside the DNC have moved for nullification of the Voting Rights Act and the Supreme Court jumped at the opportunity to back them up," Mitchell said. Citing the Justice Department's illegal targetting of African-American public and elected officials known as Operation Frueh-menschen, Mitchell described what he called a "glass ceiling" erected against people of color. He said that LaRouche was given the same treatment. "My friend Lyndon is not an African-American, but he has never hesitated to stand up for the rights of African-Americans, sometimes more so than African-Americans were willing to stand up for themselves. As a result, Lyndon LaRouche was given the same treatment."

Minister Shawn Muhammad, a leader of the Prince

George's County branch of the Nation of Islam, challenged those who had gathered in his community, "Why is it, that with all the information Mr. LaRouche has made available to you, you still allowed this crisis to occur. What are you waiting for? What do you really want out of this life? How do you define success? Surely you seek more than just money? Are you willing to stand up and fight for all of that?"

The meetings drew representatives of organized labor, including the United Auto Workers, the Sheetmetal Workers, Teamsters, Railroad Workers, and the Communications Workers of America, along with farm leaders, senior citizen activists, members of the clergy, the National Association for the Advancement of Colored People Prison Ministry, several local elected officials, and scores of citizen activists. The meetings provoked intense dialogue and debate, and although the specific details differed at each of the two meetings, the point common to both was the recognition that world is careening toward disaster, that President Clinton has virtually relinquished his Presidency, that the two ostensible choices to replace him are unacceptable, and that the last best hope for this nation and for the world lies in a drive to put Lyndon LaRouche into a position of power to change the direction of our nation.

Freeman summed it up in her answer to a college student, who asked, "How can we make LaRouche President if he isn't even on the ballot?" She conceded that the task would have been far easier had more people stood up to fight for LaRouche during the primary elections, saying, "In the worst case, it may be that Gore or Bush gain sufficient votes on Nov. 7 to claim the White House. If that terrible event were to occur, if one of them were to succeed in occupying the White House, we had better make sure that we have mobilized sufficient forces behind LaRouche to keep them there under virtual house arrest, too frightened of what they would unleash if they attempted to stop LaRouche's policies to save the nation from being adopted."

# In Crisis, Independent Truckers Are Turning to LaRouche for Solutions

by Marianna Wertz

Confronted by an existential crisis in their lives—which is hitting ever-growing sectors of the population— independent truck drivers are today turning to the LaRouche political movement in growing numbers. At truck stops around the nation, drivers are getting out of their rigs to buy subscriptions to *EIR* and *New Federalist* (the weekly newspaper of the LaRouche movement), to find answers to the skyrocketing price of oil which is driving them into bankruptcy, and the working conditions that have reduced them to virtual slavery.

On Oct. 21, a group of independent port drivers in Charleston, South Carolina, led by Robert Bates and Jim

Stewart (see interviews below), invited LaRouche representative Cal Smith to discuss with them what LaRouche is proposing for a global economic recovery, in the face of the global financial collapse. Smith, in the interview below, describes these drivers' hunger for "learning to think" in this time of crisis, as they consider what LaRouche is saying.

These are the same drivers who staged a nationwide shutdown of ports on Oct. 4, in tandem with the Teamsters union. These shutdowns are continuing, as Stewart recounts. A similar protest was held in Long Beach, California on Oct. 20, where 100 drivers stopped work to protest the high cost of diesel fuel, low mileage rates, and unpaid hours and company deductions from their pay. The independents are also seeking the right to unionize, now denied them under National Labor Relations Act restrictions.

As Bates told *EIR*, truckers are "the bottom of the food chain." Yet, without them, almost nothing gets to market. Their economic plight is indicative both of the decimation of the nation's real economy, and of its "fitness to survive," as LaRouche puts it.



*Truckers drivers protest their declining standard of living at the Savannah Port on Labor Day.*

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## Interview: Cal Smith

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### ‘These Truckers Want To Learn To Think’

**EIR:** You were invited to address a truckers meeting recently? What was the meeting about?

**Smith:** It was a meeting of independent truck drivers, in Charleston, South Carolina, who transport shipping containers from the port to various locations. They are faced with near-term elimination, i.e., bankruptcy, due to high fuel prices and below-cost payment for mileage from the port. I was

invited to speak to the meeting as a representative of Lyndon LaRouche, and to outline LaRouche's proposals for economic reconstruction.

**EIR:** What did you tell them?

**Smith:** I discussed LaRouche's approach for dealing with the imminent global financial collapse. I explained that LaRouche alone had been able to identify this crisis, had warned about it for some time, and tried to give them some sense about LaRouche's method that has led him to be right when others have been wrong.

**EIR:** In Los Angeles, many workers there who are on strike seem to have bought the propaganda that the economy is in unparalleled prosperity, and they just need to get their fair share of the pie. What was the reaction in Charleston?

**Smith:** One of the organizers of that meeting reported that in 1971, diesel fuel cost about 31¢ a gallon, and now it costs about \$1.60. In 1971, a new tractor for a rig cost \$29,000; now it costs \$116,000. In 1971, they received more than \$1 a mile to move shipping containers; for the same container, they now get 76¢. In 1971, a pair of new front tires cost \$200; today, it costs \$950. One man commented that two years ago, his gross income was more than \$200,000; this year it's barely \$50,000. They're not striking for a bigger piece of the pie; they striking for their survival.

**EIR:** Why were you invited?

**Smith:** The reason they invited me was to give them the bigger picture, so that they could situate their fight within a broader global perspective. The most interesting discussions were on the Lincoln-Douglass debates, outlined in the latest *New Federalist*, and, more broadly, what LaRouche means by the nature of physical economy and the nature of man.

They are already in motion; they don't need to be told to move. They want to learn how to think, to be able to defend themselves effectively, and they want to learn LaRouche's method.

**EIR:** I understand that there was some controversy in the meeting. Was it in response to your remarks?

**Smith:** The meeting became very passionate over how they could win this fight, and how they had to organize if they were to have a chance to win it.

**EIR:** Are they prepared to start organizing outside their immediate circles?

**Smith:** I emphasized that they had to reach out, to talk to other layers of the population: churches, clubs, freemasonic lodges, seniors, farmers. That they have to form alliances.

They don't view any of the current Presidential candidates as allies in dealing with the problems they face. So, many truckers were eager to take a lot of material to get out among other groups.

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## Interview: Robert Bates

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# Independent Truckers Are Fighting To Survive

*Robert Bates, in South Carolina, is the national founder of the United Container Movers Association. He was interviewed by Marianna Wertz on Oct. 18.*

**EIR:** What are you fighting for in the United Container Movers Association?

**Bates:** We're fighting for a union contract, with the Teamsters. Our fight is a complicated one. We're fighting to be reclassified by the Federal government, as employees, rather than contractors. Because all that does, is keep us from getting any kind of benefits. Since the deregulation of trucking, it's been a steady downhill battle from that point on. It's gotten to the point now that we're starving to death.

**EIR:** What are people making as independent truckers?

**Bates:** When I started in the business in the early 1970s, we were getting \$25 a trailer—we call it "per bump." For each trailer we hook to and move from Point A to Point B, we got \$25 back in 1977-78. Today, we're making \$35 a bump. This is an industry that hasn't seen any kind of cost-of-living increases at all. Everything is skyrocketing around us. Ninety percent of my members don't have health insurance for their kids and their families. There's no guarantees for an independent. You work, or you don't work. If you don't work, you don't get no money.

**EIR:** How long are you on the road?

**Bates:** These guys are on the road 50-80 hours a week, to try to bring home enough money to pay their house payment, and for maintenance for their truck on the weekend.

**EIR:** What has the oil price increase done to you?

**Bates:** It's killed us. It's literally taken what little profit we were making, if we were making any at all, and just took it away from us. Now, a lot of these guys don't realize what it costs to operate a truck. They're just driving themselves into a hole.

If you call around to some of the truck dealerships, you look at Western Star, which opened up a brand new plant right here in Charleston, S.C., in Summerville. The community gave them tax breaks, to put a plant here and put our people to work. Two weeks ago, the plant folded up. No truck orders. Nobody is buying trucks. The banks are overwhelmed with

repos [repossessing collateral], because these guys are going out of business left and right.

**EIR:** Yes, the economy is shutting down. You know that Lyndon LaRouche is saying that the big blowout is here, this is the crash.

**Bates:** Well, I tend to agree with him. But the steamship lines continue to post a profit. They had it on the Internet a couple of weeks ago. Every one of them across the board is 17, 19% better than they did last year. They continue to turn a profit. They're able to control their rates. If they need to increase their rates with increased operating costs, they just go to the customer and say, "Okay, this is it." They just raised their rates two weeks ago from \$450 to \$750 on shipping an over-seas container.

But we don't have the power to do that. Because we have to abide by the anti-trust laws in America, according to the FTC [Federal Trade Commission], because each of us, as they say, is an independent business, because we're independent contractors.

**EIR:** Has that always been the case?

**Bates:** Yes.

**EIR:** And now the Teamsters want to organize you as part of the union, but you have to change who you are?

**Bates:** Yes, we've got to be employees. In order for us to have any protection under the Constitution, or any of the NLRB [National Labor Relations Board] protections, we've got to be classified as employees. Right now, we don't have any rights.

**EIR:** So, how do you get that?

**Bates:** We do exactly what you're doing. Putting pressure on the government to change it. If it comes down to it, we're going to have to get America involved. We're going to have to shut America down.

**EIR:** When I last talked with you, it was Oct. 4, the day of the nationwide protests, and you said, "This is just a warning of what's to come. If they don't straighten it out, and the government doesn't get involved, they're going to see a collapse of the whole thing."

**Bates:** Sure they are, and it's coming on. It's like a freight train and it's coming downhill. If somebody don't wake up—Gore or Bush, or whoever the hell they're going to put in office—you haven't heard a mention of that. They're too busy talking about Medicaid and prescriptions for old people.

**EIR:** They aren't talking about the economy, except to say it's wonderful.

**Bates:** They aren't talking about the truckers. We had a big rally in Washington on March 22. We got a bill before the [South Carolina] House, H.R. 1525. We got 102 Senators

sponsoring that bill. Everybody should be behind that bill. All the steamship lines are foreign-owned. These are foreign countries coming over here, controlling all of America's trucking. That's not good!

**EIR:** Realizing all of this, what LaRouche has said is that, unless his policies and what he stands for gets power in this country, soon, we're not going to have a country.

**Bates:** Right.

**EIR:** You look at the Middle East, you look at the real state of the U.S. economy, which truckers represent, you know that's true.

**Bates:** We're the bottom of the food chain. We're where it all begins. It begins with the farmers, then the farmers depend on us to get it to market. The farmers are hurting just as bad as we are, but at least they get some kind of government subsidy. We don't even get that. The railroad gets it, the airlines get it. But the truckers just get dumped on.

**EIR:** Are the independents preparing more protests now?

**Bates:** I don't know what our next move is. I know today that they're meeting with the AFL-CIO to get some organizing money, to help with this drive. The reason they had the protest in Savannah—Monday, Tuesday, and today—was because the state port of Georgia implemented a new \$4 million computer system, container-tracking system, that doesn't work. So, these guys were backed out on the road for four to five miles, trying to get in the gate of the Ports Authority. These guys get paid by the bump, by how many trailers they pull. They were only getting two and three trailers a day.

How do you live on that? You can't support a family on that, and it was all because everybody uses us as a guinea pig. Those guys working the gate, working the port, and the bigwigs in the office with the suits and ties, they get their check every Friday, no matter what happens. We don't. We have to work to get our money. And we do all the work. We are forced to do free labor in the ports, which is a form of slavery. Anything that you do for free, you're forced to work for free without compensation, look it up in the dictionary, that's slavery.

We're forced to do that every day. We have to take the steamship line equipment to the repair to get it fixed, to make it roadworthy. We've got to sit there and load the box for free. We've got to sit in line for free. This is hours and hours of unpaid time.

**EIR:** You're being reduced to the level of the Third World, which is now the pride of globalization.

**Bates:** It's unbelievable, that the truckers of America are treated like this in the year 2000.

**EIR:** It's time to rise up.

**Bates:** We are rising up. This has been a 15-year process

for me. I have personally been involved in it, working with different associations and trying to get these guys together. Three years ago, I realized that one port couldn't do it by itself. Because every time we tried to do something in Charleston, they'd just divert the ship somewhere else and the next port would have a heyday. They would get all the work and we'd starve and then after we all went back and didn't have no money, then they'd bring the ships back in.

It took me three years and a computer to put together the leaders from around the country, to get in touch with these guys, the different leaders of each association as I have in Charleston—little guys that are tired of the crap and want to stick together and say, "Look, enough is enough."

When I contacted these guys around the country, from Baltimore, Jacksonville, Savannah, Virginia, Los Angeles, Long Beach, Seattle, and Houston, I called a meeting of all the leaders from different ports around the country.

**EIR:** When was that?

**Bates:** This was Dec. 4, 1999. That will be a day, when, once all this happens, that will be our birthday. That will be the day we started all this. These guys flew in, drove in, whatever they could do to get here. When the Teamsters heard that we were having that meeting, they called me and they said, "Let us come to that meeting. We think we could help you." Of course, we were excited about that.

That's what it's going to take, all the ports working together to get these steamship lines to raise their rates, get the Federal government to change our status from independent contractors to employees.

**EIR:** But, you know, if the whole economy goes the way the Internet stocks are today, there won't be anything to organize.

**Bates:** That's true.

**EIR:** That's why we're saying, find out what the policy has to be at the top, at the same time that you organize.

**Bates:** Exactly.

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## Interview: Jim Stewart

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# The Port Is Trying To Starve the Drivers Out

*Jim Stewart heads the Savannah Port Truckers Association in Savannah, Georgia. He led a protest of independent port truckers, who shut down the Savannah port over a labor dispute beginning on Oct. 23, which is ongoing as we go to print.*

*Stewart is also a board member of the Maritime Workers Advancement Association. He was interviewed by Marianna Wertz on Oct. 18.*

**EIR:** I understand you've shut down the Port of Savannah for several days.

**Stewart:** For the first couple of days, there was very little of anything in here, just a few company trucks and some out-of-state trucks that were coming in, but they had used a lot of those last week, because it was so backed up with the new computer system. The lines were three to four miles long outside the port gates.

**EIR:** Because the computer system wasn't functioning?

**Stewart:** Exactly. It's still messed up.

**EIR:** What is wrong with the computer?

**Stewart:** They spent almost \$4 million on a new system. They did this once before, when they spent a million or so and the system never ran right and they had to finally scrap it. This system gives the port control over what everybody is doing in the ports. It's the port system, not the steamship line system. They implemented something without properly training everybody on it. Instead of working the bugs out of it, or starting with one lane, or one line, or bringing it in when the freight slacked down, they just implemented it.

They knew what it was going to do. We had a protest rally here, along with 15 other ports on Oct. 4, and they had bragged to the media about the new system, which was going to start Oct. 2. Just as soon as they found out we were going to have the rally on Oct. 4, they announced on the news that there had been a glitch in the system, and they decided not to start it Oct. 2. They knew, if they started it that day, and we had a protest rally on Oct. 5, with the trucks backed up for miles, it would have blown up in their face then.

**EIR:** What are you demanding?

**Stewart:** What we want is for them to do something about it. They did something about it when they introduced this thing. They should back off of it or go back to handwriting, or do something until after the peak season is over with. The first of the year, freight slows down out of the port. At least wait until then, if they want to implement this new system.

**EIR:** Have they been responsive?

**Stewart:** No, they will not talk to the port truck drivers. Their smug program all week has been to starve the drivers out. They've been so boisterous and smug, about how there shouldn't be more than 20, 25 radicals out there Monday and it will probably be all over with by lunch. So they didn't expect to see all the drivers that they've seen out here, picketing the port.

**EIR:** How many people do you have out there?

**Stewart:** We've had almost 200 at one time. Now, we're doing a different program now. We made an announcement this morning, to let the drivers go back to work who want to work, the ones that want to stand out here, stand out here. We're going to do a rotation system. We're putting placards and picket signs, on the side of the trucks, and letting the trucks go into the port. We're taking the protest into the port, and to the customers across town and everywhere else.

**EIR:** Are you tying this to the question of the gas price, and the fact you can't make a living anymore?

**Stewart:** Oh, yes, it all ties into it. Even before they implemented this program, last week, the guys couldn't make it off what they were making. The freight rates are so low, and the waiting times were ridiculous even before this started. It is at the point where everybody is just about to lose everything they've got.

When they implemented this, that was the straw that broke the camel's back. You cannot sit out here for hours waiting to get one box in and one box out.

**EIR:** What do you get for a box?

**Stewart:** They're getting anything from \$20 to \$35 a box to go into port and to take a box out of the port. One of the guys right here now, he just pulled up, and he's been in there four and a half hours, to get one box in and one box out.

**EIR:** In Mr. LaRouche's paper, and what he's saying is that this kind of thing is part of the breakdown of the whole financial system that's going on worldwide. The stock markets are dropping drastically all over the world.

**Stewart:** I just caught something about that on the news. We're all in this for the long run. Everybody from all over the nation.

**EIR:** How are the drivers doing?

**Stewart:** There are several girls that own trucks out here. One has three kids, she's three months behind in payments on the truck. She didn't need this to start last week. We've got public opinion on our side. We told everybody this morning to bring pictures of your kids. We're going to put them on poster boards and put them on the side of this motor home we have parked on the side of the road. We want people to see what this is affecting. We want to put a face on it.

These people will get their big executive check on Friday, they'll be in Jacksonville, Charleston, who knows?—for the weekend, playing golf. These people, here, are going to be trying to figure out, over the weekend, what they can put on the table to eat, and what's going to be repossessed next.

**EIR:** That's America today.

**Stewart:** And that's disgusting. That's why I'm in this, and I'm in it to the end.

## LaRouche: Financier Takeover Would Be Tantamount to Treason

*The following letter was sent to Lyndon LaRouche by Camden, New Jersey City Councilman Ali Sloan El, Sr. Councilman Sloan El is leading a fight against the attempted takeover of cities in New Jersey under State Senate Bill 1507, also known as the "Municipal Rehabilitation and Economic Revitalization Act." The letter, and LaRouche's response, were read at a rally there, on Oct. 19:*

I am writing today to discuss with you New Jersey State Senate Bill 1507, pending before the New Jersey Legislature, and to officially ask for your written position on American democracy and the right of a municipality to choose its elected representatives. Senate Bill 1507, as it is currently written, effectively abolishes representative government in New Jersey and renders the citizens' right to vote for their local elected officials worthless. Gov. Christine Todd Whitman has decided that the American citizens are unfit to govern and must be subjected to colonialization. This bill undermines the precepts of the Declaration of Independence and the United States Constitution, and, if passed, promises to establish policy that will eat away at the fabric of democracy.

The effects of this bill can be seen in excerpts from the bill as follows:

"... The governing body shall act as advisers to the Chief Management Officer (CMO). . . . The CMO . . . may at any time abolish the position of municipal auditor, attorney, business administrator, or other chief administrative officer, department director, or a member of any board, agency, commission, or authority of any entity whose members are appointed by the governing body, mayor, or other chief executive. . . . The Chief Management Officer may abolish positions in the municipality . . . at any time."

According to the landmark decision of the United States Supreme Court of 1801 in the case of *Marbury v. Madison*, it was determined that the Constitution of the United States is the supreme law of the land and must prevail over any other law, Federal, state, or local, which conflicts with it. In this instance, the state is not only attempting through S-1507 to override the Constitution by usurping the vested powers of local elected officials (therefore surreptitiously overriding the citizen's right to vote), but it is also attempting to establish policy that forbids the citizens through their representatives



*Demonstrators in Camden, New Jersey on Oct. 18, protest the attempted takeover of municipal governments under State Senate Bill 1507.*

from bringing suit against it without its permission.

The New Jersey State League of Municipalities, a body of 564 mayors from across New Jersey, has spoken out in opposition to S-1507 on moral and Constitutional grounds. We are mobilizing every organization across the land that champions democracy to stand with us. So now it is your turn, as elected and potential elected officials of the nation, to tell the American People where you stand on the issues of democracy and the future of the American Promise.

This letter will be sent to all media, state and national, to inform them of the current situation in New Jersey and to acknowledge that we have reached out to the above-mentioned American patriots for their official position on the Founding Fathers, their Declaration of Independence, and their Constitution for the United States of America. On Oct. 19, 2000, at 1:30 p.m., at the State House, 125 W. State Street, Trenton, N.J., we will be conducting a demonstration and rally to voice our opposition to S-1507. You are invited to speak on that day if you think this issue is important to America. If you are unable to speak, an official letter stating your position is acceptable. This letter will be read to the American public on that day.

... Towards a more perfect union, Ali Sloan El, Sr.

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## LaRouche Replies

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*Lyndon H. LaRouche, Jr., candidate for the Democratic Party Presidential nomination in 2000, gave the following reply on Oct. 18:*

1. I concur with the language of your argument on the matter, and add the following summary statement on the underlying

causes of the problem you have addressed in your protest.

2. Contrary to official lies from the highest levels of government, the U.S. is presently gripped by the worst worldwide financial crisis in recent centuries. A general collapse of the U.S. dollar is imminent, despite the desperate efforts of some to postpone the financial collapse's full impact until after the Nov. 7, 2000 Presidential elections. The leading financier interests do not believe that lying government and mass media propaganda which seeks to delude the people into believing that the economy is sound and nothing worse than a "soft landing" is threatened. To understand these actions against which you are protesting, you must see the present situation as the leading financier interests already see it. They see it as the worst financial collapse in centuries, far worse than 1929-1932, and are preparing to loot every public and private resource available once the crash strikes.

3. The actions against which you protest are part of the effort of corrupted political figures to ensure that it is the people, not the bankrupted financier interests, which suffers the greatest part of the burden on the presently onrushing financial collapse.

4. As the inevitable, presently onrushing global financial collapse strikes with full force, the only possibility for saving this nation will be actions taken in the spirit of President Franklin Roosevelt's recovery measures of the 1933-1945 interval. Those measures depend absolutely upon the sovereign powers of government under the terms of our 1776 Declaration of Independence and Federal Constitution of 1789. Therefore, under these present and impending conditions, any effort to replace the duly-constituted institutions of representative government with administrators acting on behalf of private financier interests, would be an act tantamount to treason.



# Spooky U.S. Background of ‘Top Bin Laden Aide’

by Edward Spannaus

A former Egyptian Army officer, who also served in the U.S. Army Special Forces, has pled guilty to participating in a terrorist conspiracy with Osama bin Laden, to murder Americans. Ali Mohamed, described as a “top lieutenant” to the ubiquitous terrorist bankroller bin Laden, entered his guilty plea in Federal court in New York on Oct. 20, after plea negotiations which have been ongoing since Mohamed’s arrest a little over two years ago.

Two features of the Ali Mohamed case are obvious to any serious observer:

1. Mohamed’s “confession” just happens to coincide with a crescendo of calls for retaliatory attacks on the Afghanistan base camps of Osama bin Laden, on the unproven supposition that bin Laden’s largely mythical organization was responsible for the Oct. 12 attack on the *USS Cole* in Yemen.

2. Even a cursory examination of what is known about Mohamed’s background, indicates that there is much more to his case than meets the eye. His record suggests that he has been an asset of U.S. (and perhaps other) intelligence agencies for at least two decades, and he was regularly in contact with the FBI and other agencies during the time he was allegedly conspiring to commit acts of terrorism against the United States.

The context in which Mohamed was operating, was the Reagan-Bush Administration’s covert Afghanistan “freedom fighter” crusade—an extension of Zbigniew Brzezinski’s “Arc of Crisis” policy from the 1977-81 Carter Administration. Under the structure adopted early in the Reagan Administration, Vice President George Bush was in charge of such covert operations, two of the most notable ones being the covert U.S. military support for irregular warfare in Central America and in Afghanistan.

## A Jihadist at Fort Bragg

In his hearing on Oct. 20 in Federal court in Manhattan, Mohamed said that he had become involved with the Egyptian Islamic Jihad organization in the early 1980s, and that he had been introduced to bin Laden’s Al Qaeda organization in the early 1990s. He said that he helped transport bin Laden from Afghanistan to Sudan in 1991, that he had given military and explosives training to Al Qaeda in Afghanistan in 1992, and that he carried out surveillance of the U.S.

Embassy and other facilities in Nairobi, Kenya, in 1993; the Nairobi Embassy building was later bombed in August 1998, with bin Laden’s networks being held responsible.

Mohamed’s military record—at least that part which is publicly available—suggests that this is a very bizarre case indeed; but, it can help to shed some light on how the so-called “bin Laden organization”—not the mythical “terrorist international” of newspaper accounts—was actually created, and why it serves as such a useful foil for all kinds of terrorism/counterterrorism games run by British, U.S., and Israeli intelligence agencies.

(The real Osama bin Laden comes from a wealthy Saudi family; he began ingratiating himself with Afghansi mujahideen in 1984, when he would show up in Pakistani hospitals, wearing an Afghan tunic over his finely tailored English trousers and custom-made English boots, dispensing money to the families of wounded resistance fighters. His real base of operations, to this day, is not Pakistan or Afghanistan, but London.)

Ali Mohamed enlisted in the Egyptian Army in 1971, spending the first three years at the Military Academy in Cairo, and eventually rising to the rank of major by the time he left in 1984. In 1981—at the same time he says, that he became involved with Islamic Jihad—while a captain in the Egyptian Army, he attended the U.S. Army Special Forces Officer Course at the Institute of Military Assistance at Fort Bragg, North Carolina. Earlier that same year, he took a paratrooper course at Fort Benning, Georgia.

The Institute for Military Assistance at that time was comprised of the former U.S. Army Civil Affairs School from Fort Gordon, Georgia, and the U.S. Army’s Special Warfare School, already at Fort Bragg. These were both key military components of the Central Intelligence Agency’s counterinsurgency, or “civil affairs,” programs, which were explicitly modelled on British programs of the same nature. The curriculum for the Special Warfare School was developed by the CIA’s Ed Lansdale, the architect of the failed “pacification” programs in Vietnam. In 1963, the Institute for Military Assistance was renamed the JFK Special Warfare Center and School, and it is still known as such today.

It is no secret that these training programs for foreign military officers, especially those in unconventional warfare, were used as a method of recruiting foreign military officers as assets for the CIA or U.S. military intelligence agencies.

## ‘Blowback’

Mohamed left the Egyptian Army in 1984, and worked as a counterterrorism official for Egypt Airlines for 18 months; then, in 1985, he came to the United States. But, according to published reports, around the time he left the Egyptian Army, he approached CIA officers in Egypt, and offered to work for them.

According to the official version of events, Mohamed soon came to be regarded as “unreliable,” and his offer was

turned down. Moreover, the Agency claims that it placed his name on a State Department terrorist watch list.

Nevertheless, Mohamed was admitted to the United States later that year. The *Boston Globe* has reported that he was admitted under a special CIA visa program—which is plausible, given the CIA’s involvement in promoting, and assistance in promoting the Afghan resistance at that time.

“CIA,” in this context, does not necessarily mean the Central Intelligence Agency. In the wake of the severe cut-backs in the CIA’s clandestine operations in the late 1970s, many covert operation capabilities were shifted into military intelligence agencies, which had bigger budgets, and which were subject to much less media scrutiny and Congressional oversight than was the CIA.

The giveaway is that, despite Mohamed’s presence on the terrorist watch list, within a year, he had enlisted for an eight-year stint in the U.S. Army—three years of active duty, and five more years in the reserves. For most of his period of active duty, he was assigned to the Special Forces Command at Fort Bragg. After this, he completed his five years in the reserves, and was honorably discharged in 1994. His military records indicate that the investigation, under which he would have obtained a security clearance, was inexplicably never completed.

In 1988, he received a commendation for “patriotism, valor, fidelity, and professional excellence” from the Army, and just before he left active duty in November 1989, he was awarded an Army Commendation Medal, “For Meritorious Service,” from the JFK Special Warfare Center.

Meanwhile, it was known by all involved, that Mohamed had gone to Afghanistan during 1988 for a period of about a month, while on military leave, and had fought with the mujahideen against Soviet troops. Two of his supervisors were sufficiently alarmed about this (or concerned to cover their own rear ends), that they filed reports with Army officials at Fort Bragg, and with Army Intelligence. During 1989, while still on active duty, Mohamed began working with the Afghan recruiting center being run by Sheikh Abdel Rahman in Brooklyn, and Mohamed conducted training sessions in guerrilla warfare in New Jersey for American Muslims recruited to go fight in Afghanistan.

It is a matter of public record that Mohamed was in contact with the FBI, the Royal Canadian Mounted Police (RCMP), and other agencies, up until the point at which he was arrested, in September 1998. His arrest was kept secret for eight months, and he did not cooperate with the other defendants in the bin Laden case. His plea bargain was only announced on Oct. 20, but had obviously been in the works for the past two years, if not longer.

## Who Ran Terrorism in New York City?

Mohamed’s case is reminiscent of that of another FBI informant and provocateur, Emad Salem, which surfaced around the February 1993 World Trade Center bombing.

Salem was also a former Egyptian Army officer, who was working with Sheikh Rahman, who was reportedly brought into the United States by the “CIA” in the 1980s to recruit American Muslims and blacks to go fight the Soviets in Afghanistan.

After having been tried, and acquitted, for involvement in the October 1981 assassination of Egyptian President Anwar Sadat, Rahman received the first of four visas to enter the United States in 1986. In 1991, he was granted permanent resident status in the United States.

The center of Rahman’s recruiting operation was the Alkifah Refugee Center in Brooklyn. The Center was used to funnel recruits into the Afghansi faction headed by Gulbuddin Hekmatyar, the most fanatical, anti-American of all the mujahideen factions in the Afghanistan resistance—but the faction most favored by U.S. intelligence, which funnelled at least \$1 billion to him. In 1985, Hekmatyar came to the United States and visited the Refugee Center in Brooklyn.

The Center first came to public attention around the 1990 assassination of Jewish Defense League founder Meir Kahane in 1990: Sayyid Nosair, the Egyptian immigrant convicted on weapons charges in connection with the Kahane killing, was a regular at the Center.

The next time the Center came under a spotlight was in the aftermath of the 1993 World Trade Center bombing, when Sheikh Rahman and others from the Refugee Center were charged with, and convicted of, that bombing; they were also later convicted of a conspiracy to blow up various other New York landmarks.

Nosair was among those charged in the Landmarks case; his defense was, that his activities were part of an American-sponsored covert operation to arm and train the Afghanistan resistance movement. Nosair contended that his link to the U.S. covert effort, was none other than Ali Mohamed, who had provided training to him in 1989.

Salem, who was the major FBI informant in the World Trade Center and Landmarks cases, had come to the United States in 1988; he had been a lieutenant colonel in the Egyptian Army. Salem penetrated the defense support network for Nosair, who was charged in the Kahane murder, and worked his way into the circles around Sheikh Rahman and the Refugee Center.

According to testimony in the World Trade Center trial, Salem had instructed the defendants on how to make a bomb; he himself claimed that he had intended to substitute harmless materials for the explosives at the last minute, but that the FBI then called this aspect of the operation off, which permitted the bombing to go ahead.

Salem was also an employee of a private security company run by Graham Knowles, a former British Army officer and an expert on explosives; Knowles’s 1976 book *Bomb Security Guide* is still used as a standard reference for security personnel.

# Norman Rockwell: Illustrating Twentieth-Century America

by Bonnie James

The first comprehensive exhibition of the works of Norman Rockwell (1894-1978), at the Cocoran Gallery of Art in Washington, D.C., was an opportunity to reassess this important American artist. In addition to more than 70 of his oil paintings and all 322 of his illustrations for the covers of the *Saturday Evening Post*, the exhibition included many of Rockwell's preliminary sketches, photographs, color studies, and detailed drawings. The exhibit spanned more than 60 years of Rockwell's career.

It may surprise you to learn that Norman Rockwell was born and raised in New York City, since his paintings, especially the *Saturday Evening Post* covers, conjure up a simpler, more innocent lifestyle, usually associated with rural America. In fact, Rockwell, in his autobiography, *My Life as an Illustrator*, reveals that he treasured the Summers he spent as a boy in the country.

Rockwell tells us that his art was aimed to please, perhaps to gently poke fun at people, but never to provoke or confront them:

“... I have always wanted everybody to like my work. ... So I have painted pictures that didn't disturb anybody, that I knew everyone would understand and like. ... Maybe (to be completely honest), the fact that this type of picture pays well has something to do with it too.

“I sometimes think that all this is a weakness. I know I'm not satisfied with my work. At times it seems shallow, incomplete. But that keeps me working. If I thought I was perfect or even close to it I'd probably pawn my brushes and quit.”

While this brutally honest self-description accurately characterizes some of Rockwell's work—especially that with which most of us are familiar through his many *Saturday Evening Post* covers, it is perhaps too self-effacing, because Rockwell, as a political cartoonist, in the tradition of the social satire of Goya or Daumier, was a genius. Much of what seems at first glance to be, at least to some sensibilities, more than a bit too sickly-sweet—all those gawky, rosy-cheeked adolescents on first dates, with beaming elders

looking on, and so forth—there is, in fact, more than meets the eye. We will look at a few of Rockwell's *Post* covers, to explore this further.

Beyond these well-known works, the most interesting thing to me, was the definitive shift which occurred in Rockwell's work after he left the *Post* in 1963, and began painting for *Look* magazine. America was then entering a period of tremendous political and social upheaval: This was the year of the Cuban Missile Crisis; the Civil Rights movement had placed the issue of justice and equality for all men before the nation's collective conscience. One could no longer pretend that the country resembled the innocent world portrayed in Rockwell's depiction of President Franklin Roosevelt's “Four Freedoms.” The war was no longer “over there,” it was on the streets, on the buses, at the lunch counters of America's towns and cities. In the ten years that Rockwell worked for *Look*, he succeeded in producing a number of paintings which surpassed any of his earlier works in their capacity to elevate the mind of the viewer to that state which is described by the poet Shelley as open to “receiving profound and impassioned conceptions respecting man and nature.” Until this period, from his first *Post* cover in 1916, Rockwell was a fine illustrator, with a sharp sense of humor and a piercing insight into character. His subjects tug at your emotions, make you smile, laugh, or even cry, but rarely do they confront you in a way that forces you to change your axiomatic way of thinking, and become a more noble person—until the 1960s, as we shall see.

### The ‘Four Freedoms’

Let's begin by looking at one of Rockwell's famous depictions of President Roosevelt's Four Freedoms. In January 1941, as Europe was falling to Hitler, FDR addressed the Congress, and spoke of a “moment unprecedented in the history of the Union.” The Four Freedoms, he said, were “no vision of a distant millennium,” but “a definite basis for a kind of world attainable in our time and generation.” Rockwell did a painting for each of the Four Freedoms: Freedom from

FIGURE 1

“Freedom from Fear,” 1943



Want, and from Fear; Freedom of Speech, and of Worship. “Freedom from Fear” (Figure 1) is characteristic of his work during the war. While Roosevelt was thinking in universal terms about freeing the world from the danger of war, through a “worldwide reduction of armaments,” to end “aggression,” Rockwell takes this idea, and brings it home.

Here we see a young family: Mother is tucking the two children into bed, as Father looks on. Various homely objects are strewn about: a doll, some clothing, etc. Although the mother looks serene, as the children fall asleep, Father has an expression of concern on his face. We notice that he is holding his reading glasses and a newspaper in his left hand. The headline, faint, has the words “BOMBINGS KI. . . . HORROR HIT. . . .” The angle of the newspaper is parallel to a dark shadow that falls in a sharp diagonal across the wall above the children’s heads. This sharp angle is repeated several times throughout the painting: on the stair rail, the fold of the bedcovers, and so forth. It tells us that all is not right in the world, as we might have thought at first glance, and that, although these children are safe—free from fear—at the moment, dark shadows are falling on children somewhere else. As we take all this in, suddenly the doll on the floor, which looked so innocent a moment ago, takes on the

FIGURE 2

“Triple Self-Portrait,” 1960



appearance of a dead child. This is the subtle power of Rockwell’s art.

Rockwell experiences an epiphany beginning around 1960; as noted, he will leave his decades-long association with the *Saturday Evening Post* behind, and begin to take up subjects which bring about a revolution in his work.

A transitional work, which may indicate the shift that is already under way, is Rockwell’s famously humorous “Triple Self-Portrait” of 1960 (Figure 2). His image is reflected in a mirror, which suggests, with its large American eagle at the top, a *Saturday Evening Post* cover. But Rockwell’s eyes, as reflected in the mirror, are hidden, because of the way the light reflects off the lenses of his glasses. If, as Leonardo da Vinci tells us, the eyes are the windows to the soul, then we can only see Rockwell’s soul through the eyes that peer out at us, bemusedly, from the self-portrait he has sketched on his easel. This then is the “real” Norman Rockwell—the artist, and subject of his art. He is in good company: pinned to the easel are self-portraits of Dürer and Rembrandt, as well as Picasso and Van Gogh. At the top of the easel sits a gold helmet, of the type that Rembrandt used in his portraits.

FIGURE 3  
"The Problem  
We All Live  
With," 1964



FIGURE 4  
"New Kids in the  
Neighborhood,"  
1967



## The Civil Rights Movement

In January 1964, less than two months after the assassination of President John F. Kennedy, Rockwell painted "The Problems We All Live With" (Figure 3), perhaps one his his most successful works. The huge March on Washington had taken place the previous August; and President Lyndon

Johnson would sign the Civil Rights Act of 1964 on July 2. But Rockwell chose to portray an incident that had occurred some three years earlier, on Nov. 14, 1960, during the battle to desegregate the nation's public schools. A six-year-old girl named Ruby Bridges walked through a mob of screaming segregationists in New Orleans, escorted by

U.S. marshals, into the William Frantz Elementary School, to become one of the first African-American children to integrate the public schools in the state of Louisiana.

In this painting, Rockwell has again taken up the question of freedom, this time from a new perspective. The composition focusses on a very small girl; her dark skin contrasts dramatically with the crisp white of her dress and shoes; a small, but jaunty white bow is tied around her pigtail. She walks in step with the marshals, who protect her from the mob. The calm of the scene depicted is in sharp contrast to the fury of the *vox populi*; we cannot see the mob directly, but they are visible through the evidence of their hatred: On the wall are scrawled the words “NIGGER” and “KKK”; tomatoes have been thrown at the child, and have splattered on the wall behind her. The marshals, who tower over her, are identified by the armbands they wear, while their heads are cut off by the top edge of the picture. Everything is concentrated on the expression of the little girl, who seems somewhat bewildered, but determined, as she clutches her books and pencils in her left hand, the accoutrements of her education, which is, after all, what all the fuss is about.

Rockwell has chosen to confront us with the brutality and insanity of racism by forcing us to perceive it through the eyes of an innocent child. He will do this again, in a slightly different way in “New Kids in the Neighborhood” (Figure 4), of 1967, by which time local communities were being integrated. Here we see what is obviously the first black family to move into the neighborhood, as the local kids, all white, “check out” the new kids on the block. Their expressions are not hostile, but guarded; their differences are reinforced by the various contrasting details in the picture; for example, the little black girl holds a white cat; the white children are accompanied by a small black dog. Yet, we sense that the kids will work things out, and end up being friends. It’s the “grown-ups,” who are likely to have problems. Rockwell tells us this by excluding them from the scene, except for a neighbor-lady, barely visible, as she peers from behind a curtain, in the house a couple of doors away.

By placing children at the center of his story, Rockwell defuses the tension inherent in the subject matter. He suggests that children, who are the future, will resolve this, by overcoming the ignorance and cruelty of their elders.

In “Southern Justice in Mississippi” (study) (Figure 5), Rockwell takes this polemic to a higher level. This is not the Norman Rockwell most of us are familiar with, but it is clear, in looking back from this powerful depiction of racial injustice, to some of his earlier works, that there is in fact a coherent development. Now, Rockwell, freed from the constraints placed on him by the *Saturday Evening Post*, gives expression to his deepest convictions. In 1964, Rockwell was asked by *Look* magazine to commemorate the deaths of three Civil Rights workers, Michael Schwerner, Andrew and James Chaney, who were murdered in Philadel-

FIGURE 5  
“Southern Justice in Mississippi” (study),  
1964



phia, Mississippi. They had just arrived there to participate in “Freedom Summer,” which aimed at registering blacks to vote. Two of the men were white, one black.

In Rockwell’s painting, one of the white men lies on the ground, apparently shot dead; another stands, bathed in a bright light, holding in his arms the bloodied black man, who has fallen to his knees. The standing man turns toward the murderers, whom we see only by the shadows they cast, and the sticks they hold. The entire painting is done in sepia tones. Our eyes are drawn to the face of the white man. Although his features are barely sketched, we sense his bewilderment and horror, but also his courage. This tells us that the cause for which these three young men gave their lives will live after them, and be strengthened by their sacrifice.

The Rockwell exhibit is also travelling to the San Diego Museum of Art, the Phoenix Art Museum, the Norman Rockwell Museum at Stockbridge (Massachusetts), and the Solomon R. Guggenheim Museum in New York.

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# National News

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## LaRouche's 1980 Exposé Cost Bush the Presidency

Lyndon LaRouche's exposé of George Bush in New Hampshire in 1980 cost Bush the Presidency, writes Jim Marrs in a new book, *Rule by Secrecy* (HarperCollins, 2000). LaRouche publicized Bush's membership in Skull and Bones, a secret society at Yale University, and his affiliation with other similar oligarchical groupings.

"Controversy concerning The Order [Skull and Bones] surfaced during the 1980 Presidential election," writes Marr. "Former U.S. Labor Party National Chairman Lyndon H. LaRouche began an independent bid for the Presidency. In the New Hampshire primary elections, LaRouche attacked Republican candidate George Bush for his affiliation with The Order, stating, 'Skull and Bones is no mere fraternity, no special alumni association and added mumbo-jumbo. It is a very serious, very dedicated cult-conspiracy against the U.S. Constitution. Like the Cambridge Apostles, the initiate to the Skull and Bones is a dedicated agent of British secret intelligence for life.' Many observers believed that the revelations of Bush's connection to Skull and Bones, the CFR [New York Council on Foreign Relations], and the Trilateral Commission cost him the New Hampshire primary and eventually the Presidency in 1980."

Marrs is also the author of *Crossfire*, a book on the Kennedy assassination.

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## English 101: Script the Perfect Murder

High school English teacher Andrew Philips, of Covina, California, instructed his English class to author a short story, picking a victim to be murdered and planning the killing without being caught, Associated Press reported on Oct. 4. After protest from some students, an alternative assignment was proposed: List 8-10 motives for killing somebody. The teacher has been either fired or ordered to resign, and was not available for comment. Protests and counter-protests went on for days at the school, with one side

furiously at the teacher, and the other side chanting, "We want Mr. Philips back."

Lyndon LaRouche remarked that the episode "typifies the kind of influence of the *New York Times*' style book on those who learned their spelling, punctuation, and morals from such sources."

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## Bill Gates on New Economy: 'Get Real!'

Microsoft Chairman Bill Gates told a conference in Seattle, Washington on Oct. 18, that health care and improved literacy, not high tech, is the best route for aiding world's poor, the *Seattle Post-Intelligencer* reported.

"The Creating Digital Dividends conference, sponsored by Washington, D.C.-based World Resources Institute and attended by some 300 representatives of high-tech companies, venture firms, and governments, revolved around the thesis that technology can make both entrepreneurs and consumers out of people earning less than \$1 a day.

"Let's be serious. Let's be serious," Gates said. . . . Do people have a clear view of what it means to live on \$1 a day? There are things those people need at that level other than technology. About 99% of the benefits of having [a PC] come when you've provided reasonable health and literacy to the person who's going to sit down and use it."

"Gates was asked whether the world shouldn't 'lead with technology for economic development and watch health improve as a follow-on to that, as occurred here.'

"He answered, 'One million people a year [in the U.S.] were not dying of measles when the microprocessor was invented. . . . People with elephantiasis aren't going to be using their PCs. I'm suggesting that if someone's interested in equity, you wouldn't spend more than 20% of your time talking about computers. It's almost criminal more money isn't spent on curing malaria, which kills 1 million children a year. . . .

"Do people have a clear view of what it means to live on \$1 a day?' he said, repeating himself. 'There's no electricity in that house. None. Is someone creating computers that

don't require electricity? . . . You're buying food, you're trying to stay alive. You live in a different world!'"

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## The U.S. Election as Seen from Russia

The Russian magazine *FAS* has been running a series titled "New American Fairy Tales," by Dmitri Bykov and Yelena Lukyanova. The episode in the Oct. 12 issue has G.W. Bush and Al Gore waging a contest in political correctness.

First, an assistant rushes into Bush's office, screaming that Gore has picked a Jew as his Vice Presidential candidate. Bush inquires why this idea hadn't come to his own team first, and tells Dick Cheney to confess in public that he is a homosexual. Gore retaliates by telling Lieberman to confess in public that he has flat feet and radiculitis.

Then, Bush forgives a serial murderer, on the grounds that in his childhood, he saved a cat. Gore's team stages the rescue of a little girl from a fire by Gore personally (Gore was afraid of fire, but somebody tells him: "Remember how Bill made his confession about Monica," and Gore races into the fire). But Bush's team spreads a rumor that, while saving the girl, Gore had sexually harassed her, by taking her by the knees. The girl promptly publishes a book of memoirs. Gore realizes that his only answer could be abortion, and personally takes part in this procedure in public. In turn, Bush ejaculates into a test tube, then rushes to Africa, giving hot dogs to starving children. Gore follows him and takes away the hot dogs, claiming that they are environmentally dangerous. Bush gives up eating meat, and Gore gives up eating fish.

On Election Day, Gore arrives in a wheelchair, in order to remind people of Franklin D. Roosevelt, with the girl in an ash-stained dress on his knees, and carrying a bomb labelled "Milosevic Must Go." Bush arrives with the test tube, hanging out his tongue and trying to make his eyes as narrow as possible, as if he suffered from Down's syndrome. Lieberman comes doubled over with radiculitis, and Cheney is carried by two pretty youths. The American people decide to elect Vladimir Putin as their President.

## GOP Still in No Hurry To Get Out of Town

With less than two weeks to go before the Nov. 7 elections, the GOP Congressional leadership was still showing no eagerness to end the session to campaign for re-election. The House and Senate meanwhile finished work on three more appropriations bills and came closer to agreement on some others. Clinton signed a fourth continuing resolution on Oct. 19, which expired on Oct. 25, but said that he would only sign one-day extensions from here on out, in order to keep Congress working.

Clinton signed the \$58 billion Transportation Appropriations bill on Oct. 23, and conference reports on the Agriculture and the Veterans Affairs-Housing and Urban Development bills were sent to the President on Oct. 18 and 19. The House and Senate also acted on the Energy and Water Development bill, which Clinton had vetoed on Oct. 7. The House overrode the veto on Oct. 11, but the Senate didn't have the votes, so Republicans took out the provision on Missouri River management that Clinton had objected to.

The \$78 billion Agriculture bill left many people on both sides of the aisle unsatisfied. The bill would allow sales of food and medicine to Cuba, but is largely symbolic, because it prohibits financing by government export financing agencies and U.S. banks. The bill includes \$2 billion in aid to farmers suffering from drought-induced losses. White House spokesman Jake Siewert told reporters on Oct. 19 that Clinton would be signing the bill with "deep reservations." Farmers need help, but the bill is "deeply flawed," he said. There are things in the bill "that are, at worse, missed opportunities or, in some cases, steps backwards."

The Foreign Operations Appropri-

ations bill, which had been held up over disagreements over U.S. aid to international organizations that promote abortions in other countries, will soon be ready for action. An agreement worked out by Reps. Nancy Pelosi (D-Calif.) and Sonny Callahan (R-Ala.) deletes language restricting overseas abortions, but doesn't allow any money to be spent until Feb. 15, 2001, leaving the decision to be made by the next Administration. Both sides in the negotiations indicated that the White House would sign the bill.

Republicans are also working on an end-of-year tax-cut package that they intend to send to Clinton before they leave town. It would consist of tax cuts that have already received bipartisan votes, but didn't make it into final bills. It would also raise the annual contribution limit for Individual Retirement Accounts (IRAs) and 401(k) pension plans, use tax breaks to spur investment in poor urban and rural areas, and link tax breaks to small business to an increase in the minimum wage. Republicans estimate that the package comes to about \$260 billion over ten years. The White House is, so far, reserving judgment until it sees the final package.

## Sharon Provocation Backed by House Bill

On Oct. 19, twenty-three House members from both parties introduced a bill to cut off U.S. assistance to the Palestinian Authority unless the President certifies that the PA "has publicly renounced violence as a means of political expression" and "has taken all actions within its capacity to bring an end to the violence" in the West Bank and Gaza.

Anthony Weiner (D-N.Y.) claimed that the legislation is necessi-

tated by "the recent combination of Palestinian intransigence at the bargaining table . . . and the organized violence that has been turned on and off at the whim of chairman [Yasser] Arafat." Weiner said, "The time has come to send a signal to Arafat and to the world that we will not stand idly by while taxpayer funds are used for acts of hatred against Israel."

Peter Deutsch (D-Fla.) characterized the visit of Likud Party leader Ariel Sharon to the Temple Mount, which provoked the violence, as "peaceful," ignoring the thousands of police officers that provided Sharon's escort.

While a free-standing bill has little chance of passage in the waning days of this Congress, Weiner promised that the bill's sponsors would make every effort to include the language of the bill in the Foreign Operations Appropriations bill and, "if necessary, continue to pursue this measure in the coming session of Congress."

## Byrd Calls for Curbs on Media Violence

In remarks on the Senate floor on Oct. 17, Robert Byrd (D-W.V.) disparaged the lack of attention to the marketing of violence by the entertainment industry, as an issue in the ongoing election campaigns.

Byrd warned that "in the midst of all our affluence, we are rearing a generation that is appallingly casual about violence, a generation that is appallingly self-centered about getting, or taking, what they want." He attributed this to the "unrealistic expectations" that children learn from the movies—in particular, the violence and mayhem that film heroes leave in their wake without paying for the consequences. "I have always instinctively, intu-



itively felt," he said, "that people who can look with equanimity on this kind of violence . . . might themselves be open to such action."

After referencing the recent Federal Trade Commission report on the mass marketing of violent content to children under 17, Byrd said, "Our children are dazzled by the entertainment industry's lurid images. The industry beckons our children with advertising and once they are in the industry's clutches, the children are fattened up with more violent material."

Byrd was not optimistic that legislation addressing the problem will be dealt with by the 106th Congress, but he vowed "to revisit this issue next year." In the meantime, he urged that the issue be addressed in the election campaigns. Given that the entertainment business makes millions in campaign contributions, he asked, "When will the candidates be asked piercing questions about their stands on matters such as this?"

## Armenia Genocide Resolution Is Withdrawn

At the urging of President Clinton, House Speaker Dennis Hastert (R-Ill.) withdrew from consideration a resolution calling on the President to recognize as genocide the campaign of the Ottoman Empire against Armenians in 1915-23. Even though the resolution declares that the current Turkish government is not responsible for that genocide, Istanbul nonetheless expressed extreme displeasure with the resolution, and threatened to stop the no-fly enforcement operation against northern Iraq that is being carried out from air bases in Turkey.

The resolution passed the House

International Relations Committee by a vote of 24-11 on Oct. 4, but attracted the opposition of many national security policymakers, including Secretary of Defense William Cohen and a number of former secretaries, both Democrats and Republicans. In a letter to Hastert, President Clinton warned that passage of the resolution "could have far-reaching negative consequences" for the United States, which would have an impact on not only the containment of Iraq, but also on Mideast peace efforts and efforts to improve relations between Turkey and Armenia.

Hastert said that what Clinton had asked for was "not an idle request," and that the President's concerns must be taken into consideration, "especially given the latest developments in the Middle East." Some media reports said that Hastert's withdrawal was seen in some circles as helping Republicans running for re-election in districts that include large Armenian-American communities. The name most often mentioned in this regard was James Rogan (R-Calif.), who was one of the House managers in the impeachment of President Clinton.

## Zinni Rejects 'Clash of Civilizations' Thesis

At Senate Armed Services Committee hearings on Oct. 19, convened to hear testimony on the attack on the *USS Cole*, Gen. Anthony Zinni (ret.) rejected the idea of a "clash of civilizations," as propagandized by geopoliticians Samuel Huntington and Zbigniew Brzezinski.

Pat Roberts (R-Kan.) and Tim Hutchinson (R-Ark.) referred to newspaper editorials characterizing the attack on the *USS Cole* as an act of war. Roberts quoted Huntington declaring

that after the Iranian Revolution of 1979, a "quasi-war" developed between Islam and the West.

Zinni said that he "strongly disagreed that there is a clash of civilizations. We are not at war with Islam. . . . It is not the teachings of the Koran or Islam to do this [terrorism]. These are extremists. These are radicals that you can find in any religion." To deal with such radicals, he said, "you have to go after the root cause" which lies in economic conditions and injustices.

Zinni said that if a state sponsors the terrorist act, it is an act of war, and such a response is appropriate. But, he said, we now have independent actors who have the same capabilities as states. We have to wage war against a "network" in this case. "I'm not sure who we could declare war *against*," said Zinni. "Go into Afghanistan? It is difficult."

In Spring 2000, Zinni earned the ire of Sen. Jesse Helms (R-N.C.) and some in the Clinton foreign policy team, when he ridiculed the Iraq Liberation Act as a scheme to bankroll a bunch of "silk-suited, Rolex-wearing guys in London." He warned that if the United States put any money into backing such a plan, it would result in a "Bay of Goats."

Most of the questions to Zinni dealt with logistics issues, such as the decision to refuel U.S. Navy ships in Aden and the Navy's lack of at-sea refuelling capabilities. Committee Chairman John Warner (R-Va.) reported that in the last ten years, Navy has gone from 32 refueling tankers to just 21. Zinni commented, "I did not have an adequate number of tankers to use for [refuelling at sea]. . . . I was never given an option to have an oiler full time" to meet refuelling requirements for ships on station in the Persian Gulf or for those entering and leaving the area.

# *What Will You Do After the Crash?*

On the eve of the U.S. Presidential election, the Gore and Bush campaigns are squabbling about how to spend the record so-called budget surplus which supposedly unprecedented prosperity is bringing us. Meanwhile, back on planet Earth, the world financial system, especially the U.S. system, is wobbling at the edge of a financial blowout which will make 1929-31 look like a picnic. Everybody knows it, though, in the United States, few are willing to admit it publicly.

And now, burgeoning asset-price inflation, fuelled by Federal Reserve Chairman Alan Greenspan's and Treasury Secretary Lawrence Summers's ever-larger investor bailouts, has long since spilled over into commodity prices, just as Lyndon LaRouche has warned about since Autumn 1998. Energy prices are only the best-publicized case; prices of numerous commodities, in nearly every category, have suddenly begun to spiral wildly upward, in a way that can no longer be completely concealed by such hoaxes as the Quality Adjustment Method or "hedonic" calculation of inflation, which *EIR* exposed in our last issue. A repeat of Weimar Germany's hyperinflationary blowout of November 1923, is looming. But this 2000 blowout cannot follow the course of the 1923 one, nor can the U.S. and global problem be contained as Germany's was, so that the further precise course of the crisis is still veiled in smoke.

But one thing is clear: Those who are crowing about a mythical prosperity, while in reality the vultures are circling over Wall Street, resemble nothing so much as the Mutt-and-Jeff tyrants of East Germany in October 1989: Socialist Unity Party head Erich Honecker, and his secret-police chief, Erich Mielke.

The 40th anniversary of the founding of the misnamed German Democratic Republic (East Germany), celebrated on Oct. 6-9, 1989, was an occasion for the wildest communist triumphalism. It looked strange enough at the time—but looking backwards, back from the fall of the Berlin Wall a month later, and the collapse of the East German state, it was completely unbelievable.

In October 1989, Erich Honecker proclaimed that socialism would last a thousand years, and even wrote

a little poem about it.

It did look strange at the time, but not to everyone: World Jewish Congress head Edgar Bronfman actually visited Honecker then, to accept an award from him. Today, the same Edgar Bronfman supports Vice-President Gore.

If either Gore or Bush is elected President, he will be the next Erich Honecker of the United States. In either case: Clean up that house in Chile, where Honecker fled into exile from Germany, because we'll be using it again, for Bush! Or, for Gore!

In the face of such an obviously looming catastrophe, the tendency of most people is to concentrate, fearfully, on the world "in the small," to ask, "What's going to happen next?"—up to the point of the crash. This is a political mistake. Instead, look at what's going to be the state of affairs *after* the crash. "What are *you* going to do after the crash?" This is only way to organize the typical American, as well as the typical European. As long as you're saying, "The crash is coming; the crash is coming," they'll only repeat, "The party line is that it's not coming"—even though their own personal experience says the contrary. But if you focus on what to do after the crash has occurred, then you can begin to think, and get others to think also.

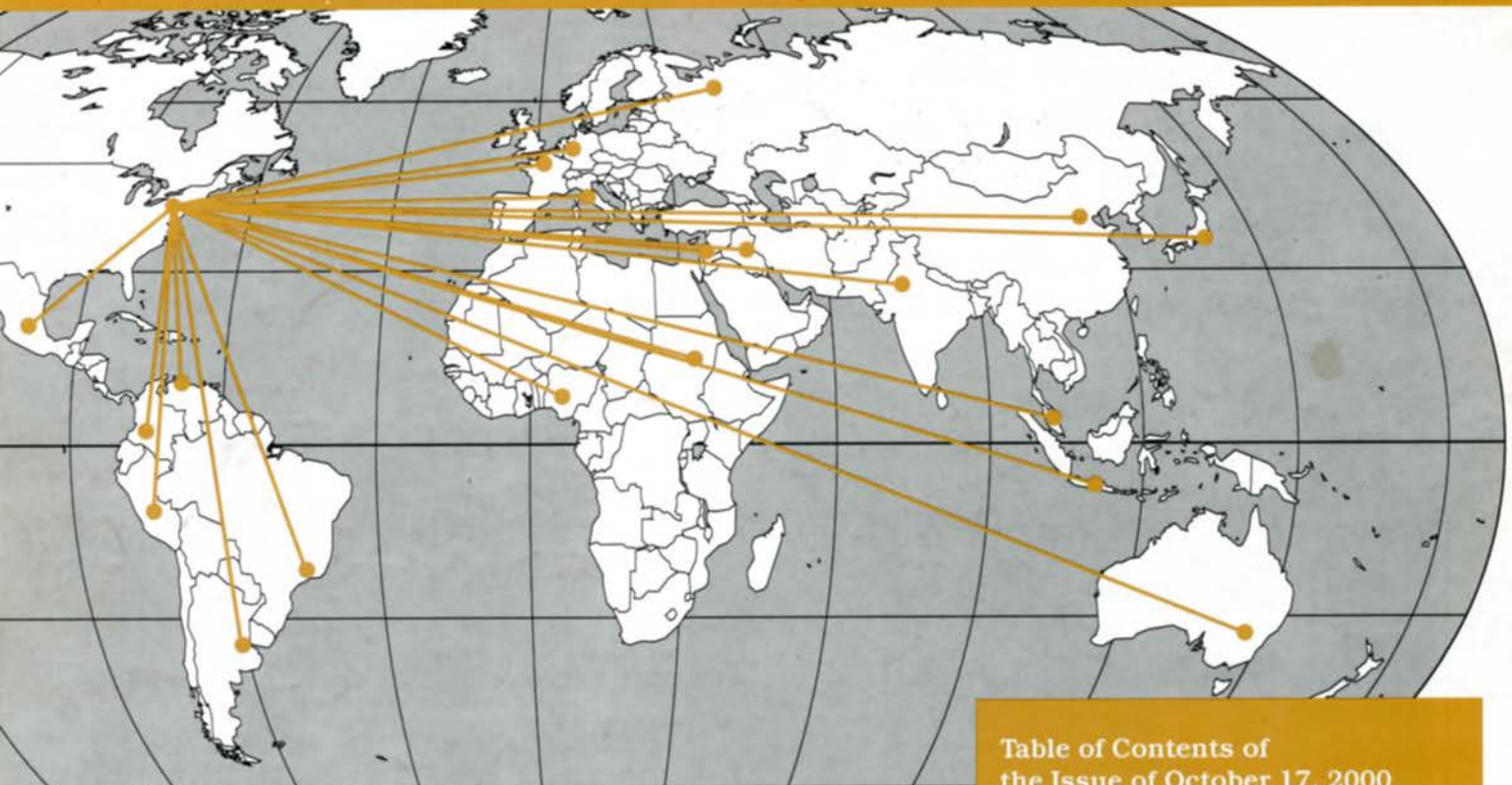
A very good example, is the resolution submitted by 25 Italian Senators on Oct. 19, to the Italian Senate and the Interparliamentary Group for the Jubilee 2000, calling for a New Bretton Woods System. This is LaRouche's policy, which he has expounded in countless forums. The resolution cites the "total instability and volatility" of the international markets, and the fact that we are in "a systemic crisis." It calls on the Italian government to work to convene a new international conference, similar to that at Bretton Woods in 1944, "with the aim to create a new international monetary system."

Other nations should immediately join this call, and Americans should mobilize to get their fellow citizens and elected representatives, to junk the new "Honecker-Mielke" duo, and join the fight for an economic recovery.



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